



Office of the City Manager

PUBLIC HEARING

March 25, 2025

To: Honorable Mayor and Members of the City Council

From: Paul Buddenhagen, City Manager

Submitted by: Jordan Klein, Director, Planning and Development Department

Subject: Establishment of M-RD Zoning District, Associated General Plan and West Berkeley Plan Amendments, and Environmental Impact Report

RECOMMENDATION

Conduct a public hearing and upon conclusion:

1. Adopt the first reading of an Ordinance (**Attachment 1**) amending Title 23 of the Berkeley Municipal Code (BMC) and the Zoning Map to establish the Manufacturing, Research & Development (M-RD) zoning district to encourage redevelopment of the former Pacific Steel Casting (PSC) site.
2. Adopt a Resolution (**Attachment 2**):
 - a. Approving and adopting West Berkeley Plan and General Plan amendments to be consistent with the associated Ordinance amendments; and
 - b. Certifying the Environmental Impact Report (EIR) (SCH#2022120549) and adopt related California Environmental Quality Act (CEQA) findings, a statement of overriding considerations, mitigation measures, and a mitigation monitoring and reporting program.

SUMMARY

In response to an April 2021 City Council Referral (**Attachment 3**), the Planning Commission has recommended that the City Council adopt the following amendments to the Zoning Ordinance, West Berkeley Plan and General Plan:

- Establish a Manufacturing, Research and Development (M-RD) zoning district;
- Include the M-RD zoning district text and map amendments in the West Berkeley Plan; and
- Incorporate the M-RD zoning district into the existing Manufacturing (M) land use designation of the Berkeley General Plan.

The City has prepared an EIR that evaluates the potential environmental effects of adoption and implementation of the proposed M-RD zoning and the associated Plan amendments. The EIR also evaluates a conceptual project, titled the Potential Berkeley Forge Development, that was shared with the City as part of a Zoning Map Amendment application. This conceptual project could be facilitated by adoption and implementation of the proposed M-RD zoning. The project was evaluated as a foreseeable project in the EIR to the extent that site planning details were provided (**Attachment 4**).

FISCAL IMPACTS OF RECOMMENDATION

The proposed Zoning Ordinance, Zoning Map, West Berkeley Plan and General Plan amendments are intended to support redevelopment of the PSC site, which would contribute to the City's tax base. The proposed amendments may result in an increase in employment opportunities, property taxes, business license taxes and sales tax revenues due to increased business activity.

CURRENT SITUATION AND ITS EFFECTS

The PSC site, located southeast of the intersection of Eastshore Highway and Gilman Street, is a former manufacturing site that has been the subject of public concern for various reasons, including: (1) environmental conditions including contaminated soil and groundwater; (2) delayed pension benefits for hundreds of former casting plant workers that were contingent upon sale of the property (which sold in 2023); and (3) blighted and unsafe conditions created by vacant buildings and graffitied fencing. Council adopted its referral to facilitate redevelopment of the PSC site in order to address these long-standing problems. The referral requested the PSC zoning overlay include allowances to enable all Mixed-Use Light Industrial district (MU-LI) uses, and override any existing constraints on MU-LI uses for the rezoned property. This was specifically focused on removal of manufacturing floor area replacement requirements, in order to expedite environmental remediation of contaminated parcels and fund pension payment of PSC's workers. The proposed Zoning Ordinance, West Berkeley Plan and General Plan amendments (amendments) were developed in response to this referral. The proposed ordinance revisions also reflect recent updates to the zoning ordinance for consistency with State law and other technical edits, adopted by City Council on first reading on February 25, 2025.

In summer 2022, the City Council budgeted for work to fulfill this referral. In October 2022, the Planning and Development Department received a Zoning Map Amendment application, which included the Potential Berkeley Forge Development (conceptual plan). Staff made presentations on the project to the Planning Commission in February and March 2023 and received input on the zoning concepts and environmental review scoping (**Attachment 5**). Based on the policy direction received from the Commission, staff then prepared an Environmental Impact Report (EIR) to evaluate the potential environmental effects of the rezoning and the conceptual development project. The proposed amendments and Draft EIR were presented to the Planning Commission in November 2024 (**Attachment 6**). The Commission held a public hearing to receive

comments on the Draft EIR and the proposed amendments, and recommended that they be forwarded for City Council adoption. The Commission also provided direction to staff to:

- Research and potentially propose more robust Transportation Demand Management (TDM) measures and reductions to onsite parking;
- Research and propose open space and landscaping requirements to discourage development to the property line; and
- Explain in the staff report how existing legal non-conforming uses and future incidental uses are addressed in the proposed zoning.

(Ayes: Merker, Vincent, Moore, Ching, Mikiten, Marthinsen, Twu, Hauser, and Ghosh. Noes: None. Abstain: None. Absent: None. (9-0-0-0)).

The proposed Zoning Ordinance amendments include:

M-RD Zoning District Boundary and Purposes

Currently, the project site is zoned Manufacturing (M). The Zoning Map would be amended to re-designate the site from M to M-RD. The proposed new M-RD district would serve the following purposes to facilitate redevelopment and environmental remediation of large sites, and to be consistent with the overall goals of the General Plan and West Berkeley Plan for manufacturing areas:

1. Support a mix of industrial and heavy commercial uses, such as light manufacturing and R&D, particularly those which can provide high-quality employment for people at all educational levels and add significantly to the tax base;
2. Allow office and laboratory uses that support light industrial and research and development uses;
3. Provide flexibility to facilitate the development and reuse of large sites with an urban campus-like environment, demonstrating high-quality design and site planning that includes amenities for employees and customers; and
4. Support the development of industrial uses that would which satisfy performance standards that protect the environment.

These purpose statements were designed to provide for “a continued economic and land use mix” called for in the West Berkeley Plan, by incorporating manufacturing, industrial, retail and office/laboratory uses to benefit Berkeley residents and businesses economically, benefit the City government fiscally, and promote the varied and interesting character of the area. They were also designed with input from the Office of Economic Development to support the needs of modern manufacturing uses (Attachment 4 to the February 1, 2023 Planning Commission staff report).

M-RD Allowed Uses and Permit Requirements

The allowed uses and associated zoning permit requirements proposed for the M-RD district would be similar to what is allowed in the M and MU-LI districts, with a few exceptions that are noted in Table 1 below. In summary, these exceptions are intended to support environmental clean-up efforts, encourage employment in industrial and heavy commercial industries that provide a high density of employment opportunities and add significantly to the tax base, and provide amenities for employees and customers.

Table 1: Permitted Uses

Use/Zoning District	M (Manufacturing)	MU-LI (Mixed-Use Light Industrial)	M-RD (Manufacturing, Research & Development)
Permitted in M, Not Permitted In M-RD			
Commercial Excavation	UP(PH)	UP(PH)	NP
Dry Cleaning and Laundry Plant	ZC/AUP/UP(PH)	ZC	NP
Industrial and Mining Products Retail Sale	AUP	AUP	NP
Vehicle Wrecking	AUP/UP(PH)	AUP	NP
Not Permitted in M, Permitted in M-RD			
General Retail	NP	AUP	AUP
Large Vehicle Sales and Rental	NP	AUP	AUP
Live Entertainment	NP	ZC/AUP	ZC/AUP
Public Markets	NP	AUP/UP(PH)	AUP/UP(PH)
Permitted in MU-LI, Not Permitted in M-RD			
Alcoholic Beverage Retail Sale	NP	UP(PH)	NP
Amusement Device Arcade	NP	ZC	NP
Theatre	NP	UP(PH)	NP
Permitted at Lower Threshold than M or MU-LI			
Laboratory	NP	UP(PH)	AUP

R&D	NP	ZC/AUP	ZC/AUP/UP(PH)
Semiconductor Manufacturing	UP(PH)	NP	UP(PH)
UP(PH) = Use Permit with a Public Hearing AUP = Administrative Use Permit ZC = Zoning Certificate NP = Not Permitted			

M-RD Permit Requirements – Construction of New Floor Area

A zoning permit is required to build new floor area, either as part of a new building or an addition to an existing building. The proposed permit requirements in the M-RD district, shown in Table 2 below, are intended to establish a streamlined and cost-effective permit process to encourage flexible business growth over time. The M-RD district is intended to encourage development of large sites with an urban campus-like environment. To achieve this goal, construction of 100,000 square feet or more of new floor area would require a Use Permit with a Public Hearing (UP(PH)), whereas in the MU-LI district a UP(PH) is required starting at 20,000 square feet. The proposed requirements for reconfiguring a tenant space are the same as the other districts in the West Berkeley Plan area (see **Attachment 6**, report to Planning Commission on Nov. 6, 2024, starting on page 8).

Table 2: New Floor Area Permit Requirements

Permit Type	M-RD	MU-LI
ZC	Less than 60,000 sq. ft.	Less than 10,000 sq. ft.
AUP	60,000 to less than 100,000 sq. ft.	10,000 to less than 20,000 sq. ft.
UP(PH)	100,000 sq. ft. or more	20,000 sq. ft. or more

M-RD Development Standards

Development standards for the M-RD zoning district were created to facilitate redevelopment of large sites with a range of industrial and related uses in a campus-like environment. Based on a report from the Office of Economic Development (Attachment 4 to the February 1, 2023 Planning Commission staff report), modern industrial uses require flexible spaces to accommodate the changing space needs of businesses as they grow. Also, R&D-intensive uses require high ceilings, reinforced floors, and easy-to-access loading facilities, which differ from the building space needs of traditional manufacturers. With these needs in mind, the development standards of the proposed M-RD district, summarized in Table 3 below, include many of the existing M and MU-LI district standards, with a few exceptions:

1. **Maximum Main Building Height** would be 55 feet to support the unique building needs of R&D and laboratory uses, which require taller ceiling heights and reinforced floors (see **Attachment 6**). Currently, the maximum height in all Manufacturing districts (M, MM, MU-LI) is 45 feet. However, a single development project in the M-RD district that is at least nine acres in size could

be constructed with a maximum building height of 105 feet (see *Modifications to Development Standards section below*) if the Zoning Adjustments Board makes certain findings.

2. **Maximum Lot Coverage** would be 80 percent to discourage buildings from being built to the property line. This regulation is intended to support the inclusion of open space and landscaped areas on the ground level, which adds to the pedestrian environment. Currently, lot coverage is not regulated in any of the Manufacturing zoning districts.
3. **Minimum Usable Open Space** would be required at a ratio of 20 square feet per each 1,000 square feet of gross floor area for any new building. As an example, a 100,000 square-foot building would be required to provide 2,000 square feet of usable open space on-site, and at least 800 square feet would need to be landscaped. Currently, usable open space is not required in any of the Manufacturing zoning districts. This minimum was suggested by the Planning Commission to complement the maximum lot coverage requirement to encourage amenities for employees and visitors (see *Background section below*).
4. **Minimum Off-Street Parking** would not be required for any new building. Currently, off-street parking is required in the Manufacturing zoning districts at varying ratios depending on the use of the building. Initially, the proposed ordinance introduced a lower parking ratio for certain uses, including laboratories, R&D and office. At its November 6, 2024 meeting the Planning Commission recommended staff conduct research to reduce parking requirements (see *Background section below*) in order to encourage sustainable transportation and reduced Vehicle Miles Traveled (VMT) in this zoning district.
5. **Minimum On-Site Loading Spaces** would be reduced for R&D uses to better support the unique loading needs of this use. Research showed that other jurisdictions have lower loading space requirements for R&D uses than other manufacturing uses, and recently approved R&D projects in Berkeley have requested approval to provide less loading spaces than what the BMC requires. The proposed M-RD on-site loading requirement reflects these more modern standards and brings them in line with nearby jurisdictions. As an example, currently, a 125,000 square foot building containing an R&D use must provide five loading spaces in all Manufacturing districts, while two spaces would be required in the M-RD district with the proposed changes (see **Attachment 6**).

Table 3: Development Standards

Regulation	M & MU-LI Districts (Existing)	M-RD Proposal
Maximum Height	45 feet	55 feet* <i>See Modification of Development Standards section (*105 feet is allowed if conditions are met)</i>
Maximum Floor Area Ratio (FAR)	2.0	2.0
Minimum Setbacks, and Building Separation	Not regulated	Not regulated
Maximum Lot Coverage	Not regulated	80 percent
Minimum Usable Open Space, per 1,000 square feet of gross floor area	Not regulated	20 square feet
Minimum Off-Street Parking and Minimum Bicycle Parking	Vehicle: See BMC Table 23.322-4	Vehicle: No minimum required
	Bicycle: 1 per 2,000 sq. ft.	Bicycle: Same requirements as existing
Minimum Off-Street Loading Spaces	For commercial and manufacturing uses 10,000 sq. ft. or more: 1 space for the first 10,000 sq. ft. plus 1 additional space for each additional 25,000 sq. ft.	- R&D uses 25,000 sq. ft. or more: 1 space (25,000 – 100,000 sq. ft.); 2 spaces (more than 100,000 to 200,000 sq. ft.); 1 space (each additional 100,000 sq. ft.) - All other commercial and manufacturing uses 10,000 sq. ft. or more: 1 space for the first 10,000 sq. ft. plus 1 additional space for each additional 25,000 sq. ft.

M-RD Modifications to Development Standards

The Zoning Ordinance currently provides an option for applicants to request modifications to development standards in the West Berkeley Plan Area.¹ This section was used as a guide to provide flexibility to large development projects in the M-RD that

¹ Modification of Development Standards in the West Berkeley Plan Area, <https://berkeley.municipal.codes/BMC/23.406.080>

would address the issues of public concern associated with the PSC site (i.e., environmental contamination and blight). This section of code proposes to allow flexibility in the FAR, height and coverage standards for a development project that is at least nine acres in size, which may comprise multiple parcels and blocks. The flexibility offered by this section would allow a developer to create a campus-like environment that would attract businesses and employees alike. Development standards in this section reflect the outer envelope of the conceptual development project to help illustrate what is being proposed and what has been evaluated in the EIR.

More specifically, an eligible project would be subject to a maximum building height of 105 feet. Since a 9-acre site could be bisected by the public right of way, a development project would be allowed to comply with the maximum FAR and coverage standards on a project-wide basis rather than on a parcel by parcel basis, as long as the FAR and/or coverage on an individual parcel does not exceed the maximum allowed by more than 20 percent. The eligible project as a whole must comply with the maximum FAR (2.0) and lot coverage (80 percent) allowed in M-RD. Overall, this flexibility is intended to create visual interest from both the Gilman Street entry corridor and from pedestrian level within the site, allow for open space, and maintain views.

The request would be approved by the Zoning Adjustments Board (ZAB), which would need to determine that the modifications requested would result in a better overall design that maximizes amenities for employees and visitors. As part of its approval, the ZAB could require the developer to provide assurances that a complete project would be developed, such as a reimbursement agreement between the City and the developer, surety/bond/letter of credit, or private maintenance agreement (see **Attachment 6**, report to Planning Commission on Nov. 6, 2024, starting on page 13).

General Plan and West Berkeley Plan Amendments

The proposed Zoning Ordinance and Zoning Map amendments also require associated amendments to the West Berkeley Plan and General Plan to ensure consistency. The proposed West Berkeley Plan amendments would incorporate the new zoning district into the Land Use Element by creating a new policy, updating the Land Use Map, and adding a description of the district to the districting concept (see **Attachment 2, Exhibit A**). The General Plan would be amended to add the new zoning district to the existing Manufacturing land use classification (see **Attachment 2, Exhibit B**).

Tribal Consultation (AB 52 and SB18)

Pursuant to the requirements of Assembly Bill 52 (2014, Gatto)² and Senate Bill 18 (2004, Burton)³, City staff consulted with the Confederated Villages of Lisjan Nation (Lisjan Nation) regarding the proposed project. The goal of tribal consultation is to avoid significant effects on tribal cultural resources or to develop mutually agreed upon mitigation measures.

During consultation, the Lisjan Nation requested to incorporate a mitigation measure that requires the City to enter into consultation based on the specifics of a proposed development, even when an EIR is not required, or when only an addendum to an EIR is required. The goal of this proposed consultation would be to reduce the potential for any future project to unearth tribal cultural resources that would result in a potential impact to the significance of the resource (Impact TCR-1, Chapter 4, Section 4.3 Tribal Cultural Resources, **Attachment 4, Exhibit C**).

Under AB 52, consultation must be initiated by the City for all projects that require environmental review under CEQA. However, this request would require the City to initiate consultation for projects that do not require environmental review, which could potentially establish a precedent for future projects. This request is included for City Council consideration in the Alternative Actions Considered section below.

BACKGROUND

As part of the 2021 *Zoning Overlay at the Pacific Steel Casting Property* referral, City Council requested that staff rezone the PSC site to address a number of known issues at and around the site, including environmental contamination, blighted conditions and delayed pension payment to PSC employees. Staff from the Planning and Development Department and the Office of Economic Development worked together to research and understand property constraints and economic conditions to develop a response that addressed the goals of the referral, conformed with the City's adopted plans and encouraged development, which is considered beneficial to the City, the community and the environment.

Funding to support implementation of the 2021 referral was made available in summer 2022. Shortly thereafter, staff from Land Use Planning and Economic Development collaborated on an approach to respond to the referral. Economic Development staff produced a report, which is Attachment 4 to the February 1, 2023 Planning Commission

² Requires public agencies to consult with Native American tribes during the California Environmental Quality Act (CEQA) process. The legislation aims to protect tribal cultural heritage and provide a formal structure for tribes to provide input on proposed projects.

https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB52&search_keywords=

³ Requires public agencies to consult with Native American tribes when an amendment to a local jurisdictions' General Plan, any Specific Plan, or a designation of open space, is proposed. The legislation aims to protect tribal cultural heritage and provide a formal structure for tribes to provide input on the proposed amendment.

https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=200320040SB18

staff report, that provides insights into the economic conditions in West Berkeley and the building needs of modern manufacturers, to help ensure changes to the Zoning Ordinance would facilitate future redevelopment.

In October 2022, the City received a Zoning Map amendment application from Rhoades Planning Group on behalf of SPUR Capital Partners. The amendment requests the City re-designate the zoning of the PSC, the Clearflow Valves site, and Berkeley Forge and Tool properties, an area totaling 10.26 acres (**Attachment 4, Exhibit C**, Chapter 3 Project Description, Figure 3-3), from M to MU-LI. This application is consistent with the Council referral and includes a description of a conceptual development project, herein referred to as the Potential Berkeley Forge Development. The Potential Berkeley Forge Development proposes redevelopment of a 10.26-acre portion of the project site with approximately 900,000 square feet of light manufacturing, R&D, laboratory, and/or office uses. The proposed M-RD zoning amendments help to advance the Potential Berkeley Forge Development by ensuring the Zoning Ordinance would enable entitlement of a project that fell within this same development envelope and purpose. The City has not received an application for the Potential Berkeley Forge Development; however, submittal of a formal application is anticipated subsequent to adoption of the proposed zoning and plan amendments discussed in this report. It is therefore considered a reasonably foreseeable project and is evaluated in the Draft EIR at the project level, to the extent feasible. This evaluation will help streamline the environmental review process for a future project that resembles the Potential Berkeley Forge Development. All development projects that could be constructed in the proposed M-RD district, including those that are based on the conceptual design of the Potential Berkeley Forge Development, would need to be evaluated for any potential environmental effects per CEQA requirements. Similarly, they would need to comply with the City's municipal code and permitting process prior to entitlement.

Given the research conducted by the Office of Economic Development and the information provided in the Zoning Map amendment application, staff presented an approach to the Planning Commission in February and March 2023. Based on feedback received at those meetings, staff conducted additional research to refine the allowed uses and development standards of the proposed M-RD district. Staff also prepared a Draft EIR to evaluate the potential environmental effects of the proposed amendments, which were presented to the Planning Commission in November 2024.

Planning Commission Comments

On November 6, 2024, the Planning Commission conducted a public hearing and City staff presented amendments to Title 23 of the BMC, and conforming amendments to the West Berkeley Plan and General Plan (**Attachment 6**). The Commissioners expressed support for the proposed amendments and recommended that City Council adopt the proposed ordinance, with the following direction to staff:

1. Conduct research on providing more robust Transportation Demand Management (TDM) and opportunities to reduce parking requirements and parking onsite.
 - a. Regarding TDM, the Draft EIR for this project includes a requirement that any future development provide a TDM program. The purpose of this program is to ensure that vehicle demand associated with new development aligns with the City's adopted requirements.⁴ In order to create any new TDM requirements for non-residential development, staff would need a referral to study new non-residential TDM and non-residential parking requirements together as part of a comprehensive project. This is because TDM and parking requirements are evaluated all together.
 - b. Parking maximums have not been studied in non-residential areas of Berkeley, and that research would need to be undertaken together with non-residential TDM as part of any new project.
 - c. Regarding parking minimums, staff are proposing to eliminate the minimum requirement for all uses in the proposed M-RD district, following the assumption that the land value in Berkeley is high, and parking is expensive to build. These dynamics would likely result in a decision to provide only the amount of parking demanded.
2. Look into development standards for landscaping and open space.
 - a. Staff conducted research into current requirements for landscaping and open space, as well as requirements in industrial zoning districts across nearby cities. Currently, Title 23 of the BMC does not require open space in any non-residential district; however, Design Review is required for projects in those districts. A few nearby cities (Emeryville, Oakland, and South San Francisco) require either open space or landscaping in industrial zones, ranging from landscape buffers along public frontages to up to five percent of the lot area. Planning Commission's recommendation was intended to encourage more pedestrian friendly designs, with landscaped areas and building setbacks from the property line. Understanding this goal and leveraging research findings, staff are proposing to add an open space requirement equal to two percent of the gross floor area of any new building or addition to an existing building (see *Table 3 above*).

The existing BMC standards for usable open space would apply, meaning that at least 40 percent of the required open space would need to be landscaped.⁵ As an example, a 100,000 square-foot building would provide at least 2,000 square feet of usable open space, and at least 800

⁴ City of Berkeley VMT Criteria and Thresholds, June 29, 2020. <https://berkeleyca.gov/sites/default/files/2022-02/VMT-Criteria-and-Thresholds.pdf>

⁵ Usable Open Space, BMC Section 23.304.090, <https://berkeley.municipal.codes/BMC/23.304.090>

square feet would be landscaped. Also, the Design Review process would apply to any development project in the M-RD.⁶ As part of this process, the Design Review Committee would have the authority to make recommendations on design of open space and landscaping.

3. Have the staff report clarify incidental uses and the legal nonconforming aspect of that. The following two definitions are provided to explain how these types of uses will be handled if City Council advances this item.
 - a. Incidental uses: The M-RD district would allow incidental uses per the proposed use table (see **Attachment 1**). Incidental uses may occupy a lot and/or building that is secondary to and could be independent from the principal permitted use. For example, a cafeteria could be incidental to an R&D use. An incidental use must not exceed 25 percent of the floor area of the primary use, and if it consists of commercial sales or a different line of products or services than the primary use, the incidental use may not generate gross sales above 33 percent of the gross sales generated by the primary use.⁷
 - b. Legal non-conforming uses: With implementation of the proposed M-RD zoning, the existing legal non-conforming vehicle rental use at 600 Gilman Street would remain legal non-conforming. Title 23 of the BMC allows such uses to remain occupied in their current condition as of right, and both changes to and substantial expansions of non-conforming uses are allowed by obtaining a Use Permit.⁸ Also, portions of the project site and surrounding areas contain semi-vacant and vacant parcels that are conducive to temporary uses, such as contractor yards. Under the proposed M-RD zoning, a property owner could apply for a temporary use permit on any of these sites. Permit requirements vary based on the nature of the use, and this information can be found in Section 23.302.040 of the BMC.

Environmental Review

A Draft EIR was prepared for the project (see **Attachment 4**) that evaluates the potential environmental effects of: 1) adoption and implementation of the proposed M-RD zoning and associated Plan amendments; and 2) the Potential Berkeley Forge Development. The conceptual project was evaluated because it would be facilitated by adoption and implementation of the proposed M-RD zoning; however, it is only evaluated to the extent site planning details have been provided.

⁶ "Project" meaning an activity requiring a building permit or sign permit that involves any of the following: 1) Modifying the exterior of an existing structure; 2) Additions to an existing structure; 3) Demolishing all or a portion of an existing structure; 4) Removing all or part of a building facade fronting the public right-of-way; 5) Constructing a new structure; or 6) Installing a sign or replacing a sign with a different location, size, or design.

⁷ [https://berkeley.municipal.codes/BMC/23.502.020\(U\)\(9\)](https://berkeley.municipal.codes/BMC/23.502.020(U)(9))

⁸ Berkeley Municipal Code [Section 23.324.040](#) – Nonconforming Uses.

The Draft EIR was made available for review through the City's website, at the Planning and Development Department at 1947 Center Street (2nd Floor), and at the following locations in the city:

- Tarea Hall Pittman South Branch Library, 1901 Russell Street
- West Branch Library, 1125 University Avenue
- Central (Downtown) Library, 2090 Kittredge Street.

The environmental review process for the Project has included:

- **December 27, 2022:** A Notice of Preparation (NOP) of a Draft EIR was circulated to potentially interested parties and agencies.
- **February 1, 2023:** The City held an EIR scoping meeting as part of the regularly scheduled Planning Commission meeting.
- **October 21, 2024:** A Notice of Availability for the Draft EIR was distributed to State and local planning agencies.
- **October 21, 2024 – December 5, 2024 (45 days):** The Draft EIR was made available for public review on October 21, 2024 and the public comment period closed on December 5, 2024.
- **November 6, 2024.** A Planning Commission hearing was held to receive comments from Commissioners and the public on the Draft EIR.
- **March 13, 2025.** The Final EIR document, consisting of the Draft EIR and the Response to Comments (RTC), was published.

City Council certification is required to complete this part of the environmental review of the Project.

Draft EIR

1. **Potentially Significant Impacts Identified in the Draft EIR.** All environmental impacts, relevant City Standard Conditions of Approval, and mitigation measures are summarized in the CEQA Findings and Statement of Overriding Considerations (see ***Attachment 4, Exhibit B***). Other than the impacts discussed below, all of the environmental effects of the Project can be reduced to less than significant levels through implementation of Standard Condition(s) of Approval and/or recommended mitigation measures.

The Draft EIR (see ***Attachment 4, Exhibit C***) identified five significant and unavoidable environmental impacts in Sections 4.2, 4.5 and 4.6 related to Cultural Resources, Air Quality, and Greenhouse Gas Emissions. All other environmental effects of the proposed Project can be reduced to less than significant levels through implementation of Standard Condition(s) of Approval and/or recommended mitigation measures. The findings include a statement of overriding consideration that provides reasons the Project could be adopted even though those impacts could occur.

2. **Alternatives.** As required by Section 15126.6 of the CEQA Guidelines, an EIR must examine a range of reasonable alternatives to the proposed Project that would feasibly obtain most of the CEQA Project Objectives, and avoid or substantially lessen the Project's significant environmental impacts.
- **Alternative 1: No Action Alternative.** This alternative is a version of the "no project" alternative (*CEQA Guidelines* Section 15126.6(e)) that assumes no construction on the site would occur. The existing buildings would not be demolished and would instead remain in place, unchanged from existing conditions. The existing Manufacturing land use and zoning designations would remain, and in the City of Berkeley General Plan and West Berkeley Area Plan would not be amended.
 - **Alternative 2: General Plan Compliant Alternative.** This alternative is a version of the "no project" alternative (*State CEQA Guidelines* Section 15126.6(e)) that assumes the project site would be redeveloped pursuant to the current land use and zoning designations. Implementation of the General Plan Compliant Alternative would allow for the development of approximately 1,005,365 square feet of manufacturing and industrial uses on the 11.54-acre project site. Under this alternative, the maximum height would be limited to 45 feet.
 - **Alternative 3: Reduced Development Alternative.** This alternative assumes the project site would be limited to the PSC site, consistent with the City Council referral. The PSC overlay zoning boundary would include nine parcels totaling 354,317 square feet. These parcels are currently developed with 250,606 square feet of industrial uses (see **Attachment 4, Exhibit C, Table 3.A**). This alternative would also require a minimum 100-foot buffer between any existing residential use and proposed new non-residential use, including surface parking lots or structures. Accordingly, future development on the project site would need to be set back from the existing building at 1306 Third Street. Focusing development on the PSC site with a required buffer would reduce the overall buildout potential of the project site by approximately 50 percent, resulting in up to 566,300 square feet of non-residential space and a minimum of 566 off-street automobile parking spaces.
 - **Environmentally Superior Alternative.** CEQA requires the identification of the environmentally superior alternative among the options studied, which is the alternative among those studied that has the fewest significant environmental impacts. Table 5.A in the Draft EIR indicates whether each alternative's environmental impact is greater, lesser, or similar to that of the proposed project.
- As described in Section 5.8 of the Draft EIR, the No Action Alternative would result in the fewest impacts and would be environmentally superior to the proposed project. However, if the No Action Alternative is the environmentally superior alternative, the EIR must identify an environmentally superior alternative

from among the other alternatives.⁹ None of the other alternatives would avoid the significant and unavoidable impacts to air quality or GHG emissions, due to the lack of construction details and the usage of natural gas. Of the development alternatives, Alternative 2 the “General Plan Compliant Alternative” would avoid the significant and unavoidable air quality impacts associated with construction risk, but would not avoid or reduce the significant and unavoidable historic resource impact associated with 1306 Third Street. Alternative 3 the “Reduced Development Alternative” would avoid the significant and unavoidable historic resource impact associated with 1306 Third Street, and would lower the significant and unavoidable construction health risk impacts at 1306 Third Street because the development potential would be reduced by 50 percent.

Because Alternative 3 would avoid the proposed project’s significant and unavoidable impacts on built historic resources and would have lower impacts than the proposed project as they relate to the significant and unavoidable impact to air quality, and it would meet most of the project objectives, it is considered as the Environmentally Superior Alternative.

Final EIR

The Final EIR consists of the Draft EIR and Response to Comments on the Draft EIR. The City received written and oral comments about the Draft EIR during the official public comment period (from October 21, 2024 through December 5, 2024). All of the written comments are reproduced in their entirety in the Response to Comments document of the Final EIR. Responses to all of the comments that pertain to the EIR are addressed, including specific revisions to text in the Draft EIR that are being made to correct errors or omissions or clarify information presented in the Draft EIR. In no case do these revisions result in a greater number of impacts or impacts of a substantially greater severity than those set forth in the Draft EIR such that recirculation of the Draft EIR would be required.

Mitigation Monitoring Reporting Program (MMRP)

The EIR identifies the applicable mitigation measures that will be implemented to reduce the impacts associated with the implementation of the proposed project. CEQA requires a public agency to adopt a monitoring and reporting program (see **Attachment 4, Exhibit A**) for assessing and ensuring compliance with any required mitigation measures applied to proposed development.

CEQA Findings and Statement of Overriding Consideration

The final EIR identifies significant environmental impacts that would result from implementation of the proposed project. The City finds that the inclusion of certain mitigation measures (see the MMRP) would reduce all but the following significant impacts to levels that are less than significant: historical architectural resources, air

⁹ State CEQA Guidelines Section 15126.6(e)(2).

quality associated with construction of the conceptual development project that would not include the demolition of the structure located at 1306 Third Street, and use of natural gas in future development generating greenhouse gas emissions. No feasible mitigation measures have been identified to reduce these impacts to a less-than-significant level or mitigation measures have been identified but would not reduce impacts to a level of less than significant; these impacts will remain significant unavoidable impacts of the proposed project.

CEQA Guidelines §15093(b) provides that when the decision of the public agency results in the occurrence of significant impacts that are not avoided or substantially lessened, the agency must state in writing the reasons to support its actions. Therefore in order to certify the EIR and proceed with the project, the City Council will need to make a Statement of Overriding Consideration, a formal statement by the lead agency that, having balanced the economic, legal, social, technological or other benefits of the proposed project, including region-wide or statewide environmental benefits, against its significant and unavoidable environmental impacts, the City finds that the proposed project benefits outweigh its unavoidable adverse environmental effects. The Statement of Overriding Considerations includes:

- The proposed project would result in remediation efforts at the project site to clean up existing environmentally contaminated soils that have contributed impacts to air quality and water quality in the neighborhood.
- The proposed project, through the proceeds from the sale of the Pacific Steel Casting land would enable the funding of unpaid pensions and health benefits for former steel workers who were employed at Pacific Steel Casting. These pensions were eliminated when Pacific Steel Casting closed and filed bankruptcy.
- The proposed project would provide and retain a diversity of dense, high-quality employment opportunities in West Berkeley for people at all educational levels by allowing for a mix of industrial and heavy commercial uses, such as light manufacturing and research and development, laboratory and office. As detailed in the report prepared by the City's Office of Economic Development⁵ that provides context into the current and projected economic conditions in West Berkeley, the City's economy and innovation sector would benefit from new advanced manufacturing, software, life sciences, clean technology, food tech, and other science, technology, engineering and math (STEM) industries, specifically relating to employment, wages, wealth creation, social impacts, and location decisions.
- The proposed project fulfills the goals of the West Berkeley Plan to facilitate the development of multi-parcel sites, attract emerging business sectors, and retain and promote economic diversity in West Berkeley. By restoring derelict, environmentally blighted properties to productive industrial use, creating jobs and tax base in West Berkeley, the proposed project would implement the

vision of the West Berkeley Plan to maintain and improve the quality of urban life for West Berkeley residents and workers.

- The proposed project would contribute over \$6 million in dedicated special assessments to be used for affordable housing, childcare, schools, and public art.
- The proposed project would contribute to increased property tax and secondary sales tax benefit to the City.
- The proposed project would facilitate new public open space and landscaping and install stormwater management systems where none exist under existing conditions. New stormwater management facilities would increase water quality and flooding resilience in the area.
- The proposed project would facilitate the construction of new sidewalk and bicycle facilities, supporting community pedestrian and bike travel in the area.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Development projections for this project and all reasonably foreseeable growth resulting from development contemplated for this project were analyzed in the EIR (**Attachment 4, Exhibit C**). Issues relating to Land Use and Planning (Section 4.1), Transportation (Section 4.4), Air Quality (Section 4.5), Greenhouse Gas Emissions (Section 4.6), Energy (Section 4.7), Hazards (Section 4.9), Hydrology (Section 4.10), and Biological Resources (Section 4.11) were analyzed in the EIR.

RATIONALE FOR RECOMMENDATION

The proposed zoning text and map changes and West Berkeley Plan and General Plan conforming text amendments are intended to encourage redevelopment of the former PSC site, as requested in the City Council referral.

ALTERNATIVE ACTIONS CONSIDERED

The Council could consider taking no action on the recommendations proposed by staff. In this case, the BMC Title 23 would remain in place, and developers would remain unlikely to approach the City with a redevelopment proposal at the former PSC site.

The inclusion of a mitigation measure in the EIR proposed by the Confederated Villages of Lisjan during tribal consultation would constitute a policy decision of the City Council. Proposed language is provided below for Council consideration:

Potential Mitigation Measure TCR-1a: Given the very high potential for disturbing Tribal Cultural Resources in this highly sensitive area, including ancestral human remains, Confederated Villages of Lisjan Nation will be allowed a 30-day comment period to provide requests for additional mitigation measures based on any specific development plans proposed by a project proponent even when a supplemental EIR is not required or where only an addendum may be required.

CONTACT PERSON

Ashley James, Senior Planner, Planning and Development Department, 510-981-7458

ATTACHMENTS:

1. Ordinance
2. Resolution
 - Exhibit A: Proposed West Berkeley Plan Amendments
 - Exhibit B: Proposed General Plan Amendments
3. City Council Referral to the Planning Commission to Establish a Zoning Overlay at the Pacific Steel Casting Property, April 20, 2021
4. Final EIR and Response to Comments
 - Exhibit A. Mitigation Monitoring and Reporting Program (MMRP)
 - Exhibit B. CEQA Findings: Certifications of EIR, Rejection of Alternatives and Statement of Overriding Considerations
 - Exhibit C. Draft EIR and Appendices
5. Planning Commission Staff Reports, February 1, 2023 and March 1, 2023
6. Planning Commission Staff Report, November 6, 2024
7. Public Hearing Notice

ORDINANCE NO. -N.S.

AMENDMENTS TO THE ZONING DISTRICTS AND MAP CHAPTER (BMC 23.108), MANUFACTURING DISTRICT CHAPTER (BMC 23.206), SUPPLEMENTAL USE REGULATIONS (BMC 23.302), PARKING AND LOADING (BMC 23.322) AND ADDITION TO THE MANUFACTURING DISTRICT CHAPTER (BMC.23.206) TO ESTABLISH THE M-RD MANUFACTURING, RESEARCH AND DEVELOPMENT DISTRICT

BE IT ORDAINED by the Council of the City of Berkeley as follows:

Section 1. That Table 23.108-1 Zoning Districts within BMC Chapter 23.108.020 is amended to read as follows:

Table 23.108-1: Zoning Districts

DISTRICT SYMBOL	NAME OF DISTRICT
Residential Districts	
R-1	Single-Family Residential
R-1A	Limited Two-family Residential
ES-R	Environmental Safety Residential
R-2	Restricted Two-family Residential
R-2A	Restricted Multiple-family Residential
R-3	Multiple-family Residential
R-4	Multi-family Residential
R-5	High Density Residential
R-S	Residential Southside
R-SMU	Residential Southside Mixed Use
R-BMU	Residential BART Mixed Use
Commercial Districts	

DISTRICT SYMBOL	NAME OF DISTRICT
C-C	Corridor Commercial
C-U	University Avenue Commercial
C-N	Neighborhood Commercial
C-E	Elmwood Commercial
C-NS	North Shattuck Commercial
C-SA	South Area Commercial
C-T	Telegraph Avenue Commercial
C-SO	Solano Avenue Commercial
C-DMU	Downtown Mixed-Use
C-W	West Berkeley Commercial
C-AC	Adeline Corridor Commercial
Manufacturing Districts	
M	Manufacturing
MM	Mixed Manufacturing
MU-LI	Mixed Use-Light Industrial
MU-R	Mixed Use-Residential
<u>M-RD</u>	<u>Manufacturing, Research and Development</u>
Special Districts	
S	Specific Plan
U	Unclassified

Section 2. That Table 23.206-1 within BMC Section 23.206.020(A) be amended to read:

TABLE 23.206 1: ALLOWED LAND USES IN MANUFACTURING DISTRICTS

ZC = Zoning Certificate AUP = Administrative Use Permit UP(PH) = Use Permit -- = Permitted with an AUP, see 23.206.020(B) NP = Not Permitted [#] = Floor Area Permit Requirement * Use-Specific Standards Apply	Manufacturing Districts					Use-Specific Standards Applies to uses with an asterisk following the permit requirement (e.g., ZC*)
	M	MM	MU-LI	MU-R	<u>M-RD</u>	
Residential Uses						
Accessory Dwelling Unit	NP	NP	NP	See 23.306	<u>NP</u>	
Dwellings						
Single-Family	NP	NP	NP	AUP*	<u>NP</u>	23.206.090(B)(8)
Multi-Unit Residential	NP	NP	NP	ZC*	<u>NP</u>	23.206.090(B)(7)&(8)
Group Living Accommodation	NP	NP	NP	UP(PH)*	<u>NP</u>	23.206.090(B)(8)
Hotel, Residential	NP	NP	NP	NP	<u>NP</u>	
Mixed-Use Residential	NP	NP	NP	UP(PH)*	<u>NP</u>	23.206.090(B)(8)&(9)
Senior Congregate Housing	NP	NP	NP	See 23.310	<u>NP</u>	
Public and Quasi- Public Uses						
Child Care Center	NP	NP	AUP*	UP(PH)*	<u>AUP*</u>	23.206.040(<u>CB</u>)&(<u>DG</u>)
Cemetery/Crematory/Ma usoleum	NP	NP	NP	NP	<u>NP</u>	
Club/Lodge	UP(PH)*	UP(PH)*	UP(PH)*	UP(PH)	<u>UP(PH)*</u>	23.206.040(<u>FE</u>)
Columbaria	NP	NP	NP	–	<u>NP</u>	

ZC = Zoning Certificate AUP = Administrative Use Permit UP(PH) = Use Permit -- = Permitted with an AUP, see 23.206.020(B) NP = Not Permitted [#] = Floor Area Permit Requirement * Use-Specific Standards Apply	Manufacturing Districts					Use-Specific Standards Applies to uses with an asterisk following the permit requirement (e.g., ZC*)
	M	MM	MU-LI	MU-R	<u>M-RD</u>	
Community Care Facility	NP	NP	NP	ZC*	<u>NP</u>	23.206.090(B)(3)
Community Center	NP	NP	NP	UP(PH)	<u>NP</u>	
Emergency Shelter	NP	NP	NP	–	<u>NP</u>	
Hospital	NP	NP	NP	NP	<u>NP</u>	
Library	NP	NP	NP	UP(PH)	<u>NP</u>	
Low Barrier Navigation Center	NP	NP	NP	ZC	<u>NP</u>	
Mortuaries and Crematories	NP	NP	NP	UP(PH)*	<u>NP</u>	23.206.090(B)(6)
Municipal Animal Shelter	UP(PH)	UP(PH)	UP(PH)	–	<u>UP(PH)</u>	
Nursing Home	NP	NP	NP	UP(PH)	<u>NP</u>	
Park/Playground	NP	NP	NP	UP(PH)*	<u>NP</u>	23.206.040(C)
Public Safety and Emergency Service	UP(PH)	UP(PH)	UP(PH)	UP(PH)	<u>UP(PH)</u>	
Public Utility Substation/Tank	UP(PH)	UP(PH)	UP(PH)	UP(PH)	<u>UP(PH)</u>	
Religious Assembly	NP	NP	NP	UP(PH)	<u>NP</u>	
School	NP	NP	NP	UP(PH)*	<u>NP</u>	23.206.040(C)
School, Vocational	NP	NP	ZC* [1]	UP(PH)	<u>ZC* [1]</u>	23.206.040(Q)(8)(B)(12)
Supportive Housing	NP	NP	NP	ZC*	<u>NP</u>	23.302.070(I)- Supportive Housing
Retail Uses						
Alcoholic Beverage Retail Sale	NP	NP	UP(PH)* [2]	NP *	<u>NP</u>	23.206.080(B)(3); 23.206.090(B)(2); 23.310

ZC = Zoning Certificate AUP = Administrative Use Permit UP(PH) = Use Permit -- = Permitted with an AUP, see 23.206.020(B) NP = Not Permitted [#] = Floor Area Permit Requirement * Use-Specific Standards Apply	Manufacturing Districts					Use-Specific Standards Applies to uses with an asterisk following the permit requirement (e.g., ZC*)
	M	MM	MU-LI	MU-R	<u>M-RD</u>	
Firearm/Munitions Business	NP	NP	NP	NP	<u>NP</u>	
Industrial and Mining Products	AUP [2]	AUP [2]	AUP [4]	NP	<u>NP</u>	
Pawn Shop/Auction House	NP	NP	NP	NP	<u>NP</u>	
Pet Store	NP	NP –	NP	NP	<u>NP</u>	
Retail, General	NP	NP	AUP*	AUP* [3]	<u>AUP*</u>	23.206.040(G)6.080(B)(6); 23.206.090(B)(4)
Smoke Shop	NP	NP	NP	NP	<u>NP</u>	
Personal and Household Service Uses						
Personal and Household Services, General	NP	NP	NP	AUP	<u>NP</u>	
Kennels and Pet Boarding	NP	NP	NP	UP(PH)	<u>NP</u>	
Laundromats and Cleaners	NP	NP	NP	AUP	<u>NP</u>	
Veterinary Clinic	NP	NP	NP	UP(PH)	<u>NP</u>	
Video Tape/Disk Rental	NP	NP	NP	NP	<u>NP</u>	
Office Uses						
Business Support Services	NP	NP	AUP [6]	AUP [3]	<u>AUP [6]</u>	

ZC = Zoning Certificate AUP = Administrative Use Permit UP(PH) = Use Permit -- = Permitted with an AUP, see 23.206.020(B) NP = Not Permitted [#] = Floor Area Permit Requirement * Use-Specific Standards Apply	Manufacturing Districts					Use-Specific Standards Applies to uses with an asterisk following the permit requirement (e.g., ZC*)
	M	MM	MU-LI	MU-R	<u>M-RD</u>	
Banks and Financial Services, Retail	NP	NP	–	NP	<u>NP</u>	
Insurance Agents, Title Companies, Real Estate Agents, Travel Agents	NP	NP	–	–	<u>NP</u>	
Medical Practitioners	NP	NP	NP	AUP [3]	<u>NP</u>	
Non-Chartered Financial Institutions	NP	NP	–	–	<u>NP</u>	
Office, Business and Professional	NP	ZC* [4]	AUP [4]	AUP [3]	<u>AUP [4]</u>	23.206.070(B)(2)
Food and Alcohol Service, Lodging, Entertainment, and Assembly Uses						
Adult-oriented Business	-	-	NP	NP	<u>NP</u>	
Amusement Device Arcade	NP	NP	ZC	ZC	<u>NP</u>	23.302.070(B)
Bar/Cocktail Lounge/Tavern/Tap Room/Wine Tasting	NP	NP	NP	See 23.306 <u>310</u>	<u>NP</u>	
Commercial Recreation Center	NP	NP	–	NP	<u>NP</u>	
Entertainment Establishment	NP	NP	–	UP(PH)	<u>NP</u>	
Food Service Establishment under	--	--	AUP*	AUP*	<u>AUP*</u>	23.302.070(E)

ZC = Zoning Certificate AUP = Administrative Use Permit UP(PH) = Use Permit -- = Permitted with an AUP, see 23.206.020(B) NP = Not Permitted [#] = Floor Area Permit Requirement * Use-Specific Standards Apply	Manufacturing Districts					Use-Specific Standards Applies to uses with an asterisk following the permit requirement (e.g., ZC*)
	M	MM	MU-LI	MU-R	<u>M-RD</u>	
5,000 sq. ft.						
Food Service Establishment 5,000 sq. ft. or larger	--	--	UP(PH)*	UP(PH)*	<u>UP(PH)*</u>	23.302.070(E)
Group Instruction	ZC	ZC	–	ZC	<u>ZC</u>	
Health and Fitness Facility	NP	NP	–	NP	<u>NP</u>	
Hotel, Tourist	NP	NP	NP	NP	<u>NP</u>	
Motel, Tourist	NP	NP	NP	NP	<u>NP</u>	
Theater	NP	NP	UP(PH)*	NP	<u>NP</u>	23.206.080(B)(410)
Vehicle Service and Sale Uses						
Alternative Fuel Station	AUP [4]	AUP [4]	AUP [4]	AUP	<u>AUP [4]</u>	
Gasoline/Vehicle Fuel Station	NP	NP	NP	NP	<u>NP</u>	
Large Vehicle Sales and Rental	–	NP	AUP [4]	NP	<u>AUP [4]</u>	
Small Vehicle Sales and Rental	–	NP	NP	NP	<u>NP</u>	
Tire Sales and Service	–	–	–	NP	<u>NP</u>	
Vehicle Parts Store	NP	NP	NP	UP(PH)	<u>NP</u>	
Vehicle Repair and Service	UP(PH)	UP(PH)	UP(PH)	UP(PH)	<u>UP(PH)</u>	
Vehicle Rentals	NP	–	–	NP	<u>NP</u>	
Vehicle Sales, New	AUP* [7]	NP	NP	NP	<u>NP</u>	23.206.060(B)(3)

ZC = Zoning Certificate AUP = Administrative Use Permit UP(PH) = Use Permit -- = Permitted with an AUP, see 23.206.020(B) NP = Not Permitted [#] = Floor Area Permit Requirement * Use-Specific Standards Apply	Manufacturing Districts					Use-Specific Standards Applies to uses with an asterisk following the permit requirement (e.g., ZC*)
	M	MM	MU-LI	MU-R	<u>M-RD</u>	
Vehicle Sales, Used	AUP* [7]	NP	NP	NP	<u>NP</u>	23.206.060(B)(3)
Vehicle Wash	NP	NP	NP	NP	<u>NP</u>	
Vehicle Wrecking	AUP [7]	AUP [4]	AUP* [4]	NP	<u>NP</u>	23.206.080(B)(511)
Industrial and Heavy Commercial Uses						
Bus/Cab/Truck/Public Utility Depot	AUP [8]	AUP [8]	AUP* [4]	UP(PH)	<u>AUP* [4]</u>	23.206.0 40(B)80(B)(4)
Commercial Excavation	UP(PH)	UP(PH)	UP(PH)	NP	<u>NP</u>	
Contractors Yard	AUP [7]	AUP [7]	AUP [4]	UP(PH)	<u>AUP [4]</u>	
Dry Cleaning and Laundry Plant	ZC* [9]	ZC [9]	ZC [1]	UP(PH)	<u>NP</u>	23.206.060(B)(2)
Laboratory						
Commercial Physical or Biological	NP	AUP [4]	UP(PH)*	NP	<u>AUP [4]</u>	23.206.0 40(S)80(B)(5)
Cannabis Testing	NP	AUP [4]	UP(PH)	NP	<u>AUP [4]</u>	
Manufacturing						
Construction Products	ZC* [9]	ZC* [9]	UP(PH)*	NP	<u>UP(PH)</u>	
Light Manufacturing	ZC* [7]	ZC* [7]	ZC* [1]	AUP* [3]	<u>ZC [1]</u>	<u>23,206.040(H)</u> ; 23.206.090(B)(5)
Pesticides/Herbicides/Fertilizers	NP	NP	NP	–	<u>NP</u>	
Petroleum Refining and Products	NP	NP	NP	–	<u>NP</u>	
Pharmaceuticals	AUP [4]	AUP [4]	AUP* [4]	–	<u>AUP* [4]</u>	23.206.0 40(J)80(B)(7)
Primary Production Manufacturing	AUP [4]	AUP [4]	NP	NP	<u>NP</u>	

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	M	MM	MU-LI	MU-R	<u>M-RD</u>	
Semiconductors	UP(PH)	UP(PH)	NP	–	<u>UP(PH)</u>	
Material Recovery Enterprise	-	-	UP(PH)	-	<u>UP(PH)</u>	
Media Production	ZC [10]	ZC [10]	ZC [10]	AUP [11]	<u>ZC [10]</u>	
Mini-storage	NP	NP	NP	NP	<u>NP</u>	
Recycled Materials Processing	ZC* [9]	ZC* [9]	UP(PH)*	–	<u>UP(PH)*</u>	23.206.040(<u>LH</u>); 23.206.0 <u>40(M)80(B)(9)</u>
Recycling Redemption Center	AUP [7]	ZC [9]	UP(PH)*	AUP	<u>UP(PH)*</u>	23.206.0 <u>40(M)80(B)(9)</u>
Repair Service, Non-Vehicle	ZC* [9]	ZC* [9]	ZC* [1]	AUP	<u>ZC* [1]</u>	23.206.040(<u>IG</u>)
Research and Development	-	ZC [12]	ZC [12]	–	<u>ZC [13]</u>	
Services to Buildings and Dwellings	AUP	AUP	AUP	AUP	<u>AUP</u>	
Warehouse	ZC [9]	ZC [9]	ZC [1]	UP(PH)	<u>ZC [1]</u>	
Warehouse-Based Non-Store Retailer	ZC [9]	ZC [9]	ZC [1]	–	<u>ZC [1]</u>	
Wholesale Trade	ZC [9]	ZC [9]	ZC* [1]	AUP [3]	<u>ZC* [1]</u>	23.206.0 <u>40(R)80(B)(13)</u>
Incidental Uses						
Amusement Devices	NP	NP	AUP	AUP	<u>AUP</u>	
Alcoholic Beverage Service	<u>See 23.310</u>					
Cafeteria, On-Site	ZC [2]	AUP [2]	ZC [2]	AUP	<u>ZC [2]</u>	
Child Care Center	NP	NP	<u>See 23.206.040.B</u>			

ZC = Zoning Certificate AUP = Administrative Use Permit UP(PH) = Use Permit -- = Permitted with an AUP, see 23.206.020(B) NP = Not Permitted [#] = Floor Area Permit Requirement * Use-Specific Standards Apply	Manufacturing Districts					Use-Specific Standards Applies to uses with an asterisk following the permit requirement (e.g., ZC*)
	M	MM	MU-LI	MU-R	<u>M-RD</u>	
Columbaria	—	—	—	—	—	
Food Service Establishment under 20,000 sq. ft.	AUP*	AUP*	AUP*	AUP*	<u>AUP*</u>	23.302.070(E)
Food Service Establishment 20,000 sq. ft. or larger	NP	AUP*	NP	AUP*	<u>NP</u>	23.302.070(E)
Home Occupations	NP	NP	NP	See 23.206.040 .B	<u>NP</u>	
Live Entertainment, Unamplified	NP	NP	ZC	ZC	<u>ZC</u>	
Live Entertainment, Amplified	NP	NP	AUP	AUP	<u>AUP</u>	
Retail Sales of Goods Manufactured On-Site	AUP* [143]	AUP* [154]	AUP* [154]	AUP*	<u>AUP* [15]</u>	23.206.040(<u>N</u>)
Storage of Goods Manufactured On-Site (>25% gross floor area)	ZC	ZC	ZC	AUP	<u>ZC</u>	
Wholesale Activities	ZC	ZC	ZC	AUP	<u>ZC</u>	
Other Miscellaneous Uses						
Art/Craft Studio	ZC* [10]	ZC [10]	ZC* [10]	AUP [11]	<u>ZC* [10]</u>	23.206.040(A)
ATM, Exterior and Attached to Bank	AUP	AUP	-	AUP	<u>NP</u>	
ATM, Interior or Exterior and Not With Bank	AUP	AUP	AUP	AUP	<u>AUP</u>	

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	M	MM	MU-LI	MU-R	M-RD		
	Circus/Carnival	NP	NP	UP(PH)*	UP(PH)	UP(PH)*	23.206.040(ED)
	Drive-in Uses	NP	NP	NP	NP	NP	
	Live/Work	NP	NP	See 23.312		NP	NP
	Parking Lot/Structure	See 23.302.070.G					
	Public Market, Open Air	–	–	UP(PH)* [165]	–	UP(PH)* [16]	23.206.040(K)80(B)(8)
	Public Market, Enclosed	–	–	AUP [5]	–	AUP [5]	
	Short-Term Rental	-	-	-	ZC*	NP	23.314
	Urban Agriculture, Low-Impact	ZC	ZC	ZC	ZC	ZC	
Urban Agriculture, High-Impact	AUP	AUP	AUP	AUP	AUP		

ZC = Zoning Certificate AUP = Administrative Use Permit UP(PH) = Use Permit -- = Permitted with an AUP, see 23.206.020(B) NP = Not Permitted [#] = Floor Area Permit Requirement * Use-Specific Standards Apply	Manufacturing Districts					Use-Specific Standards Applies to uses with an asterisk following the permit requirement (e.g., ZC*)
	M	MM	MU-LI	MU-R	<u>M-RD</u>	
	Notes: [1] Requires an AUP for uses 20,000 sq. ft. to 30,000 square feet. Requires a Use Permit for uses more than 30,000 sq. ft. [2] Not permitted 20,000 sq. ft. or more. [3] Requires a Use Permit if 5,000 sq. ft. or more [4] Requires a Use Permit for uses more than 20,000 sq. ft. [5] Requires a Use Permit for more than 5,000 sq. ft. of floor area. [6] Not permitted over 3,000 sq. ft. [7] Requires a Use Permit for uses more than 40,000 sq. ft. [8] Requires a Use Permit for uses 20,000 sq. ft. to 40,000 sq. ft. [9] Requires an AUP for uses 20,000 sq. ft. to 40,000 square feet. Requires a Use Permit for uses more than 40,000 sq. ft. [10] Requires an AUP for uses 10,000 sq. ft. to 20,000 sq. ft. Requires a Use Permit for uses more than 20,000 sq. ft. [11] Allowed with Zoning Certificate if under 1,000 sq. ft. Requires Use Permit if over 20,000 sq. ft. [12] Requires an AUP for uses more than 20,000 sq. ft. <u>[13] Requires an AUP for uses 60,000 sq. ft. to 100,000 sq. ft. Requires a Use Permit for uses 100,000 sq. ft. or more.</u> [14] Not permitted 1,500 sq. ft. or more. [15] Requires a Use Permit for sales area 1,501 to 3,000 sq. ft. Not permitted over 3,000 sq. ft. [16] Requires Use Permit for markets over 5,000 sq. ft.					

Section 3. That Table 23.206-2 within BMC Section 23.206.030 be amended to read:

TABLE 23.206-2. NEW FLOOR AREA PERMIT REQUIREMENTS

DISTRICT/NEW GROSS FLOOR AREA	PERMIT REQUIRED FOR NEW FLOOR AREA
M, MM	
Less than 20,000 sq. ft.	ZC
20,000 to less than 40,000 sq. ft.	AUP
40,000 sq. ft. or more	UP(PH)
<u>M-RD</u>	
<u>Less than 60,000 square feet</u>	<u>ZC</u>
<u>60,000 to less than 100,000 square feet</u>	<u>AUP</u>
<u>100,000 square feet or more</u>	<u>UP(PH)</u>
MU-LI	
Less than 10,000 sq. ft.	ZC
10,000 to less than 20,000 sq. ft.	AUP
20,000 sq. ft. or more	UP(PH)
MU-R	
Less than 5,000 sq. ft.	ZC
5,000 to less than 10,000 sq. ft.	AUP
10,000 sq. ft. or more	UP(PH)

Section 4. That BMC Section 23.206.030(B) be amended to read:

B. Tenant Space Reconfiguration.

1. Reconfiguration of tenant space in an existing building in the M, MM, MU-LI, and M-RD districts requires a permit as listed in Table 23.206-3.
2. In the MU-R district, tenant space reconfiguration projects affecting 5,000 square or more require a Use Permit.
3. As used in this section, tenant reconfiguration means any physical change to an existing building's walls separating leased spaces so as to change:

- (a) The number of lease spaces for commercial businesses; or
- (b) The square footage of leasable floor area of an existing commercial lease space.

TABLE 23.206-3: TENANT SPACE RECONFIGURATION REQUIREMENTS IN THE M, MM, MU-LI, AND M-RD DISTRICTS

TENANT SPACE RECONFIGURATION PROJECT	PERMIT REQUIRED FOR TENANT SPACE RECONFIGURATION PROJECT
Previously separated spaces combined into a larger space	ZC
Creating 2 to 5 separate new tenant spaces	ZC
Creating 6 to 9 separate new tenant spaces	AUP
Creating 10 or more separate new tenant spaces	UP(PH)

- 4. **MM and M-RD District Findings.** To approve an AUP or Use Permit for a tenant reconfiguration project in the MM or M-RD district, the review authority must find that the conversion is necessary to implement the purpose of the district.
- 5. **MU-LI District Findings.** To approve a Use Permit for a tenant reconfiguration project in the MU-LI district, the review authority must find that the reconfiguration would not create or contribute to a shortage of industrial spaces in West Berkeley for spaces of the size being converted and either:
 - (a) The reconfiguration can be reasonably expected to better serve the purposes of the district than leaving the space intact; or
 - (b) The reconfiguration would create spaces which could cross-subsidize larger industrial spaces.

Section 5. That BMC 23.206.040 be amended to read:
23.206.040 Use-Specific Regulations

- A. Art/Craft Studios in the M, and MM, and M-RD Districts.** Art/craft studios are allowed in the M, MM and M-RD ~~and MM~~ districts only as workspaces. Live/work is not permitted.

A.B. Bus/Cab/Truck/Public Utility Depot in the MU-LI and M-RD Districts. A Use Permit is required for a bus/cab/truck/public utility depot in the MU-LI or M-RD district if the lot is over 20,000 square feet, regardless of use floor area.

B.C. Child Care Centers in the MU-LI, ~~and~~ MU-R, and M-RD Districts. Table 23.206-4 shows permit requirements for child care centers in the MU-LI, ~~and~~ MU-R, and M-RD districts.

TABLE 23.206-4: MU-LI, ~~AND~~ MU-R, AND M-RD CHILD-CARE CENTER PERMIT REQUIREMENTS

USE CHARACTERISTIC	PERMIT REQUIRED
Incidental Use	
Providing childcare for employees only	ZC
Providing childcare for non-employees	AUP
Principal Use	UP(PH)

G.D. Child-Serving Uses in the MU-LI, ~~and~~ MU-R and M-RD Districts.

1. As used in this section, "child-serving use" means a school, child care center, family day care, or park/recreational facility used by children.
2. Before acting on an application to establish or expand a child-serving use in the MU-LI, ~~or~~ MU-R, or M-RD districts, the applicant shall prepare and submit to the City an appropriate risk analysis or risk assessment, as determined by the City, that evaluates the risk to children in the use from other activities near the site.
3. All child-serving uses in the MU-LI, ~~and~~ MU-R and M-RD districts must notify in writing, on a form approved by the City, all parents of children in the child-serving use that the use is in the MU-LI, ~~or~~ MU-R or M-RD district, light manufacturing is a permitted activity in the district, and that primary production manufacturing or construction products manufacturing may be permitted uses in adjacent districts. The child-serving use must require each parent or guardian to confirm in writing that they have read and understood this information. Written confirmations shall be returned to the child-serving use and maintained at the use for City review.
4. To approve an AUP or Use Permit to establish or expand a child-serving use, the review authority must find that:
 - (a) The child-serving use is not incompatible with adjacent and nearby uses, including industrial uses;
 - (b) The risk analysis or risk assessment shows that there is not significant risk to children in the use from other activities near the site; and
 - (c) The applicant has made adequate provisions to comply with the

parent/guardian notification requirement in Paragraph (3) above.

D.E. Circuses and Carnival in the MM, ~~and~~ MU-LI, and M-RD Districts. Circuses and carnivals are allowed in the MM, ~~and~~ MU-LI, ~~and~~ M-RD districts only as a temporary use.

F. Club and Lodges in the M, MM, ~~and~~ MU-LI, and M-RD Districts. Clubs and lodges are allowed in the M, MM, ~~and~~ MU-LI ~~and~~ M-RD districts only for persons working in the district.

E.G. General Retail in the MU-LI and M-RD Districts. Allowed general retail uses in the MU-LI and M-RD districts are limited to food product stores and building materials and garden supply stores. Other types of general retail uses are not permitted. Food product stores are not permitted if over 2,000 square feet. Building materials and garden supply stores are permitted with an AUP if under 20,000 square feet and with a Use Permit if 20,000 square feet or more.

F.H. Manufacturing Uses in the M, MM, ~~and~~ MU-LI, and M-RD Districts. For manufacturing uses in the M, MM, ~~and~~ MU-LI, ~~and~~ M-RD districts otherwise allowed with a Zoning Certificate, an AUP is required to establish the use within 150 feet of a residential use in a Residential District or in the MU-R district.

I. Non-Vehicle Repair Service in the M, MM, ~~and~~ MU-LI, and M-RD Districts. Retail sales associated with a non-vehicle repair service are not permitted in the M, MM, ~~and~~ MU-LI, ~~and~~ M-RD districts.

J. Pharmaceuticals Manufacturing in the MU-LI and M-RD Districts. Pharmaceuticals manufacturing is allowed in the MU-LI or M-RD districts only in locations at least 500 feet from a Residential District or the MU-R district.

G.K. Public Market, Open Air in the MU-LI and M-RD Districts. Open air markets in the MU-LI or M-RD districts with 5,000 square feet or less of lot area are allowed with an AUP.

L. Recycled Materials Processing in the M and MM Districts. For recycled materials processing facilities under 10,000 square feet in the M and MM districts, an AUP is required if processing occurs outside of a building.

H.M. Recycling Facilities in the MU-LI and M-RD Districts. Recycled materials processing and recycling redemption centers are allowed in the MU-LI and M-RD districts only on lots greater than 20,000 square feet.

I.N. Retail Sale of Goods Manufactured On-Site. The following requirements apply to incidental retail sales in all Manufacturing Districts:

1. The size and character of signs for the retail use shall clearly indicate that the retail use is not the primary use of the site.

2. Maximum retail floor area: 10 percent of total gross floor area.

~~3. Outdoor sales of food service is not permitted.~~

J.O. Storage, Wholesale, Manufacturing as Incidental Use. If a storage, wholesale, or manufacturing use is allowed in the M, MM, ~~and MU-R, or M-RD~~ district with a Zoning Certificate, the use is allowed incidental to another permitted use without the requirement for an AUP or Use Permit.

P. Microbes or biological agents – See Section 23.302.020(E)

K.Q. Noise. For purposes of the Noise Ordinance, Municipal Code Chapter 13.40, the Manufacturing Districts are considered Industry Districts.

R. Vocational Schools in the MU-LI and M-RD Districts. A vocational school in the MU-LI or M-RD district must provide training for occupations and/or industries found in the West Berkeley Plan area.

L.S. Wholesale Trade in the MU-LI and M-RD Districts. Proximity to Residential Use. For wholesale trade use in the MU-LI or M-RD districts otherwise allowed with a Zoning Certificate, an AUP is required to establish the use within 150 feet of a residential use in a Residential District or in the MU-R district.

Section 6. That BMC Section 23.206.080(B) be amended to read:

B. Land Use Regulations

1. **Allowed Land Uses.** See Table 23.206-1: Allowed Land Uses in Manufacturing Districts.

2. **Use Permit Not Required.** An existing use in the MU-LI district may be modified or intensified without a Use Permit if:

(a) A Use Permit is not required by this chapter; and

(b) The Zoning Officer determines that the modification or intensification of the use can reasonably be expected not to increase any impact regulated under environmental performance standards.

3. **Alcoholic Beverage Retail Sales.** Alcoholic beverage retail sales are allowed in the MU-LI district only when incidental to food product stores.

~~4. **Bus/Cab/Truck/Public Utility Depot.** A Use Permit is required for a bus/cab/truck/public utility depot in the MU-LI district if the lot is over 20,000 square feet, regardless of use floor area.~~

~~5. **General Retail.** Allowed general retail uses in the MU-LI district are limited to food product stores and building materials and garden supply stores. Other types of general retail uses are not permitted. Food product stores are not permitted if over 2,000 square feet. Building materials and garden supply stores are~~

~~permitted with an AUP if under 20,000 square feet and with a Use Permit if 20,000 square feet or more.~~

~~6. **Pharmaceuticals Manufacturing.** Pharmaceuticals manufacturing is allowed in the MU-LI district only in locations at least 500 feet from a Residential District or the MU-R district.~~

~~7. **Public Market, Open Air.** Open air markets in the MU-LI district with 5,000 square feet or less of lot area are allowed with AUP.~~

~~8. **Recycling Facilities.** Recycled materials processing and recycling redemption centers are allowed in the MU-LI district only on lots greater than 20,000 square feet.~~

~~9.4. **Theaters.** Only live stage performances are allowed in a theater in the MU-LI district. Motion picture theaters are not permitted.~~

~~40.5. **Vehicle Wrecking.** Permits required for vehicle wrecking the MU-LI district is determined by size of lot, not floor area.~~

~~11. **Vocational Schools.** A vocational school in the MU-LI district must provide training for occupations and/or industries found in the West Berkeley Plan area.~~

~~12. **Wholesale Trade Proximity to Residential Use.** For wholesale trade use in the MU-LI district otherwise allowed with a Zoning Certificate, an AUP is required to establish the use within 150 feet of a residential use in a Residential District or in the MU-R district.~~

Section 7. That BMC Section 23.206.100 be amended to read:
~~23.206.100 Permit Findings~~

~~A. **All Manufacturing Districts.** To approve an AUP or a Use Permit in a Manufacturing District, the review authority must find that the project:~~

- ~~1. Is consistent with the purposes of the district;~~
- ~~2. Is compatible with the surrounding uses and buildings;~~
- ~~3. Complies with the adopted West Berkeley Plan; and~~
- ~~4. Meets any applicable performance standards for off-site impacts.~~

~~B. **Additional Findings.** In addition to the findings in Section 23.206.100.A (All Manufacturing Districts), the review authority must also make the following findings to approve an AUP or Use Permit in each of the Manufacturing Districts.~~

- ~~1. M and MM Districts. The project:~~

~~(a) Is unlikely, under reasonably foreseeable circumstances, to induce a substantial change of use in buildings from manufacturing, wholesale trade, or warehousing uses; and~~

~~(b) Is designed in such a manner to be supportive of the industrial character of the district. Such physical compatibility shall include materials used; facade treatments; landscaping; lighting; type, size and placement of awnings, windows, and signs; and all other externally visible aspects of the design of the building and site.~~

~~2. MU-LI District. The project:~~

~~(a) Is unlikely, under reasonably foreseeable circumstances, to induce a substantial change of use in buildings from manufacturing, wholesale trade, or warehousing uses;~~

~~(b) Is designed in such a manner to be supportive of the industrial character of the district. Such physical compatibility shall include materials used; facade treatments; landscaping; lighting; type, size and placement of awnings, windows, and signs; and all other externally visible aspects of the design of the building and site; and~~

~~(c) If the building and/or site is split between the MU-LI district and the C-W district, there are clear and appropriate distinctions in all design aspects between the portions of the building and site within the MU-LI district and the portions within the C-W district.~~

~~3. MU-R District. The project:~~

~~(a) Is unlikely, under reasonably foreseeable circumstances, to either induce or contribute to a cumulative change of use in buildings away from residential, live/work, light industrial, or arts and crafts uses; and~~

~~(b) Is designed to be supportive of the character and purposes of the district.~~

23.206.100 M-RD Manufacturing, Research and Development District

A. District Purpose. The purpose of the Manufacturing, Research and Development (M-RD) district is to:

1. Support a mix of industrial and heavy commercial uses, such as light manufacturing and research and development, particularly those which can provide high quality employment at all educational levels and add significantly to the tax base;

2. Allow office and laboratory uses that support light industrial and research and development uses;

3. Provide flexibility to facilitate the development and reuse of large sites with an urban campus-like environment, demonstrating high-quality design and site planning that includes amenities for employees and customers; and

4. Support the development of industrial uses which satisfy performance standards that protect the environment.

B. Land Use Regulations.

1. **Allowed Land Uses.** See Table 23.206-1: Allowed Land Uses in Manufacturing District.

C. Additional Permit Requirements. See Section 23.206-1: Allowed Land Uses in Manufacturing Districts.

D. Development Standards. See Table 23.206-15 for development standards in the M-RD district.

TABLE 23.206-15. M-RD DEVELOPMENT STANDARDS

<u>Development Standards</u>		<u>Supplemental Standards</u>
<u>Lot Area, Minimum</u>	<u>No minimum</u>	23.304.020– Lot Requirements
<u>Floor Area Ratio, Maximum</u>	<u>2.0</u>	
<u>Lot Line Setbacks, Minimum</u>		
<u>Front</u>	<u>No minimum</u>	23.304.030– Setbacks
<u>Rear</u>	<u>No minimum</u>	
<u>Interior Side</u>	<u>No minimum</u>	
<u>Street Side</u>	<u>No minimum</u>	
<u>Building Separation, Minimum</u>	<u>No minimum</u>	
<u>Lot Coverage, Maximum</u>	<u>80%</u>	<u>23.304.120– Lot Coverage</u>
<u>Minimum Usable Open Space, Minimum, per 1,000 square feet of gross floor area</u>	<u>20 square feet</u>	<u>23.304.090 – Usable Open Space</u>
<u>Main Building Height, Maximum</u>	<u>55 ft</u> <u>105 [1]</u>	<u>23.304.050– Building Height</u>

[1] Maximum Main Building Height of 105 feet may be allowed pursuant to Section 23.206.100(D)(1) (Modification of Development Standards on Large Sites).

1. Modifications to Development Standards on Large Sites.

- (a) **Purpose.** The purpose of these provisions is to facilitate the development and reuse of large sites as an urban campus-like environment with high-quality design and site planning with amenities for employees and customers.

(b) Applicability. This section applies to projects located on a site of at least 9 acres, which may comprise multiple parcels and blocks, excluding intervening streets/roads/right-of-way or similar.

(c) Allowed Modification. The ZAB shall allow modifications to lot coverage, height and setback standards in Table 23.206-15, as follows, subject to the permit findings in Section 23.206.100(D)(1)(e):

i. Main building(s) may comply with the maximum FAR and coverage standards on a project-wide basis, rather than on a parcel-by-parcel basis, as follows:

a) The FAR and/or coverage for main buildings on an individual parcel shall not exceed the maximum allowed in Table 23.206-15 by more than 20 percent.

b) The project complies with the maximum allowed FAR and coverage in Table 23.206-15.

ii. Main building(s) shall not exceed a maximum building height of 105 feet.

(d) Development Plan. The applicant shall submit a development plan that includes all of the following:

i. A detailed phasing plan that shows the general location and timing of all physical development, including on and off-site infrastructure, architectural plans, and locations of proposed uses; and

ii. A detailed development comparison demonstrating how the changes in development standards for the proposed project maximize amenities for both employees and customers.

(e) Findings for Approval.

i. To approve any modification allowed in this section, the ZAB shall make all of the following findings:

a) That the modification(s) to the development standard(s) are warranted to support a project that demonstrates enhanced design and site planning. Enhanced design elements shall include but not be limited to varied and unique architectural features and innovative site layouts that maximize amenities for both employees and customers. Such modification(s) shall result in a development that achieves the purposes of the M-RD district which could not be achieved by strict application of the development standards; and

b) The applicant has demonstrated that each phase of development does not unduly burden future project implementation, ensures implementation of the project within a reasonable time period, and all required on and off-site infrastructure and amenities are provided.

ii. To approve a Modification to Development Standards on Large Sites, the ZAB shall also make all required Use Permit findings and follow all procedures in Section 23.406.040 (Use Permits) and any additional Use

Permit findings required by the Zoning Ordinance for the use or development in the applicable district.

(f) **Conditions of Approval.** Additional project specific conditions may be imposed to support the findings for approval. Project specific requirements may include but are not limited to a reimbursement agreement, surety/bond/letter of credit, or private maintenance agreement. The approving body shall identify the project requirements within the Conditions of Approval.

(g) **Deed Restriction.** A deed restriction shall be prepared requiring compliance with the Conditions of Approval (and as amended), in perpetuity. The property owner shall file and record the deed restriction with the Alameda County Recorder's Office.

E. **Permit Findings.** See Section 23.206.110 (Permit Findings).

Section 8. That BMC Section 23.206.110 be adopted to read:

23.206.110 Permit Findings

A. **All Manufacturing Districts.** To approve an AUP or a Use Permit in a Manufacturing District, the review authority must find that the project:

1. Is consistent with the purposes of the district;
2. Is compatible with the surrounding uses and buildings;
3. Complies with the adopted West Berkeley Plan; and
4. Meets any applicable performance standards for off-site impacts.

B. **Additional Findings.** In addition to the findings in Section 23.206.110(A) (All Manufacturing Districts), the review authority must also make the following findings to approve an AUP or Use Permit in each of the Manufacturing Districts.

1. M and MM Districts. The project:
 - (a) Is unlikely, under reasonably foreseeable circumstances, to induce a substantial change of use in buildings from manufacturing, wholesale trade, or warehousing uses; and
 - (b) Is designed in such a manner to be supportive of the industrial character of the district. Such physical compatibility shall include materials used; facade treatments; landscaping; lighting; type, size and placement of awnings, windows, and signs; and all other externally visible aspects of the design of the building and site.
2. MU-LI District. The project:
 - (a) Is unlikely, under reasonably foreseeable circumstances, to induce a substantial change of use in buildings from manufacturing, wholesale trade, or warehousing uses;
 - (b) Is designed in such a manner to be supportive of the industrial character of the district. Such physical compatibility shall include materials used; facade treatments; landscaping; lighting; type, size and placement of awnings, windows, and signs; and all other externally visible aspects of the design of the building and site; and
 - (c) If the building and/or site is split between the MU-LI district and the C-W

district, there are clear and appropriate distinctions in all design aspects between the portions of the building and site within the MU-LI district and the portions within the C-W district.

3. MU-R District. The project:

(a) Is unlikely, under reasonably foreseeable circumstances, to either induce or contribute to a cumulative change of use in buildings away from residential, live/work, light industrial, or arts and crafts uses; and

(b) Is designed to be supportive of the character and purposes of the district.

4. M-RD District. The project:

(a) Is unlikely, under reasonably foreseeable circumstances, to either induce or contribute to a cumulative change of use in buildings away from industrial or heavy commercial uses; and

(b) Is designed to be supportive of the character and purposes of the district. Such physical compatibility shall include materials used; facade treatments; landscaping; lighting; type, size and placement of awnings, windows, and signs; and all other externally visible aspects of the design of the building and site.

Section 9. That Table 23.302-2 within BMC Section 23.302.020(E) be amended to read:

Table 23.302-2. Permit Requirements for Outdoor Uses

DISTRICT/USE CHARACTERISTICS [1]	PERMIT REQUIRED
All Commercial Districts Except for C-W	
Not abutting a residential district	AUP
Abutting a residential district	UP(PH)
C-W	
Not abutting a residential district and less than 10,000 s. ft.	AUP
Abutting a residential district	UP(PH)
10,000 sq. ft. or more	UP(PH)
M, MM, <u>M-RD</u> [2]	
Less than 20,000 sq. ft.	ZC
20,000 sq. ft. or more	AUP
MU-LI	
Less than 20,000 sq. ft.	ZC
20,000 to 30,000 sq. ft.	AUP
More than 30,000 sq. ft.	UP(PH)
MU-R	

Not abutting a residential district	AUP
Abutting a residential district	UP(PH)
Notes: [1] Size is measured as the lot area of the outdoor activity or storage. [2] In the M-LI , and MM , and M-RD districts, permits are required only for activity or storage not ancillary to a permitted use.	

Section 10. That BMC Section 23.302.070(E)(4) be amended to read:

4. ~~MU-LI~~, ~~and MU-R~~, ~~and M-RD~~ District – Findings.

- (a) To approve an AUP or Use Permit to establish or expand a food service establishment in the ~~MU-LI~~, ~~or MU-R~~, ~~or M-RD~~ district, the review authority must find that the establishment of the use, given its size, location, physical appearance and other relevant characteristics, will not have a significant detrimental impact on the industrial character of the area.

Section 11. That Table 23.302-7 within BMC Section 23.302.070(G) be amended to read:

TABLE 23.302-7: PERMIT REQUIREMENTS FOR PARKING LOTS/STRUCTURES

DISTRICT	PERMIT REQUIRED
Residential Districts	
R-3	Use Permit for all parking lots and structures. [1]
R-S, R-SMU, R-BMU	Use Permit for parking structures only. Parking lots are not permitted, except on lots between Acton Street and Virginia Gardens and between Peralta Avenue and Northside Avenue in the R-BMU.
All other residential districts	Use Permit for all parking lots and structures.
Commercial Districts	
C-C, C-U	Zoning Certificate for parking lots and structures with 5 spaces or fewer. Use Permit for more than 5 spaces.
C-SO	AUP for parking lots and structures with 5 spaces or fewer. Use Permit for more than 5 spaces.
C-DMU	AUP for parking lots with 8 spaces or fewer. Use Permit for all parking structures. Lots with more than 8 spaces not permitted.
C-N, C-E, C-NS, C-SA	Use Permit for all parking lots and structures.
C-T	Use Permit for all parking structures. All parking lots not permitted.

C-W	AUP for parking lots and structures with 10 spaces or fewer. Use Permit for parking lots and structures with more than 10 spaces.
Manufacturing Districts	
M, MM	AUP for parking lots and structures with 10 or fewer spaces exclusively for uses in the district. Use Permit for parking lots and structures with any number of spaces not exclusively for uses in the district.
MU-LI, <u>M-RD</u>	Zoning Certificate for parking lots and structures with 10 or fewer spaces exclusively for uses in the district. AUP for parking lots and structures with 11 spaces or more exclusively for uses in the district. Use Permit for parking lots and structures with any number of spaces not exclusively for uses in the district.
MU-R	Zoning Certificate for parking lots and structures exclusively for uses in the district. Use Permit for parking lots and structures not exclusively for uses in the district.
Notes: Parking lots and structures in the R-3 district are not permitted within the Southside Plan area	

Section 12. That Table 23.322-4 within BMC Section 23.322.030(C) is hereby amended to read:

TABLE 23.322-4: REQUIRED OFF-STREET PARKING IN MANUFACTURING DISTRICTS

Land Use	Required Parking Spaces
Residential Uses	
Accessory Dwelling Unit	None required
Dwellings	None required
Group Living Accommodation	None required
Non-Residential Uses	
All non-residential uses except uses listed below	<u>M-RD District: None required</u> <u>All Other Districts: 2 per 1,000 sq. ft.</u>
Art/Craft Studio	<u>M-RD District: None required</u> <u>All Other Districts: 1 per 1,000 sq. ft.</u>
Community Care Facility	None required

Land Use	Required Parking Spaces
Food Service Establishment	<u>M-RD District: None required</u> <u>All Other Districts:</u> 1 per 300 sq. ft.
Library	1 per 500 sq. ft. of publicly accessible floor area
Laboratories	<u>M-RD District: None required</u> <u>All Other Districts:</u> 1 per 650 sq. ft.
Nursing Home	1 per 5 residents, plus 1 per 3 employees
Medical Practitioners	One per 300 sq. ft.
Large Vehicle Sales and Rental	MU-LI District: 1.5 per 1,000 sq. ft. <u>M-RD District: None required</u> All Other Districts: 1 per 1,000 sq. ft. of display floor area plus 1 per 500 sq. ft. of other floor area; 2 per service bay
Manufacturing	MU-R District: 1.0 per 1,000 sq. ft. <u>M-RD District: None required</u> All Other Districts: 1 per 1,000 sq. ft. for spaces less than 10,000 sq. ft.; 1 per 1,500 sq. ft. for spaces 10,000 sq. ft. or more
Storage, warehousing, and wholesale trade	<u>M-RD District: None required</u> <u>All Other Districts:</u> 1 per 1,000 sq. ft. for spaces of less than 10,000 sq. ft.; 1 per 1,500 sq. ft. for spaces 10,000 sq. ft. or more
Live/Work	MU-LI District: 1 per 1,000 sq. ft. of work area where workers/clients are permitted MU-R District: if workers/clients are permitted in work area, 1 per first 1,000 sq. ft. of work area and 1 per each additional 750 sq. ft. of work area
<u>Research and Development</u>	<u>M-RD District: None required</u> <u>All Other Districts: 1 per 1,000 sq. ft.</u>
<u>Notes:</u> [1] For multiple dwellings where the occupancy will be exclusively for persons over the age of 62, the number of required off-street parking spaces may be reduced to 25% of what would otherwise be required for multiple-family dwelling use, subject to obtaining a Use Permit.	

Section 13. That Table 23.322-12 within BMC Section 23.322.100(A) be amended to read:

TABLE 23.322-12: LAND USES REQUIRING OFF-STREET LOADING SPACES

District	Land Use [1]
R-1, R-1A, R-2	Schools 10,000 sq. ft. or more

R-2A	Senior congregate housing, nursing homes and schools 10,000 sq. ft. or more
R-3	Senior congregate housing, hospitals, nursing homes, schools 10,000 sq. ft. or more
R-4, R-5	Senior congregate housing, hospitals, nursing homes, offices, schools 10,000 sq. ft. or more
R-S, R-SMU	All non-residential uses 10,000 sq. ft. or more
All C Districts except C-T	All commercial uses 10,000 sq. ft. or more
C-T	No loading spaces required for all land uses
<u>All M Districts except M-RD</u>	All commercial and manufacturing uses 10,000 sq. ft. or more
<u>M-RD</u>	<u>Research and Development uses 25,000 sq. ft. or more; All other commercial and manufacturing uses 10,000 sq. ft. or more.</u>
<u>Note:</u> [1] Land use size is total gross floor area.	

Section 14. That Table 23.322-13 within BMC Section 23.322.100(B) be amended to read:

TABLE 23.322-13: NUMBER OF REQUIRED OFF-STREET LOADING SPACES

District	Spaces Required [1]
Residential and Commercial Districts	1 space for the first 10,000 sq. ft. plus 1 additional space for each additional 40,000 sq. ft
Manufacturing Districts	<u>Research and Development uses in M-RD: 25,000 to 100,000 sq. ft. – 1 space; more than 100,000 to 200,000 sq. ft. – 2 spaces; each additional 100,000 sq. ft. – 1 space.</u> <u>All other uses in all other M Districts:</u> 1 space for the first 10,000 sq. ft. plus 1 additional space for each additional 25,000 sq. ft
<u>Note:</u> [1] Land use size is total gross floor area.	

Section 15. Copies of this Ordinance shall be posted for two days prior to adoption in the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way. Within 15 days of adoption, copies of this Ordinance shall be filed at each branch of the Berkeley Public Library and the title shall be published in a newspaper of general circulation.

RESOLUTION NO. ##,###-N.S

A RESOLUTION TO (A) CERTIFY THE ENVIRONMENTAL IMPACT REPORT (SCH# 2022120549) AND ADOPT RELATED CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FINDINGS, A STATEMENT OF OVERRIDING CONSIDERATIONS, MITIGATION MEASURES, AND A MITIGATION MONITORING AND REPORTING PROGRAM; AND (B) APPROVING AND ADOPTING AMENDMENTS TO THE WEST BERKELEY PLAN, INCLUDING AMENDMENTS TO THE LAND USE DIAGRAM AND THE LAND USE ELEMENT, AND AN AMENDMENT TO THE GENERAL PLAN LAND USE ELEMENT INDUSTRIAL LAND USE DESIGNATION TO RE-DESIGNATE CERTAIN PARCELS WITHIN THE PROJECT AREA TO BE CONSISTENT WITH ASSOCIATED ZONING TEXT AMENDMENTS TO ESTABLISH THE MANUFACTURING, RESEARCH & DEVELOPMENT DISTRICT.

WHEREAS, the City of Berkeley ("City"), in accordance with the provisions of California Government Code Section 65300 et seq., is required to adopt a General Plan for its long-range development, and further to periodically update that plan to reflect current conditions; and

WHEREAS, the City adopted the West Berkeley Plan in 1993, and adopted amendments to that plan in 1999 and 2011; and

WHEREAS, on April 20, 2021, City Council adopted a referral to the City Manager to amend the zoning ordinance for the creation an overlay at the former Pacific Steel Casting site due to the unique issues of public concern associated with the property; and

WHEREAS, pursuant to the provisions and requirements of the California Environmental Quality Act (Public Resources Code section 21000 et seq.) ("CEQA") and the State CEQA Guidelines (Title 14, Sections 15000 et seq. of the California Code of Regulations ("CEQA Guidelines"), the City of Berkeley, as lead agency, prepared an Environmental Impact Report for the proposed project (SCH No. 2022120549) ("EIR" or "Final EIR"); and

WHEREAS, on December 21, 2022, a Notice of Preparation of a Draft Environmental Impact Report (EIR) was published to analyze the potential environmental impacts of the proposed zoning and plan amendments; and

WHEREAS, on February 1, 2023, a duly noticed Draft EIR scoping hearing was held by the Planning Commission to receive comments on the scope and content of the EIR; and

WHEREAS, on February 1, 2023, the Planning Commission received a presentation on the draft zoning amendments and provided comments on the proposed zoning text; and

WHEREAS, on February 2, 2023, a duly noticed Draft EIR scoping hearing was held by the Landmarks Preservation Commission to receive comments on the scope and content of the EIR; and

WHEREAS, on March 1, 2023, the Planning Commission received a presentation on proposed revisions to the draft zoning text and provided comments on the proposed zoning text; and

WHEREAS, on October 21, 2024, a Notice of Availability/Release of a Draft EIR was issued, along with the publication of the Draft EIR itself, both of which were made available to the public/governmental agencies for review and comment; and

WHEREAS, a public hearing notice was provided to the Confederated Villages of Lisjan tribe on October 23, 2024, pursuant to California Government Code Section 65092 for the public hearing held on November 6, 2024; and

WHEREAS, a public hearing notice was published in the Berkeley Voice on October 23, 2024 and October 30, 2024, and posted in three public places on October 30, 2024, pursuant to California Government Code Section 65090 for the public hearing held on November 6, 2024; and

WHEREAS, on November 6, 2024, the Planning Commission held a duly noticed public hearing, received comments on the Draft EIR, and considered all public comments received, the presentation by City staff, the staff report, and all other pertinent documents regarding the proposed request, which was preceded by the distribution of notices in accordance with State and local noticing requirements; and

WHEREAS, on November 7, 2024, the Landmarks Preservation Commission held a public hearing to receive comments on the Draft EIR; and

WHEREAS, a Notice of Availability/Release of a Final EIR was issued and a Final EIR was published on March 13, 2025; and

WHEREAS, the Final EIR consists of the October 2024 Draft EIR and the March 2025 Final EIR; and

WHEREAS, notice of public hearing was prepared pursuant to Zoning Ordinance Section 22.04.020, *Amendment-Procedures required-Planning Commission and City Council*, and Gov. Code Section 65355; and

WHEREAS, on November 6, 2024, the Planning Commission held a duly noticed public hearing and took public testimony, which was preceded by the distribution of notices in accordance with State and local noticing requirements; and, after conducting and closing the public hearing, recommended that the City Council: (1) Adopt a Resolution, as recommended by the Planning Commission to (a) Adopt an Ordinance, as recommended by Planning Commission, amending Title 23 of the Berkeley Municipal Code (BMC) to create the Manufacturing, Research And

Development District, and make conforming changes to other BMC sections, as well as adopt Zoning Map changes, and (b) Adopt a Resolution, as recommended by Planning Commission to (a) amend the West Berkeley Plan Land Use Diagram to redesignate certain parcels from Manufacturing (M) to Manufacturing, Research and Development (M-RD), and (b) amend the West Berkeley Plan Land Use Element text to incorporate the new M-RD district, and (c) amend the General Plan Land Use Element to incorporate the new M-RD district into the Manufacturing Land Use Designation; and

WHEREAS, the proposed Zoning Ordinance and Zoning Map amendments are consistent with the General Plan and any applicable specific plan or area plan. The zoning ordinance amendments are consistent and compatible with the General Plan, as the proposed Manufacturing, Research and Development (M-RD) district will support manufacturing and industrial uses necessary for a multi-faceted economy and job growth, consistent with General Plan Policy LU-33. Further, the zoning ordinance amendments are consistent with the West Berkeley Plan, as the M-RD district designates land for manufacturing employment, provides development standards to expand the light manufacturing sector, and provides space for office, service, laboratory and R&D businesses, consistent with Goal 1; and

WHEREAS, the proposed Zoning Ordinance and Zoning Map amendments are consistent with state law. The zoning ordinance amendments are consistent with state law because they do not reduce the intensity of use allowed under the existing General Plan or zoning pursuant to Gov. Code section 66300(b)(1). Further, staff prepared an EIR in accordance with CEQA Guidelines to evaluate the potential environmental effects of adoption and implementation of the proposed zoning and General Plan and West Berkeley Plan amendments, as well as the Berkeley Forge Development to the extent site planning details have been provided; and

WHEREAS, the proposed Zoning Ordinance and Zoning Map amendments will not be detrimental to the public interest, health, safety, convenience, or welfare. The zoning ordinance amendments serve the public interest by facilitating development of a former manufacturing site known to have a number of problems of public concern, including environmental contamination, former PSC workers awaiting receipt of their pension benefits contingent upon a future sale of the property, and neighborhood blight and safety concerns resulting from an eight-acre multi-block area of vacant buildings and graffitied fencing around the property. The zoning ordinance amendments support development of the site to contribute to the tax base and economic vitality in Berkeley, which in turn contributes positively to the community. The zoning ordinance amendments will not result in the immediate approval of any specific development project. Any future development project will continue to be subject to the City's development and environmental review procedures; and

WHEREAS, the proposed Zoning Ordinance and Zoning Map amendments are internally consistent with other applicable provisions of the Zoning Ordinance. The Zoning Ordinance amendments to create the M-RD district include non-substantive revisions to the Zoning Ordinance to ensure internal consistency; and

WHEREAS, the affected site is physically suitable in terms of design, location, shape, size, and other characteristics to ensure that the permitted land uses and development will comply with the Zoning Ordinance and General Plan and contribute to the health, safety, and welfare of the property, surrounding properties, and the community at large. The proposed Zoning Map Amendment to create the M-RD district results in an approximately 11-acre area that is well-defined and uniform to facilitate potential redevelopment. The M-RD district is located at a designated industrial entry corridor to Berkeley, and continues to implement the objectives and policies of the General Plan and West Berkeley Plan, specifically West Berkeley Plan's Goal 1 of providing for an economic and land use mix that incorporates manufacturing and office/laboratory uses to benefit Berkeley businesses and the City and promote the varied and interest character of the area. Further, the proposed M-RD district will provide consistency with the Zoning Ordinance and General Plan by locating manufacturing land uses in an area designated for industrial land use. The health, safety and welfare of the property, surrounding properties, and community at large will be served by approval of the proposed Zoning Map Amendment because it will ensure that that former Pacific Steel Casting property will be redeveloped over time in an attractive and consistent manner, that environmentally contaminated soils will be remediated, and that significant employment opportunities at all education levels will be created in the industrial area of Berkeley; and

WHEREAS, the proposed West Berkeley Plan and General Plan amendments serve the public interest by facilitating redevelopment of a former manufacturing site known to have a number of problems of public concern, including environmental contamination, former PSC workers awaiting receipt of their pension benefits contingent upon a future sale of the property, and neighborhood blight and safety concerns resulting from an eight-acre multi-block area of abandoned buildings and graffitied fencing around the property; and

WHEREAS, the proposed West Berkeley Plan and General Plan amendments are consistent and compatible with the General Plan. Inclusion of the Manufacturing, Research and Development (M-RD) district in the General Plan is consistent and compatible with the existing General Plan Manufacturing Land Use designation and Policy LU-33 – West Berkeley Plan, as the district purposes, allowed uses and development standards intend to maintain and preserve areas of Berkeley for manufacturing and industrial uses necessary for a multi-faceted economy and job growth and will help maintain a full range of land uses and economic activities including manufacturing. Further, inclusion of the M-RD district in the West Berkeley Plan and related amendments to the West Berkeley Plan are consistent and compatible with the West Berkeley Plan, as the M-RD district designates land for manufacturing employment, provides development standards to expand the light manufacturing sector, and provides space for office, service, laboratory and R&D businesses. Therefore, these amendments further the West Berkeley Plan's Goal 1 of providing for an economic and land use mix that incorporates manufacturing and office/laboratory uses to benefit Berkeley businesses and the City and promote the varied and interest character of the area; and

WHEREAS, the potential effects of the proposed West Berkeley Plan and General Plan amendments have been evaluated and have been determined not to be detrimental to the public health, safety, or welfare. The General Plan and West Berkeley Plan amendments serve the public interest by facilitating redevelopment of a former manufacturing site known to have a number of problems of public concern, including environmental contamination, former PSC workers awaiting receipt of their pension benefits contingent upon a future sale of the property, and neighborhood blight and safety concerns resulting from an eight-acre multi-block area of vacant and disused buildings and graffitied fencing around the property. These amendments support redevelopment of the site to contribute to the tax base and economic vitality in Berkeley, which in turn contributes positively to the community. These amendments will not result in the immediate approval of any specific development project. Any future development project will be subject to the City's development and environmental review procedures; and

WHEREAS, all documents constituting the record of this proceeding are and shall be retained by the City of Berkeley Planning and Development Department, Land Use Planning Division, at 1947 Center Street, Berkeley, California.

NOW, THEREFORE, IT BE RESOLVED that the Council of the City of Berkeley, as the final decision-making body for the lead agency, hereby certifies that the Final EIR has been completed in compliance with CEQA and reflects the independent judgment and analysis of the City.

BE IT FURTHER RESOLVED, that no recirculation of the EIR is required.

BE IT FURTHER RESOLVED, that the City Council adopts and incorporates into the Project all of the mitigation measures that are within the responsibility and jurisdiction of the City and that are identified in the CEQA Findings.

BE IT FURTHER RESOLVED, that the City Council adopts and incorporates by reference into this Resolution the Mitigation Monitoring and Reporting Program (Exhibit A).

BE IT FURTHER RESOLVED, that the City Council as the final decision-making body for the lead agency, hereby adopts and incorporates by reference into this Resolution the CEQA Findings and Statement of Overriding Considerations (Exhibit B) with regard to the significant environmental effects of the project.

BE IT FURTHER RESOLVED by the City Council that the West Berkeley Plan Land Use Diagram and text is hereby amended, as shown in Exhibit A, and the General Plan Manufacturing Land Use Designation is hereby amended, as shown in Exhibit B.

BE IT FURTHER RESOLVED that the City Council hereby authorizes the City Manager to make non-substantive, technical conforming edits (e.g., correction of typographical errors and/or clerical errors) to the Berkeley Municipal Code, including

but not limited to page, figure or table numbering, or internal cross-references to amended or new sections of the Berkeley Municipal Code, and to return to the Planning Commission and City Council for major revisions only.

BE IT FURTHER RESOLVED that nothing in this Resolution shall be interpreted or applied so as to create a requirement, power, or duty in conflict with any federal or State law.

Exhibits

A: Draft West Berkeley Plan amendments

B: Draft General Plan amendments

EXHIBIT A
DRAFT
WEST BERKELEY PLAN AMENDMENTS

Revisions are proposed to Section IV, “Goals and Policies.” The following text and proposed modifications represent page 35 of the West Berkeley Plan (1993) Goal 2:

Channel development—both new businesses and residences and the expansion of existing businesses—to districts various which are appropriate for the various existing elements of the West Berkeley land use mix.

Rationale:

The Preferred Land Use Concept was based on the concept of channeling different types of uses to different parts of West Berkeley, within the context of its overall mix. It therefore developed a new zoning districting plan for West Berkeley. This Goal and its associated policies set forth the rationales for creating each of the districts.

Policies:

- A. Create a Manufacturing district as a general industrial district, where the full range of existing manufacturers—both “heavy” and “light”—can function without interference from other types of uses.
- B. Create a Mixed Manufacturing district as a general industrial district, where both heavy and light manufacturers can function, along with “biotech” industries and office users which can recycle the upper stories of buildings.
- B.C. Create a Manufacturing, Research and Development district where a range of industrial uses can function, while providing an opportunity for research and development, office/laboratory and retail uses to operate in proximity to an industrial entry corridor.
- C.D. Create a Light Manufacturing district which allows a wide range of light manufacturers to continue to operate and expand and limits loss of their spaces to other uses, while providing an opportunity for office development where it will not unduly interfere with light manufacturing uses, and for laboratory development in appropriate locations.
- D.E. Create a Mixed Residential district as a special mixed use district which will recognize and support the continued evolution of a unique mix of residential, light industrial, and arts and crafts uses, with a particular effort to strengthen residential concentrations existing there.
- E.F. Create a Commercial district which will foster the continued vitality of West Berkeley’s neighborhood and regional serving retail trade, in as pedestrian-friendly a manner as possible.
- F.G. Maintain Residential districts which will provide decent, safe, and sanitary living environments for a wide range of types of household.

Revisions are proposed to Section V, “The Land Use Districting Concept of the Plan” The following text and proposed modifications represent pages 37 through 39 of the West Berkeley Plan (1993)

V. THE LAND USE DISTRICTING CONCEPT OF THE PLAN

One of the most important parts of the West Berkeley Plan is its land use concept. The land use concept is designed to guide West Berkeley's evolution through at least the year 2005. The concept lays out a completely revised set of land use districts for West Berkeley (see Map 1). These districts are designed to become new zoning districts once the final Plan is adopted.

The concept represents a balance between a strong emphasis on the need to conserve desirable existing uses and the need to allow reasonable evolution and development. It seeks to balance the legitimate, yet sometimes conflicting interests of the many "stakeholders" in West Berkeley—residents, manufacturers, workers and their unions, retailers, property owners, the University, the City itself, and many others. The Plan land use concept seeks to give clear guidance on what activities are desired where within Berkeley, yet allow the continued development of a creative, exciting mixed use area. For the first time in West Berkeley, the land use concept provides a clear gradation of uses and development intensity from the residential areas, through mixed use areas to the manufacturing areas.

Overview of the Districting Concept

While the concept was developed through an intensely participatory process, which required numerous tradeoffs and compromises from all participants (see the Process section), there is nonetheless an underlying logic to the concept. The concept recognizes that, although West Berkeley is, on the whole, an area with very mixed uses, individual areas within it do have certain predominant uses. Other areas have a mix of uses, but they do not generally have the full range of uses from "heavy" manufacturing to single family detached residential (see Figure 1-4 for a diagrammatic depiction of the varying mix of uses in the Plan's land use districts). There are 6-7 land use designations (types of zoning) for the whole of West Berkeley.

Some areas have a use mix dominated by "heavy" and "light" manufacturing, these are designated as the Manufacturing and Mixed Manufacturing districts. In the northwest section of West Berkeley, near the Gilman Street entry corridor, a range of industrial uses can function, as well as research and development, office/laboratory and retail use, this area is designated as Manufacturing, Research and Development. In much of West Berkeley, light manufacturing and other light industrial uses (e.g. auto repair) are the primary land use, these areas are designated as Mixed Use/Light Industrial district. Retail commercial concentrations have developed, not only along San Pablo and University Aves., but around 4th & University and 7th & Ashby as well. These areas were designated Commercial. Some areas mix industrial and residential uses closely together—these areas have been designated Mixed Use/Residential. The remaining areas are overwhelmingly residential, and remain in their existing residential zoning (whether it be R-1A, R3, or R4). This pattern is described in more detail in the following section.

In addition to this overall concept, there were a number of principles which guided the development of the land use concept. Most important among these were:

- New land use districts/zones should recognize the existing character of an area, and create as few non-conformities as possible;

- The zoning should allow desired development in an area (e.g. residential infill, expansion of existing manufacturers), but generally not permit a radical change of area character;
- Although they are not the only consideration, the desires of businesses, property owners, and residents in a particular area are especially important in developing districting/zoning for that area;
- Zoning should specify, as clearly as possible, permitted and prohibited uses in an area, to give guidance to applicants (for permits) and to reduce permit processing time;
- Manufacturing, wholesaling, and warehousing space should be maintained in those uses as much as possible, to meet the Council/Planning Commission mandate to maintain manufacturing jobs;
- All uses, even those permitted in a zone, are subject to review for environmental impacts. However, whether an Environmental Impact Report (EIR), an Initial Study, or other environmental document is needed will be determined by the nature and scale of an application;
- Existing residential clusters within mixed use areas should be strengthened and legitimized;
- Residents should be buffered from the effects of heavy industrial uses as much as possible;
- Retail uses should be clustered, to strengthen existing retail areas, to make them for walkable, and to prevent retail sprawl.

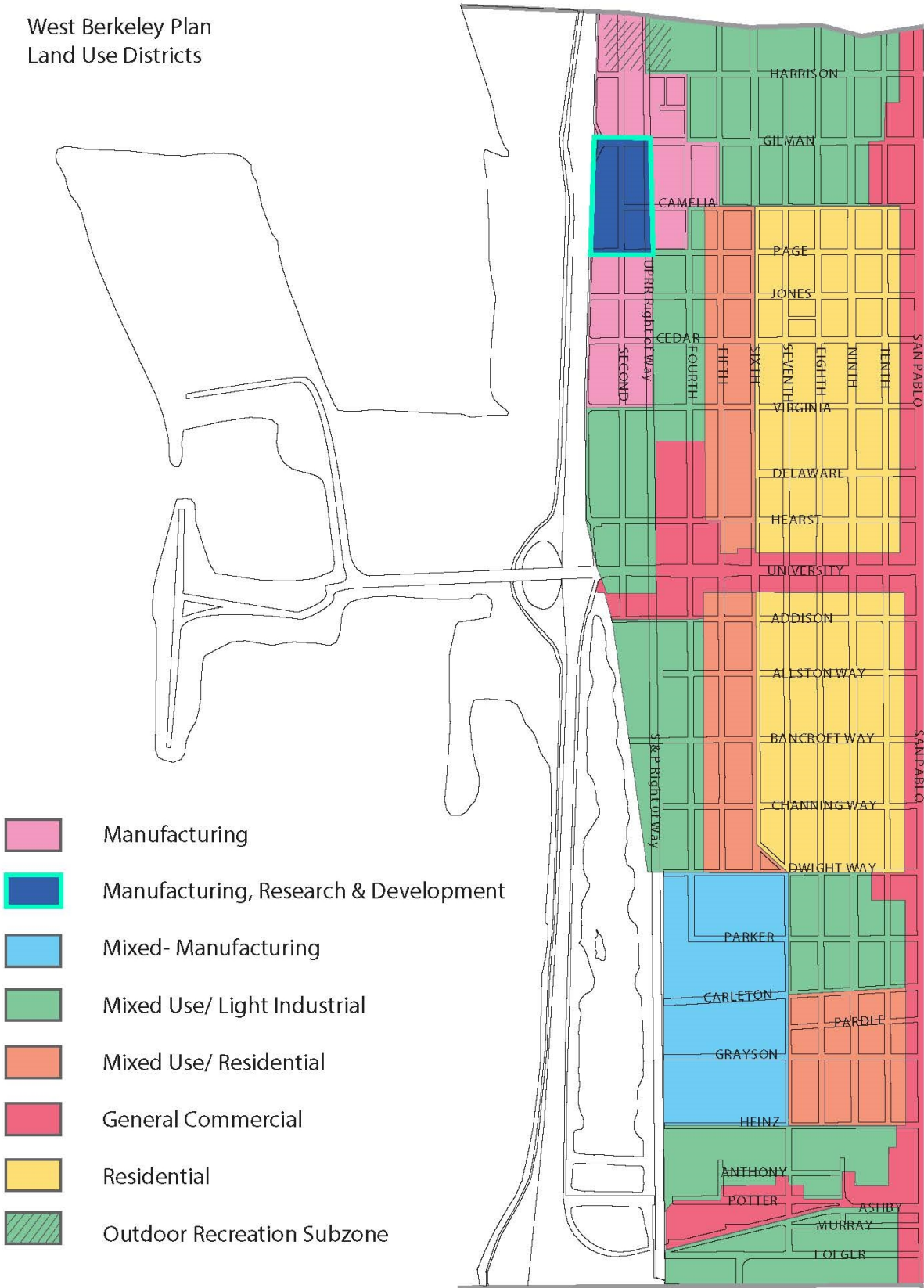
Figure 1-4: The Spectrum of Permitted Uses
West Berkeley Plan Districts Generally Permitted Uses by District

Districts	Use Categories						
	"Heavy Manufacturing"	Light Manufacturing	Other Industrial	Offices	Live-Work	Retail	Residential
Manufacturing							
Mixed Manufacturing							
<u>Manufacturing, Research & Development</u>							
Mixed Use/Light Industrial							
Mixed Use/Residential							
Commercial							
Residential							

Legend:

	Use generally permitted in district
	Use permitted to more limited extent in district
	Use not indicated are generally prohibited in district

West Berkeley Plan
Land Use Districts



City of Berkeley Planning Department–July, 1998,
rev October, 2024

Specific Districts in the Concept

General Manufacturing Districts

There are 2 small districts in the Plan which allow process intensive, “heavier” manufacturing uses, as well as light industrial uses. These are the Manufacturing District in northwestern West Berkeley (largely west of the railroad tracks), and the Mixed Manufacturing District in southwestern West Berkeley (around the Colgate and Miles sites). These areas are the present home to most West Berkeley “heavy” industries such as steelmaking and ink production. These districts are closely targeted to industrial uses, and generally do not allow residential, live-work, retail, or office uses (except on upper stories in the Mixed Manufacturing District). Office, laboratory, and retail uses which are integral to a manufacturing operation (e.g. a store selling products made on site) are permitted in the district. These small areas—some 94-82 acres in the Manufacturing zone and 79 acres in the Mixed Manufacturing zone—most closely follow the model of “Protected Manufacturing Districts” that manufacturing advocates sought for West Berkeley. While industrially oriented, the Mixed Manufacturing district is somewhat less tightly targeted than the Manufacturing District, allowing freestanding laboratories and office uses on upper stories, so that multi-story buildings in the district can be more easily used.

Manufacturing, Research & Development District

The district is proposed for the area around the former Pacific Steel Casting and Berkeley Forge and Tool Inc. sites in northwest West Berkeley (west of the railroad tracks), at Gilman Street and Eastshore Highway. This district targets industrial and research and development uses, office and business support uses are permitted along with select types of retail uses and generally does not allow residential, live-work, or commercial uses. Office uses are permitted, along with some types of retail; however, most types of retail are not allowed. Due to its location along a key industrial entry corridor, this district provides flexibility in the FAR and lot coverage requirements for large multi-acre sites in order to encourage high-quality site planning and design.

EXHIBIT B
DRAFT
GENERAL PLAN AMENDMENTS

Revisions are proposed to the Manufacturing Land Use Designation. The following text and proposed modifications represent page LU-24 of the General Plan (2002).

Manufacturing

These areas are intended to maintain and preserve areas of Berkeley for manufacturing and industrial uses necessary for a multi-faceted economy and job growth. Appropriate uses for these areas are identified in the West Berkeley Plan. Within these areas, building intensity will generally range from a Floor Area Ratio (FAR) of less than 1 to an FAR of 2. For information purposes, the compatible zoning districts for this classification are: Manufacturing (M), Mixed Manufacturing (MM), ~~and~~ Mixed Use-Light Industrial (MU-LI), and Manufacturing, Research and Development (M-RD), which all allow a maximum FAR of 2 and a maximum building height of 45 to 105 feet.



Rashi Kesarwani
Councilmember, District 1

ACTION CALENDAR
April 20, 2021

TO: Honorable Mayor and Members of the City Council

FROM: Councilmember Rashi Kesarwani (Author), Councilmember Taplin (Co-Sponsor)

SUBJECT: Referral to the Planning Commission to Establish a Zoning Overlay at the Pacific Steel Casting Property

RECOMMENDATION

Refer to the Planning Commission to create a zoning overlay at the Pacific Steel Casting (PSC) property in West Berkeley—currently zoned Manufacturing (M) and redesignate it as Mixed Use - Light Industrial (MULI) due to the unique issues of public concern associated with this property (described below); specifically, include in the PSC zoning overlay allowances to enable all MULI uses and override any existing constraints in the Berkeley Municipal Code for Zoning (Title 23) on such MULI uses for the PSC property.

CURRENT SITUATION AND ITS EFFECTS

The Pacific Steel Casting (PSC) property sits at the corner of Eastshore Highway and Gilman Street, extending two blocks south to Page Street with structures on either side of Second Street. Once a thriving manufacturer of custom industrial-use parts employing more than 650 workers, PSC declared bankruptcy in 2014 and permanently shuttered in 2018. The site is known to have a number of problems of public concern, including: (1) environmental contamination at the site, (2) hundreds of blue-collar workers awaiting receipt of their pension benefits as a result of a future sale of the property, and (3) neighborhood blight and safety concerns resulting from an eight-acre multi-block area of abandoned buildings and graffitied fencing around the property.

The site, which is in close proximity to the highly-anticipated reconstruction of the Gilman Interchange, has generated some interest from real estate and business representatives for numerous mixed-use light industrial uses, such as biotechnology labs, warehouse and commercial uses, or office space, among other possibilities. The site has been on the market for more than two years without a serious buyer

due in part to concerns that the current Manufacturing zoning designation limits the potential uses of the site to heavy manufacturing only. Because of the difficulty in generating a prospective buyer for the PSC site—more than two years have elapsed since the property was first put on the market—and the issues of public concern noted above, a zoning overlay specifically for the PSC site is recommended. This referral and establishment of a zoning overlay signals to prospective buyers that the City is eager to see this site reinvented and contributing to our tax base and the vitality of our post-Covid local economy.

BACKGROUND

Established in 1934 and owned for more than 80 years by the Genger and Delsol families, PSC declared bankruptcy in 2014. Prior to that, a worker class action lawsuit was filed in 2011 against the company for wage theft.¹

In 2014, the company was purchased by Speyside Equity for \$11.3 million. Until that time, the company had been generating \$100 million in sales annually. Speyside turned the assets of PSC into a limited liability company and pledged to honor the collective bargaining agreements with the union representing the workers, including assuming pension liabilities and paying workers' health benefits.² The new company, Pacific Steel Casting LLC, however, failed to pay those benefits in part due to growing financial insecurity prompted by plummeting gas and oil prices which limited the need for production, and in part due to increased competition from China. It was also later discovered that Speyside used suspect financial practices that further drove the company into the ground.³

According to reporting from Berkeleyside, "The Speyside Fund, Speyside Equity, Alcast Company of Illinois, various business partners and managers, 'looted' \$14.5 million from the West Berkeley company over a four-year period, and justified the siphoning off by 'cooking' the books, according to the action filed by Sarah L. Little, the bankruptcy trustee."⁴ These legal entanglements encumber the land for any potential buyers, as it is predicted it will take between \$27 to \$30 million to make the workers and all the past creditors whole. This is in addition to the costs it will take for the environmental remediation of the property.

FISCAL IMPACT

¹ See Berkeleyside, Nov. 7, 2019 article, "Buyers of Pacific Steel Casting 'looted' its assets, made 'insider deals,' according to bankruptcy trustee:" <https://www.berkeleyside.com/2019/11/07/buyers-of-pacific-steel-casting-looted-its-assets-made-insider-deals-according-to-bankruptcy-trustee>

² See Berkeleysides' Dec. 12, 2017 article, "Temporary reprieve for workers: Pacific Steel Casting to remain open through March:" <https://www.berkeleyside.com/2017/12/12/reprieve-workers-berkeleys-pacific-steel-casting-remain-open-march>

³ See Berkeleysides' Nov. 7, 2019 article, "Buyers of Pacific Steel Casting 'looted' its assets, made 'insider deals,' according to bankruptcy trustee:" *Op Cit.*

⁴ Berkeleyside, Nov. 7, 2019, *Op. Cit.*

Staff time to facilitate the Planning Commission referral and prepare language for the zoning overlay.

ENVIRONMENTAL SUSTAINABILITY

The PSC site requires considerable environmental remediation. A property buyer would address all of the environmental clean-up issues, contributing to a revitalization of West Berkeley's Gilman District and responsible stewardship of the land. The 2014 Atwell, LLC report commissioned by Speyside Equity, LLC concluded that substances such as arsenic, petroleum hydrocarbons, tetrachloroethylene and trichloroethylene and others were present in samplings taken during the environmental investigation of the site.

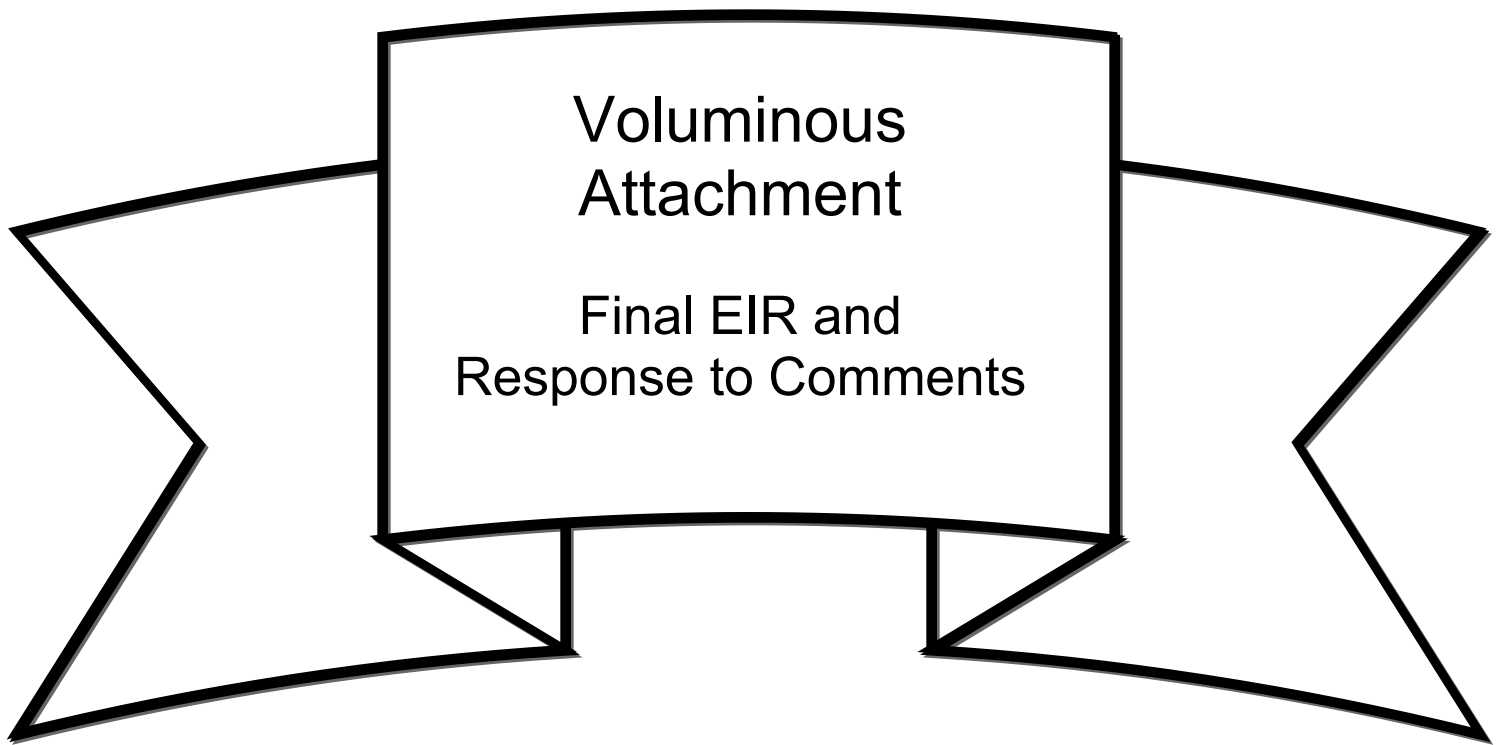
RATIONALE FOR RECOMMENDATION

Creating a zoning overlay to enable the PSC site to be zoned MULI will increase the desirability of this property for prospective buyers. This in turn could reap many public benefits once the site is sold. First and foremost, it could enable former PSC workers to receive their pension benefits. It would also result in an environmentally sound property and contribute to the City's tax base.

CONTACT PERSON

Councilmember Rashi Kesarwani, District 1

(510) 981-7110



Attachment 4 to this report is on file and available for review at the City Clerk Department, or can be accessed from the City of Berkeley Website.

City Clerk Department
2180 Milvia Street
Berkeley, CA 94704
(510) 981-6900

or from:

The City of Berkeley, City Council's Web site
<http://www.berkeleyca.gov>



Planning and Development Department
Land Use Planning Division

DATE: February 1, 2023

TO: Members of the Planning Commission

FROM: Ashley James, Senior Planner

SUBJECT: Pacific Steel Casting Zoning and General Plan Amendments and Environmental Impact Report (EIR) Scoping Session

SUMMARY

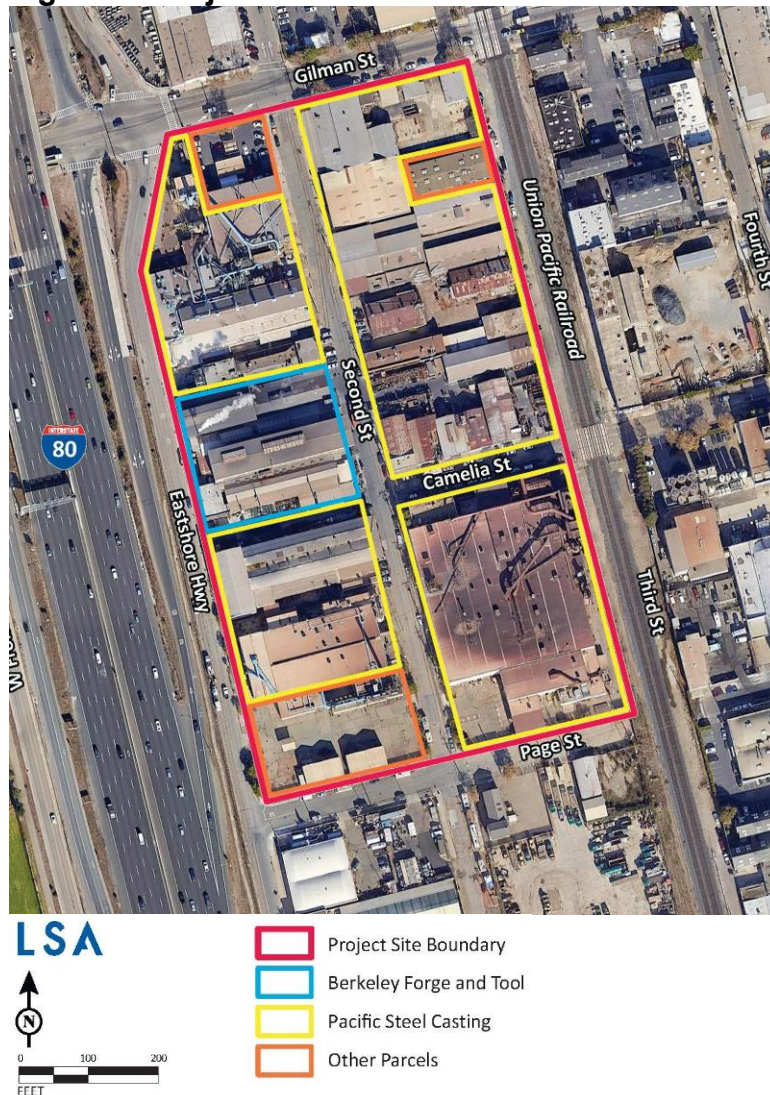
- City staff are preparing Zoning Ordinance and Zoning Map amendments and associated General Plan amendments to re-zone an approximately 11-acre area within the West Berkeley Plan Area from M (Manufacturing) to a new district entitled M-RD (Manufacturing, Research and Development). The 11-acre area contains 18 parcels and is bounded by Gilman Street to the north, the Union Pacific Railroad tracks to the east, Page Street to the south, and Eastshore Highway to the west (**Figure 1**). The Planning Commission is asked to receive a staff presentation and provide feedback on the proposed zoning and associated West Berkeley Plan and General Plan changes.
- The City has determined, based on the scale and scope of the proposed project, that an Environment Impact Report (EIR) is required to evaluate the potential physical environmental impacts that could result from future development in accordance with the new zoning. A Notice of Preparation (NOP) to gather input from agencies and the public was released on December 27, 2022 for a 60-day comment period ending on February 27, 2023. In this scoping session, the Planning Commission will receive a status report on the NOP, consider public testimony, and provide comments on the scope and content of the EIR.

BACKGROUND

On April 20, 2021, the City Council referred to the Planning Commission creation of a zoning overlay at the former Pacific Steel Casting (PSC) property in West Berkeley, which is currently zoned Manufacturing (M), and re-designate it as Mixed Use - Light Industrial (MU-LI) due to the unique issues of public concern associated with this property (described below); specifically, include in the PSC zoning overlay allowances to enable all MU-LI uses and override any existing constraints in the Berkeley Municipal

Code for Zoning (Title 23) on such MU-LI uses for the PSC property, such as manufacturing floor area replacement requirements (**Attachment 1**).

Figure 1: Project Area

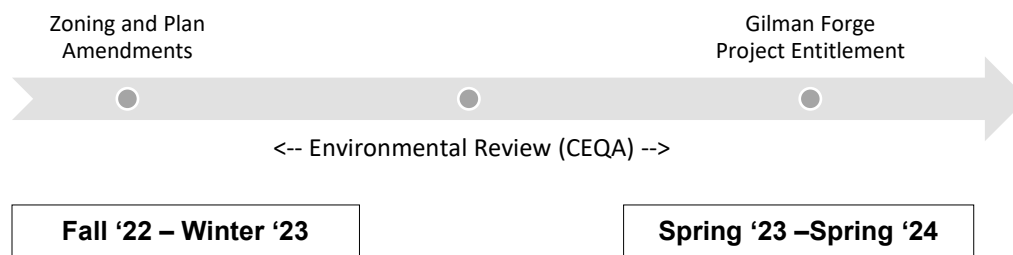


In October of 2022, the Planning Department received a zoning map amendment application from Rhoades Planning Group on behalf of SPUR Capital, pursuant to BMC Chapter 23.412 (Zoning Ordinance Amendments), to re-designate the zoning of 15 parcels over an 8.16-acre area at the PSC and Berkeley Forge and Tool properties from M to MU-LI, consistent with the Council referral. That application includes only the parcels that SPUR Capital has site control over, referred to here as “Gilman Forge,” and is thus slightly smaller than the total project area being considered in the rezoning and EIR. According to the applicant statement, the project sponsor intends to submit a development project application following completion of the rezoning and EIR. The

applicant statement provides preliminary information regarding the possible uses and development envelope of the project (**Attachment 2**).

Environmental review will fully evaluate the potential physical effects to the environment of the proposed policy changes as well as the proposed future development project (**Figure 2**). The role of the Planning Commission is to provide comments on the draft zoning and plan amendments, the NOP, and the EIR when it becomes available, and make a recommendation to the City Council for decision.

Figure 2: Planning and Entitlement Process



PROJECT DESCRIPTION

The project being analyzed in the EIR is the proposed zoning text and map amendments and associated General Plan amendments, as well as the proposed Gilman Forge concept plan. The EIR will evaluate the maximum reasonable development scenario of the rezone and associated general plan amendments, as well as demolition of the existing buildings, construction of up to 1,000,000 square feet of nonresidential space at a maximum building height of 105 feet, and up to 2,000 off-street automobile parking spaces. The proposed M-RD zoning district regulations are described in greater detail below. The EIR will also evaluate the impact of the Gilman Forge concept plan, located on an approximately 8.16-acre portion of the project area, to the extent that such development is foreseeable at the time of preparation of this programmatic EIR. The buildout of the concept plan is assumed to be consistent with the development standards of the proposed M-RD zoning district.

Rationale for Approach to Re-Zoning from M to M-RD

As stated above, the Council referral is to create a zoning overlay at the former PSC property in West Berkeley, which is currently zoned M, and re-designate it as MU-LI, and include in the overlay allowances to enable all MU-LI uses and override existing constraints on MU-LI uses for the property. Staff is recommending that a new zoning district be created for the following reasons.

Staff evaluated the utility of an overlay district as a means of achieving the objective of the referral, and noted that an overlay district is typically applied over multiple underlying districts as a more efficient method of applying additional regulations to serve a particular public purpose (e.g., airport noise, creek setbacks). An overlay typically modifies development standards and administrative processes; it does not

usually modify allowed land uses. As the underlying zoning at the site is M and the referral seeks to reduce constraints on allowed uses, Staff found that an overlay is not the preferred zoning method to achieve the objectives of the referral.

The referral also intends to re-zone the site from M to MU-LI and override existing constraints on MU-LI uses to enable redevelopment. The property representative has identified certain constraints in the MU-LI regulations, including allowed uses, maximum height, and protections on existing manufacturing uses, that would interfere with their intended development. Staff found that re-zoning to MU-LI with exceptions would be inefficient in that the zoning would essentially be mooted by the exceptions. Therefore, staff is recommending creation of a new district – Manufacturing, Research & Development (M-RD) – that is consistent with the existing adopted Plans for the area and General Plan Manufacturing land use designation, helps achieve the objectives of the referral and zoning map amendment application, and facilitates implementation (i.e., does not require Variances or other exceptions to MU-LI standards on a project-by-project basis).

The Office of Economic Development has prepared a report that provides context into the current and projected economic conditions in West Berkeley to help inform the City's approach to addressing the Council referral. Specifically, the report provides information about the city's economy and the innovation sector in particular – advanced manufacturing, software, life sciences, clean technology, food tech, and other science, technology, engineering and math (STEM) industries – such as employment, wages, wealth creation, social impacts and location decisions. A discussion of the economic conditions and impacts of the proposed rezoning within the West Berkeley industrial area is also provided (**Attachment 4**).

M-RD Zoning District Boundary

As shown in Figure 1 above, Staff propose that the M-RD district boundary encompass the 15 parcels that make up the PSC and Berkeley Forge and Tool properties, as well as three additional parcels in the immediate vicinity, resulting in a two-block area bounded by Gilman Street to the north, the Union Pacific Railroad tracks to the east, Page Street to the south, and the Eastshore Highway to the west consisting of 11 acres over 18 parcels. The three additional parcels are the following:

- 1306 Third Street: A 6,204 square-foot parcel developed with a two-story, approximately 6,000 square-foot building containing three live/work units, which is a legal non-conforming use.
- 600 Gilman Street: A 11,625 square-foot parcel developed with a one-story, approximately 1,000 square-foot building containing a vehicle rental service.
- 1433 Eastshore Hwy: A 38,850 square-foot parcel developed with a one-story metal building totaling approximately 1,944 square feet containing a recycled materials processing use.

The proposed boundary would be consistent with the Council referral to re-zone the PSC property and includes the Berkeley Forge and Tool properties that are part of the

applicant-initiated zoning map amendment. The additional three parcels would complete the two-block boundary to facilitate potential future development. More information about each parcel included in the district, including address, APN, parcel size, and existing use, is provided in Attachment 3.

Proposed District Intent and Purposes

The proposed M-RD district would be consistent with the Manufacturing land use designation and adopted plans, and would further the objectives of the Council referral and zoning map amendment application.

General Plan Land Use Element. The Manufacturing designation is intended to maintain and preserve areas of Berkeley for manufacturing and industrial uses necessary for a multi-faceted economy and job growth, and the appropriate uses are identified in the West Berkeley Plan.¹ The General Plan Land Use Element policy regarding Industrial Areas is to take actions that will achieve the three purposes of the West Berkeley Plan:

1. Maintain the full range of land uses and economic activities including residences, manufacturing, services, retailing, and other activities in West Berkeley.
2. Maintain the ethnic and economic diversity of West Berkeley's resident population.
3. Maintain and improve the quality of urban life, environmental quality, public and private service availability, transit and transportation, and aesthetic and physical qualities for West Berkeley residents and workers.²

West Berkeley Plan. Accordingly, the goal of the West Berkeley Plan Land Use Element is to provide for a continued economic and land use mix, incorporating manufacturing, other industrial, retail and office/laboratory uses, to benefit Berkeley residents and businesses economically, benefit the City government fiscally, and promote the varied and interesting character of the area.³ Policies under this goal speak to:

- Retaining sufficient land and buildings to maintain manufacturing employment;
- Providing, through zoning districts, development standards, the appropriate tools to expand the light manufacturing sector; and
- Providing space and designating appropriate locations for office, service and laboratory businesses, particularly growing Berkeley based businesses which are particularly suited to West Berkeley's physical environment.

Proposed M-RD District. The proposed purposes of the M-RD district are to:

¹ City of Berkeley General Plan, *Land Use Element*. Land Use Classifications – Manufacturing, page LU-24. [02_Land Use Element-FINAL.pdf \(berkeleyca.gov\)](#)

² City of Berkeley General Plan, *Land Use Element*. Element Objectives, Policy LU-33, page LU-17. [02_Land Use Element-FINAL.pdf \(berkeleyca.gov\)](#)

³ City of Berkeley West Berkeley Plan, *Land Use Element*. Goal 1, page 34. [12/14/1993; CLK - Resolution; City Council; 57301; \(berkeleyca.gov\)](#)

1. Implement the West Berkeley Plan Manufacturing, Research and Development District designation;
2. Support a mix of industrial and heavy commercial uses, such as light manufacturing and research and development, particularly those which retain a diversity of employment opportunities in West Berkeley and can provide high quality employment for people at all educational levels and add significantly to the tax base;
3. Allow office and laboratory uses that support light industrial and research and development uses, and provide for high employment density;
4. Provide opportunities for an urban campus-like environment with high-quality design and site planning that includes amenities for employees and visitors;
5. Support the development of industrial uses which satisfy performance standards that protect the environment; and
6. Facilitate land uses that improve the quality of the West Berkeley environment, while allowing existing industrial uses.

While a number of industrial uses are allowed, this district is more restrictive with regard to heavy industrial uses than the Manufacturing (M) or Mixed Manufacturing (MM) districts in order to maintain and improve the quality of the West Berkeley environment. Further, the proposed uses are tightly targeted to a mix of light manufacturing, research and development (R&D), laboratory and office uses to provide for high-quality employment density for people at all educational levels.

Proposed Allowed and Prohibited Uses

The M-RD district would permit a variety of uses, including office, industrial and heavy commercial, laboratory, light manufacturing, and R&D, which would primarily be subject to the permit requirements of the MU-LI district. This proposed set of allowed uses would help ensure that the mix of industrial and heavy commercial uses provide high-quality employment for people at educational levels, add significantly to the tax base, and support uses that improve the quality of the West Berkeley environment. The existing live/work use at 1306 Third Street would continue to be legally non-conforming and the existing vehicle rental use at 600 Gilman Street would become non-conforming.

Staff are proposing a narrower set of allowed uses than the MU-LI district for consistency with the objectives of the 2021 Council referral and purposes of the M-RD district listed above. The following uses allowed in the MU-LI district that would be prohibited in the M-RD district are:

- *Public and Quasi-Public, Retail and Food and Alcohol Service, Lodging, Entertainment and Assembly, Vehicle Service and Sales use categories:* Club/lodge, Retail, Theaters, and Vehicle Service and Sales, except for Alternative Fuel Stations.
- *Industrial and Heavy Commercial use category:* Bus/Cab/Truck/Public Utility Depot, Commercial Excavation, Contractors Yard, Construction Products Manufacturing, Recycled Materials Processing, and Recycling Redemption Center.

- *Incidental and miscellaneous use category:* Live Entertainment, Art/Craft Studios, Live/Work, Public Markets, and Urban Agriculture.

Proposed Development Standards

While the full zoning district text will be developed over the next several months and presented to the Planning Commission for a recommendation to Council with the Final EIR, staff has developed basic standards to set a project description for analysis in the EIR. Table 1 below provides a summary of the proposed development standards along with the policy rationale. Each regulation is further discussed below. Overall, the proposed development standards are consistent with the MU-LI district standards, except for changes to the maximum allowed height, maximum lot coverage, and minimum vehicle parking. Staff are presenting additional standards that could be included to meet the intent and purposes of the district but are not required as part of the EIR project description.

Table 1. Summary of Proposed Zoning Regulations

Regulation	Existing M Standard	Proposed M-RD Standard	Rationale
Maximum Height	45 feet	105 feet	Facilitate construction of buildings with minimum floor-to-floor heights and floor plates for allowed uses (e.g. 20-foot ground-floor height, smaller floorplates)
Maximum Floor Area Ratio (FAR)	2.0	2.0	Maintain maximum buildout evaluated in General Plan EIR
Minimum Setbacks, and Building Separation	Not regulated	Not regulated	Maintain existing development pattern in Manufacturing districts.
Maximum Lot Coverage	Not regulated	50 percent	Provide opportunities for an urban campus-like environment that includes amenities for employees and visitors.
Minimum Off-Street Parking and Minimum Bicycle Parking	Vehicle: See BMC Table 23.322-4	Vehicle: Same as Table 23.322-4, with following changes: • All non-residential uses except uses listed below: 1 per 1,000 sq.ft. • Laboratories: 1 per 1,000 sq.ft. • Storage, warehousing, and wholesale trade: 1, per 1,000 sq.ft.	Provide flexibility for future users and acknowledge current Transportation Demand Management practices.

	Bicycle: 1 per 2,000 sq.ft.	Bicycle: Same requirements as existing for non- residential uses	Maintain existing Manufacturing district standard
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Maximum FAR

No changes are proposed to the existing maximum FAR of 2.0 allowed in the M district. As the total area of the proposed M-RD district is approximately 463,549 square feet, the maximum buildout of approximately 927,098 square feet of gross floor area would be the same amount that was previously evaluated in the General Plan and West Berkeley Plan and the associated EIRs. In other words, development within this district would not exceed the amount of development already anticipated in the area.

Maximum Building Height

The proposed maximum building height of 105 feet is higher than the current maximum of 45 feet allowed in the M district. The proposed maximum is supported by a recommendation in the Council referral to enable all MU-LI uses and override any existing constraints in the Zoning Ordinance on such uses. Allowed uses in both the MU-LI and proposed M-RD district include research and development and laboratories, which require certain building design characteristics that necessitate additional building height allowances. This topic was addressed as part of the Bayer Development Agreement process⁴ and in the current zoning map amendment application, which is summarized below:

- **Minimum Floor Heights:** The nature of research and development and laboratory uses can include large pieces of machinery, deliveries, equipment, and ductwork that require taller ceiling heights and highly reinforced floors. These uses generally require 20-foot ground-floor heights and 16.5-foot upper story heights, measured floor to floor, in order to provide leasable space, which would result in a two-story building under the existing 45-foot height limit, impacting the feasibility of future development.
- **Building Modulation and Variation:** The average floor plate size for research and development and laboratory uses is approximately 35,000 square feet, and is usually no larger than 50,000 square feet. Floor plates larger than 50,000 sq. ft. can result in operational inefficiencies given the requirements for laboratory uses that include equipment, air circulation and structural integrity, and subsequent impacts on the functionality and mechanical, electric, and plumbing (MEP) infrastructure. Additionally, the privacy, safety and security needs of these tenants makes a multi-tenant approach to leasing less attractive than other uses.

⁴ October 20, 2021. *Public Hearing on Bayer Development Agreement, Attachment 3.F, Report on Justification for Heights*. Planning Commission. [2021-10-20 PC Agenda Packet.pdf \(berkeleyca.gov\)](#)

Within Berkeley, the Amended and Restated Bayer Development Agreement allows a maximum height of 80 feet for production uses (similar to Pharmaceuticals Manufacturing) and 65 feet for other uses (Administration, Laboratory, Utility, Warehouse) in the campus.⁵ Since the West Berkeley Plan was adopted in 1993, three variances have been approved to allow construction of buildings intended for research and development and laboratory uses that range from 60 to 74 feet in height.⁶ A common finding among the variances granted is that unique building requirements for these uses justify additional height. Outside of Berkeley within the Bay Area region, maximum height limits in districts that allow research and development and laboratory uses range from 35 to 100 feet, and a few do not regulate maximum height. Some cities provide flexibility by offering discretionary permit procedures such as awarding 'bonus height' if the project meets certain community goals, including providing community benefits, above a base allowed height. Assuming that buildings developed in the proposed M-RD zoning district would have a ground floor height of 20 feet with subsequent floors at a height of 16.5 feet, the maximum height of 105 feet would allow up to six stories.⁷

Additional height for buildings that contain other uses, such as for administrative purposes (offices, conference rooms, cafeteria, etc.), can provide benefits for employees and visitors. For example, additional height can free up floor area that can result in the development of amenities and open spaces that will provide a social benefit, as well as help attract and retain talent. A taller building can occupy a smaller footprint than would otherwise be feasible, allowing opportunities to include on-site public open space, landscaping, and street trees, bioswales to capture stormwater, and pedestrian and bicycle facilities. These benefits are consistent with the purposes of the proposed M-RD district as well as the General Plan Land Use Element Policy LU-33 to "...improve the quality of urban life, environmental quality...and aesthetic and physical qualities for West Berkeley residents and workers."

Lot Coverage, Setbacks and Building Separation

While lot coverage is not currently regulated in any Manufacturing district, the proposed M-RD zoning sets the maximum at 50 percent. The proposed maximum was developed assuming a FAR of 2.0 and minimum building height of 4 stories on parcels in the project area. Regulating lot coverage in this district would support development of on-site open space and green space associated with new development, consistent with the purposes of the district and policies of the General Plan and West Berkeley Plan. Setbacks and minimum building separation would not be regulated, similar to other Manufacturing districts.

⁵ November 30, 2021. *Bayer Healthcare LLC – Amended and Restated Development Agreement*. City Council. [City Council Report ##-##-#### \(berkeleyca.gov\)](#)

⁶ 742 Grayson: 74 feet (ZP2021-0161); 740 Heinz: 74 feet (UP05-10000017); 725 Potter: 45 feet, four stories (UP01-10000047).

⁷ Four-story building: between 70 to 85 feet; Five-story building: 86 to 102 feet; Six-story building: 103 to 118 feet.

Minimum Off-Street Vehicular Parking and Bicycle Parking

Minimum parking requirements in Manufacturing districts vary depending on the type of use, from a low of 1 per 1,500 square feet for buildings over 10,000 square feet in size that contain manufacturing uses to a high of 1 per 300 square feet for food service establishments and medical practitioners.⁸ The proposed minimum parking requirements of the M-RD district would be set at 1 per 1,000 square feet for laboratories and other uses not otherwise listed in Table 23.322-4, which include research and development and office. The proposed change would standardize the off-street requirement among these allowed uses, acknowledging the fact that multiple uses may occupy different portions of one building at any time and the amount of floor area dedicated to one use may change over time.

The proposed off-street parking minimum also considers the amount of parking demanded by recently approved, similar developments in the vicinity. For example, the Bayer Development agreement includes a minimum parking ratio of 1 per 1,000 square feet for production and laboratory uses; the project at 742 Grayson Street sought and was granted a parking reduction to allow 325 spaces where 380 are the minimum; and the project at 600 Addison provided the minimum amount required. Further, the proposed minimum supports current Transportation Demand Management (TDM) practices to reduce vehicle miles traveled by lowering the amount of off-street parking required, and is consistent with the policies of the West Berkeley Plan to provide “through...development standards...space...for expansion of manufacturing firms, particularly the growing light manufacturing sector” by freeing up space for new gross floor area that would otherwise be reserved for parking.⁹

Additional Development Standards

The Planning Commission is asked to provide feedback on the following additional development standards, as well as any other topics not addressed that Staff should consider in developing the zoning text.

- **Minimum Open Space**: A minimum open space requirement is not currently required in any Manufacturing district; however, Staff notes that open space could be complementary to the proposed maximum height limit, as the additional height would free up space to provide amenities. Looking to recent projects entitled in the Manufacturing districts, open space has been provided as part of the 600 Addison Street project, totaling 75,000 square feet; at 742 Grayson Street (50,000 square feet); and the Bayer campus (at least 9 acres by year 30 of the development agreement). An open space requirement would help further the purpose of the M-RD district to provide opportunities for an urban campus-like environment that includes amenities for employees and visitors. Additionally, the proposed requirement is supported by General Plan Land Use Policy LU-33 to “...improve the quality of urban

⁸ [BMC Section 23.322.030\(C\)](#)

⁹ City of Berkeley West Berkeley Plan, *Land Use Element*. Policy 1B, page 34. [12/14/1993; CLK - Resolution; City Council; 57301; \(berkeleyca.gov\)](#)

life, environmental quality...and aesthetic and physical qualities for West Berkeley residents and workers.”

The City of Berkeley similarly regulates open space in the Commercial – Downtown Mixed Use (C-DMU) District by requiring at least 1 square foot of privately-owned public open space per 50 square feet of commercial floor area. Looking to other jurisdictions such as Emeryville, open space in the M-RD district could be provided as either common or privately-owned public open space. Common open space is defined as: fields, courtyards, sport courts, pedestrian paths, outdoor eating areas, landscaping, gardens and similar uses, and could be located at the ground level, on terraces above the ground level, and/or the roof.

- Site and Building Design Standards: The Physical Form Element of the West Berkeley Plan identifies Gilman Street as an Industrial Entry Corridor and considers the question of how the area may be improved as an entry corridor while recognizing that it is to remain an industrial corridor. The Plan suggests that the answer may be improved design of private sites and the public right-of-way by, for example, strengthening the “street wall without losing industrial utility”, creating a setting where industrial buildings “turn their faces” to Gilman through greater design uniformity that improves the street image.¹⁰ Further, Goal 3 of the Physical Form Element is to “visually improve the...the entry corridors into West Berkeley.” Consistent with the adopted Plan, a proposed purpose of the M-RD zoning is to encourage an urban campus-like environment with high-quality design and site planning that includes amenities for employees and visitors. Although site and building design standards are not included in other Manufacturing districts, they have been included in two recently-adopted zoning districts – the Adeline Corridor (C-AC) and Residential BART Mixed-Use (R-BMU). Potential topic areas include:
 - Building placement and orientation:
 - Requiring main building entrances to face Second Street.
 - Facades:
 - Requiring a minimum amount of articulation on all facades facing publicly accessible open space and/or public streets.
 - Improving areas between the building and front property line, or between a building and open space or public right-of-way, with pedestrian-scale amenities.
 - Building colors and materials:
 - Requiring a minimum number of colors, differentiating the base, middle and top, etc.
 - Ground floor street frontages:
 - Requiring a minimum ground-story height.
 - Green roofs or other building sustainability features.

¹⁰ City of Berkeley West Berkeley Plan, *Physical Form Element*. West Berkeley’s Entry Corridors, Gilman St. – Industrial Entry Corridor, page 134. [12/14/1993; CLK - Resolution; City Council; 57301; \(berkeleyca.gov\)](#)

- Parking location, screening and landscaping:
 - Light screening
 - Percent of off-street parking provided in surface lots versus parking structures.

General Plan and West Berkeley Plan Amendments

The proposed zoning text and map amendments require associated amendments to the General Plan and West Berkeley Plan to ensure consistency between the Zoning Ordinance and the General Plan.¹¹ The General Plan and West Berkeley Plan changes will add the new zoning district (Manufacturing, Research and Development) to the Manufacturing land use classification. Pursuant to BMC Chapter 22.04, the Planning Commission will be asked to consider these proposed amendments with the proposed zoning text and map amendments and EIR.

DISCUSSION

The purpose of this scoping meeting is to receive comments from the Planning Commission and the public on the scope and content of the EIR. These comments, along with the comments received through the NOP review period, will be considered in the preparation of the EIR. The result of the EIR analysis will inform the zoning changes and the recommendations submitted to the City Council for adoption. The Planning Commission should review the NOP, provide comments on the scope and content of the EIR, and receive comments from members of the public, organizations and interested agencies on issues the EIR should address. Written comments can be directed in writing to Ashley James, Senior Planner either by mail or electronically:

Land Use Planning Division
1947 Center Street, 2nd Floor
Berkeley, CA 94704

AJames@cityofberkeley.info.

Comments must be received on or before 5pm on Monday, February 27, 2023.

The Planning Commission is also requested to provide feedback on the proposed zoning text and associated West Berkeley Plan and General Plan changes.

NEXT STEPS

The Planning Department has hired LSA to prepare the CEQA analysis, including the NOP. This scoping meeting informs the community and public agencies about the Zoning Text, Map and General Plan Amendments and EIR, and solicits comments from the Planning Commission and the public regarding the EIR scope, issues of concern, potential alternatives, and mitigation measures. These comments, along with the comments collected through the entire review period, will be considered in the preparation of the EIR. The result of the EIR analysis will inform future Planning

¹¹ The West Berkeley Plan is an amendment to Berkeley's General Plan, providing policies to guide development in West Berkeley.

Commission discussion and the recommendations submitted to the City Council for adoption.

Following the close of the NOP comment period, the Draft EIR will be prepared and circulated for the required 45-day public comment period. Although the Zoning and General Plan Amendments would not approve any physical development (e.g., construction of buildings or infrastructure), the EIR will assume that such actions are reasonably foreseeable future outcomes. Therefore, the EIR will evaluate the potential physical environmental impacts that could result from future actions for implementing the policies and programs, and resulting development, at a programmatic level. To the extent that technical studies have been received as part of the Zoning Map Amendment application, the EIR will evaluate potential impacts at a project-level of detail.

The Draft EIR will also examine a reasonable range of alternatives to the proposed project, including the CEQA-mandated No Project Alternative and other potential alternatives that may be capable of reducing or avoiding potential environmental effects while meeting most of the basic objectives of the project. In addition, the EIR will address cumulative impacts, growth inducing impacts, and other issues required by CEQA. The estimated timeline for the public portions of the CEQA review are as follows:

Table 2. Project Timeline

Description	Timing	Public Review Process
60-day NOP Comment Period	December 21, 2022 – February 27, 2023	Scoping Meetings: • 2/1/23 Planning Commission • 2/2/23 Landmarks Preservation Commission
Draft EIR released for 45-day review and comment period	Summer-Fall 2023	Planning Commission meeting
Final EIR and Final Zoning and General Plan amendments adopted	Fall-Winter 2023	Planning Commission recommendation; City Council action

ATTACHMENTS

1. City Council Referral to the Planning Commission to Establish a Zoning Overlay at the Pacific Steel Casting Property, April 20, 2021
2. Zoning Map Amendment Application (PLN2022-0079), October 25, 2022
3. Notice of Preparation
4. City of Berkeley, Office of Economic Development. *The Innovation Ecosystem in West Berkeley: An Economic Snapshot*, January 2023.



Rashi Kesarwani
Councilmember, District 1

ACTION CALENDAR
April 20, 2021

TO: Honorable Mayor and Members of the City Council

FROM: Councilmember Rashi Kesarwani (Author), Councilmember
Taplin (Co-Sponsor)

SUBJECT: Referral to the Planning Commission to Establish a Zoning
Overlay at the Pacific Steel Casting Property

RECOMMENDATION

Refer to the Planning Commission to create a zoning overlay at the Pacific Steel Casting (PSC) property in West Berkeley—currently zoned Manufacturing (M) and redesignate it as Mixed Use - Light Industrial (MULI) due to the unique issues of public concern associated with this property (described below); specifically, include in the PSC zoning overlay allowances to enable all MULI uses and override any existing constraints in the Berkeley Municipal Code for Zoning (Title 23) on such MULI uses for the PSC property.

CURRENT SITUATION AND ITS EFFECTS

The Pacific Steel Casting (PSC) property sits at the corner of Eastshore Highway and Gilman Street, extending two blocks south to Page Street with structures on either side of Second Street. Once a thriving manufacturer of custom industrial-use parts employing more than 650 workers, PSC declared bankruptcy in 2014 and permanently shuttered in 2018. The site is known to have a number of problems of public concern, including: (1) environmental contamination at the site, (2) hundreds of blue-collar workers awaiting receipt of their pension benefits as a result of a future sale of the property, and (3) neighborhood blight and safety concerns resulting from an eight-acre multi-block area of abandoned buildings and graffitied fencing around the property.

The site, which is in close proximity to the highly-anticipated reconstruction of the Gilman Interchange, has generated some interest from real estate and business representatives for numerous mixed-use light industrial uses, such as biotechnology labs, warehouse and commercial uses, or office space, among other possibilities. The site has been on the market for more than two years without a serious buyer

due in part to concerns that the current Manufacturing zoning designation limits the potential uses of the site to heavy manufacturing only. Because of the difficulty in generating a prospective buyer for the PSC site—more than two years have elapsed since the property was first put on the market—and the issues of public concern noted above, a zoning overlay specifically for the PSC site is recommended. This referral and establishment of a zoning overlay signals to prospective buyers that the City is eager to see this site reinvented and contributing to our tax base and the vitality of our post-Covid local economy.

BACKGROUND

Established in 1934 and owned for more than 80 years by the Genger and Delsol families, PSC declared bankruptcy in 2014. Prior to that, a worker class action lawsuit was filed in 2011 against the company for wage theft.¹

In 2014, the company was purchased by Speyside Equity for \$11.3 million. Until that time, the company had been generating \$100 million in sales annually. Speyside turned the assets of PSC into a limited liability company and pledged to honor the collective bargaining agreements with the union representing the workers, including assuming pension liabilities and paying workers' health benefits.² The new company, Pacific Steel Casting LLC, however, failed to pay those benefits in part due to growing financial insecurity prompted by plummeting gas and oil prices which limited the need for production, and in part due to increased competition from China. It was also later discovered that Speyside used suspect financial practices that further drove the company into the ground.³

According to reporting from Berkeleyside, "The Speyside Fund, Speyside Equity, Alcast Company of Illinois, various business partners and managers, 'looted' \$14.5 million from the West Berkeley company over a four-year period, and justified the siphoning off by 'cooking' the books, according to the action filed by Sarah L. Little, the bankruptcy trustee."⁴ These legal entanglements encumber the land for any potential buyers, as it is predicted it will take between \$27 to \$30 million to make the workers and all the past creditors whole. This is in addition to the costs it will take for the environmental remediation of the property.

FISCAL IMPACT

¹ See Berkeleyside, Nov. 7, 2019 article, "Buyers of Pacific Steel Casting 'looted' its assets, made 'insider deals,' according to bankruptcy trustee:" <https://www.berkeleyside.com/2019/11/07/buyers-of-pacific-steel-casting-looted-its-assets-made-insider-deals-according-to-bankruptcy-trustee>

² See Berkeleysides' Dec. 12, 2017 article, "Temporary reprieve for workers: Pacific Steel Casting to remain open through March:" <https://www.berkeleyside.com/2017/12/12/reprieve-workers-berkeleys-pacific-steel-casting-remain-open-march>

³ See Berkeleysides' Nov. 7, 2019 article, "Buyers of Pacific Steel Casting 'looted' its assets, made 'insider deals,' according to bankruptcy trustee:" *Op Cit.*

⁴ Berkeleyside, Nov. 7, 2019, *Op. Cit.*

Staff time to facilitate the Planning Commission referral and prepare language for the zoning overlay.

ENVIRONMENTAL SUSTAINABILITY

The PSC site requires considerable environmental remediation. A property buyer would address all of the environmental clean-up issues, contributing to a revitalization of West Berkeley's Gilman District and responsible stewardship of the land. The 2014 Atwell, LLC report commissioned by Speyside Equity, LLC concluded that substances such as arsenic, petroleum hydrocarbons, tetrachloroethylene and trichloroethylene and others were present in samplings taken during the environmental investigation of the site.

RATIONALE FOR RECOMMENDATION

Creating a zoning overlay to enable the PSC site to be zoned MULI will increase the desirability of this property for prospective buyers. This in turn could reap many public benefits once the site is sold. First and foremost, it could enable former PSC workers to receive their pension benefits. It would also result in an environmentally sound property and contribute to the City's tax base.

CONTACT PERSON

Councilmember Rashi Kesarwani, District 1

(510) 981-7110

Applicant Statement
Gilman Gateway
December 15, 2022

Gilman Gateway will revitalize a 10+ acre, environmentally impacted, vacant, formerly industrial property into Berkeley's premier research and development and life sciences campus. The Gilman Gateway is composed of the former Pacific Steel Casting and Berkeley Forge and Tool sites. Pacific Steel Casting ceased operations in 2018 and is currently under bankruptcy. Berkeley Forge and Tool is in the process of closing operations. The project provides an opportunity to build on the history of research, development, and manufacturing in West Berkeley and will bring the next era of innovation in life sciences to Berkeley.



The proposed rezoning encompasses the former Pacific Steel Casting and Berkeley Forge and Tool sites, both of which have ceased operations

This application proposes the rezoning of the land generally bounded by Eastshore Highway, Gilman Street, Union Pacific Railroad tracks, and Page Street. The zoning designation is proposed to change from M (Manufacturing) to MU-LI (Mixed-Use Light Industrial). This application is consistent with the Berkeley General Plan Manufacturing land use designation. MU-LI is identified in the General Plan as compatible with the General Plan Manufacturing land use designation.

Rezoning the properties offers numerous financial, social, and environmental benefits to the City and local community. The Gilman Gateway project fulfills the goals of the West Berkeley Plan to facilitate development of multi-parcel sites, attract emerging business sectors, and retain and promote economic diversity in West Berkeley. By restoring derelict, environmentally blighted properties to productive industrial use, creating jobs and tax base in West Berkeley, the Gilman Gateway project will implement the vision of the West

SPUR Gilman Gateway: Plan

Concept diagram of new Research and Development/Life Science Innovation campus

Rezoning Request: Zoning map amendment as identified and supported by the 2021 City Council referral: rezone subject sites from Manufacturing (M) to Mixed Use-Light Industrial (MU-LI). The project team expects that the City will initiate accompanying text amendments, as permitted under BMC Section 23.412.020(B) and in accordance with the Council referral, including:

- Maximum height of 105 feet
- Allowed uses, including Research and Development
- Exemption from MU-LI protected use regulations

Applicant Statement
December 15, 2022
Page 2

Berkeley Plan to maintain and improve the quality of urban life for West Berkeley residents and workers.¹

The proceeds from the sale of the Pacific Steel Casting land—currently held in bankruptcy court—will fund the unpaid pensions of the company's former workers, whose pensions were eliminated when Pacific Steel Casting closed and filed bankruptcy.

The project will also contribute over \$6 million in dedicated special assessments to be used for affordable housing, childcare, schools, and public art.

In addition, the project will also:

- contribute to increased property tax and secondary sales tax benefits to the City
- revitalize and environmentally blighted site;
- create new public open space and landscaping, and install stormwater management systems, where none exist today;
- create new sidewalk and bicycle facilities, supporting community pedestrian and bike travel across the new flyover;
- further Berkeley's history of progressive research and innovation, supporting new jobs at a range of skill levels to train and keep workers and existing businesses in Berkeley, as well as attracting new businesses to further energize the city.

These enhancements will help drive environmental improvements across West Berkeley in the form of improved air quality, social equity, environment, bicycle and pedestrian access, and flooding resilience. This rezoning request is the first step toward making this vision a reality.



The sale of the Pacific Steel Casting site will fund the unpaid pensions of its former workers.



Modern skilled industrial labor employment



Subject site along Camelia and Second Streets

¹ Resolution No. 57,301-NS Adopting the West Berkeley Plan as an area plan and as an amendment to the City of Berkeley's Master Plan (December 14, 1993).

Applicant Statement
December 15, 2022
Page 3**City Council #1 Referral Priority**

In 2021, the City Council approved a Council referral to the Planning Commission to create a zoning overlay at the Pacific Steel Casting property. The referral called for redesignation of the project area as Mixed Use-Light Industrial (MU-LI) to enable allowed MU-LI uses and override existing constraints in the Zoning Ordinance, such as manufacturing floor area replacement requirements. This overlay was intended as an incentive to attract a buyer of the property, which had sat vacant and in limbo, beginning with Pacific Steel Casting's layoffs in 2011 and ending with its declaring bankruptcy in 2014 and closure in 2018.

In 2022, the City Council adopted the rezoning of the Pacific Steel Casting property as its #1 priority out of 46 Council referrals. This action emphasizes the City's support for rezoning, redevelopment of vacant obsolete buildings, environmental clean-up, and sale of the property, which will also aid in the pension payout. In turn, the Council adopted a budget item in its 1st tier of budget priorities to fund City staff positions to assist with project review and approval, and environmental analysis under the California Environmental Quality Act (CEQA).

Project Site

Located on Berkeley's northwestern edge, the site includes a collection of 15 parcels bisected by Second Street from Gilman Street to Page Street. The subject parcels proposed for rezoning are identified in Table 1 and include approximately 10.2 acres (net of public rights-of-way). In addition to the former Pacific Steel Casting parcels, the rezoning request includes sites owned by Berkeley Forge & Tool, which is in the process of closing its operations.

The project site has been characterized by heavy industrial uses for over a century, evolving from iron and steel industries to warehouses and foundries. Industries operating within and in the vicinity of the site have environmentally impacted soil and soil vapor, as detailed below. The area has always been vehicle, rail, and heavy truck oriented—no sidewalks, no bike facilities, limited street trees, overhead utility poles, and railroad tracks in the street. Since the closure of Pacific Steel Casting, the area has suffered from neglect.



Gilman Street/Berkeley Gateway currently

 Rashi Kesarwani Councilmember, District 1		ACTION CALENDAR April 20, 2021
TO:	Honorable Mayor and Members of the City Council	
FROM:	Councilmember Rashi Kesarwani (Author), Councilmember Taplin (Co-Sponsor)	
SUBJECT:	Referral to the Planning Commission to Establish a Zoning Overlay at the Pacific Steel Casting Property	
RECOMMENDATION Refer to the Planning Commission to create a zoning overlay at the Pacific Steel Casting (PSC) property in West Berkeley—currently zoned Manufacturing (M) and redesignate it as Mixed Use - Light Industrial (MULI) due to the unique issues of public concern associated with this property (described below); specifically, include in the PSC zoning overlay allowances to enable all MULI uses and override any existing constraints in the Berkeley Municipal Code for Zoning (Title 23) on such MULI uses for the PSC property.		

In 2021, the City Council approved a referral to the Planning Commission to establish a Zoning Overlay at the Pacific Steel Casting site to encourage redevelopment.

Table 1: Rezoning Request by Address & APN

Address	APN
1305 Eastshore Hwy	59-2344-1-2
1331 Eastshore Hwy	59-2344-7
1401 Eastshore Hwy	59-2341-4
1421 Second St	59-2340-8-2
1420 Second St	59-2341-5
1330 Second St	59-2344-5-1
1320 Second St	59-2344-4-1
1314 Second St	59-2344-3-1
1333 Second St	59-2345-9
1337 Second St	
1332 Third St	59-2345-8-1
1310 Third St	59-2345-2-2
625 & 631 Camelia St	59-2345-7
635 Camelia St	59-2345-6-1
643 Camelia St	59-2345-4
1311 Second St	
630 & 640 Gilman St	59-2345-1

Applicant Statement
December 15, 2022
Page 4**Site Context**

The project site is located at the northwest corner of the city. It is one of the three major gateways to the city from the west. The sites are generally bounded by Interstate 80 and the Frontage Road to the west, Gilman Street to the north, Union Pacific Railroad (UPRR) freight and passenger tracks to the east, and Page Street to the south. Camelia Street extends west to Second Street but does not connect to the Eastshore frontage road.

The subject parcels fall within the General Plan designation for Manufacturing, which includes manufacturing and light industrial use, and the West Berkeley Plan, as shown in Figure 1. The site is zoned for Manufacturing (M) which implements the West Berkeley Plan's Manufacturing designation, as shown in Figure 2.

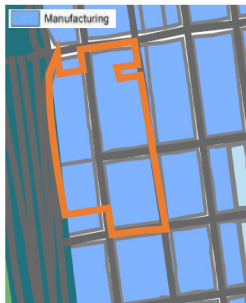


Figure 1: General Plan Map



Figure 2: Zoning & Parcel Map



Figure 3: Vicinity Map, by Zoning District

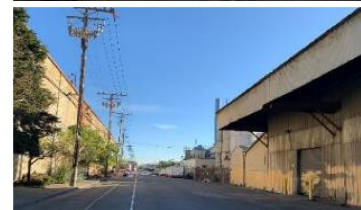
The proposed uses and buildings are compatible with the West Berkeley Plan in that they will develop research and development, and ancillary uses, that meet the West Berkeley Plan's Manufacturing designation; provide a range of job opportunities and wage ranges, including those that do not require advanced degrees. Additionally, the project will improve the quality of the West Berkeley environment by addressing impacts caused by a century of industrial use, and adding new bioretention systems, landscaping, street trees, bicycle improvements and sidewalks, which will create a more inviting, accessible and health inducing urban design.

The surrounding area is also designated Manufacturing under the city's general plan, and zoned Manufacturing (M) and Mixed Use-Light Industrial (MU-LI), as shown in Figure 3. The proposed uses are compatible with the surrounding uses, which include: warehousing, manufacturing, office, research and development, live/work units, wineries and breweries, transfer and recycling centers, restaurants and retail stores. Additionally, the combination of laboratory, office and research & development (R&D) uses envisioned for the subject site would further contribute to the economic and land use diversity in the West Berkeley area.²

² The West Berkeley Plan has as a primary goal to "provide for a continued economic and land use mix, incorporating manufacturing, other industrial, retail and office/laboratory uses, to benefit Berkeley residents and



Most existing buildings are in disrepair, plagued by hazardous materials, and cannot be adaptively reused under current building code requirements and for contemporary R&D.

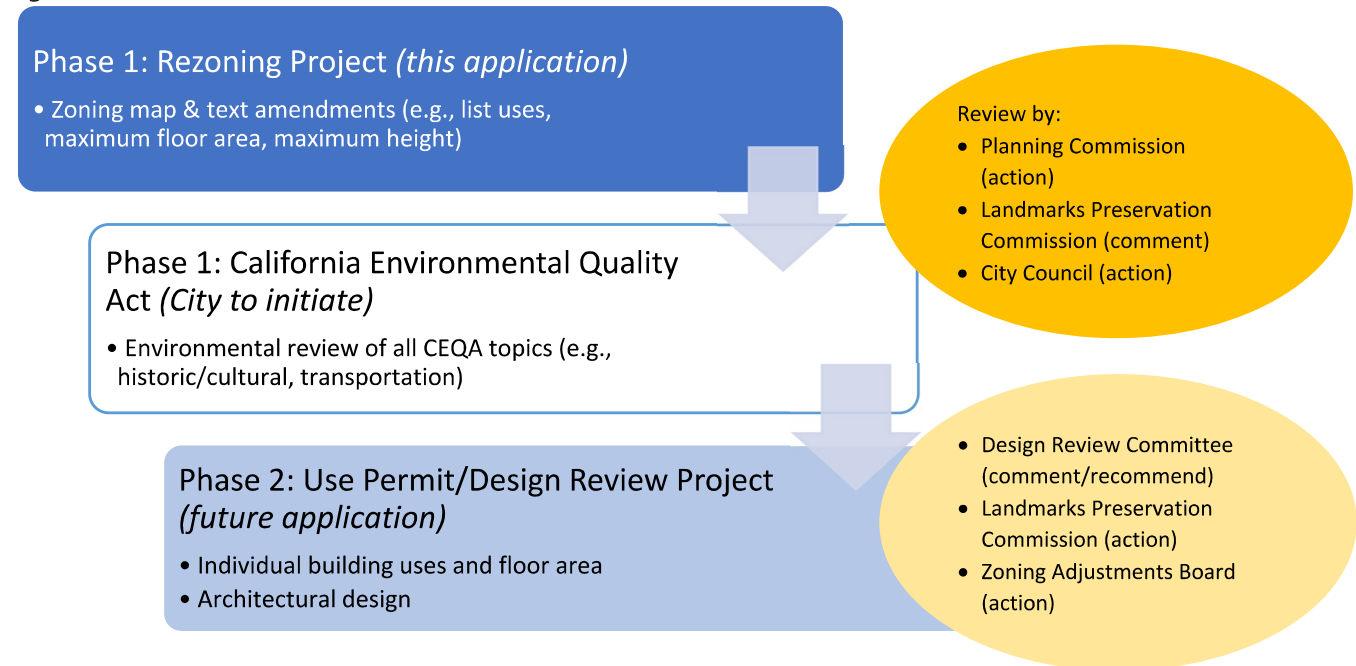


Second Street currently lacks sidewalks, bicycle facilities, and street trees. Illegal dumping, RV parking and tent encampments encompass the lower portion of the street and sidewalks.

Process & Phasing

Community members and decision-makers can expect two key phases of the project: the rezoning phase and the entitlement phase, as shown in Figure 4.

Figure 4: Two-Phased Process



This rezoning project is a *policy* request—to revise the zoning designation and zoning regulations of the project—as stated in the 2021 City Council referral. The use permit project, anticipated for submittal in early 2023, is the *entitlement* request and will illustrate the architecture, placement and uses of individual buildings, and project data, including floor area, parking, etc. The CEQA analysis will be completed as part of the rezoning request, but will cover both the rezoning and entitlement portions of the project.

Rezoning Project (This Application)

This application represents a request under Berkeley Municipal Code (BMC) Section 23.412.020(A)(2), which allows property owners to request a zoning map amendment on their property. This request is explicitly identified and supported by the City Council referral: rezone the sites listed in Table 1 from Manufacturing (M) to Mixed Use-Light Industrial (MU-LI).

In addition to being consistent with the General Plan and the West Berkeley Plan, the rezoning is consistent with the Zoning Ordinance and promotes public health, environmental and economic welfare and safety. This rezoning allows the opportunity to redevelop abandoned, moribund manufacturing uses and sites into more viable research and development, and life science uses that still capture the intent of the West Berkeley Plan. This includes a range of job opportunities, including those that do not require

college degrees, environmental clean-up of legacy toxic industries, and economic and social benefits to West Berkeley businesses and neighborhoods.

The City will initiate accompanying text amendments, as permitted under BMC Section 23.412.020(B) and in accordance with the Council referral. As described in the Process & Phasing section above, the project sponsor intends to submit an entitlement project following the rezoning and prepare a CEQA document that addresses both the rezoning request and the entitlement request. Therefore, the project sponsor proposes to narrowly define this rezoning request to allow for a focused CEQA review. These requests include:

1. Maximum height: Increase the maximum building height, pursuant to BMC Table 23.206-12: MU-LI Development Standards, from 45 feet to 105 feet
2. Allowed uses: Only allow the following uses, at the permit levels identified in Table 23.206-1:³
 - Research and Development;
 - Laboratory, Commercial Physical or Biological;
 - Office, Business and Professional;
 - Light Manufacturing; and
 - Incidental Uses (On-Site Cafeteria, Child Care Center, and Food Service Establishment)
3. Protected uses: Exempt the project site from BMC Section 23.206.050: Protected Uses, which typically requires the protection of manufacturing and warehouse uses in the MU-LI district. (Note: this request extends current regulations for the project site regarding protected uses, since BMC Section 23.206.050 does not apply to the M district.)

All other MU-LI provisions in BMC Section 23.206.020 would apply to the subject site.

Use Permit/Design Review Project (Future Application)

Rezoning of the project sites will allow for preparation of an entitlement application. Based on the MU-LI zone development standard which is existing and proposed at an FAR of 2.0, the project sites could generate approximately 890,078 sq. ft. of development. For R&D uses, this floor area would require 1,780 vehicle parking spaces and 445 bicycle parking spaces.

Rationale for Building Height

The rezoning to MU-LI with a maximum height limit of 105 feet—beyond the typical MU-LI height limit of 45 feet—is justified for several reasons, including the minimum floor heights and maximum floor plates required for this type of project and the substantial cost of clean-up for this site, which has been plagued with hazardous materials and contamination for years. Notably, no change is proposed to the 2.0 FAR standard allowed in the MU-LI district. In other words, the project does not propose any increase in otherwise allowed floor area, only in its configuration in a smaller footprint and with a taller height. These justifications are detailed below.

³ Rather than broadly allowing all of the uses permitted in the MU-LI district, pursuant to BMC Table 23.206-1, the project sponsor is identifying the specific uses that are anticipated for the project site over the life of the building. Each of these requested uses is permitted within the MU-LI.

Applicant Statement
December 15, 2022
Page 7

Hazardous Materials & Site Clean-up: The project site is environmentally contaminated following years of use for manufacturing. Environmental constituents include metals, total petroleum hydrocarbon (TPH) products, and volatile organic compounds (VOCs) (primarily chlorinated solvents and petroleum products). It can be presumed that TPH and VOC impacts to soil gas are also present at the site, given their presence in soil. There is also a potential that undocumented underground storage tanks (USTs) may also still be present within the site.

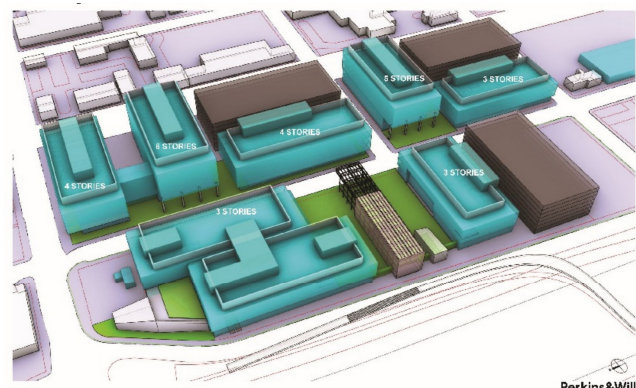
The project team is working with the State Department of Toxic Substances Control (DTSC) to fully characterize and delineate conditions and develop a plan to address site conditions that are acceptable for the research and development campus. The clean-up will likely include excavation and remediation of areas containing gross contamination, measures to separate people from environmental constituents, and mitigation measures and land use control to minimize residual risk to future users. Impacted soil excavated for disposal and encountered during construction will be transported and disposed off-site, in accordance with State law. Other soil, soil vapor concerns, and residual ground water conditions will be addressed onsite under DTSC to protect future site users and minimize the environmental footprint of remedial activities and risk (e.g., limiting generation of air quality and greenhouse gas emissions, reduce truck trips and unnecessarily taking-up scarce landfill spaces).

The cost of clean-up is a significant portion of the redevelopment expense and will cost millions of dollars. Providing for a 2.0 FAR life science campus will meet the needs of future occupants and make the project financially viable given the cost of the measures required to address the site's blighted environmental condition.

Minimum Floor Heights: The nature of R&D and life science users can include large pieces of machinery, deliveries, equipment, and ductwork that require taller ceiling heights and highly reinforced floors. As Berkeley continues to generate new innovations, companies, and technologies, space requirements and equipment needs are continuing to evolve. Future buildings will need to be flexible to adapt to these changing technologies and the needs of lessees over time. R&D and laboratory uses



Extent of groundwater and hazardous materials impact, preliminary testing



Axonometric view (looking east) of potential project following rezoning.

generally require 20-foot ground-floor heights and 16.5-foot upper story heights, measured floor to floor, in order to provide these quality leasable spaces. Given the proximity to the railroad, structural framing requirements—and potentially concrete slab thickness—will be greater at this site to reduce vibration associated with passing trains. To achieve these floor heights, the project would be limited to two stories, not the four stories that are anticipated by the MU-LI district's 45-foot height limit. Therefore, the project proposes a range of building heights from 56 feet (3 stories) to 105 feet (6 stories) to create visual interest, highlight key site features and open space, and maintain views.



Figure 5: In Southwest Berkeley, several recent projects have obtained building height variances up to 80, 90, and even 128 feet, due to R&D floor height needs or other particular use requirements. (Source: Brick, Inc. 742 Grayson)

Notably, this challenge is not unique to this proposed project. As shown in Figure 5, several recent projects have obtained height variances for similar reasons, with heights variances up to 80, 90, and even 128 feet.

Building Modulation and Variation: Floor plates for research and development and laboratory uses generally should not exceed 50,000 sq. ft., with the average size being around 35,000 sq. ft., or smaller, and are market driven. The East Bay, which typically attracts earlier to mid-stage life science companies that occupy smaller spaces with a heavier lab component. Therefore, the functionality and mechanical, electric, and plumbing (MEP) infrastructure requirement for their use create cost, planning and operational inefficiencies to operate large floor plates. In addition to these inefficiency issues, multi-tenanting approach for large floor plates also raises concerns on privacy, safety, and security. This market condition necessitates smaller building footprints than what would otherwise be feasible on this large 10.2-acre site.

The result is more sustainable compact building forms, with taller buildings in smaller footprints, that highlight views and open up the ground plane for other uses. Less impactful on the land, these compact forms allow opportunities for on-site public open space, landscaping, and street trees; bioswales to capture stormwater; and new sidewalks and bicycles facilities—none of which currently exist on the site.

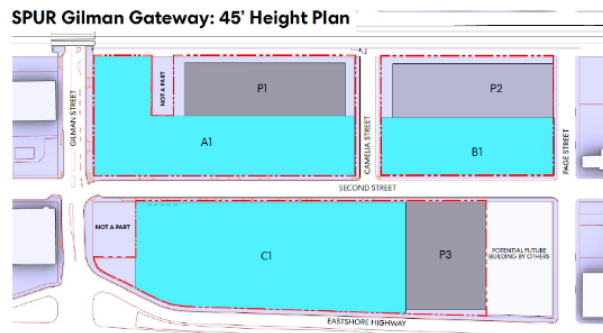
SPUR Gilman Gateway: Plan



Plan view of potential project following rezoning.

Taller building heights of 4 to 5 stories are placed on the eastern block and transition down to 3 stories on the west block, closer to the Bay to highlight views and create visual interest from the Gilman gateway and from the pedestrian-level within the site. Additionally, the proposed concept plan offers a chance to retain a significant portion of one of the Berkeley Forge & Tool buildings with its iconic gantry crane. Lower heights adjacent to the gantry crane highlight this unique structure as a focal point for the project site's identity and provide more natural lighting to this central open space feature.

Without the height increase, the project will not be feasible as a modern research and development campus. The current height restrictions would require two-story buildings that would cover nearly all of the site area, limiting opportunities for environmental improvements, retention of existing structures, and public open space. Moreover, the floor plates would be unusable and unleaseable up to 95,000 sq. ft. and 144,000 sq. ft. and still only achieve an FAR of 1.3, well below what is allowed for the zoning district.



Alternatively, a project that meets the 45-foot height limit is limited to 2 stories and 1.3 FAR, and cannot provide benefits in terms of public open space and potential retention of existing structures.

The proposed FAR requirement of 2.0 will naturally control for building height variation so there is no potential for the project to provide building heights that result entirely in 4-6 story buildings. For projects that do include buildings in this height range there will be significant open area at the ground level and/or building massing modulation.

Sea Level Rise: The building footprints lie outside the floodplain and worst-case sea level rise areas, but anecdotally, Second St. in this area is known to take on water during heavy rain events. Raising portions of the buildings a few feet improves the resiliency of the project, including the property investment, future employees' job security and safety, and the property owner's continued revenue generation. The application for the development project will further refine and detail this strategy to support the long-term resilience of the site.

Rational for Rezoning: Community Benefits

The rezoning and entitlement project will offer substantial economic, social, and environmental benefits to the City, Berkeley community, in addition to West Berkeley. In this way, the project fulfills the objectives of the West Berkeley Plan of creating City-wide benefits from industrial and light-industrial activities in West Berkeley, while offering a safe, contemporary industrial approach to economic diversity that is responsive to market demands and trends.

Pension Funding: Following the bankruptcy of Pacific Steel Casting in 2014, the company was



The former Pacific Steel Casting workers will have their pensions paid as a result of the sale of the property to Spur Capital.

purchased by a private equity firm. That firm created a new legal entity that was obligated to assume about \$24 million in pension liabilities and health care benefits. The new entity intended to keep the business operating, but a series of business decisions and macroeconomic forces led to layoffs and the businesses closure in 2018. Ultimately, the new entity has not fulfilled the pension payments. Conveyance of the land, currently held in bankruptcy court, will fund the unpaid pensions of the former workers of Pacific Steel Casting. This commitment of resources for the benefit of the former workers will make good on the promises made to the workers who have been denied their earned pensions.

Environmental Clean-up of Hazardous Materials: As noted above, the project will spend millions of dollars to address impacted soils and soil vapor, and abate hazardous materials in the existing structures prior to site demolition and grading.

Environmental Health: Site remediation and the cessation of high intensity combustion activities associated with the site former use will reduce, control and minimize risks posed by historical releases to soil and substantially eliminate environmental area wide risk posed by chemicals released to the air. It will also substantially reduce the site's carbon footprint. The introduction high quality stormwater management techniques will greatly reduce run-off and improve water quality and groundwater recharge, as discussed below.

Water Quality, Flooding Resilience & Stormwater Management: The 10.2-acre property is composed of nearly 100% impervious surfaces and does not currently have any stormwater management in place. As a result, when it rains, stormwater runs off buildings and is exposed to potentially toxic hazardous materials before entering the Bay. Pre-development remedial activities and subsequent development will replace asphalt, concrete and contaminated soils with state-of-the art buildings, public open space landscaped with clean soil, and stormwater management treatments designed to capture and treat stormwater on-site. This will both avoid continuation of negative impacts and improve water quality in the Bay.

Pedestrian & Bicycle Connections: The proposed project is timely to coordinate with the under-construction Gilman interchange project. With the addition of new sidewalk and bicycle facilities, the project will support community pedestrian and bike travel across the new flyover and provide access to the San Francisco Bay, and highly significant amenities such as the Bay Trail and Tom Bates Fields.



The project will support and integrate with the planned pedestrian and bikeway improvements on Gilman by providing new sidewalks, landscaping, street trees, and a new destination in West Berkeley.

Project Feasibility: Costs associated with the purchase, clean-up and redevelopment of the property do not support pure manufacturing, wholesale or warehouse function. Regardless of the zoning use allowance, the existing buildings are not functional or usable by future potential users. The proposed rezoning and subsequent re-entitlement of the property will unlock the site's potential in a manner that serves the community, improves environmental health and quality, maintains the vision, and compliance with, the general plan, and responds to market conditions.

Property Tax and Community Value: The sale of the property and construction of the project will result in significant increases in property tax, new community investment, other business tax revenue generation for the City, including sales tax due to food and beverage spending on Gilman Street and elsewhere in Berkeley. The project has opportunity to contribute to the nascent Gilman District Business Improvement District (BID), which may provide beautification and security improvements to support local businesses, shopping, and community gathering.

Support for Manufacturing/Growth of Other Local Businesses: R&D is a necessary part of the manufacturing process that West Berkeley is trying to preserve, as called out in the West Berkeley Plan.

Indeed, the project requires no modification of the general plan. Life sciences and other research and development industries take full advantage of the innovation ecosystem and ideas that are coming out of UC Berkeley and other entrepreneurial sources, such as Skydeck and UC Berkeley's Bakar Labs. Already, Berkeley is home to over 3,000 jobs in "R&D intensive industries," according to the City's Office of Economic Development, with 80% of these jobs located in West Berkeley. The city is home to over 400 businesses in software, clean tech, biotech, R&D, and related industries. Nearly 87% of these innovation companies are relatively early stage and take advantage of the city's coworking spaces, accelerators, and incubators. However, these businesses often leave Berkeley once they grow and require more space. This project can take advantage of local talent and set up shop here in Berkeley, so that jobs, businesses, and revenues do not have to be exported to South San Francisco or other hubs for life science and R&D uses.

Education Opportunities & Diverse Labor Force: This new employment destination is anticipated to have a range of job needs. This includes an estimate of over 2,700 life science related jobs being created, with an additional ~15% supporting and servicing employment and several hundreds of construction jobs during the development phase that do not require college degrees. This campus can support college degree job creation that benefit Berkeley residents who are currently commuting to other places for these same jobs. This can have the effect of improving Berkeley's job/housing balance, by better matching Berkeley residents to local jobs. Moreover, the project can offer a pipeline for students engaged in STEAM curriculum (science, technology, engineering, the arts, and mathematics)—whether at Berkeley Unified School District, City College, or UC, for education, training, and job placement.

Conclusion

The project team looks forward to working with the City of Berkeley, decision-makers, and community members on this exciting project at the Gilman Gateway.



The secondary sales tax benefits of West Berkeley employees have proven to be one of the City's largest revenue sources. We expect workers at this future campus to support Gilman District businesses during the workday and after hours.

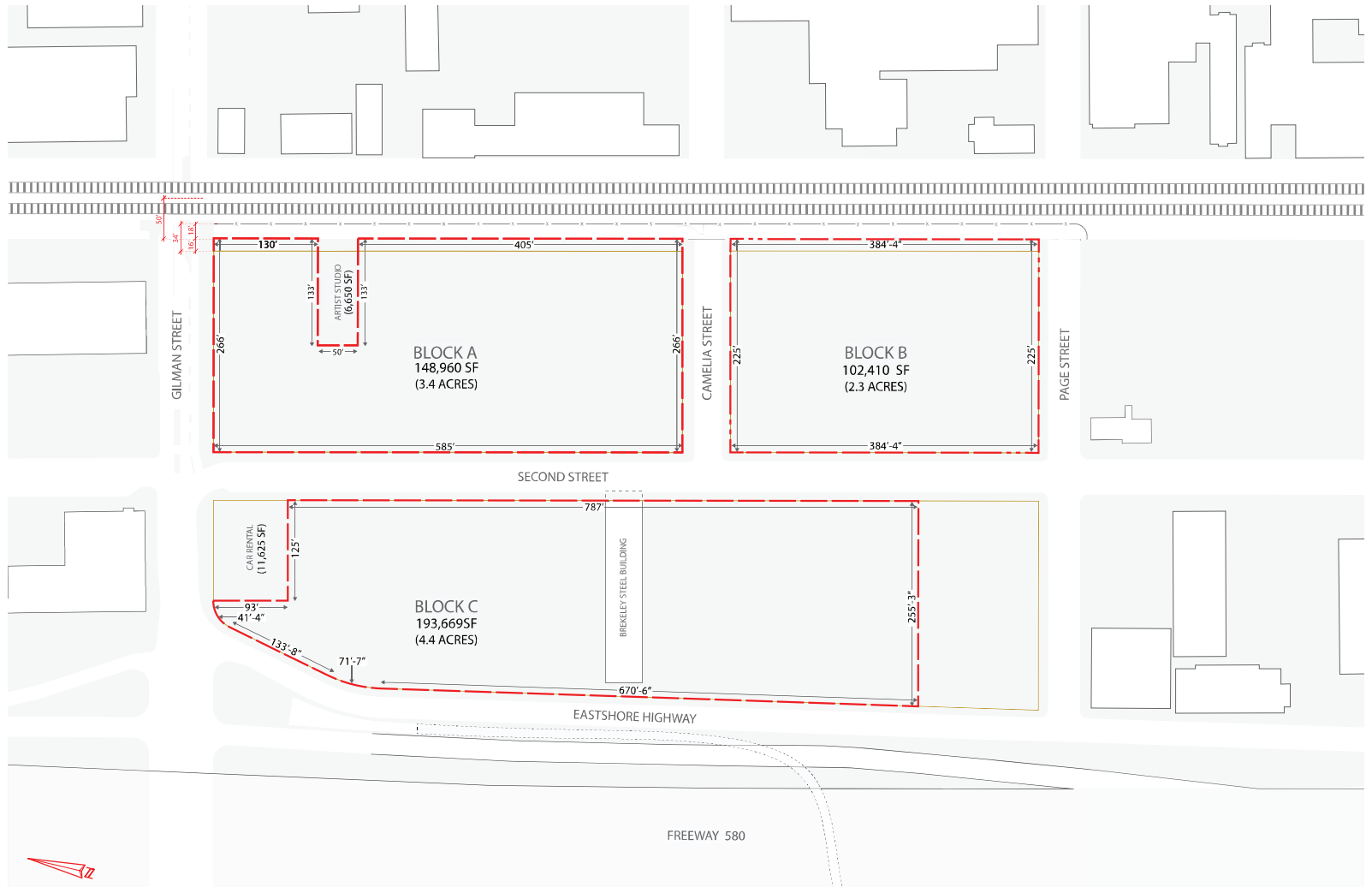
SPUR Gilman Gateway

December 14th, 2022

Perkins&Will



Site Diagram



Circulation Diagram

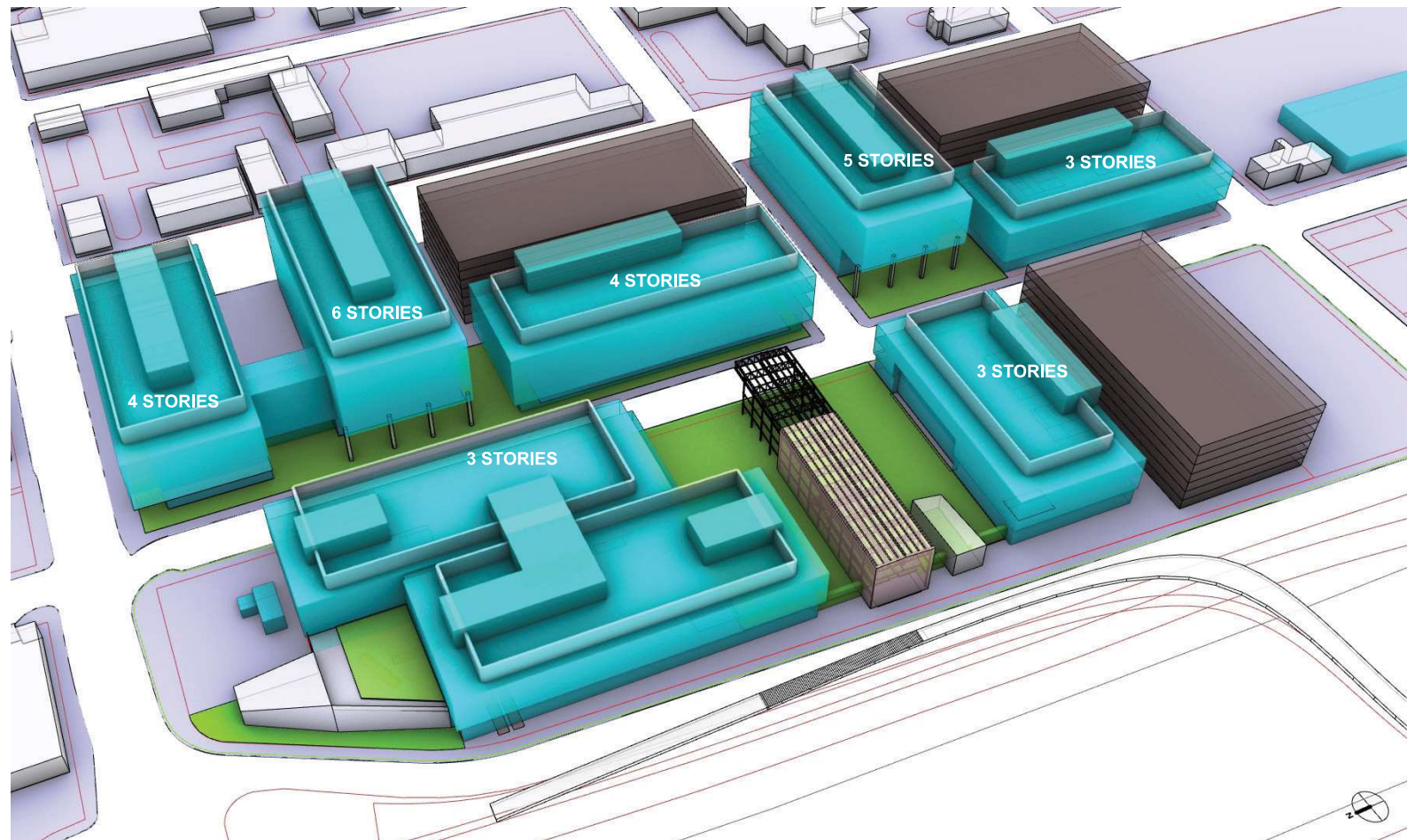


SPUR Gilman Gateway: Plan



Perkins&Will

SPUR Gilman Gateway: Axonometric



SPUR Gilman Gateway: Program Breakdown

BUILDING MATRIX

SPUR Gilman Gateway

TOTAL SITE SF 445,039 SF

BLOCK	BUILDING	HEIGHT(ft)	TOTAL # OF FLOORS	F2F HEIGHT(ft)	PROGRAM	FLOOR PLATE (sq ft)	TOTAL GFA (sq ft)	PARKING SPACES
A	A1	72	4	16' - 20'	R&D/OFFICE	25,175	113,255	662
	A2	104	6	16' - 20'	R&D/OFFICE	24,195	163,830	
	A3	72	4	16' - 20'	R&D/OFFICE	26,500	114,670	
	P1	72	7	10'-12'	PARKING	35,000	245,000	
BLOCK	BUILDING	HEIGHT(ft)		F2F HEIGHT(ft)	PROGRAM	FLOOR PLATE (sq ft)	TOTAL GFA (sq ft)	PARKING SPACES
B	B1	88	5	16' - 20'	R&D/OFFICE	21,615	122,055	594
	B2	56	3	16' - 20'	R&D/OFFICE	23,660	76,520	
	P2	72	7	10'-12'	PARKING	31,615	221,305	
BLOCK	BUILDING	HEIGHT(ft)		F2F HEIGHT(ft)	PROGRAM	FLOOR PLATE (sq ft)	TOTAL GFA (sq ft)	PARKING SPACES
C	C1 & C2	56	3	16' - 20'	R&D/OFFICE	75,000	213,200	594
	C3	56	3	16' - 20'	R&D/OFFICE	24,640	73,920	
	SHED	48	1	48	AMENITY	10,500	10,500	
	PAVILION	25	1	25	AMENITY	2,128	2,128	
	P2	72	7	10'-12'	PARKING	31,615	221,305	

PROPOSED FAR 2.00

890,078 SF

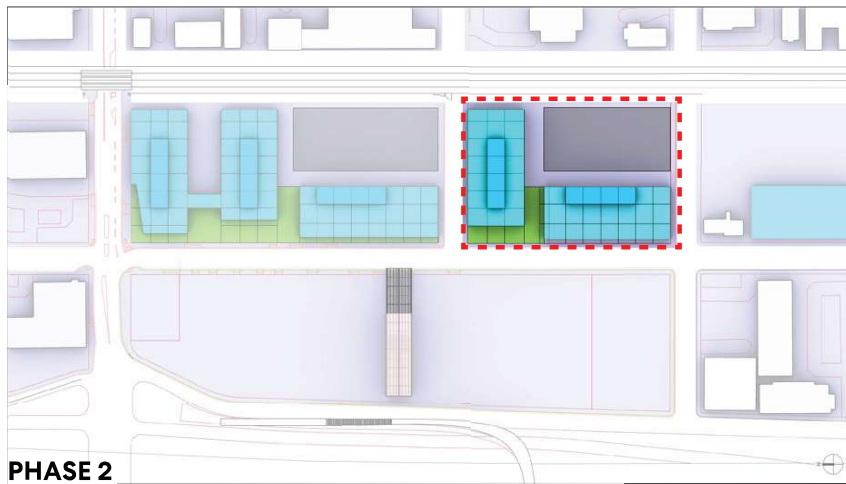
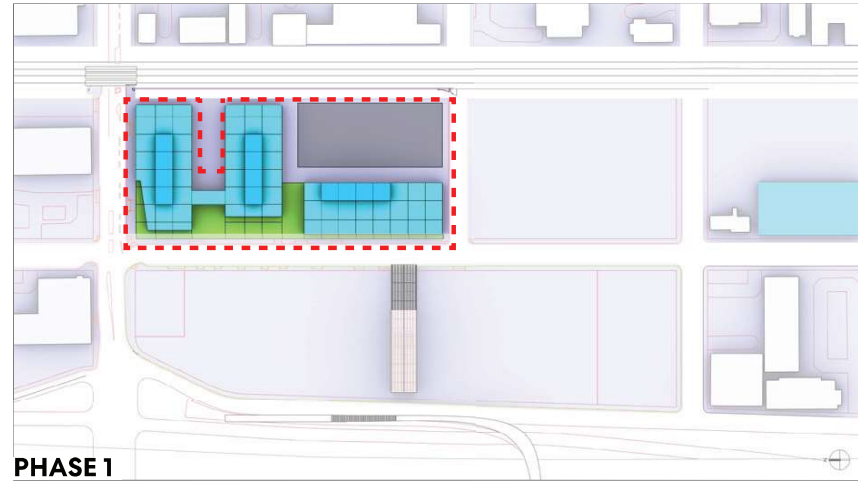
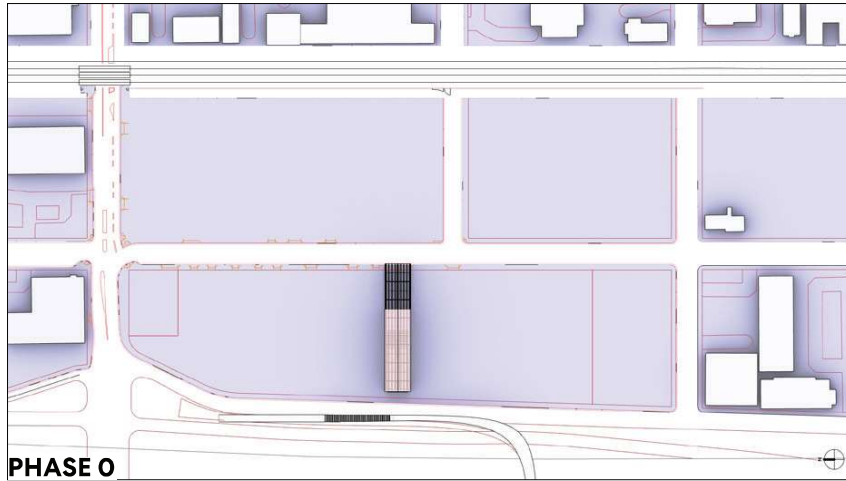
PARKING REQUIRED 2/1000SF

1,780 SPACES REQUIRED

1,850 SPACES PROVIDED

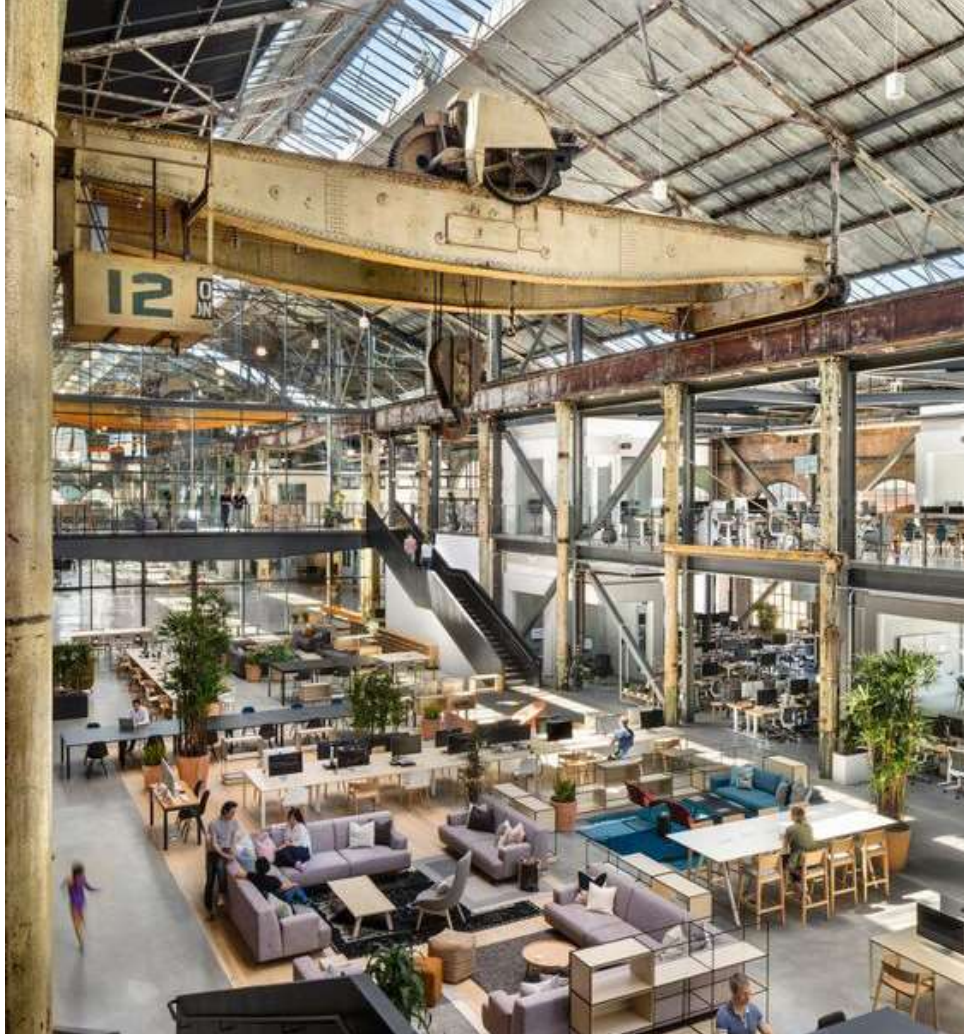
* GROUND FLOOR HEIGHTS ARE 20' ABOVE RAISED PLINTH

Phasing Diagram



Perkins&Will

Precedent Projects



Perkins&Will



Perkins&Will









LAND USE PLANNING

NOTICE OF PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT

Date: December 21, 2022

To: State Clearinghouse, Responsible Agencies, Trustee Agencies, Organizations, and Interested Persons

Lead Agency: City of Berkeley

Project Title: Gilman Gateway Rezone Project

Project Location: The project site is comprised of 18 parcels totaling approximately 10.64 acres located in West Berkeley. The Project site is bisected by Second Street and bordered by Gilman Street to the north, Union Pacific Railroad (UPRR) and Amtrak heavy rail corridor to the east, Page Street to the south, and Eastshore Highway (Interstate 80 [I-80]) to the west.

Project Applicant: City of Berkeley and SPUR Capital

Purpose of Notice

The City of Berkeley (City), as the lead agency, is preparing an Environmental Impact Report (EIR) for the proposed Gilman Gateway Rezone project, located at the properties listed in Table 1 below. The project will rezone the site to a new zoning district and General Plan to allow a range of light industrial, research and development, and similar/related uses, and amend the development standards related to building height and other matters. In accordance with the provisions of the State of California Environmental Quality Act (CEQA) Guidelines, California Code of Regulations (CCR) Section 15082(a), this Notice of Preparation (NOP) provides response and trustee agencies, nearby property owners, and other interested parties with a description of the proposed project and information on its potential environmental effects. The City also invites input and/or comments from public agencies and the general public as to the scope and content of the environmental information that will be studied in connection with the project.

Project Description and Location

As shown on Figure 1 below, the project site is located in West Berkeley. As shown in Table 1 and on Figure 2 below, the project site is comprised of 18 parcels totaling approximately 10.64 acres, bisected by Second Street and bordered by Gilman Street to the north, Union Pacific Railroad (UPRR) and Amtrak heavy rail corridor to the east, Page Street to the south, and Eastshore Highway (Interstate 80 [I-80]) to the west. Of these 18 parcels, 13 are associated with the former Pacific Steel Casting site and total approximately 8.16 acres. This site is developed with a number of buildings that have exceeded their economic life and are expected to be demolished and the site redeveloped by private parties. The remaining parcels include two which are associated with the former Berkeley Forge and Tool, which total approximately 1.18 acres, and three unassociated parcels totaling approximately 1.3 acres, currently occupied by a vehicle rental business, live/work building, and recycled materials processing business.

Table 1: Project Site				
Existing Uses	Address	APN	Lot Size (sf)	Building Size (sf)
Pacific Steel Casting	1305 Eastshore Highway	59-2344-1-2	8,666	n/a
	1401 Eastshore Highway	59-2341-4	41,286	26,217
	1421 Second Street	59-2340-8-2	102,366	73,640
	1420 Second Street	59-2341-5	25,452	19,942
	1320 Second Street	59-2344-4-1	55,003	44,343
	1314 Second Street	59-2344-3-1	14,000	12,504
	1333 Second Street	59-2345-9	36,575	14,840
	1337 Second Street	59-2345-8-1	14,630	2,432
	1332 Third Street			
	1310 Third Street	59-2345-2-2	17,985	26,550
	631 Camelia Street	59-2345-7	8,100	5,200
	625 Camelia Street			
	635 Camelia Street	59-2345-6-1	13,000	9,024
	643 Camelia Street	59-2345-4	5,500	n/a
	1311 Second Street	59-2345-1	13,000	13,000
	630 Gilman Street			
	640 Gilman Street			
Berkeley Forge and Tool	1331 Eastshore Highway	59-2344-7	39,192	31,092
	1330 Second Street	59-2344-5-1	12,115	10,000
Live/Work	1306 Third Street	58-2345-2-1	6,204	6,204
Vehicle Rental	600 Gilman Street	59-2344-2-1	11,625	1,008
Recycled Materials Processing	1433 Eastshore Highway	59-2341-3-2	38,850	1,944
Total Area (sf)			463,549	297,940

Existing Land Uses

The project site is currently designated Manufacturing by the City of Berkeley General Plan adopted in 2002 and zoned Manufacturing (M) per the Zoning Ordinance and West Berkeley Plan. The project site is currently developed with approximately 16 buildings totaling 297,940 square feet that have been in

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use for industrial, commercial and live/work uses. There are paved roadways that extend throughout the site and the Union Pacific Railroad right-of-way is adjacent to and runs north-south along the eastern boundary of site.

The following parcels within the project area are included on the lists of sites enumerated under Government Code Section 65962.5:

- 600 Gilman Street (Budget Rent a Car)
- 1333 Second Street (Pacific Steel Plant #2)

Surrounding Land Uses

The project site is surrounded by a mix of manufacturing, warehouse, office, and commercial uses. Residential uses are located to the northeast and southeast.

Proposed Project

The project would create a new zoning district - Manufacturing, Research and Development (M-RD) – in order to facilitate future development. The M-RD zoning district would permit a variety of uses, including office, industrial and heavy commercial, laboratory, light manufacturing, and research and development (R&D), which would primarily be subject to the permit thresholds of the Mixed-Use Light Industrial (MU-LI) district. The EIR will evaluate the impact of the rezone and associated general plan amendments, as well as demolition of the existing buildings totaling approximately 298,000 square feet, except for the existing 10,000 square-foot building at 1330 Second Street, which would be adaptively reused, construction of up to 1,000,000 square feet of nonresidential space and 2,000 off-street automobile parking spaces, at a maximum building height of 105 feet.

While the proposed project does not involve any specific development project, it will evaluate the buildout of a potential future development on an approximately 8.16-acre portion of the project area to the extent that such development is foreseeable at the time of preparation of this EIR. The buildout of the potential future project is assumed to be consistent with the development standards of the proposed M-RD zoning district, and would consist of up to 900,000 square feet of R&D, office, laboratory, and light manufacturing uses and 1,900 automobile parking spaces.

Environmental Impact Report

The EIR will include a discussion of all topic areas required by the CEQA Guidelines, with a particular focus on the following specific environmental categories most relevant to the proposed project:

- Air Quality
- Cultural Resources
- Energy
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use Planning
- Transportation
- Tribal Cultural Resources

The EIR will also identify and compare a reasonable range of alternatives to the project. Alternatives will be chosen based on their ability to avoid or reduce identified significant environmental impacts of the project while achieving most of the project objectives (CEQA Guidelines Section 15126.6), and all other sections required by CEQA.

Public Review and Comment Period

The City requests written comments that focus on the scope and content of the environmental information

Gilman Gateway Rezone Project
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of the EIR for the Gilman Gateway Rezone project. All comments on environmental issues received during the public comment period will be considered when preparing the EIR.

This NOP will be circulated for a 60-day review period, which will extend from December 21, 2022 to February 27, 2023. Responses to this NOP must be received by 5:00 p.m. on February 27, 2023. Please send your written or electronic responses, with appropriate contact information, to the following:

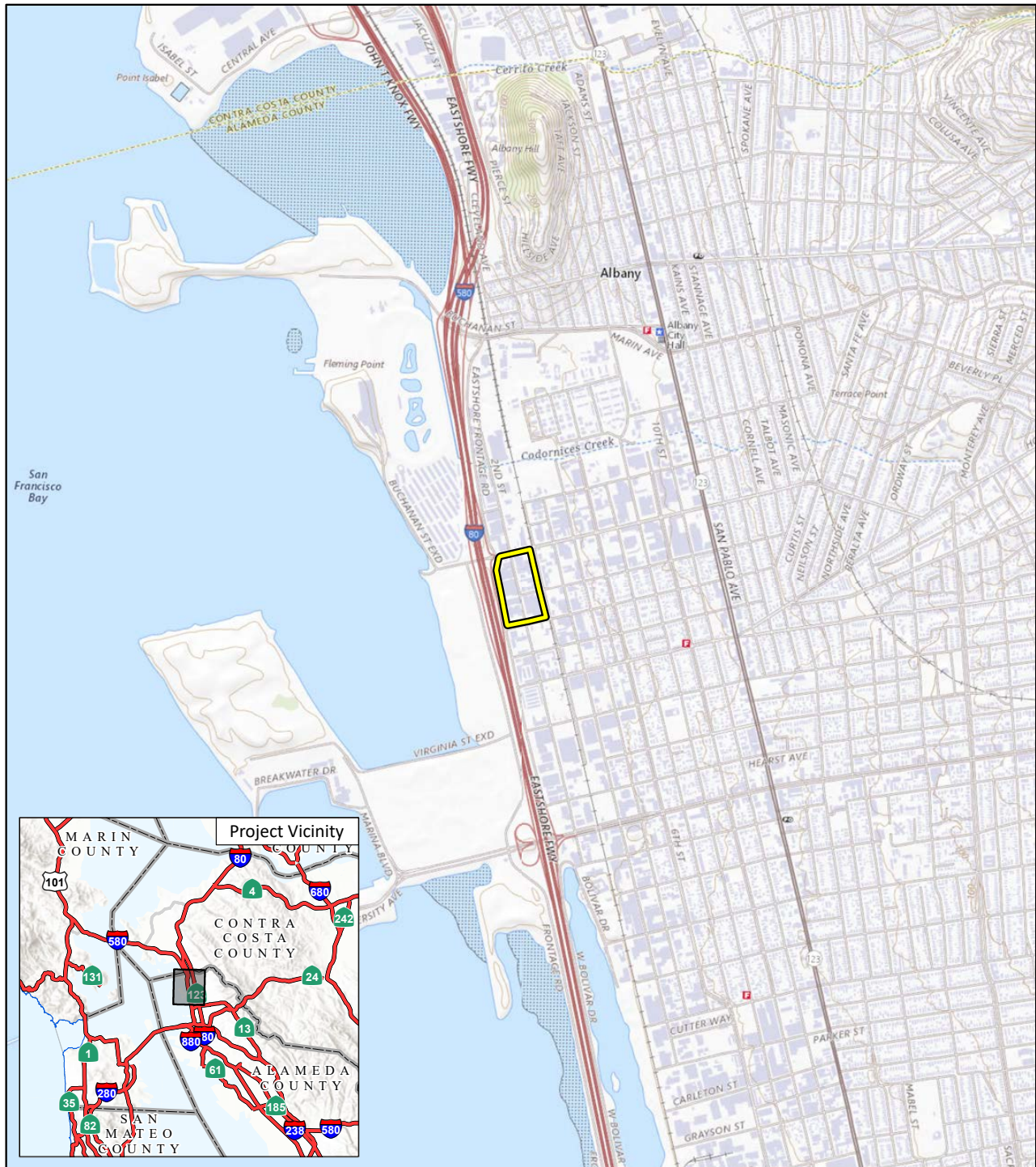
Ashley James
City of Berkeley
Land Use and Planning Division
1947 Center Street, 2nd Floor
Berkeley, CA 94704
Email: ajames@cityofberkeley.info

For electronic responses, please include the project name in the subject line.

Public Scoping Meeting

The City will hold two public meetings to inform interested parties about the project, and to provide agencies and the public with an opportunity to provide comments on the scope and content of the EIR. The meetings will be held via video and teleconference on the following dates:

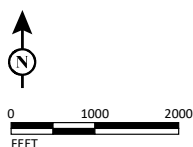
- Planning Commission: Wednesday, February 1st at 7:00pm. The meeting agenda with corresponding meeting link will be posted by 5:00 p.m. on January 27 on the Commission website: [Planning Commission | City of Berkeley \(berkeleyca.gov\)](https://www.berkeleyca.gov/planning-commission)
- Landmarks Preservation Commission: Thursday, February 2nd at 7:00pm. The meeting agenda with corresponding meeting link will be posted by 5:00 p.m. on January 27 on the Commission website: [Landmarks Preservation Commission | City of Berkeley \(berkeleyca.gov\)](https://www.berkeleyca.gov/landmarks-preservation-commission)



LSA

 Project Location

FIGURE 1



SOURCE: USGS The National Map (2017)

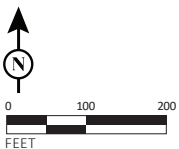
J:\20220844\Pro\SPUR Gilman Gateway Project.aprx (12/16/2022)

Gilman Gateway Rezone Project NOP
Regional Location and Project Vicinity



FIGURE 2

LSA



- Project Site Boundary
- Berkeley Forge and Tool
- Pacific Steel Casting
- Other Parcels

SOURCES: Google Earth, 8/6/2020; LSA, 2022

I:\22020844\G\Aerial Photo of Project Site.ai (12/16/2022)

Gilman Gateway Rezone Project NOP
Aerial Photograph of the Project Site

The Innovation Ecosystem in West Berkeley

An Economic Snapshot

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The Innovation Ecosystem in West Berkeley: An Economic Snapshot

Executive Summary

Berkeley's economy, while deeply impacted by the COVID-19 pandemic, continues to rebound, in large part because the city supports a diverse economy. The City of Berkeley's location next to the University of California – Berkeley (UC Berkeley), a preeminent public research university, and federally-funded national laboratory (Lawrence Berkeley National Laboratory) position it as a natural home for research and development (R&D) industries, including life science and climate technologies, sectors whose tremendous growth in recent years is expected to continue in the years ahead.

The purpose of this report is to provide context into the current and projected economic conditions in West Berkeley, which will inform the City's approach to addressing the 2021 Council referral to the Planning Commission to establish a zoning overlay at the Pacific Steel Casting property. Per the Council referral, "the site, which is in close proximity to the highly-anticipated reconstruction of the Gilman Interchange, has generated some interest from real estate and business representatives for numerous mixed-use light industrial uses, such as biotechnology labs, warehouse and commercial uses, or office space, among other possibilities". However, the current Manufacturing (M) zoning designation limits the potential uses of the site to heavy manufacturing only. The City's proposed approach to this referral is to create a new zoning district ("M-RD") at the approximately 10-acre project site to enable such uses, thereby allowing R&D companies to build their teams and refine their technologies in Berkeley, bringing with them local jobs, investments, and associated improvements to neighborhood vitality. Furthermore, consistent with the Council referral, the proposed change in zoning regulations at this site would enable the current prospective buyer to clean up a contaminated property, pay off the pensions of Pacific Steel Casting's former employees, and turn a currently underutilized and unsightly property into a productive hub of economic activity in West Berkeley. Ultimately, the proposed change would support the City's innovation ecosystem, improve economic vitality in nearby West Berkeley commercial corridors, and improve the environment, thus contributing to a better quality of life for local community members.

The Berkeley Economy

In the past five years (2017-2022), Berkeley has experienced economic growth and pandemic impacts comparable with that of the greater Bay Area region. By a variety of indicators, the acute phase of the pandemic has receded and Berkeley's economy is on track for continued healthy performance. With a labor force of 62,400, Berkeley's 2.7% unemployment rate is very low; in fact, it is 0.2% lower than that of Alameda County (2.9%). For context, the "full employment" rate is generally considered to be between 94% and 96%, meaning an unemployment rate from 4-6% is "low"; a rate below 4% is very low.¹

While traditionally strong Berkeley economic sectors like performing arts, hospitality, and retail experienced job losses during the pandemic and still earn revenues below pre-pandemic levels, others, including healthcare, biotechnology and other R&D industries, continue to see new investment, employment gains, and opportunities for growth. While remaining lower than in neighboring cities, office vacancy rates in Berkeley have increased; currently the average citywide ground floor commercial vacancy rate averages 8.4%, just above the level associated with normal market churn².

Other indicators show recovery from the COVID-19 pandemic as well; for example, the City of Berkeley's Q3 2022 sales tax increased by 5.1% from the same quarter in 2021 and was up 11.8% since the beginning of 2022. And, lastly, housing costs in Berkeley remain high for both buyers and renters, consistent with the Bay Area region overall. Berkeley's median home sale price of (\$1.32M) observed in November 2022 was higher than most other incorporated East Bay communities in Alameda and Contra Costa counties, save for Piedmont (\$2.78M) and Alameda (\$1.35M).³

Berkeley's Innovation Ecosystem

The West Berkeley Industry section of the City's General Plan includes the recommended action to "publicize the economic, social, and environmental benefits of industry, emphasizing the health of Berkeley manufacturing, the 'high-tech' dimensions of industry in Berkeley and the United States, manufacturing's comparatively high 'multiplier' effect on the economy, and the community value of well-paying, high-benefit, low-bar-of-entry industrial employment".⁴ This section describes how the "'high-tech' dimensions of industry in Berkeley", which the City of Berkeley's Office of Economic Development (OED) often refers to as Berkeley's "innovation sector", bring jobs, wealth, and other economic, social, and environmental benefits to our community, with a special focus West Berkeley.

In 2022, the City of Berkeley was home to more than 400 innovation sector businesses in software, life sciences, clean technology, food tech, and other science, technology, engineering and math (STEM)

¹ Per the Bureau of Labor Statistics (BLS), 'full employment' is defined as an economy in which the unemployment rate equals the nonaccelerating inflation rate of unemployment, no cyclical unemployment exists, and GDP (Gross Domestic Product) is at its potential.

² For commercial districts or areas, ground floor vacancy rates between 4%-8% are typical and considered normal.

³ City of Berkeley, Office of Economic Development, *Economic Dashboard*, March 2022, page 14, online: <https://berkeleyca.gov/doing-business/economic-development/economic-dashboards-and-reports>.

⁴ *City of Berkeley General Plan*, West Berkeley Industry Section, Economic Development Policy ED-2, Section A: *Continue to implement the West Berkeley Plan, with its central emphasis on protecting and strengthening the city's manufacturing sector.* (Also see Land Use Policies LU-33 and LU-34.) Online: <https://berkeleyca.gov/your-government/our-work/adopted-plans/west-berkeley-plan> (1993) or <https://berkeleyca.gov/your-government/our-work/adopted-plans/general-plan> (2002).

industries.⁵ Many of these companies undertake significant research & development (R&D) in Berkeley and, as such, can also be considered part of the “R&D industry”. Thus, one considering this topic must recognize that “R&D” refers not only to a *land use* defined in the City’s zoning code but also to an *industry* and set of *activities* that companies undertake to create innovative, commercially-viable products and services.

Specifically, Berkeley’s R&D industry is comprised of companies in the following sectors:

- Software (35%)
- Life Sciences, including biotechnology and healthcare (31%)
- Hardware (14%)
- Cleantech (12%)
- Food & Beverage (5%)⁶.

More than four-fifths (83%) of Berkeley’s innovation companies are relatively early stage (defined as a company uniquely focused on product development, building a customer base, and establishing a strong cash flow) and take advantage of the city’s coworking spaces, accelerators, and incubators to engage in their work. The other companies that are part of the local innovation ecosystem are either:

- established, e.g. publicly traded or others operating profitably in the STEM industry (10%),
- consultants without explicit goals to scale up (4%),
- subsidiary companies who are now part of a larger parent company (2%), or
- incubators or coworking facilities, like Bonneville Labs or Cell Valley Labs, at 626 Bancroft Way and 2865 Seventh St, respectively (1%).

Of these innovation sector companies, one third are located in West Berkeley⁷.

Employment

Objective 1 of the Economic Development Element of the City’s General Plan reads, “Provide a variety of jobs with varied skill levels for residents of Berkeley.”⁸ In order to provide more information about the types of jobs in Berkeley, especially in West Berkeley, the Office of Economic Development (OED) researched economic data from a variety of sources:

- The State of California Employment Development Department (EDD) data, which uses the North American Industry Classification System (NAICS) for industry categorization and records employment data⁹ by month and quarterly payroll based on state Unemployment Insurance records;
- Research assembled by trade groups representing local industries, e.g. Biocom for the life science industry; and
- Direct meetings with businesses and industry professionals, including real estate brokers and market analysts.

⁵ Innovation industry data is collected throughout the year by OED and draws on a variety of sources including PitchBook, OED’s business license database (maintained with information from the City’s [Open Data Portal](#)), LinkedIn, Crunchbase, OED’s firsthand knowledge from personal communications with local firms, and more.

⁶ These numbers add up to more than 100% because companies can be classified in more than one category, e.g. a software service with a human health application, or a food product developed using biotechnology.

⁷ For this analysis, West Berkeley was defined as having a business address with the zip code 94710.

⁸ There are 9 stated objectives in the Economic Development Element of Berkeley’s *General Plan* (adopted 2002), online: <https://berkeleyca.gov/your-government/our-work/adopted-plans/general-plan>.

⁹ Information is drawn from Quarterly Census of Employment and Wage (QCEW) data as maintained by the EDD.

While there are minor discrepancies between classifications in these data sources and in the way that businesses classify themselves (based on criteria that don't always match land use classifications), OED defines Berkeley's "R&D-intensive industries" as those labeled with the NAICS code for "Scientific Research and Development Services"¹⁰ and those with a NAICS code for a Manufacturing industry with a significant R&D component (shown in Figure 1 below as "R&D-Intensive Manufacturing").¹¹ These R&D-intensive industries currently provide more than 3,600 jobs in the City of Berkeley, or close to 8% of the approximately 45,000 total private sector jobs in Berkeley. Of these, 72% (more than 2,600 jobs) can be found in West Berkeley.¹² See Appendices 1 and 2 for the detailed breakdown of job types.

OED's data analysis also provides a glimpse into the job creation potential (jobs per firm or "Jobs/Firm") offered by R&D-intensive industries, using the definitions by NAICS codes explained above.

Figure 1: Jobs Creation Potential in Manufacturing + R&D Industries

	TRADITIONAL MANUFACTURING	R&D-INTENSIVE MANUFACTURING	LIFE SCIENCES**	R&D-INTENSIVE INDUSTRIES (combined)	R&D
Jobs/Firm*	11	15	16	16	17
*Jobs/firm numbers exclude Bayer as it has a significantly larger number of employees than any other company in this analysis. **includes firms in NAICS 541713-15 (Research and Development in the Physical, Engineering, and Life Sciences) and NAICS 325411-12 - (Pharmaceutical and Medicine Manufacturing)					

Source: State of California Employment Development Department (EDD) data, Q1 2022

As compared to the job creation rate of 11 jobs per firm in Berkeley for "traditional manufacturers"¹³ in Q1 2022, the rate for R&D-Intensive industries overall was 16 jobs per firm, with even more – an average of 17 jobs per firm – in NAICS-defined "Scientific Research and Development Services" industries (labeled as "R&D" in Figure 1).¹⁴ In fact, more than three fifths (62%) of overall manufacturing jobs in West Berkeley (represented by 1,638 jobs in Q1 2022) are from *R&D-intensive* manufacturing sectors and the vast majority (85%) of R&D-intensive manufacturing citywide happens in West Berkeley. Not including pharmaceutical manufacturer Bayer, Berkeley's largest private sector employer, "Life Sciences" jobs comprise 50% of the total.¹⁵

¹⁰ NAICS codes for Scientific Research and Development Services start with the 4-digits 5417.

¹¹ "R&D-Intensive Manufacturing" industries with a significant R&D component were determined to be: NAICS 325 (chemicals), NAICS 326 (plastics and rubber products), NAICS 327 (nonmetallic mineral products), NAICS 333 (machinery), NAICS 334 (Computer and Electronic Products), NAICS 335 (Electrical Equipment, Appliance, and Component), and NAICS 336 (Transportation Equipment).

¹² For this analysis, "West Berkeley" businesses were defined as those with the zip code 94710.

¹³ For the purpose of this analysis, "traditional manufacturers" are the subset of firms classified under NAICS manufacturing codes starting the 2-digits 31-33 that didn't fall in the R&D-Intensive industries definition described above. More than half (56%) of traditional manufacturers in Berkeley are comprised of Food & Beverage manufacturers.

¹⁴ Jobs/firm numbers exclude Bayer as the company's 1000+ employees skew the analysis.

¹⁵ "Life Sciences" is defined using the following NAICS: 325411-Medicinal and Botanical Manufacturing, 325412-Pharmaceutical Preparation Manufacturing, and the 541713-15 codes that fall under 54171 - Research and

Thus, OED's analysis shows that the R&D activity that takes place in West Berkeley has tremendous potential to create jobs, and elicit powerful multiplier impacts which is consistent with the trends being reported by life science industry analysts and real estate brokerage firms:

- "Life sciences now a leading source of US employment growth" and "Biotechnology R&D jobs are growing at their fastest pace on record" (*CBRE Research, Q4 2021*)
- "year-over-year growth in the Biotech R&D sector remained high at 11%" (*CBRE Research, Q3 2022*)
- In Alameda County, every 1 direct job in the life science industry creates 3.18 jobs overall. (*Biocom California Life Science Economic Impact Report 2022*)

Wages

OED's data analysis showed that the average wages found in R&D-intensive industries are higher than in many other industries. Berkeley's R&D intensive industries overall contributed more than 14% of *all* private sector payroll in Berkeley in the first quarter of 2022.¹⁶ Further, almost 30% of the overall West Berkeley quarterly payroll (Q1 2022) came from R&D-intensive industries.

In the first quarter of 2022, average quarterly payroll per employee translated into nearly \$139,000 average annual wages in R&D-intensive industries and more than \$140,000 annually specifically for companies labeled as "Scientific Research and Development Services" (NAICS 5417). For context, these annual salaries are more than 2.2 times the \$62,000 average annual wages reported for traditional manufacturing industries. Overall, in the Bay Area, life science jobs in 2022 paid an average of \$148,167 and \$142,316 in Alameda County.¹⁷ Figure 2 below shows a 2020 snapshot of countywide wages in the biotechnology industry by sub-sector.

Figure 2: Alameda County biotech industry annual wages by sub-sector, 2020

Subsector Average Wage (Wages by Sector & County)						
	BIORENEWABLES	BIOPHARMACEUTICAL MANUFACTURING	MEDICAL DEVICES & DIAGNOSTIC EQUIP	LIFE SCIENCE WHOLESALE	RESEARCH & LAB SERVICES	ALL LIFE SCIENCES
Alameda	\$94,936	\$178,266	\$168,290	\$98,985	\$106,139	\$127,173

Source: *Biocom 2020 California Economic Impact Report – East Bay*

Worker Demographics

Then there is the question of *who* fills these jobs¹⁸. Though it is challenging to obtain demographic information about *all* Berkeley R&D firms' employees, we can use the demographic makeup of the Bay Area life sciences industry as a proxy, since the life science industry comprises more than a third of Berkeley's total innovation sector. From Biocom California's *2021 California Economic Impact Report*, which includes life science wages by occupational title statewide, we see that the industry provides "various career paths to advance upward" including positions not only for chemists, biologists, and

Development in the Physical, Engineering, and Life Sciences Biotechnology. If firms fit in these codes but were clearly not Life Sciences, their job totals were eliminated from the analysis.

¹⁶ See Appendix 1: Berkeley Jobs & Wage Analysis.

¹⁷ Biocom California *Life Science Economic Impact Report 2022 - Bay Area*, online: <https://www.biocom.org/news/eir/economic-impact-report-fact-sheets/>.

¹⁸ City of Berkeley, *General Plan*, Economic Development Element, Goal 5: "Promote revitalization in neighborhoods and communities that have historically higher-than-average rates of unemployment."

other scientists with advanced degrees, but also for many types of technicians who have an associate's or community college degree.¹⁹ Meanwhile, Biocom's 2022 *Bay Area Economic Impact Report* shows that 9.8% of workers in the life science industry in Alameda County have no high school education, 16.1% only have a high school degree, and 22.9% either have attended some college without obtaining a degree or have an associate's degree, meaning almost half of Life Science employees countywide don't have a bachelor's degree or higher – see Figure 3 below for the full breakdown. In fact, at Bayer (800 Dwight Way), which is one of Berkeley's largest private sector employers, the firm does both drug development & manufacturing in Berkeley, and only about one-fifth of their employees have an advanced degree.²⁰

Figure 3: Educational Attainment in CA & Alameda County Life Sciences Industry, 2022

Region	No High School	High School Graduate	Some College No Degree	Associate Degree	Bachelor's Degree	Postgraduate Degree
California	15.2%	20.4%	21.0%	8.0%	22.6%	12.9%
Alameda County	9.8%	16.1%	16.5%	6.4%	30.0%	21.2%

Source: Biocom California, 2022- *Bay Area Life Science Economic Impact Report*

In terms of racial composition, Bayer also provides a point for comparison. The company reported in 2021 that they employed a workforce that was “less than one third ‘white’.” Meanwhile, as of November 2021, 56% of employees at Caribou Biosciences (2929 Seventh St) identified as female and 46% as non-white. These statistics, while not comprehensive, show the industry has the potential to achieve the West Berkeley Plan's purpose to “maintain the ethnic and economic diversity of West Berkeley's resident population.”²¹

Wealth Creation

Several elements in Berkeley's local economy have tremendous wealth creation potential. UC Berkeley, the state's first land-grant university and the founding campus of the University of California system, ranks globally as the number-one public university in the world overall for undergraduate programs that produce entrepreneurs who go on to obtain venture funding (and is the second-best overall among both public and private universities), according to PitchBook's 2022 university rankings.²²

In 2022 alone, 100 Berkeley innovation-focused companies raised nearly \$2.1 billion in capital (from venture investment, convertible securities, government and philanthropic R&D grants, and debt financing). Of this, almost \$5.9 million came from government-funded grants for R&D in 2022.

Current economic reports demonstrate robust fundraising opportunities in this sector, with a Q4 2022 report by real estate brokerage firm, JLL, reporting:

“The Bay Area captured 32.4% of national life sciences VC funding during 2022, upholding its status as the leading region in private life sciences funding.”²³

¹⁹ Biocom California's 2021 *California Economic Impact Report*, page 11.

²⁰ Data provided to City of Berkeley staff by staff at the Bayer Campus, 2021.

²¹ City of Berkeley, *West Berkeley Plan*, Purpose 2, 1993.

²² PitchBook University Rankings, Oct. 31, 2022 <https://pitchbook.com/news/articles/pitchbook-university-rankings>

²³ JLL, *Life Sciences Industry Insight*, Bay Area Q4 2022.

Meanwhile, brokerage CBRE reported in Q3 2022 that the National Institutes of Health (NIH) had granted more than \$2.1 billion in funding to San Francisco Bay Area institutions in 2022, with UC Berkeley alone accounting for \$144,272,440 (7%).²⁴ Overall, according to Biocom California, 40% of NIH funding in California comes to the Bay Area.²⁵ Correspondingly, companies of all stages of growth in this industry are motivated to locate in Berkeley, as it is situated precisely at the confluence of these lucrative streams.

Social & Environmental Impact

In addition to providing jobs and fueling economic development locally, innovation companies develop solutions to some of the world's greatest social and environmental challenges, such as those related to human health and the fight against climate change.²⁶ In fact, Berkeley is the only city in the Bay Area with a federally-funded national lab and a top-tier research university that has employed 70 faculty and staff who have been awarded 71 Nobel Prizes.²⁷

The following examples of local companies show the breadth of health and environmental innovation happening in Berkeley today:

- **Caribou Biosciences, Inc.**, co-founded by Dr. Rachel Haurwitz, who worked in Nobel prize winner Dr. Jennifer Doudna's CRISPR gene editing lab on the UC Berkeley campus, has a mission to develop innovative, transformative therapies for patients with devastating diseases. The company's lead off-the-shelf cell therapy for blood cancer has demonstrated promising clinical data and a second cell therapy is entering the clinic. Headquartered in West Berkeley, the company occupies approximately 60,000 square feet and employs approximately 130 people. In 2021, Caribou raised approximately \$495 million, including a successful \$350 million initial public offering, to advance the company's pipeline and technologies. In addition to advancing a pipeline of cell therapies, Caribou gives back to the local community through volunteering for Bay Area clean ups and fundraising for the Women's Cancer Resource Center in Berkeley and the Alameda food bank.
- **UPSIDE Foods**, who grows meat, poultry and seafood directly from animal cells without the need to raise and slaughter billions of animals, became the first company in the world to receive a "No Questions" letter from the U.S. Food and Drug Administration (FDA) for cultivated meat, poultry, or seafood in November 2022. Part of a fast growing "alt meat" component of the Bay Area's food manufacturing industry, the company, which started in 2015 with 5 employees and 36 square feet of shared lab and office space, now leases over 70,000 sq. ft. of property in Berkeley and employs over 200 people in Berkeley.
- **Squishy Robotics** designs, tests, and builds tensegrity robots that provide situational awareness in HazMat emergencies and at bomb sites. The company, which began and operated out of the Berkeley SkyDeck startup accelerator in Downtown Berkeley, now leases a two-room office plus shared space in the Wareham Development building at 2600 Tenth Street. Squishy Robotics employs seven people and currently has six interns. The company helps protect the lives of first responders and new contracts will expand robot use cases in early wildfire detection and in the discovery and reduction of methane leaks.

²⁴ CBRE, *Figures U.S. Life Sciences*, Q3 2022.

²⁵ Biocom Bay Area, *Bay Area Life Science Economic Impact Report*, 2022.

²⁶ These efforts are connected to and supportive of the City of Berkeley General Plan, Economic Development Element, *Objective 4: Encourage Environmentally Sustainable Business*, adopted 2002.

²⁷ UC Berkeley, <https://light.berkeley.edu/nobels/> (multi-years) and Nobel Prize <https://www.nobelprize.org/prizes/facts/lists/affiliations.php> (2022).

- **Twelve**, named for the carbon isotope that makes up the vast majority of carbon on earth, started at the Berkeley Lab's Activate program on Cyclotron Road in 2015 with a team of 3 co-founders. Today, they occupy a 20,000 sq.ft. facility in West Berkeley and employ nearly 250 people. Their technology, which splits carbon dioxide and water into syngas, provides an environmentally friendly way to produce fuels, plastics, and other materials. After raising \$130M series B & other funding in 2022 and continuing to secure partnerships with big brands like Alaska Airlines, Microsoft, Virgin Voyages, and P&G, Twelve is looking for 130,000 sq.ft. where they can continue to design, test, and manufacture their carbon transformation technology for use in a range of applications, from chemicals and fuels to products.

Innovation companies – Location Decisions

One of the most critical decisions that an R&D or innovation firm can make is regarding its location. Location decisions are usually not stand-alone choices of a firm, but are part of a broader set of company decisions and are often related to their ability to access target markets, transportation networks, technology, and talent. Sound location decisions can significantly boost a company's long-term performance; poor ones can sacrifice large amounts of productivity and capital.

Berkeley Innovation Hubs

Berkeley is lucky to be the home of two strong innovation hubs - the areas surrounding the UC Berkeley campus and West Berkeley. Innovation companies often spin out of UC Berkeley and the Lawrence Berkeley National Lab (the Berkeley Lab), fueled by campus-based accelerators like Berkeley SkyDeck, Bakar Labs, and CITRIS Foundry or the Berkeley Lab's science-based entrepreneur mentorship program, Activate – Berkeley (also known as Cyclotron Road). Companies who have grown out of these institutions, or whose businesses rely on the talent, intellectual property, or equipment they provide, seek to build their enterprises in Berkeley.

Historically, the vast majority of life science and R&D activity in Berkeley has been geographically concentrated in West Berkeley, where R&D is specifically allowed in the *MM – Mixed Manufacturing* and *MU-LI – Mixed Use Light Industrial* zoning districts, or on and around the UC Berkeley campus. The majority of the city's R&D companies that require a workshop or lab, primarily in life sciences or biotechnology, and also other hardware, electronics, medical devices, clean energy and “advanced manufacturing” industries can be found in West Berkeley.

In Downtown Berkeley and the commercial districts close to campus, only software companies and companies that perform R&D in an office (rather than industrial setting or lab) are currently permitted. Key hubs in Downtown Berkeley that offer co-working or innovation space include Berkeley Sky Deck (2150 Shattuck Ave), Berkeley WeWork (2120 University Ave) and east of campus the Bakar BioEngunity Hub (2630 Bancroft), though other on-campus labs and accelerators like the CITRIS Foundry also house early-stage R&D companies.

Unfortunately, in recent years, Berkeley has lost innovation firms simply because the city did not have enough space to accommodate their uses. Between 2018 and 2021, Berkeley lost more than 70 companies to its closest neighbors (Emeryville, Alameda and Oakland)—including many innovative companies in life sciences, medical devices, plant-based foods, renewable energy (including batteries), robotics, and other food, beverage, and women's health products.²⁸ A local broker from commercial

²⁸ Firms that have left Berkeley in recent years (with the city they departed for shown in **BOLD**) include:

Emeryville: Agenus West (life sciences), Cuberg (battery R&D), Fauna Bio (life sciences), SuitX (medical devices),

brokerage CBRE lamented in 2021, “They [commercial tenants, innovation companies] all want to be in Berkeley. But they can’t find move-in ready spaces with any assurance.”²⁹ Ari Rokeach, a real estate broker at Newmark, another commercial brokerage working in the East Bay, estimates that the Berkeley-Emeryville corridor has “lost over a half million to a million square feet” in recent years due to limited supply of these move-in ready spaces, of which roughly half went to Alameda.³⁰

In addition to not being able to nurture startups to stay in Berkeley as they grow, the City has a hard time attracting companies due to the city’s reputation as a place that isn’t friendly to startups and that has hard-to-navigate land use policies. For example, a Bay Area real estate developer stated, “It’s so complicated if you are coming in as a tenant! People look at the time required [to locate in Berkeley] and don’t want to touch it; people want cookie cutter space they can move in to without risk. They find that elsewhere.”³¹

Innovation Firms - Building and Space Needs

The commercial real estate demands of R&D companies depend largely on the stage of the company’s growth, the type of equipment they use, the number of people they employ (or expect to employ), and whether they will have ancillary sales, marketing, manufacturing, warehousing & shipping, or other office or quality control functions on site. For example, the many early stage companies that spin out from UC Berkeley and the Berkeley Lab, or attend local accelerator programs, often seek move-in ready spaces that are larger and more private than they can get in a shared facility like Bonnevill Labs or Bakar Labs, but smaller than 15,000 sq. ft. Ideally, the space should permit a combination of office and R&D uses and include high ceilings that can accommodate large scientific equipment, good power³², ductwork for safe ventilation, highly reinforced floors, and easy-to-access loading facilities for shipping and deliveries. As R&D companies grow locally or companies relocate to Berkeley from elsewhere, they often require these same things, only with significantly more square footage (i.e. 30,000+ sq. ft.).

The one area of Berkeley that has the most land and largest parcels available to accommodate these innovation activities is West Berkeley. As mentioned, the vast majority of life science and R&D activity in Berkeley has been geographically concentrated in West Berkeley, where R&D is an allowed use in the *MM – Mixed Manufacturing* and the *MU-LI – Mixed Use Light Industrial* zoning districts. In Berkeley, as of this writing, there are approx. 63 acres of land zoned *MM*, and approximately 187 acres of land zoned *MU-LI*. For context, together these acres represent about 5.3% of all zoned land in Berkeley (4,700 total acres of land).³³

West Berkeley - Area Overview

West Berkeley includes all the commercial corridors on San Pablo Avenue and west, including 4th Street, International Marketplace (near the intersection of San Pablo & University), the Gilman District, Wareham Development’s Aquatic Park Center campus, and the new R&D facilities being developed by

Xoma (life sciences), **Alameda:** Checkerspot (materials), Iota Biosciences (life sciences), Kyverna Therapeutics (life sciences), Scribe Therapeutics (life sciences), NAMUH (life sciences) **Oakland:** Eko Devices (medical devices), Berkeley Brewing Science (food tech), Eclipse Foods (food tech), Lioness (women’s health products).

²⁹ CBRE, Mike Raffeto, Senior Vice President, Personal communication, 2021.

³⁰ Newmark, Ari Rokeach, Managing Director, Personal communication, Jan. 2023.

³¹ Wareham Development, Chris Barlow, Partner, Personal communication, 2021.

³² 400-600 amps is considered the bare minimum for power supply; Cushman & Wakefield brokers report that today’s occupiers often look for 2,000 amps or more when evaluating potential sites. (Personal communication, January 2023).

³³ City of Berkeley, Open Data Portal, Land Parcels, accessed January 7, 2023, online: <https://data.cityofberkeley.info/City-Government/Parcels/bhxd-e6up>.

Steelwave (“theLAB”), Lane Partners (“Berkeley Commons”), and Oxford Properties Group (“Foundry 31”).

The West Berkeley area includes a number of major, large-floor-plate retailers, a dense cluster of home supplies and construction businesses, non-retail commercial businesses including manufacturers and warehouses – as well as significant biotech and R&D activity. West Berkeley also has a number of vacant or under-utilized manufacturing and warehouse buildings that can provide occasions for graffiti, illegal dumping, abandoned vehicles, and trash to accumulate, particularly along the railroad tracks (3rd Street).

Historically, the greatest share of the R&D and innovation activity has taken place west of San Pablo between Bancroft and Ashby Ave, in facilities owned by Wareham Development, such as their Aquatic Park Center campus, or in Bonneville Labs’ coworking lab space.

Industrial real estate – inventory, costs and trends

Inventory

According to the CoStar multiple listing service that most real estate brokers use, there is a total of more than 10.5 million sq. ft. of Rentable Building Area (RBA) across “Industrial”, “Office” and “Flex” space in West Berkeley, of which “Industrial” properties comprise 50- 60%.³⁴ “Flex” spaces, which enable clients to undertake “Light Distribution”, “Light Manufacturing” and “R&D” activities comprise a third of the total, with the latter accounting for less than a quarter of the RBA in West Berkeley (just over 2.5 million square feet).

In reality, companies undertaking R&D in Berkeley occupy more commercial real estate than properties categorized as “Flex-R&D” by CoStar. For example, companies doing R&D in areas as broad-reaching as air quality monitoring, cultivated meat, electric vehicle battery design, and drug development are occupying spaces categorized as “Industrial-Warehouse”, “Office” and other “Flex” sub-categories, like “Light Distribution”.

Additionally, more R&D facilities will be available in the period ahead. In the last five years (since 2017), the City of Berkeley has permitted more than 800,000 square feet (sq. ft.); these are either under construction, entitled, or under review, and include properties such as Foundry 31, theLab Berkeley, Berkeley Commons, and 742 Grayson.³⁵ Of the owners of R&D facilities citywide, Wareham Development has historically been the largest player, with a portfolio of 775,000 sq. ft. in Berkeley (approximately 40% of the 2.5 million RBA of “flex” spaces available today), of which the vast majority is inhabited by R&D tenants.

Using their proprietary data collection method, real estate brokerage firm JLL reported just over 32 million sq. ft. of life science (“lab”) inventory in Q4 2022 in the Bay Area overall, of which Berkeley’s inventory comprised 2.7% (871,017 sq. ft.). Berkeley’s nearly one million sq. ft. of life science inventory comprises approximately a tenth of the overall supply of commercial real estate in West Berkeley, not including retail spaces.

³⁴ See Appendix 3 for data on sq. ft. by property type in West Berkeley from CoStar, accessed January 2023. As a point of comparison, the real estate brokerage, Cushman & Wakefield, reported 6,344,936 sq. ft. of space in their *MarketBeat East Bay Oakland, Industrial* report for Q3 2022.

³⁵ See Appendix 5 for the City of Berkeley’s *R&D Development Pipeline* as of January 10, 2023.

Of these facilities, JLL reported a 5.3% lab vacancy rate in Q4 2022 in Berkeley, which is lower than the 14.7% vacancy rate in neighboring Emeryville, 10.1% rate reported for the East Bay, and the 6.5% lab vacancy rate reported for the Bay Area overall.³⁶

Meanwhile, the city's small size (and thus small overall inventory of industrial buildings) paired with its proximity to major innovation institutions, talent, and population centers also creates an imbalance between the demand for advanced manufacturing space and local supply. Real estate firm, Cushman & Wakefield, reported a 1.1% overall vacancy rate in Berkeley's industrial real estate market for Q3 2022, with several East Bay industrial brokers noting that the market for light manufacturing and warehouse space is very tight in Berkeley. The city has less building stock overall and clients often have an easier time finding affordable space for scaled production in East Bay cities such as San Leandro, Oakland, Fremont and Hayward.³⁷

Prices

Costs per sq. ft. for West Berkeley commercial property vary dramatically based on whether they are based on *sale* or *rental* price and also based on the property age, quality, embedded operating systems, submarket location, and other included amenities or assets. Pricing range is also affected by total rented square footage, with smaller spaces (such as the type that are prevalent in West Berkeley) tending to drive a higher price per square foot.³⁸ See Figure 4 for a summary of the range of rents associated with different West Berkeley commercial property types.

Figure 4: Rent Range associated with commercial property types found in West Berkeley, January 2023

	Manufacturing	Warehousing (traditional)	Warehousing (Advanced Manufacturing / R&D)	Life Sciences/ Lab	Office	Retail
Rents per sq. ft. (monthly)	\$0.78 - \$1.88 ³⁹	\$0.90 - \$2.00 ⁴⁰	\$1.49 - \$2.25 ⁴¹	\$2.75 - \$7.44 ⁴²	\$2.50 - \$3.25 ⁴³	\$3.00 - \$3.25 ⁴⁴

³⁶ See Appendix 4 for life sciences real estate statistics for Q4 2022 from brokerage firm JLL.

³⁷ Cushman & Wakefield, MarketBeat East Bay Oakland, Industrial Q3 2022; Communication with Ted Anderson and Andrew Schmieder, Cushman & Wakefield, Jan. 2023; Communication with Ari Rokeach, Newmark, Jan. 2023.

³⁸ Steve Smith, Norheim & Yost. Personal communication, January 18, 2023.

³⁹ According to CoStar, rent prices for "Manufacturing" properties were between \$0.78-\$1.88 per sq. ft. per month in December 2022; Cushman & Wakefield reported asking rents in Q3 2022 as \$1.49 per sq. ft. for "Manufacturing" space in Berkeley.

⁴⁰ According to CoStar, rent prices for "Warehousing" properties (which includes many R&D facilities) were between \$0.90-\$3.41 per sq. ft. per month; Steve Smith of Norheim & Yost reports that basic warehouse spaces typically lease for less than \$2 per sq. ft. In Q3 2022, Cushman & Wakefield reported *Warehouse and Distribution* space leasing for \$2.83 per sq. ft. in Q3 2022.

⁴¹ CoStar + conversations with real estate brokers from Cushman & Wakefield, Norheim & Yost, and JLL. Norheim & Yost reports that warehouse spaces with additional amenities or updates that make them suitable for R&D uses lease in the \$2.75-\$3.25 range; Cushman & Wakefield also provided a recent example from the Pyramid building (901 Gilman) where upgraded warehouse space is leasing for \$1.75 per sq. ft. and says "ownership's willingness to improve the operating system of the building can drive rents to \$2.25 NNN [triple net] for these types of facilities."

⁴² CoStar + JLL Q4 2022 Life Sciences Market Insights Report & personal communication, Grant Yeatman, JLL.

⁴³ Norheim & Yost's estimate for leasing rates for "smaller creative office spaces in West Berkeley", January 2023; Colliers' *Oakland Office 2022 Q3* report shows Berkeley Class A office space (found citywide) leasing at an average of \$4.45 per sq. ft.

⁴⁴ CoStar + conversation with Steve Smith, Norheim & Yost, Q1 2023.

By far, Life Sciences R&D facilities which include a combination of office, lab, and warehousing space plus amenities such as loading docks and reliable, high voltage power command the greatest price. In fact, nationally, CBRE reported that, for Q3 2022, “The average lab asking rent of the top 12 U.S. markets increased by 6.8% quarter-over-quarter to [\$5.02] per sq. ft. NNN.”⁴⁵ According to JLL, in Q4 2022, Berkeley’s average “lab” rents were \$7.44 per sq. ft. per month, above the \$7.15 per sq. ft. average across the Bay Area and \$7.06 per sq. ft. average in neighboring Emeryville.⁴⁶

Trends

In terms of fundraising and new company formation, recent years (2020-2022) have been unprecedented for the life science industry, and this pace may not continue indefinitely, especially as investors and company leaders alike try to conserve capital in anticipation of an economic slowdown ahead. However, the market analysts and East Bay real estate brokers consulted for this report all agreed that Berkeley’s market fundamentals were enduringly strong and projected that the demand for life sciences, climate technologies and other advanced manufacturing industries would continue in the years ahead.

In the Bay Area overall, real estate brokerage firm JLL reported that asking rents for life science facilities at the end of 2022 were 5.8% above 2021 levels, leasing volume continues to exceed pre-pandemic levels, and they expect more than 43 million square feet of life science facilities in the development pipeline (based on projects under development now from both ground-up building and conversions and short and long term proposed projects. Ari Rokeach, Managing Director of Newmark’s Bay Area life science practice, affirms that even with the changing market conditions (including the recent increase in interest rates nationally and venture capital slowdown), there is still “more demand than supply of built-out lab spaces” and the market is “still very healthy from the perspective of there being more companies that want built-out lab space than is readily available today”.⁴⁷

Meanwhile, when asked about leasing trends from manufacturing companies, Steve Smith of Norheim & Yost, whose real estate firm has worked with industrial clients in Berkeley for many decades, reported in January 2023 that, “It’s just dead right now; very few are looking for space and, according to CoStar, nationally sales are slow.” However, he noted that this may be very specific to the current period, which is amidst the holiday season, rising interest rates, and people’s fears of an economic slowdown ahead. Cushman & Wakefield brokers working in West Berkeley, while also noting that there are indicators of a coming economic softening (i.e. a significant reduction in property sales volume, tenants taking longer times to make decisions, requests for shorter lease commitment times, and more subleases becoming available), offered the positive outlook: “Leasing seems super stable with less tenant velocity”. They also expect more industrial space will come on the market in 2023 (due to delayed delivery because of PG&E lag times related to establishing power connections) that will probably increase vacancy rates by “a point or so.” Ultimately, the real estate brokers consulted for this report seemed to be in agreement that, given Berkeley’s limited supply of developable land for R&D and advanced manufacturing uses, and its location within the Bay Area and near major innovation and entrepreneurship engines, Berkeley could only benefit from allowing land to accommodate R&D and advanced manufacturing uses and

⁴⁵ CBRE “Figures, Life Sciences, Q3 2022” <https://www.cbre.com/insights/figures/q3-2022-us-life-sciences-figures>; NNN = triple-net, or a lease agreement on a property whereby the tenant or lessee promises to pay all the expenses of the property, including real estate taxes, building insurance, and maintenance.

⁴⁶ See Appendix 4 for life sciences real estate statistics for Q4 2022 from brokerage firm JLL.

⁴⁷ Ari Rokeach, Managing Director, Newmark Group, Bay Area life science practice, personal communication, Jan. 2023.

users, even if short-term economic downturns and more supply coming online in the years ahead were to increase vacancy rates in these sectors beyond the current levels.

Benefits of the new zoning: M-RD

On April 20, 2021, Berkeley City Council approved a referral requesting that the Pacific Steel Casting property be rezoned from its current designation for Manufacturing (M) land uses to allow mixed-use light-industrial (MU-LI). Subsequently, the September 19, 2022 Council referral, *Keep Innovation in Berkeley*, requested the City to continue efforts to encourage the growth of R&D in Berkeley by allowing R&D uses in select commercial zones citywide. Both of these referrals speak to the importance of this rezoning opportunity, with the *Keep Innovation in Berkeley* referral acknowledging that, if the City's zoning regulations do not provide sufficient opportunities for emerging growth companies, those companies will leave Berkeley for nearby cities that accommodate them with eligible land, such as Oakland, Emeryville, San Leandro, and Alameda.⁴⁸ At present, Berkeley is fortunate to host two major catalyst institutions that produce R&D-intensive businesses seeking suitable real estate to accommodate their growth; *and* to have a number of contiguous underutilized parcels of land in West Berkeley that are well positioned to supply it.

This opportunity did not go unnoticed when the 8-acre Pacific Steel Casting site ceased operations in 2018 (due to bankruptcy) and left significant liabilities on the land to be sorted out by a receivership administered by the courts (including close to \$24M in unpaid steel workers' pensions, and environmental clean-up costs that will likely exceed \$9M). Though well-marketed as the *Gilman Gateway* as a strictly industrial opportunity by Cushman & Wakefield, since 2018, the site has sat vacant with few buyers expressing interest.⁴⁹

In order to engender interest and opportunity in the area, Berkeley City Council passed two legislative items; the *Future of the Pacific Steel Casting (PSC) Site* referral (2018)⁵⁰ and the *Referral to the Planning Commission to Establish a Zoning Overlay at the Pacific Steel Casting Property* (2021).⁵¹ The 2021 referral directed staff to consider a rezone due to "the unique issues of public concern associated with this property... [and to include] allowances to enable all MU-LI uses and override any existing constraints in the Berkeley Municipal Code for Zoning (Title 23)...for the PSC [Pacific Steel Casting] property." In the early spring of 2022, the neighboring Berkeley Forge and Tool site (1.17 acres, two parcels) announced that it would cease operations in December 2022; and the Berkeley City Council ranked the *Referral to the Planning Commission to Establish a Zoning Overlay at the Pacific Steel Casting Property* as its number one priority for implementation.⁵²

On October 25, 2022, SPUR Capital, with the assistance of Rhoades Planning Group ("the applicant"), submitted a zoning map amendment application to the City of Berkeley Planning and Development Department encompassing the former Pacific Steel Casting and Berkeley Forge and Tool sites totaling 15 parcels and approximately 9.3 acres. The area is roughly bounded by Gilman Street to the north, the

⁴⁸ Berkeley City Council, *Referral: Keep Innovation in Berkeley*, adopted September 19, 2022.

⁴⁹ Cushman & Wakefield, Written Communication to District 1 Councilmember R. Kesarwani, *RE: Land Values West Berkeley & Approximate Amounts Needed to Clear All Creditors for the Pacific Steel Castings Buildings*, October 28, 2019. See Appendix 5.

⁵⁰ Berkeley City Council, *Future of the Pacific Steel Casting (PSC) Site*, Item 7, November 13, 2018.

⁵¹ Berkeley City Council, *Referral to the Planning Commission to Establish a Zoning Overlay at the Pacific Steel Casting Property*, Item 35, April 20, 2021.

⁵² Berkeley City Council, Special Meeting, *2022 City Council Referral Prioritization Process Using Re-Weighted Range Voting (RRV)*, Item 1, April 26, 2022.

Union Pacific Railroad right-of-way (3rd Street) to the east, Page Street to the south, and Eastshore Highway to the west, and includes three parcels that are not owned by the applicant. Currently zoned *M-Manufacturing*, the map amendment application seeks a new zoning designation in the M-series: *Manufacturing – Research Development* (M-RD) which would allow for a future development – entitled as Gilman Forge – consisting of R&D, laboratory, business and professional offices, and light manufacturing uses, in roughly 1,000,000 sq. ft. of gross floor area, and a building height up to 105 feet. The M-RD zoning designation would be applicable to the area described above, as well as to the additional three parcels in the zoning district boundary not owned by the applicant (1306 Third Street, 600 Gilman, and 1433 Eastshore Highway).

Allowing R&D uses as part of the proposed M-RD zoning creates more than 10 acres⁵³ of land and nearly 1M sq. ft. of building space to accommodate the needs of growing innovation companies within Berkeley and beyond, at all stages of growth. The project area is the largest set of contiguous parcels citywide that will be able to accommodate R&D uses (with the exception of the Bayer campus at 46 acres, and the UC Berkeley Campus, which is under the jurisdiction of the UC Regents, a statewide agency). For context, the next largest area dedicated to R&D life science uses in Berkeley is the former American Soils site (600 Addison St) at approximately 8 acres. Currently under development as the Berkeley Commons project, that site will offer 263,752 sq. ft. of R&D space within two buildings that are 470,986 sq. ft. in size by 2024, with the remainder of the space approved for light manufacturing.⁵⁴ All other M-prefixed zoned sites in Berkeley in the R&D pipeline are smaller by a considerable factor.

Establishing the M-RD zoning for one of the largest contiguous areas available in West Berkeley in 2023 will provide the conditions necessary to establish an active use on this site and proactively help the City to achieve its Strategic Plan goal of “fostering a dynamic, sustainable, and locally-based economy.”⁵⁵

Economic Impact of re-zone

Maintaining a diversified economy is essential to the economic development goals of the city. In fact, the Office of Economic Development strives to create an environment where businesses of all types can thrive, ranging from family-owned independent retailers to innovative startups creating disruptive technologies to basic and advanced manufacturing industries that create products (and jobs) at scale.

The dimensions of the positive economic impacts include: new direct and indirect jobs, improved neighborhood vitality for both commercial and residential neighbors; general benefits to the community including contributions to the city’s public art, and affordable housing and affordable child care mitigation funds, environmental cleanup, and development of new infrastructure elements including improved bike, pedestrian, and open space facilities where none currently exist.

Direct & Indirect Jobs

This project can take advantage of local talent so that fewer jobs are exported to other Bay Area life science/ R&D hubs like South San Francisco, Alameda, and San Leandro. At project build out, the Gilman Forge project is estimated to create over 2,700 permanent life science related jobs on site, with an additional 15% of jobs (405) supporting and servicing employment, as well as several hundreds of

⁵³ Notice of Preparation (NOP) of a Draft EIR, *Gilman Gateway Rezone Project*, December 21, 2022, State Clearinghouse Number 2022120549, CEQA Net, online: <https://ceqanet.opr.ca.gov/2022120549>.

⁵⁴ See Appendix 5 for Berkeley’s *R&D Facility Development Pipeline*, 2023.

⁵⁵ The City of Berkeley’s Strategic Plan identifies the long-term goals and short-term priorities that the City government will focus on to benefit the Berkeley community. Online: <https://berkeleyca.gov/your-government/our-work/strategic-plan>.

temporary construction jobs during the development phase of 1M sq. ft. of built area which potentially could last through multiple years of phased construction.

The future M-RD zoning will also support the creation of a campus with potential job opportunities for Berkeley residents who currently commute to other places for these same jobs, thereby improving Berkeley's job/housing balance and reducing negative impacts associated with lengthy commute patterns. In addition, the project can offer educational opportunities and career pathways for Berkeley Unified School District, Berkeley City College, and UC Berkeley students engaged in STEAM curriculum (science, technology, engineering, the arts, and mathematics) activities.

In addition, local suppliers of cell cultures, lab glassware, and other materials or equipment needed for R&D activities will also stand to benefit economically from this development.

Neighborhood Vitality & Induced jobs

In addition to the direct and indirect jobs created by the development of this site are the *induced* jobs, or those that will be generated by local spending on goods and services by employees. For example, owners of the Trumer Pils brewery (on 4th & Camelia), retailers in the Fourth Street and South of University (SoU) districts along 4th and 5th Streets, and several artists, restaurateurs, and other Gilman District businesses were delighted to hear that the rezoning of these parcels could enliven the area and increase their proximity to several thousand new customers and patrons.

In this case, zoning changes that set the table for future development will allow the land to be transformed from vacant, contaminated space into an asset for the Berkeley innovation ecosystem and Berkeley's overall economy. Vacant properties provide no jobs for anyone, regardless of education or color. In addition to not being additive, vacant or underutilized properties also take away. In fact, West Berkeley's vacant sites have a direct impact on neighborhood vitality as *the lack of* regular on-site activity provides opportunities for crime, graffiti, violence and other street behaviors that impact nearby businesses both fiscally (i.e. damaged property) and emotionally (i.e. threats to patrons and employees).

Without active, engaged users, vacant properties in West Berkeley provide a ripe environment for long-term, unsanctioned parking, abandoned vehicles, trash buildup, and, in some cases, tent or camper van encampments sheltering individuals with mental health and substance abuse challenges. Included as Appendix 7 is the *After Action Report* on the 2nd Street & Page St encampment closure from November 2022 which details the removal of 5.75 tons (11,500 pounds) of debris from the project area. The Homeless Response Team (led by the Neighborhood Services/Code Enforcement division of the City Manager's Office) documented and repeatedly observed "numerous health and safety violations in the area, including loose and scattered syringes; live and dead rodents and rodent harborage conditions including accumulated trash and debris and open food sources; and debris and belongings, including tents, spilling into the lane of traffic."

Social, Environmental & Infrastructure Benefits

If the proposed M-RD zoning is adopted, future projects, including the conceptual Gilman Forge project, have the potential to spur the following direct environmental and infrastructure benefits:

- Careful environmental cleanup of a contaminated site,
- Making the former steelworkers whole with the funding of their pensions (from the land sale proceeds),
- Adaptive reuse of an existing 10,000 square-foot building at 1330 Second Street, which will feature a repurposing of the Pacific Steel catenary crane as design element, creating a central

gathering place for the community that will both celebrate Berkeley's industrial past and create a draw for future industry professionals to locate in Berkeley,

- A circulation network of sealed roads and improved railroad crossing gates where there currently aren't ones in place,
- New bicycle, pedestrian and open space amenities adjacent to the upgraded Gilman I-80 interchange that will improve the quality of life for commercial and residential neighbors,
- Fee payments (on the order of tens of millions of dollars⁵⁶) to the city's affordable housing, affordable childcare, and public art funds. These payments may constitute some of the single biggest contributions to these funds since their establishments in 2014 and 1999 respectively.

Benefits associated with like catalytic developments in Berkeley

600 Addison/Berkeley Commons

The 470,986 sq. ft. of light manufacturing and R&D space located at 600 Addison Street (Berkeley Commons), which is being developed by Lane Partners and is currently under construction, provides an instructive example of what benefits can be anticipated from future development projects on the former Pacific Steel Casting site. The economic and public benefits realized at the 600 Addison project to date (January 2023) include: payment of the public art, affordable housing and childcare mitigation fees; over \$30,000 in sales tax revenue accrued to the city on the steel purchased for the building frame⁵⁷; significant upgrades to the project-adjacent Bolivar Drive including re-paving, and detailed curb and gutter work; and planned public art installations, including a sculpture garden and trail at the project-adjacent Aquatic Park.⁵⁸

Gilman Gateway - Benefits Realized & Goals Supported

To date, the project sponsor has already committed approximately \$20M in unfunded pensions/land cost, and \$9M in environmental clean-up and infrastructure improvements, with the final amount to be determined by the Department of Toxics and Substance Control (anticipated 2023). Other benefits will include fees paid to the affordable housing and affordable child care mitigation funds for the creation of new commercial space, and fees paid to public art fund and associated city enterprise funds (i.e. stormwater mitigation, building and plan check fees etc.).

As per the economic implications discussed throughout this report, updated zoning for this parcel would also enable the achievement of a number of the goals articulated in the City's General and Strategic Plans. With one single zoning change, this project recasts Pacific Steel and its neighboring parcels into the next century of industrial activity and drives Berkeley's culture of innovation forward.

Adopting new zoning that allows for nearly *one million square feet of new production and R&D space in West Berkeley* will have an incredible cumulative positive economic impact to the city. Making more land permissible for essential R&D and advanced manufacturing industries, especially on an underutilized site, is not only in line with the City's General Plan Objectives, but is a tremendous opportunity for pandemic recovery and the future of the Berkeley economy.

⁵⁶ Affordable housing mitigation fees cost \$5.81 per sq. ft. of developed R&D space (2022 numbers); Affordable childcare mitigation fees cost \$1.03 per sq. ft for R&D; the Public Art on Private Development ("Percent for Art") policy requires developers to pay 1.75% of construction costs to create on-site publicly accessible artwork or they can pay an in-lieu fee to the Private Percent Art Fund valued at 0.8% of construction costs.

⁵⁷ This does not include subsequent building materials purchased for this project (HVAC equipment etc.), though the slight uptick in "business to business" sales tax transactions in Q3 2022 may be attributable to additional materials purchased in service of this project's development.

⁵⁸ See the recently released, City of Berkeley, [Aquatic Park Call for Artists](#) (\$350,000), Civic Arts Program, 2022.

APPENDIX

Appendix 1: Berkeley Jobs & Wage Analysis

Berkeley (Citywide)	
<i>Employment</i>	
Firms	5,398
Private sector Jobs	45,087
All manufacturing (NAICS 31-33) + R&D (NAICS 5417) Jobs	5,040
All manufacturing (NAICS 31-33) + R&D (NAICS 5417) Firms	281
Manufacturing Jobs (NAICS 31-33)	3,294
Manufacturing Firms (NAICS 31-33)	176
Jobs/Firm in Manufacturing (NAICS 31-33)	19
Traditional Manufacturing* Firms	121
Traditional Manufacturing* Jobs	1,369
Jobs/Firm (Traditional Manufacturing*)	11
R&D-Intensive Manufacturing Firms (NAICS 325-27; 333-336)	55
R&D-Intensive Manufacturing Jobs (NAICS 325-27; 333-336)	1,925
Jobs/Firm (R&D-Intensive Manufacturing Industries)	35
Jobs/Firm (R&D-Intensive Manufacturing Industries)- w/out Bayer	15
R&D Firms (NAICS 5417 only)	105
R&D Jobs (NAICS 5417 only)	1,746
Jobs/Firm in R&D (NAICS 5417)	17
R&D-Intensive Firms combined (325-27, 333-336, 5417)	160
R&D-Intensive Jobs combined (325-27, 333-336, 5417)	3,671
R&D-Intensive Jobs combined (325-27, 333-336, 5417) -w/out Bayer	2,591
Jobs/Firm (R&D-Intensive Industries combined)	23
Jobs/Firm (R&D-Intensive Industries combined)- w/out Bayer	16
<i>Wages (citywide)</i>	
	<i>Total</i>
Quarterly payroll	901,873,850
Quarterly payroll - All manufacturing (31-33) + R&D (NAICS 5417)	\$ 148,707,572
Quarterly payroll - All manufacturing (31-33)	\$ 87,547,731
Quarterly payroll - Traditional Manufacturing*	\$ 21,304,416
Quarterly payroll - R&D Intensive Manufacturing*	\$ 66,243,315
Quarterly payroll - R&D only (NAICS 5417)	\$ 61,159,841
Quarterly payroll - R&D-Intensive combined (325-27, 333-336, 5417)	\$ 127,403,156
avg annual salary R&D only (NAICS 5417)	\$ 140,114
avg annual salary (combined R&D-intensive jobs)	\$ 138,821
avg annual salary (all manufacturing NAICS)	\$ 106,312
avg annual salary (traditional manufacturing)	\$ 62,248

Source: State of CA Employment Development Department (EDD) Q1 2022, based on Unemployment Insurance; *see report text (pages 4-7) for discussion.

Appendix 2: West Berkeley Jobs & Wage Analysis

	State of CA Employment Development Department (EDD) Q1 2022, based on Unemployment Insurance
West Berkeley (zip code 94710)	
<i>Employment</i>	
Jobs in WB (zip code 94710)	14,493
Manufacturing Jobs (NAICS 31-33) in WB	2,637
% Manufacturing jobs in WB	80%
R&D-Intensive Manufacturing Jobs (NAICS 325-27; 333-336) in WB	1,638
% R&D-Intensive Manufacturing Jobs (325-27; 333-336) as % of MFG jobs in WB	62%
% R&D-Intensive Manufacturing Jobs (325-27; 333-336) as % of citywide MFG jobs	85%
R&D Jobs (NAICS 5417) in WB	1,016
% R&D (NAICS 5417) jobs in WB	58%
R&D-Intensive jobs combined in WB (NAICS 325-27, 333-336, 5417)	2,654
R&D-Intensive Firms combined in WB (NAICS 325-27, 333-336, 5417)	71
% R&D-Intensive jobs in WB	72%
<i>Wages (West Berkeley)</i>	
Quarterly payroll	\$ 331,500,363
Quarterly payroll - manufacturing (NAICS 31-33)	\$ 87,547,731
Quarterly payroll - traditional manufacturing (NAICS 31-33)	\$ 16,507,989
Quarterly payroll - R&D-Intensive combined (325-27, 333-336, 5417)	\$ 98,329,151

Source: State of CA Employment Development Department (EDD) Q1 2022, based on Unemployment Insurance.

Appendix 3: Commercial properties in West Berkeley (by type & area)

Space Type	Rentable Building Area (RBA) (sq. ft)	% of RBA	Total Available Space (sq. ft)	% of Available Space
Flex	3,486,823	32.9%	685,630	71.0%
Light Distribution	131,303	1.2%		0.0%
Light Manufacturing	346,918	3.3%	4,571	0.5%
R&D	2,555,620	24.1%	645,700	66.8%
(Other)	452,982	4.3%	35,359	3.7%
Industrial	5,239,638	49.5%	128,096	13.3%
Distribution	277,315	2.6%		0.0%
Food Processing	177,563	1.7%	49,997	5.2%
Manufacturing	760,080	7.2%	2,780	0.3%
Service	125,303	1.2%		0.0%
Showroom	52,302	0.5%		0.0%
Truck Terminal	6,000	0.1%		0.0%
Warehouse	3,695,927	34.9%	36,934	3.8%
(Other)	145,148	1.4%	38,385	4.0%
Office	1,867,963	17.6%	152,445	15.8%
Loft/Creative Space	68,854	0.6%	4,400	0.5%
Medical	14,996	0.1%	360	0.0%
Office Building	621,627	5.9%	22,428	2.3%
Office Live/Work Unit	67,894	0.6%	1,000	0.1%
Office/Residential	10,804	0.1%		0.0%
(Other)	1,083,788	10.2%	124,257	12.9%
Grand Total	10,594,424	100.0%	966,171	100.0%

Source: Compiled from CoStar Multiple Listing Service for West Berkeley area (west of San Pablo Ave.), January 2023.

Appendix 4: JLL Bay Area Lab Statistics, Q4 2022

*JLL Research Report***Lab Statistics***Bay Area | Q4 2022*

	Inventory (s.f.)	Total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (%) of stock	Direct vacancy (%)	Total vacancy (%)	Average direct asking rent (\$ p.s.f.)	Completions (s.f.)	Under Development (s.f.)
Bay Area	32,030,469	177,145	1,221,658	3.8%	4.1%	6.5%	\$7.15	926,135	9,018,186

East Bay | Q4 2022

	Inventory (s.f.)	Total net absorption (s.f.)	YTD total net absorption (s.f.)	YTD total net absorption (%) of stock	Direct vacancy (%)	Total vacancy (%)	Average direct asking rent (\$ p.s.f.)	Completions (s.f.)	Under Development (s.f.)
Hayward	1,075,421	-24,437	22,048	2.1%	15.5%	25.7%	\$3.85	0	0
880 Corridor	1,075,421	-24,437	22,048	2.1%	15.5%	25.7%	\$3.85	0	0
Alameda-North	733,888	0	130,348	17.8%	8.2%	8.2%	\$5.95	0	0
Alameda-South	1,456,556	118,345	409,677	28.1%	9.1%	9.1%	\$5.14	0	48,850
Berkeley	871,017	0	-12,302	-1.4%	0.0%	5.3%	\$7.44	0	560,869
Emeryville	2,486,418	-40,634	-95,793	-3.9%	10.4%	14.7%	\$7.06	558,979	645,240
Oakland	115,000	0	0	0.0%	0.0%	0.0%	\$0.00	0	0
Richmond	1,221,752	-6,955	33,511	2.7%	0.6%	0.6%	\$3.00	0	0
Oakland Metro	6,884,631	70,756	465,441	6.8%	6.7%	8.9%	\$6.99	558,979	1,254,959
Livermore	389,768	0	0	0.0%	0.0%	0.0%	\$0.00	0	0
Pleasanton	618,829	-5,012	-19,236	-3.1%	3.9%	4.7%	\$2.60	0	150,000
San Ramon	96,535	0	0	0.0%	0.0%	0.0%	\$0.00	0	0
South 680 Corridor	1,105,132	-5,012	-19,236	-1.7%	2.2%	2.6%	\$2.60	0	150,000
East Bay	9,065,184	41,307	468,253	5.2%	7.2%	10.1%	\$6.73	558,979	1,404,959

Source: JLL, Q4 2022, *Life Sciences Industry Insight*

Appendix 5: Berkeley's R&D Facility Development Pipeline

Address	Entitlement Date/ Application Date	Square Footage	Status
3100 San Pablo	ZP2019-0055 Approved: 9/16/20	Add 69,800 sq. ft. of R&D space in an existing 402,742 sq.-ft. building.	Building Permit (BP) finalized 11/28/22
600 Addison	ZP2019-0215 Approved: 6/16/21	Construct 263,752 sq. ft. of R&D space within two buildings that are 470,986 sq. ft. in size.	Buildings A and B: Phase II BP issued 4/7/22 (under-slab utility, foundations and superstructure)
Bayer DA Amendment	Approved: 12/14/21	Construct 918,000 sq. ft. (minus 30,000 sq. ft. for parking), total 888,000 sq. ft. to include production, laboratories, maintenance, administration uses	30-year buildout horizon
TheLAB	ZP2021-0096 Approved: 7/20/22	Construct 124,539 sq. ft. of R&D space in 159,143 sq. ft. building at 787 (747) Bancroft	Demo permit issued 8/23/22; building permit currently under review
742 Grayson	ZP2021-0161 Approved: 10/5/22	177,923 square feet of R&D space in a new 213,279 square-foot building	No BP submitted
811 Carleton	ZP2021-0003 Submitted: 1/11/21	178,850 R&D 72,757 manufacturing	Incomplete zoning application as of 8/12/22
Total Constructed: 69,800 sq. ft. Total Entitled, Not Constructed: 566,214 sq. ft. Total Under Review: 178,850 sq. ft. <i>Note: totals do not include Bayer DA, which is an integrated campus where floor area is not designated by separate uses.</i>			

Source: City of Berkeley Planning Department, retrieved January 10, 2023; includes projects for the last 5 years (since 2017).

Appendix 6: Approximate Dollar Amounts Required to Clear All Creditors from Existing Steel Casting site



555 12th Street, Suite 1400 Oakland, CA 94607
D +1 510 465-8000

October 28, 2019

Councilmember Rashi Kesarwani
District 1, City of Berkeley
2180 Milvia Street
Berkeley, CA 94704

Dear Councilmember Resarwani,

Thank you again for your time meeting with the brokerage team and ownership of the Gilman Gateway project. As a follow up to our October 24, 2019 meeting, below is the requested information regarding land values in the various West Berkeley Zoning Districts. Also included are the approximate dollar amounts needed to clear all creditors for the Pacific Steel Casting buildings.

M – Manufacturing Uses:

<https://www.codepublishing.com/CA/Berkeley/html/Berkeley23E/Berkeley23E72/Berkeley23E72030.html#23E.72.030>

Land Value Ranges: \$50 - \$65/SF (\$16,248,000. -- \$21,100,000.)*

Under the M – Manufacturing Zoning Districts, most of the approved uses would be classified as heavy, high-impact industrial uses. These uses typically have low employee counts and are rent-sensitive, which limit achievable lease rates (\$0.90 - \$1.00/SF rents). An example West Berkeley project would include the Flint Ink site, owned by ODI, at Fourth/Fifth Streets and Gilman/Camelia Streets.

MULI – Mixed Use Light Industrial Uses:

<https://www.codepublishing.com/CA/Berkeley/html/Berkeley23E/Berkeley23E80/Berkeley23E80030.html#23E.80.030>

Land Value Ranges: \$70 - \$85/SF (\$22,750,000. -- \$27,621,000.)*

Under the MULI – Mixed Use Light Industrial Zoning Districts, most of the approved used would be considered lighter impact Industrial, R&D and Lab type uses. These uses can have higher employee count and a greater office foot print, resulting in higher lease rates (\$1.25 - \$2.25/SF for Light Industrial/R&D and \$4.00/SF for Lab). An example West Berkeley project would include the former Pyramid Alehouse property owned by Read Investments, at Seventh/Eighth Streets and Gilman/Harrison Streets.

C-W – West Berkeley Commercial Uses:

<https://www.codepublishing.com/CA/Berkeley/html/Berkeley23E/Berkeley23E64/Berkeley23E64030.html#23E.64.030>

Land Value Ranges: \$90 - \$150/SF (\$29,250,000. -- \$48,744,000.)*

Under the C-W – West Berkeley Commercial Zoning Districts, most of the approved uses would be considered retail/office in nature with accessory industrial uses (warehouse, light-manufacturing). The office uses will have the highest employee counts, require more parking, and demand higher rents (\$2.00/SF - \$3.25/SF). An example West Berkeley project would include the former HJ Heinz/Berkeley Business Center at Ninth Street/San Pablo Ave and Heinz/Ashby Ave. Note that the example property has a split zoning designation between C-W and MULI.

It's worth calling attention to the fact that both the University Ave and Ashby corridors have C-W zoning districts that stretch down to I-80. The C-W district does not start until Ninth Street on the Gilman Street corridor.

** - Pricing above excludes the cost environmental remediation (to "Industrial" standards, MULI and C-W uses may have a different standard) , significant costs for Tenant Improvements (M zoned uses),*



significant costs for demolition (some M uses and full demo. For MULI and C-W), Legal/Brokerage Fees, and Alameda County customary Closing Costs.

This above is an opinion of value and should not be considered an appraisal. Information provided represents an opinion only and is intended for informational purposes. Although all information furnished regarding property for sale is from sources deemed reliable, such information has not been verified, and no express representation is made nor is to be implied as to the accuracy thereof, and it is submitted subject to errors, omissions, change of price, or other conditions.

Estimated Dollar Amounts Needed to satisfy all Creditors with an interest in the Pacific Steel Property:

Closing Costs, Taxes, Legal, Commissions: \$1MM

Loan on Property: \$2MM

Pension Claim: \$24.2MM

Unsecured Creditor's Claim: \$13.4MM

Old Pacific Steel buildings approximate purchase price needed to clear all claims = \$40.6MM

Sincerely,
CUSHMAN & WAKEFIELD, INC.

A handwritten signature in black ink, appearing to read "ASCB".

Andrew Schmieder Lic #01828740
Director

A handwritten signature in black ink, appearing to read "Theodor J. Anderson".

Theodor Anderson Lic #01332000
Managing Director

A handwritten signature in black ink, appearing to read "Ted Gallagher".

Ted Gallagher Lic # 01467047
Director

A handwritten signature in black ink, appearing to read "Mitch Hertz".

Mitch Hertz Lic #01161729
Executive Director – Tenant Advisory Group
Brokerage

cc: Matthew English (Arch + Beam), Howard Bailey (Arch + Beam), Brendan Cronin (Arch + Beam), Michael Lauter (Sheppard Mullin)

Appendix 7: 2nd Street Encampment Closure After Action Report (November 2022)



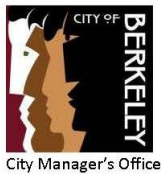
2nd Street & Page St Encampment Closure - After Action Report
11/30/22



2nd Between Page and Camelia - Before

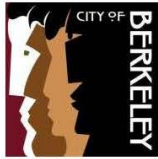


2nd Between Page and Camelia - After

*Page St - Before**Page St - After*

On Tuesday, August 31, 2022 the Homeless Response Team (HRT) closed the vehicle and tent encampments along 2nd and Page Streets in West Berkeley. Beginning in September, this area has been undergoing major street and sidewalk construction as part of the Gilman/I-80 interchange project. Phase II of this construction project, which includes 2nd St from Camelia to Page and the north side of Page St from 2nd to Eastshore, is scheduled to begin on December 1. To meet this deadline, the scope of the present operation was to remove all tents and vehicles in the construction corridor. This report provides a brief after-action summary of the operation and its outcomes:

- Scope and Reason for the operation:
 - The target area for the operation was the north side of Page St between Eastshore Hwy to 2nd St, and 2nd St from Page St north to Camelia St. Beginning in September, the greater area has been undergoing major street and sidewalk construction as part of the Gilman/I-80 interchange project, with Phase II in the target area beginning on December 1. Neighborhood Services and Public Works have been coordinating closely with CalTrans on construction phasing and timing.
 - The target area was found to be in violation of the City's street and sidewalk policies (BMC sections 14.48.020 and 14.48.120).
 - Growing accumulation of debris, trash, and hazardous materials (syringes, rodent harborage conditions) in the public right of way.
- Brief Site Assessment
 - The Homeless Response Team has performed numerous assessments of the target area alongside outreach efforts. On both November 15 and Nov 12 (date of first and second rounds of written noticing, respectively), staff observed 6 residents and 4 trailers/RVs, and posted 10-12 written notices. On the day of the operation, staff encountered 6 residents and 3 trailers/RVs remaining in the construction area.



City Manager's Office

- The HRT repeatedly observed numerous health and safety violations in the area, including loose and scattered syringes; live and dead rodents and rodent harborage conditions including accumulated trash and debris and open food sources; and debris and belongings, including tents, spilling into the lane of traffic.
- Outreach/Assessment and Notification Efforts:
 - The HRT as well as the City's contracted homeless providers have provided regular outreach to this area for many months, including garbage service and the provision of a port-a-potty and wash station.
 - Beginning in August, once the HRT learned of the timeline for construction in the target area, Neighborhood Services convened a weekly case conference of numerous contracted homeless providers and outreach workers, including representatives from HHCS and Alameda County, to build a robust by-name list of everyone in the area, with the goal of (1) connecting them to as many services and housing opportunities as possible; (2) coordinating their care across multiple agencies; and (3) providing thorough and advance notification of the upcoming construction and City encampment interventions to prepare for it.
 - Two rounds of written notice of the operation were provided to residents in the area (on Nov 15 and 22), providing 2 weeks of formal notice. This was accompanied by outreach to explain the scope and purpose of the operation to residents in the area, along with the distribution of maps to clearly identify the construction zone to be vacated.
 - No Parking/Tow Away signage was posted on November 23, providing more than 72 hours' notice.
- Outcomes:
 - All residents, including those living in vehicles, voluntarily relocated by or before the morning of the operation. Shelter was not offered on the morning of the operation, as the population in the area had been previously offered shelter and had all declined. HRT will continue to collaborate with our nonprofit service providers to assist these residents into permanent housing wherever possible and as outreach resources allow.
 - No vehicles being used as residences were towed, but three passenger vehicles (all unattended and inoperative) were towed to impound, one after having received targeted treatment to abate rodents living in the vehicle.
 - 5.75 tons (11,500 pounds) of debris were removed from the area. As residents were given ample notice to vacate, as well as some time during the morning of the operation to remove a last round of wanted belongings, no storage for belongings was provided.
 - No arrests/citations were issued.



Planning and Development Department
Land Use Planning Division

DATE: March 1, 2023

TO: Members of the Planning Commission

FROM: Ashley James, Senior Planner

SUBJECT: Pacific Steel Casting / Gilman Forge Zoning and General Plan
Amendments and Environmental Impact Report -- Project Update

SUMMARY

In response to a City Council referral to create a zoning overlay at the former Pacific Steel Casting site and a request for a zoning map amendment submitted on behalf of the majority property owner (referred to as Gilman Forge), City staff are preparing Zoning Ordinance and Zoning Map amendments and associated General Plan amendments to re-zone an approximately 11-acre area within the West Berkeley Plan Area from M (Manufacturing) to a new district entitled M-RD (Manufacturing, Research and Development) that encompasses all of the properties on those blocks between Gilman and Camelia Streets west of the railroad (3rd Street). At their February 1, 2023 meeting, the Planning Commission received a presentation on proposed draft zoning amendments and conducted a public hearing on the scope and content of the Environmental Impact Report (EIR) being prepared for the amendments and an associated development concept plan. Based on the feedback received at that meeting, staff have revised the draft zoning standards and the Planning Commission is asked to receive a follow-up staff presentation and provide additional feedback to confirm project direction in order to advance the EIR.

BACKGROUND

At the February 1, 2023 Planning Commission meeting, staff presented draft proposed M-RD development standards for feedback, which included height, floor area ratio, setbacks and building separation, lot coverage, and vehicular and bicycle parking. The Commission was also requested to provide comment on whether an open space standard should be included to provide additional amenities for employees and visitors, and whether objective design standards should be developed to ensure high-quality site and building design. The Commission also received a presentation from the Zoning Map Amendment applicant regarding the Gilman Forge Concept Plan, and a presentation from the City's environmental consultant, LSA, regarding the environmental review

process. Commissioners and community members provided comments on the scope and content of the EIR.

Planning Commission supported allowing all MU-LI uses, and acknowledged some adjustments could be useful to ensure office space does not outcompete R&D space. The Commission did not support a 50% maximum lot coverage, but instead suggested adopting the MU-LI district standard (100%) in order to avoid creating non-conformities, or using 75% to reflect the needs of the Gilman Forge concept plan. The Commission did not support creating an open space standard, as it could have consequences for future development, and the project area is not likely to be a destination for residents. The Commission was interested in ensuring bicycle and pedestrian access to the site and increasing bicycle parking and car share facilities. The Commission did not support creating objective design standards, as the City's current design review process has produced projects with a high quality of design.

REVISED ZONING REGULATIONS

Based on Commission feedback at the February 1, 2023 meeting, staff have revised the draft M-RD zoning regulations, as summarized in Table 1 below.

Table 1. Summary of Revised M-RD Development Standards

Regulation	Existing M Standard	February 1, 2023 Proposed Standard	March 1, 2023 Proposed Standard
Maximum Height	45 feet	105 feet	105 feet (No change)
Maximum Floor Area Ratio (FAR)	2.0	2.0	2.0 (No change)
Minimum Setbacks, and Building Separation	Not regulated	Not regulated	Not regulated (No change)
Maximum Lot Coverage	Not regulated	50% maximum	80% maximum (Increased)
Minimum Off-Street Parking and Minimum Bicycle Parking	Vehicle: See BMC Table 23.322-4	Vehicle: Same as Table 23.322-4, with following changes: - All non-residential uses except uses listed below: 1 per 1,000 sq. ft. - Laboratories: 1 per 1,000 sq. ft.	Vehicle: Same as Table 23.322-4, with following changes: - All non-residential uses except uses listed below: 1 per 1,000 sq. ft. - Laboratories: 1 per 1,000 sq. ft. (No change)
	Bicycle: 1 per 2,000 sq. ft	Bicycle: 1 per 2,000 sq. ft.	Bicycle: 1 per 2,000 sq. ft (No change)

Allowed Uses

The goal of the Council referral is to facilitate reinvention of the project site so that it contributes to the City's tax base and vitality of the local economy. The purpose of the current zoning designation – Manufacturing (M) – is to encourage heavy manufacturing uses, whereas development interest for this area is towards biotechnology laboratories, warehouse and commercial uses, and office space. Pension and environmental clean-up costs, which are unique to this site, require greater investment and thus return from a potential buyer than what is feasible under the current zoning.

Given these factors, the proposed zoning targets land uses that provide higher rents and wages, and greater job creation rates. As described in the report by the City's Office of Economic Development, research and development-intensive uses constitute a significant portion (over 60 percent) of overall manufacturing jobs in West Berkeley and the uses produce higher job creation rates and wages than heavy manufacturing industries, and command higher rents than traditional manufacturing.¹

Therefore, staff recommends including allowed uses from the MU-LI district that focus on greater job creation, employment density, and target innovation industries in the M-RD district. Staff recommends that the following MU-LI uses be excluded from the M-RD district:

- **Vehicle Service and Sales use categories:** Large Vehicle Sales and Rental, Vehicle Service and Sales, Vehicle Repair and Service, Vehicle Wrecking.
- **Industrial and Heavy Commercial use category:** Bus/Cab/Truck/Public Utility Depot, Commercial Excavation, Contractors Yard, Dry Cleaning and Laundry Plant, Construction Products Manufacturing, Recycled Materials Processing, and Recycling Redemption Center.
- **Miscellaneous uses:** Live/Work.

It is anticipated that the project area would likely transform over time towards new development of in-demand uses described above. Under the M-RD zoning, current uses, including the vehicle rental use at 600 Gilman Street and recycled materials processing use at 1433 Eastshore Highway would become lawful non-conforming; the live/work use at 1306 Third Street would remain lawful non-conforming. The Berkeley Zoning Ordinance allows lawful non-conforming uses to remain occupied in their current condition as of right, and both changes to and substantial expansions of non-conforming uses are allowed by obtaining a Use Permit.² Also, portions of the project site and surrounding areas contain semi-vacant and vacant parcels that area conducive to temporary uses, such as contractor yards. The M-RD zoning would not prohibit a

¹ February 1, 2023 Planning Commission meeting, *Pacific Steel Casting Zoning and Plan Amendments and Draft EIR Scoping Session*, Attachment 4: City of Berkeley, Office of Economic Development. *The Innovation Ecosystem in West Berkeley: An Economic Snapshot*, January 2023. https://berkeleyca.gov/sites/default/files/legislative-body-meeting-agendas/2023-02-01%20PC%20Agenda%20Packet_0.pdf

² Berkeley Municipal Code [Section 23.324.040](#) – Nonconforming Uses.

temporary use from operating on any of these sites, as they are allowed at various permit levels depending on the nature of the use.³

Maximum Lot Coverage

As shown in the Gilman Forge Concept Plan presented to the Commission in February, it is not feasible to build a 3 to 6 story building at 100 percent lot coverage given a maximum FAR of 2.0 and 105-foot maximum height. Consistent with the Gilman Forge concept plan (75 percent coverage), staff recommends a maximum coverage of 80 percent to ensure reasonable open space for future projects in this zone. The EIR will study a 100 percent coverage option in response to comments from the Commission.

Minimum Off-Street Vehicle and Bicycle Parking

In all manufacturing districts, R&D and office uses must provide at least 2 spaces per 1,000 square feet of gross floor area, and laboratory uses must provide at least 1 space per 650 square feet. Based on these requirements, Fehr & Peers estimates that Vehicle Miles Traveled (VMT) induced by future development within the project site would be significant (in order words, above the City's threshold) by 5 percent, and transportation demand management strategies would be needed to reduce VMT.

Also, the current requirements create implementation challenges, as multiple uses may concurrently occupy one building, and the amount of floor area dedicated to a given use may change over time. Therefore, staff recommends lowering and standardizing the required minimum off-street parking for R&D, office, and laboratory uses, which may reduce potential VMT impacts, and provide flexibility for future development projects and tenants as needs change over time (**Table 1**).

In all manufacturing districts, new buildings or expansions of existing buildings must provide at least 1 bicycle parking space per 2,000 square feet of gross floor area for industrial, commercial, or non-residential uses. This requirement is in line with the Berkeley Bicycle Plan, adopted in 2017 (**Table 2**), and is higher than neighboring jurisdictions. For example, San Francisco requires a minimum ranging from 1 space per 12,000 square feet of industrial to 1 space per 5,000 square feet of office. In Oakland, 1 short-term space is required per 10,000 square feet, and 1 long-term space is required per 20,000 square feet of R&D. For these reasons, staff is recommending the minimum bicycle parking requirement in Table 2 above.

Table 2. Minimum Bike Parking Requirements, Berkeley Bicycle Plan

Use	Long-Term Spaces	Short-Term Spaces
Office	2, or 1 space per 2,500 square feet	2, or 1 pace per 10,000 square feet
Industrial, manufacturing and wholesale	1, or 1 space per 30,000 square feet	None required
Source: Berkeley Bicycle Plan, Appendix F, Facility Design Toolbox; Berkeley-Bicycle-Plan-2017_AppendixF_Facility_Design_Toolbox.pdf (berkeleyca.gov)		

³ Berkeley Municipal Code [Section 23.302.030](#), Temporary Uses and Structures.

Open Space and Objective Design Standards

At the February meeting, staff requested Commission feedback on whether an open space standard should be included. There was a consensus among the Commission that open space should not be regulated, as the project area is not likely to become a destination for residents and regulating it could have consequences for future development projects. Based on that feedback, staff is not proposing inclusion of an open space standard. Staff also requested feedback on whether objective design standards should be included and there was consensus among the Commission that the current Design Review process is sufficient in shaping high-quality building and site designs for industrial development; therefore, objective design standards are not proposed.

DISCUSSION

The purpose of this item is to report back and receive additional comments from the Planning Commission and the public on the revised M-RD zoning regulations to confirm project direction in order to advance the EIR.

NEXT STEPS

- Once the applicant has provided all of the required technical reports and they have been reviewed and deemed adequate by the City as the Lead Agency, the **Draft EIR** will be prepared over a time period of approximately 10 weeks.
- The Draft EIR will be circulated for the required **45-day public comment period**, during which the Planning Commission will hold a public hearing to provide comments.
- **Responses to comments** on the Draft EIR will be prepared and any necessary revisions will be made based on those comments.
- This **Final EIR** will be presented to the Planning Commission for recommendation to the City Council, who will make a final decision on the proposed changes and certify the EIR.
- The amended **Zoning Ordinance** would be effective 30 days after the second reading at Council. At the time the zoning is effective, the Zoning Adjustments Board would be able to act on any use permit application for development within the zoning district boundary.



Planning and Development Department
Land Use Planning Division

PUBLIC HEARING
November 6, 2024

TO: Members of the Planning Commission

FROM: Ashley James, Planning and Development Department

SUBJECT: Public Hearing: Pacific Steel Casting Zoning (M-RD), General Plan, West Berkeley Plan Amendments and Draft Environmental Impact Report (Draft EIR)

RECOMMENDATION

Staff recommends the Planning Commission hold a public hearing; take public comment; discuss the proposed amendments to the Zoning Ordinance, Zoning Map, General Plan and West Berkeley Plan; and provide a recommendation to City Council to:

1. Adopt a Resolution to amend the:
 - a. Zoning Ordinance and Zoning Map to establish a Manufacturing, Research and Development (M-RD) zoning district;
 - b. West Berkeley Plan to include the M-RD zoning district text and map amendments; and
 - c. General Plan to incorporate the M-RD zoning district into the existing Manufacturing (M) land use designation (**Attachment 1, Exhibits A-C**);
2. Take public testimony and provide comments on the Draft Environmental Impact Report (Draft EIR) which analyzes the potential impacts of the proposed Zoning Ordinance, General Plan, and West Berkeley Plan amendments, as well as the Potential Berkeley Forge Development project (collectively known as “the proposed project”); and
3. Close the public hearing with respect to receipt of oral comments. Written comments on the Draft EIR will be accepted until 5:00pm on **Thursday, December 5, 2024**.

SUMMARY

In response to a 2021 City Council referral (**Attachment 2**) to create a zoning overlay at the former Pacific Steel Casting site (PSC) and a request for a zoning map amendment submitted on behalf of the majority property owner of the PSC property (**Attachment 3**)

in 2022, City staff are proposing amendments to the Zoning Ordinance, Zoning Map, West Berkeley Plan, and General Plan to: 1) establish a new zoning district Manufacturing, Research and Development (M-RD) that meets the goals of the City Council referral; 2) rezone an approximately 11-acre area within the West Berkeley Plan Area ("project site") to this new zoning district; and 3) amend the West Berkeley Plan and General Plan to add this new zoning district to the West Berkeley Plan Land Use Element and the General Plan Manufacturing land use designation. The full text of the Zoning Ordinance and West Berkeley and General Plan changes can be found in **Attachment 1**. The proposed project consists of zoning and plan amendments and does not include specific development proposals. The Planning Commission provided comments in 2023 at its February 1, and March 1 meetings and now staff is requesting that the Planning Commission provide a recommendation to Council on the proposed zoning and West Berkeley and General Plan amendments only.

As required by the California Environmental Quality Act (CEQA), City staff has prepared a Draft EIR for the proposed project, referred to as the Gilman Gateway Rezone Project.¹ The Draft EIR analyzes the potential impacts of: 1) adoption and implementation of the proposed zoning and plan amendments; and 2) a conceptual development project (referred to as the Potential Berkeley Forge Development) submitted by the majority property owner of the PSC property with the Zoning Map amendment application in 2022 (**Attachment 3**), to the extent site planning details have been provided. The Planning Commission provided comments on the scope and content of the EIR at its February 1, 2023 meeting. The Landmarks Preservation Commission provided comments at its February 2, 2023 meeting. Staff is requesting that the Planning Commission take public testimony and provide comments to staff on the Draft EIR.

FISCAL IMPACTS OF RECOMMENDATION

As noted in the Council referral, the proposed Zoning Ordinance, Zoning Map, West Berkeley Plan and General Plan amendments are intended to support redevelopment of the site to contribute to the tax base and economic vitality in Berkeley. Therefore, the proposed amendments may result in an increase in employment, property tax, business license tax and sales tax revenues due to increased business activity.

CURRENT SITUATION AND ITS EFFECTS

As described in the April 20, 2021 Council referral (**Attachment 2**), the PSC property, located southeast of the intersection of Eastshore Highway and Gilman Street, is a former manufacturing site that at its peak of operations employed more than 650 people. The manufacturing operation declared bankruptcy in 2014 and permanently

¹ The Gilman Gateway Rezone Project refers collectively to the proposed M-RD Zoning Ordinance, General Plan, and West Berkeley Plan amendments. The Potential Berkeley Forge Development project is referred to as the conceptual development project. Since 2021, the conceptual development and rezoning have been referred to interchangeably and under other names including "Gilman Gateway", "SPUR Capital", "Pacific Steel Redevelopment" and most recently, "Berkeley Forge."

closed in 2018. The site was described to have had a number of problems of public concern, including: (1) environmental contamination, (2) hundreds of former casting plant workers awaiting receipt of their employment pension benefits contingent upon future sale of the property by its receivership agent, and (3) neighborhood blight and safety concerns resulting from an eight-acre multi-block area of abandoned buildings and graffitied fencing around the property. Sale of the Pacific Steel Casting plant property from receivership to the current owner in late July 2023 addressed pension benefits of the former casting plant workers, but concerns that the current Manufacturing zoning designation on the site limits the potential uses of the site to heavy manufacturing remain. Establishing a new zoning district or overlay that enables all Mixed Use - Light Industrial (MU-LI) district uses and removes any existing constraints in Title 23 (Zoning) of the Berkeley Municipal Code for MU-LI uses would enable redevelopment of the site to again contribute to the employment and tax base and economic vitality in Berkeley as well as facilitate environmental remediation of the site.

BACKGROUND

On April 20, 2021, the City Council referred to the City Manager the creation of a zoning overlay at the former PSC property in West Berkeley, which is currently zoned M or “Manufacturing”, to re-designate it as MU-LI due to the unique issues of public concern associated with this property (described above). More specifically, the referral requested the PSC zoning overlay include allowances to enable all MU-LI uses and override any existing constraints on MU-LI uses in Title 23 for the PSC property, such as manufacturing floor area replacement requirements, in order to expedite environmental remediation of contaminated parcels and fund pension payment of PSC’s workers (**Attachment 2**).

In October of 2022, the Planning and Development Department received a zoning map amendment application from Rhoades Planning Group on behalf of SPUR Capital, pursuant to BMC Chapter 23.412 (Zoning Ordinance Amendments), to re-designate the zoning of the PSC, the Clearflow Valves site, and Berkeley Forge and Tool properties, together totaling 10.26 acres (**Attachment 5**, Chapter 3 Project Description, Figure 3-3), from M to MU-LI, consistent with the Council referral. The application includes a description of a conceptual development project, herein referred to as the Potential Berkeley Forge Development. The Potential Berkeley Forge Development could result in the redevelopment of a 10.26-acre portion of the project site with approximately 900,000 square feet of light manufacturing, research and development (R&D), laboratory, and/or office uses. The proposed M-RD zoning amendments help to advance the Potential Berkeley Forge Development by ensuring the zoning ordinance would enable its entitlement. The City has not received an application for the Potential Berkeley Forge Development; however, submittal of a formal application is anticipated subsequent to adoption of the proposed zoning and plan amendments discussed in this report. It is therefore a reasonably foreseeable project and is evaluated in the Draft EIR at the project level, to the extent feasible, in order to help streamline the environmental review process for the Potential Berkeley Forge Development.

The Planning Commission received presentations on the approach to the proposed rezoning project at its February 1, 2023 and March 1, 2023 meetings for the purpose of finalizing a project description for analysis in the Draft EIR, and provided high-level policy direction to staff. For the February 1, 2023 Planning Commission meeting the City's Office of Economic Development (OED) prepared a report² that provides context for the economic conditions in West Berkeley to help inform the City's approach to addressing the Council referral. Specifically, the report describes the city's economy and the impact of the innovation sector in particular – advanced manufacturing, software, life sciences, clean technology, food tech, and other science, technology, engineering and math (STEM) industries – such as employment, wages, wealth creation, social impacts and location decisions. The report also discusses anticipated economic impacts of the proposed rezoning within West Berkeley (**Attachment 4** to the February 1, 2023 Planning Commission staff report, pages 14-20).

The proposed M-RD zoning, West Berkeley Plan and General Plan amendments consistent with this background and direction from the Planning Commission in February and March of 2023 are summarized in this report and provided in **Attachment 1, 1a, 1b, and 1c**.

DISCUSSION

Staff are proposing the following Zoning Ordinance text and Zoning Map amendments to create a new zoning district (M-RD), as well as conforming amendments to the General Plan and West Berkeley Plan. As described in the February 1, 2023 Planning Commission report (**Attachment 4**), the project site is an 11.54-acre area located at Gilman Street and Eastshore Highway, containing the former PSC property, the Berkeley Forge and Tool property, and other parcels under various ownership (see Figure 1 and Table 3.A in **Attachment 5**, Draft EIR Project Description, for ownership details). On February 1 and March 2, 2023, the Planning Commission held discussions on the Gilman Gateway Rezone Project³, and provided feedback and policy direction. The staff reports for those meetings include background information and rationales for the proposed Zoning Ordinance and Plan amendments. Further discussion and rationale are discussed in this report for items that have been revised and/or drafted since those discussions.

² *The Innovation Ecosystem in West Berkeley: An Economic Snapshot*, City of Berkeley, Office of Economic Development, February 1, 2023, Planning Commission, Item 12, Attachment 4.

³ Proposed M-RD Zoning Ordinance, Zoning Map, West Berkeley Plan and General Plan amendments in response to the Council referral to create a zoning overlay at the former PSC property. In addition, the February 1, 2023 Planning Commission meeting was also an EIR scoping meeting.

Figure 1: Project Site



Zoning District Boundary

The City of Berkeley Zoning Map would be amended to re-designate the site bounded by Gilman, Eastshore, Page Street and Third Street/ Union Pacific Railroad tracks from M to M-RD (see Figures 2 and 3 below). The proposed boundary of this new zoning district would be consistent with the 2021 Council referral and the 2022 Zoning Map amendment application, and would facilitate potential redevelopment of the site by providing a well-defined and uniform area. More detailed parcel information is found in Table 3.A in the Draft EIR Project Description (**Attachment 5**).

Figure 2: Existing Zoning Map

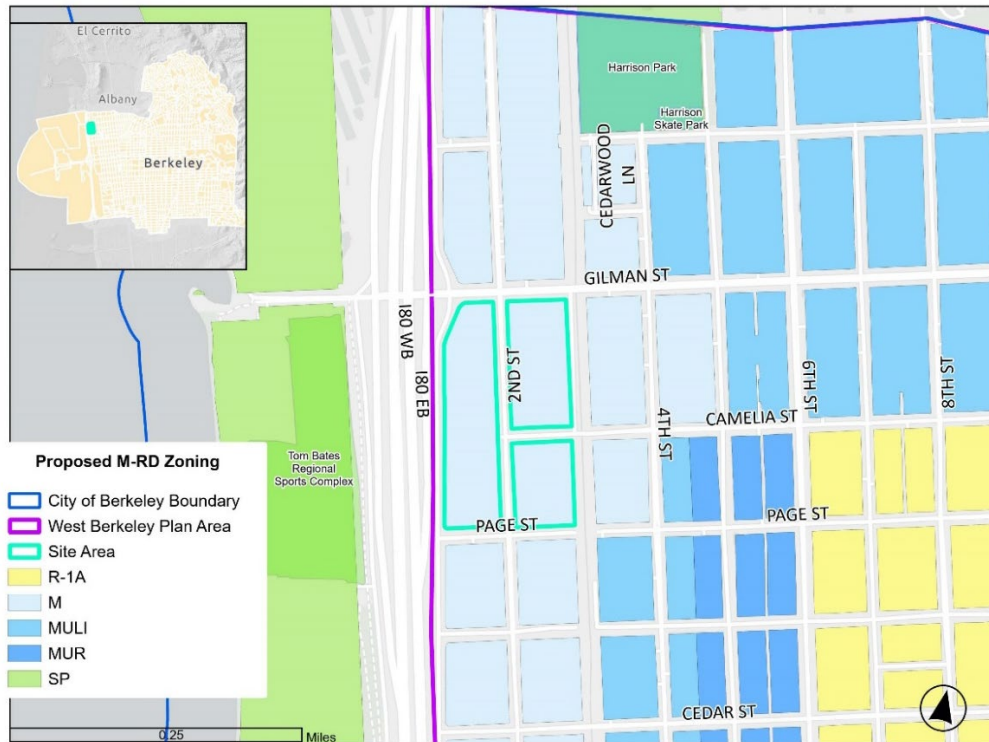
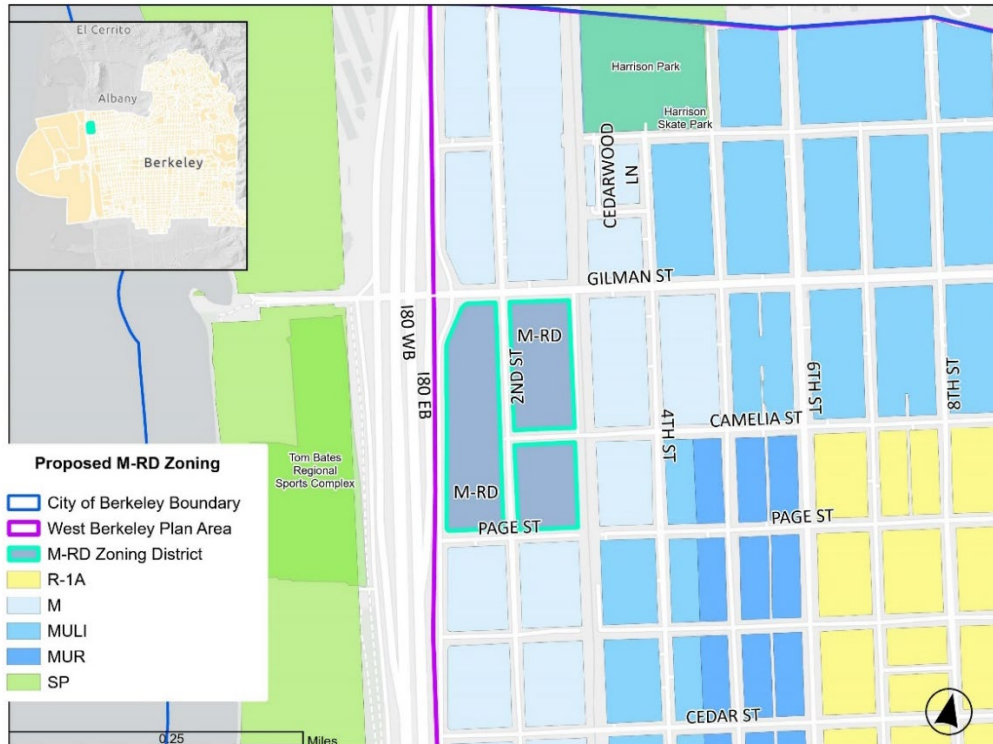


Figure 3: Proposed Zoning Map



Zoning District Purposes

At the February and March 2023 Planning Commission meetings, staff recommended draft purpose statements (**Attachment 4**, pages 5-6) consistent with the Manufacturing land use designation and West Berkeley Plan, as well as the objectives of the Council referral and the Potential Berkeley Forge Development. The Planning Commission expressed support for these purposes. Staff are proposing the following changes to the purposes to ensure compatibility with the General Plan and West Berkeley Plan, and to facilitate redevelopment and environmental remediation of large sites, consistent with the Council referral:

- Revise M-RD purpose statement #1 to better reflect the goal of supporting high-quality employment that adds to the City's tax base by providing for a wider range of allowed uses.
- Add a purpose statement to provide flexibility in the M-RD development standards to accommodate the Potential Berkeley Forge Development (See "Modification to Development Standards" section below for more details).
- Replace the word "visitors" with "customers" in purpose statement #3 to better reflect allowed uses.
- Consolidate the purpose statements regarding environmental quality and industrial uses to clarify that industrial uses are allowed subject to compliance with environmental protection standards.

Therefore, the following district purposes for the M-RD District are proposed:

1. Support a mix of industrial and heavy commercial uses, such as light manufacturing and R&D, particularly those which can provide high-quality employment for people at all educational levels and add significantly to the tax base;
2. Allow office and laboratory uses that support light industrial and research and development uses;
3. Provide flexibility to facilitate the development and reuse of large sites with an urban campus-like environment, demonstrating high-quality design and site planning that includes amenities for employees and customers; and
4. Support the development of industrial uses that would which satisfy performance standards that protect the environment.

These purposes are consistent with the General Plan Land Use Element as well as the goals and policies of the West Berkeley Plan. More specifically, the M-RD purpose statements were designed to provide for "a continued economic and land use mix" called for in the West Berkeley Plan⁴, by incorporating manufacturing, industrial, retail and office/laboratory uses to benefit Berkeley residents and businesses economically, benefit the City government fiscally, and promote the varied and interesting character of the area.

⁴ *West Berkeley Plan*. Chapter IV Land Use Element Goals and Policies, Goal 1, page 34.

https://berkeleyca.gov/sites/default/files/2022-03/12_14_1993%3B%20CLK%20-%20Resolution%3B%20City%20Council%3B%2057301%3B%20West%20Berkeley%20Area%20Plan%3B.pdf

Allowed Uses and Permit Thresholds

Staff initially presented to the Planning Commission a recommendation to allow a narrower set of allowed uses in the M-RD district than those allowed in the MU-LI district in order to target a mix of light manufacturing, R&D, laboratory and office uses. At their February 1, 2023 and March 1, 2023 meetings, the Planning Commission expressed support for a wider range of allowed uses. Consistent with that feedback, as well as with input received from OED, staff are proposing a broader set of allowed uses that are similar to what is allowed in the MU-LI district, with a few exceptions noted in Table 1 below. Most notably, Laboratory, semiconductor manufacturing, and R&D uses would be permitted at lower thresholds than are currently allowed in the MU-LI district.

Table 1: Allowed Uses Comparison – MU-LI and M-RD Districts

USE	MU-LI	M-RD
Retail Uses		
Alcoholic Beverage Retail Sale	UP(PH)*[2]	NP
Industrial and Mining Products	AUP[4]	NP
Food & Alcohol Service, Lodging, Entertainment, and Assembly Uses		
Amusement Device Arcade	ZC	NP
Theater	UP(PH)*	NP
Vehicle Service and Sales Uses		
Vehicle Wrecking	AUP*[4]	NP
Industrial and Heavy Commercial Uses		
Commercial Excavation	UP(PH)	NP
Dry Cleaning and Laundry Plant	ZC[1]	NP
Laboratory: Commercial Physical or Biological	UP(PH)*	AUP[4]
Laboratory: Cannabis Testing	UP(PH)	AUP[4]
Manufacturing: Semiconductors	NP	UP(PH)
Research and Development	ZC[12]	ZC[13]
Notes: [1] Requires an AUP for uses 20,000 sq. ft. to 30,000 square feet. Requires a Use Permit for uses more than 30,000 sq. ft. [2] Not permitted 20,000 sq. ft. or more. [4] Requires a Use Permit for uses more than 20,000 sq. ft. [6] Not permitted over 3,000 sq. ft. [12] Requires an AUP for uses more than 20,000 sq. ft. [13] Requires an AUP for uses 60,000 sq. ft. to 100,000 sq. ft. Requires a Use Permit for uses 100,000 sq. ft. or more. * Use-Specific Standards Apply		

Floor Area and Tenant Space Reconfiguration Permit Thresholds

Consistent with the objectives of the 2021 Council referral, the proposed permit thresholds allow flexibility for future users of the area to adapt to changing building needs over time. The proposed permit thresholds in Table 2 below for construction of

new floor area and tenant space reconfiguration are intended to establish a streamlined and cost-effective process to encourage flexible business growth over time.

Table 2: New Floor Area Permit Comparison – M-RD and MU-LI Districts

Permit Type	M-RD	MU-LI
ZC	Less than 60,000 sq. ft.	Less than 10,000 sq. ft.
AUP	60,000 to less than 100,000 sq. ft.	10,000 to less than 20,000 sq. ft.
UP(PH)	100,000 sq. ft. or more	20,000 sq. ft. or more

In addition, the proposed Zoning Ordinance amendment requires the same permit thresholds for reconfiguring a tenant space in the M-RD district as the existing districts in the West Berkeley Plan Area. The M-RD will require the same findings to approve a permit for a tenant reconfiguration project as are required in the MM (Mixed Manufacturing) district, more specifically that a proposed conversion of tenant space is necessary to implement the purpose of the district. This language aligns with the Zoning Map amendment application, which described that life science businesses in the area tend to occupy smaller tenant spaces and scale up over time, and therefore may require a property owner to subdivide a building over its lifespan to accommodate new small businesses or accommodate expanding businesses.

Development Standards

Staff presented to the Planning Commission general development standards for the proposed M-RD district to prepare a project description for analysis in the Draft EIR at their February 1, 2023 meeting, and a revised set of standards at their March 1, 2023 meeting based on Commission feedback (**Attachment 4**). Consistent with feedback received, as well as with recent, similar development projects in West Berkeley, staff are proposing the following set of development standards to facilitate redevelopment of the area⁵ with in-demand industrial and heavy commercial uses. Table 3 below provides a summary of the proposed development standards along with the existing M and MU-LI district standards, and the standards proposed at the March 1, 2023 Planning Commission meeting. The standards for maximum height and minimum off-street loading have been revised since the March 1, 2023 Planning Commission meeting. Each regulation is discussed in further detail below.

⁵ Inclusive of the proposed M-RD district area, see Figure 3 above.

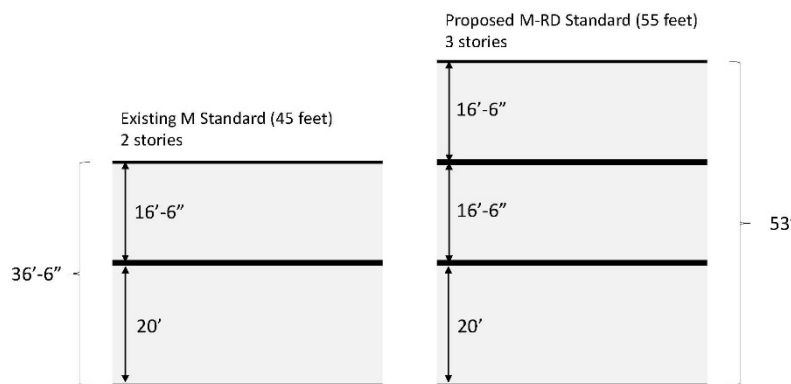
Table 3: Summary of Existing and Proposed Development Standards

Regulation	M & MU-LI Districts (Existing)	March 1, 2023 Planning Commission Meeting Proposed Standard	Current M-RD Proposal
Maximum Height	45 feet	105 feet	55 feet* <i>See Modification of Development Standards section (*105 feet is allowed if conditions are met)</i>
Maximum Floor Area Ratio (FAR)	2.0	2.0	2.0
Minimum Setbacks, and Building Separation	Not regulated	Not regulated	Not regulated
Maximum Lot Coverage	Not regulated	80 percent	80 percent
Minimum Off-Street Parking and Minimum Bicycle Parking	Vehicle: See BMC Table 23.322-4	Vehicle: Table 23.322-4, with following changes: - All non-residential uses except uses listed below: 1 per 1,000 sq.ft. - Laboratories: 1 per 1,000 sq.ft.	Vehicle: Table 23.322-4, with following changes: - All non-residential uses except uses listed below: 1 per 1,000 sq.ft. - Laboratories: 1 per 1,000 sq.ft.
	Bicycle: 1 per 2,000 sq.ft.	Bicycle: Same requirements as existing for non-residential uses	Bicycle: Same requirements as existing for non-residential uses
Minimum Off-Street Loading Spaces	For commercial and manufacturing uses 10,000 sq.ft. or more: 1 space for the first 10,000 sq. ft. plus 1 additional space for each additional 25,000 sq. ft.	No changes proposed	- R&D uses 25,000 sq. ft. or more: 1 space (25,000 – 100,000 sq. ft.); 2 spaces (more than 100,000 to 200,000 sq. ft.); 1 space (each additional 100,000 sq. ft. - All other commercial and manufacturing uses 10,000 sq. ft. or more: 1 space for the first 10,000 sq. ft. plus 1 additional space for each additional 25,000 sq. ft.

Maximum Building Height

The current height limit in the MU-LI district is 45 feet. The Zoning Map application includes a request to increase the maximum building height to 105 feet to support the unique building needs of R&D and laboratory uses, which require taller ceiling heights and reinforced floors (see February 1, 2023 staff report, **Attachment 4**). Planning Commission expressed support for this maximum. In order to maintain consistency with the West Berkeley Plan, which recommended maximum heights of three stories across the manufacturing districts,⁶ staff are proposing a maximum building height of 55 feet. This maximum would allow a 3-story building, assuming 20-foot ground-floor heights and 16.5-foot upper story heights, measured floor to floor, typical of R&D and laboratory user needs⁷ (see Figure 4 below). However, projects in the M-RD district consisting of at least nine acres could be constructed with a maximum building height of 105 feet (see Modifications to Development Standards section below) if the Zoning Adjustments Board makes certain findings (described further below).

Figure 4: Existing and Proposed Maximum Building Height



Maximum FAR

Consistent with the 2021 Council referral, and 2022 Zoning Map amendment application, and 2023 feedback from the Planning Commission, no changes are proposed to the existing maximum FAR of 2.0 currently allowed in the M district. As the total area of the proposed M-RD district is approximately 463,549 square feet, the maximum buildout of approximately 927,098 square feet of gross floor area is consistent with what was previously evaluated in the General Plan and West Berkeley Plan and the associated EIRs. In other words, development within this district would not exceed the amount of development already anticipated in the West Berkeley Plan area and would be consistent with adopted plans.

Setbacks, Building Separation, and Lot Coverage

⁶ Table 1-5, page 153

⁷ Attachment 3, Zoning Map Application, pages 7-8.

Lot coverage is not currently regulated in Berkeley's Manufacturing districts. Consistent with Planning Commission feedback at their February 1, 2023 and March 1, 2023 meeting, staff proposes a maximum of 80 percent lot coverage to both facilitate redevelopment and help ensure that open space and amenities for employees are provided for future projects in this district. Some Planning Commissioners expressed support for a maximum of 100 percent. However, staff evaluated the feasibility of development at 100 percent lot coverage and found that due to required infrastructure, building entries, loading spaces, and design characteristics of recent projects in the West Berkeley Plan Area, and given the desire to maximize the allowable FAR which includes additional building height (Attachment 3, pages 7-9), 100 percent lot coverage would not be likely to occur. Further, an 80 percent maximum would help ensure that the future redevelopment of the area furthers the proposed purpose to provide high-quality design and site planning, including amenities for employees and customers, such as landscaped areas and outdoor gathering spaces. No changes are proposed to minimum building setbacks or minimum building separation, which are not regulated in the Manufacturing districts.

Minimum Off-Street Vehicular Parking and Bicycle Parking

Staff presented to the Planning Commission recommendations to revise minimum off-street parking for laboratories and other uses not otherwise listed in BMC Table 23.322-4, which include R&D and office. At their February 1 and March 1, 2023 meetings, the Planning Commission expressed support for these changes, which are included in the proposed zoning amendments. No changes are proposed to the existing off-street bicycle parking requirement.

Minimum Off-Street Loading Spaces

Amendments are proposed to the off-street loading space requirement for R&D uses in the M-RD district to better support the unique loading needs of this use. The proposed changes are to:

- Increase the threshold for which the loading space requirement applies from 10,000 square feet to 25,000 square feet; and
- Simplify the formula to determine the number of spaces required as follows: 1 space required for buildings between 25,000 and 100,000 square feet; 2 spaces required for buildings more than 100,000 to 200,000 square feet; and 1 space for each additional 100,000 square feet.

For example, a 125,000 square foot building containing an R&D use would currently be required to provide 5 loading spaces in all Manufacturing districts (M, MM, MU-LI), while 2 spaces would be required in the M-RD district with the proposed changes.

Unlike vehicle parking space requirements, there is no published generation rate for demand of loading spaces. Staff reviewed requirements in nearby jurisdictions with R&D development activity. The cities of Emeryville and Richmond provide different loading requirements for R&D use than other industrial uses, with R&D uses requiring fewer loading spaces than other types of industrial uses. Oakland, South San Francisco

and Hercules require loading spaces for buildings of at least 50,000 to 100,000 square feet in size. A review of recent R&D redevelopment projects in West Berkeley found that oftentimes, these applications include permit requests to reduce the number of off-street loading spaces required.⁸ The proposed changes are consistent with requirements in nearby jurisdictions with R&D development, and would streamline future development in the M-RD district by providing an objective standard for off-street loading spaces.

Modifications to Development Standards

Recognizing the need to address the issues of public concern associated with the site (i.e., environmental contamination and blight), staff are proposing to provide flexibility in the M-RD development standards to facilitate redevelopment with high-quality design and site planning. The proposed Modification to Development Standards section of the Zoning Ordinance amendment would allow flexibility in the FAR, height and coverage standards for projects of at least nine acres, which may comprise multiple parcels and blocks. An eligible project would be subject to a maximum building height of 105 feet, and would be allowed to comply with the maximum FAR and coverage standards on a project-wide basis rather than on a parcel by parcel basis, as long as the FAR and/or coverage on an individual parcel does not exceed the maximum allowed by more than 20 percent and the eligible project as a whole complies with the maximum FAR (2.0) and lot coverage (80 percent) allowed in M-RD. This flexibility is intended to create visual interest from both the Gilman Street entry corridor and from pedestrian level within the site, allow for open space, and maintain views.

This section would require the Zoning Adjustments Board (ZAB) to issue a use permit upon finding that the modification would result in a better overall design than that which could be achieved by strict application of the development standards alone and does not unduly burden the implementation of subsequent development. This section would also grant ZAB the authority to impose any reasonable conditions to ensure that the required findings can be made, such as a reimbursement agreement between the City and the developer, surety/bond/letter of credit, or private maintenance agreement.

In order to provide assurances that a complete project over 9 acres would be delivered, the Modification to Development Standards section would require an applicant to submit a development plan as part of their zoning permit application that includes 1) a phasing plan; and 2) a development comparison demonstrating how the site-wide changes in development standards maximize amenities for employees and customers. A deed restriction would be required to ensure compliance with Conditions of Approval for the zoning permit in perpetuity.

Properties located within the West Berkeley Plan Area may be eligible for two specific zoning permits in Title 23 – a Master Use Permit (Section 23.406.060) and a

⁸ BMC Section 23.322.100(C)(5) Modified Requirements. In all Manufacturing and Commercial Districts other than the C-T district, the Zoning Officer in consultation with the City Traffic Engineer may approve an AUP to modify the on-site loading spaces standards in this section.

Modification of Development Standards in the West Berkeley Plan Area (Section 23.406.080). Since the proposed set of allowed modifications to the M-RD development standards are to address the unique issues of public concern associated with the project site, projects in the M-RD district would not be eligible for a Master Use Permit nor a Modification to Development Standards in the West Berkeley Plan Area permit.

General Plan and West Berkeley Plan Amendments

The proposed Zoning Ordinance and Zoning Map amendments require associated amendments to the West Berkeley Plan and General Plan to ensure consistency between the Zoning Ordinance and the General Plan.⁹ The proposed West Berkeley Plan amendments would incorporate the new zoning district into the Land Use Element by creating a new policy, updating the Land Use Map, and adding a description of the district to the districting concept (see **Attachment 1, Exhibit B**). The General Plan would be amended to add the new zoning district to the existing Manufacturing land use classification (see **Attachment 1, Exhibit C**). Pursuant to BMC Chapter 22.04, staff is requesting the Planning Commission consider these proposed amendments.

ENVIRONMENTAL REVIEW

The City has prepared a Draft Environmental Impact Report (EIR) for the proposed project that evaluates the potential environmental effects of: 1) adoption and implementation of the proposed M-RD zoning and associated Plan amendments; and 2) the Potential Berkeley Forge Development, as it would be facilitated by adoption and implementation of the proposed M-RD zoning, to the extent site planning details have been provided.¹⁰ Recognizing there are various ways in which the project site could be redeveloped under the proposed M-RD zoning, evaluation of the Potential Berkeley Forge Development is not intended to illustrate nor limit the subsequent development proposal that the applicant may submit at a future date. The Draft EIR is a programmatic evaluation, meaning that it evaluates the potential impacts of the application of regulations, in this case, adoption of zoning and plan amendments. In addition, the Draft EIR evaluates the potential impacts of development of the Potential Berkeley Forge Development, to the extent site planning details have been provided.

The City is the Lead Agency for the proposed project and is represented by the Planning and Development Department. Under the California Environmental Quality Act (CEQA), a Lead Agency may proceed directly with EIR preparation, without an Initial Study, if it is clear that an EIR will be required. As the City has made such a determination for this project, no Initial Study has been prepared. A Notice of Availability (NOA) of a Draft EIR was published on **October 21, 2024 (Attachment 6)**. The Draft

⁹ The West Berkeley Plan is an amendment to Berkeley's General Plan, providing policies to guide development in West Berkeley.

¹⁰ Because the California Environmental Quality Act requires analysis of alternatives that would reduce environmental impacts compared to the Gilman Gateway Rezone Project, the Draft EIR also analyzes 3) a reduced development alternative in which the zoning and plan amendments would cover a smaller area, 4) a "no action" alternative in which development would occur consistent with current land use and zoning designations, and 5) a "no action" alternative in which neither rezoning nor development occurs.

EIR was posted to the City's website on that date. The public comment period for the Draft EIR ends on **December 5, 2024**.

In accordance with CEQA Guidelines, a Notice of Preparation (NOP) of a Draft EIR was circulated to potentially interested parties and agencies on December 27, 2022 (**Attachment 7**). The City received written responses to the NOP regarding the scope and content of the EIR. The City also held an EIR scoping meeting as part of the regularly scheduled Planning Commission meeting on February 1, 2023. Approximately 38 people attended the hearing and eight verbal or written comments on the scope and content of the EIR were received.

The following environmental topics are addressed in detail in the Draft EIR (Chapter 4: Setting, Impacts and Mitigation Measures, Sections 4.1 through 4.11):

- 4.1 Land Use and Planning
- 4.2 Cultural Resources
- 4.3 Tribal Cultural Resources
- 4.4 Transportation
- 4.5 Air Quality
- 4.6 Greenhouse Gas Emissions
- 4.7 Energy
- 4.8 Noise
- 4.9 Hazards and Hazardous Materials
- 4.10 Hydrology and Water Quality
- 4.11 Biological Resources

The Draft EIR identified five significant and unavoidable environmental impacts in Sections 4.2, 4.5 and 4.6 related to Cultural Resources, Air Quality, and Greenhouse Gas Emissions. All other environmental effects of the proposed project can be reduced to less than significant levels through implementation of Standard Condition(s) of Approval and/or recommended mitigation measures.

The Draft EIR also briefly discusses any possible significant effects that were determined not to be significant or less than significant with implementation of applicable standard conditions and regulatory compliance measures related to the following environmental topics: Aesthetics, Agricultural Resources, Geology and Soils, Mineral Resources, Population and Housing, Public Services, Recreation, Utilities and Service Systems, and Wildfire.

Project Objectives

Section 15124 of the CEQA Guidelines requires an EIR to include a statement of the objectives sought by the proposed project. These Project Objectives helped the City develop a reasonable range of alternatives to evaluate in the EIR and prepare any necessary findings or statements of overriding consideration. The Project Objectives of the proposed project are to:

- Reinvent the former PSC site and adjacent parcels from an underutilized, heavy manufacturing campus into a vibrant urban campus-like environment with in-demand industrial and heavy commercial uses consistent with the intent of the Manufacturing land use designation that adds significantly to the City's economic base and facilitates job creation.
- Establish an M-RD zoning district with land use and development standards that are consistent with the General Plan Manufacturing land use designation and policies of the West Berkeley Plan to retain a diversity of dense, high-quality employment opportunities in West Berkeley for people at all educational levels by allowing for a mix of industrial and heavy commercial uses, such as light manufacturing, R&D, laboratory, and office.
- Facilitate future development by adopting zoning standards that permit construction of buildings that accommodate allowable uses.
- Improve mobility at an entry corridor to West Berkeley by encouraging and supporting current and future transit use and transportation demand management strategies that reduce vehicle miles traveled, while providing sufficient parking to meet the needs of employment-generating uses.
- Clean up environmentally contaminated soils that have contributed impacts to air quality and water quality in the neighborhood.

Project Description in the Draft EIR

The proposed project, referred to as the Gilman Gateway Rezone Project, would aim to facilitate the future development of up to 1,005,266 square feet of non-residential space and a minimum of 1,300 off-street automobile parking spaces on the approximately 11.54-acre project site, with adoption and implementation of:

1. A newly established zoning district – M-RD in BMC Chapter 23.206, which would permit development of light manufacturing, R&D, laboratory, and/or office uses.
2. Rezoning the project site from the M district to the M-RD zoning district.
3. Amendments to the Berkeley General Plan and West Berkeley Plan to add the M-RD zoning district to the Manufacturing land use designation, which would also include development standards for the project site.

Adoption and implementation of the Gilman Gateway Rezone Project would facilitate the development of a conceptual project referred to as the Potential Berkeley Forge Development. The City anticipates the submittal of a formal application for the conceptual development project at the project site, and it is therefore evaluated in the EIR as a reasonably foreseeable project. The Potential Berkeley Forge Development would include the construction and operation of up to 900,000 square feet of R&D, office, laboratory, and light manufacturing uses and 1,900 automobile parking spaces on a 10.26-acre portion of the project site spanning 15 parcels.

The EIR evaluates the impacts of the most intensive future uses that could occur with implementation of the proposed zoning and plan amendments, while the impacts of the conceptual development project are evaluated to the extent project details are available. All future development of the project site, including the Potential Berkeley Forge

Development, would be subject to further environmental review to determine if the future development fits within the development assumptions and conclusions identified in this EIR, or if additional environmental review is needed.

Buildout Projections

For the purposes of environmental review of the Gilman Gateway Rezone Project, the Draft EIR includes development projections to provide a physical project the environmental effects of which can be analyzed. The EIR evaluates the maximum reasonable development scenario, which includes demolition of the existing buildings, construction of up to 1,005,266 square feet of nonresidential space at a maximum building height of 105 feet, and a minimum of 1,300 off-street automobile parking spaces on the 11.54-acre site. The EIR also evaluates the conceptual Berkeley Forge Development, which would include the construction and operation of up to 900,000 square feet of R&D, office, laboratory, and light manufacturing uses and 1,900 automobile parking spaces on a 10.26-acre portion of the project site. The buildout of the Potential Berkeley Forge Development is assumed to be consistent with the development standards of the proposed M-RD zoning district. Any future application would be evaluated to ensure consistency with the M-RD standards.

Potentially Significant Impacts Identified in the Draft EIR

All environmental impacts and mitigation measures are summarized in the Executive Summary (Table 2.A) in the Draft EIR. Table 2.A also identifies the level of significance of the impact after application of the applicable mitigation. Other than the impacts discussed below, all of the environmental effects of the proposed project can be reduced to less than significant levels through implementation of Condition(s) of Approval and/or recommended mitigation measures.

The Draft EIR identifies potential impacts stemming from: 1) the proposed project (zoning and plan amendments); and 2) the Potential Berkeley Forge Development (conceptual development project). Impact titles that include a lower case 'a' pertain to the proposed project, while impact titles that include a lower case 'b' pertain to the Potential Berkeley Forge Development. The Draft EIR identifies the following significant and unavoidable environmental impacts:

- **Impact CUL-1a (Historic Architectural Resources).** The proposed project would cause a substantial adverse change in the significance of a historic resource as defined in CEQA Guidelines section 15064.5, because implementation of the proposed project would facilitate the demolition of the existing building at 1306 Third Street, which is eligible for listing as a City of Berkeley landmark.
- **Impact AIR-3a2 (Project Construction Air Quality Emissions).** Construction associated with full buildout of the project site (per the proposed rezoning project) would not exceed BAAQMD thresholds and would not expose nearby sensitive receptors to substantial pollutant concentrations with implementation of identified mitigation measures. However, construction associated with any future development projects facilitated by the proposed project that would not include

the demolition of the structure located at 1306 Third Street, including the conceptual development project, would exceed the BAAQMD cancer risk significance thresholds and would therefore expose sensitive receptors in the building to substantial pollutant concentrations.

- **Impact AIR-3b (Project Operation Air Quality Emissions).** Operation of future development projects facilitated by the proposed project, including the conceptual development project, may expose nearby sensitive receptors to substantial pollutant concentrations and could result in potential Toxic Air Contaminants health risks that would cumulatively contribute to elevated health risks in the city.
- **Impact GHG-1a (Project Operation Greenhouse Gas Emissions).** If future development under the proposed project includes natural gas, the proposed project would not meet the project design thresholds recommended by the BAAQMD and would therefore generate GHG emissions, either directly or indirectly, that would have a significant effect on the environment.
- **Impact GHG-2a (Inconsistency with Plans, Policies or Regulations Adopted for the Purpose of Reducing Greenhouse Gas Emissions).** If future development at the project site includes natural gas, the proposed project would not meet the project design thresholds recommended by the BAAQMD and would be considered inconsistent with the long-term State GHG reduction goals and emission targets in Assembly Bill 32, Senate Bill 32, Executive Order B-30-15, Executive Order B-48-18, and Assembly Bill 1279. Accordingly, the proposed project would conflict with applicable plans, policies, or regulations adopted for the purpose of reducing GHG emissions.

Tribal Consultation (AB 52 and SB18)

Pursuant to the requirements of Assembly Bill 52 (2014, Gatto)¹¹ and Senate Bill 18 (2004, Burton)¹², City staff consulted with the Confederated Villages of Lisjan Nation (Lisjan Nation) regarding the proposed project. The goal of tribal consultation is to avoid significant effects on tribal cultural resources or to develop mutually agreed upon mitigation measures or. As part of the consultation process, City staff sent a formal memorandum to the Lisjan Nation to disclose potential impact determinations identified in the Draft EIR for the Gilman Gateway Rezoning project, proposed conditions of approval (COAs), and proposed mitigation measures. On May 30, 2024, the Lisjan Nation provided written edits to the proposed COAs and mitigation measures. The City subsequently revised the COAs and mitigation measures to incorporate the majority of the edits provided to the City by the Lisjan Nation, with one exception.

¹¹ Requires public agencies to consult with Native American tribes during the California Environmental Quality Act (CEQA) process. The legislation aims to protect tribal cultural heritage and provide a formal structure for tribes to provide input on proposed projects.

https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB52&search_keywords=

¹² Requires public agencies to consult with Native American tribes when an amendment to a local jurisdictions' General Plan, any Specific Plan, or a designation of open space, is proposed. The legislation aims to protect tribal cultural heritage and provide a formal structure for tribes to provide input on the proposed amendment.

https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=200320040SB18

The Lisjan Nation requested to incorporate a mitigation measure that requires the City to enter into consultation based on the specifics of a proposed development, even when an EIR is not required, or when only an addendum to an EIR is required. The goal of this proposed consultation would be to reduce the potential for any future project to unearth tribal cultural resources that would result in a potential impact to the significance of the resource (Impact TCR-1, Chapter 4, Section 4.3 Tribal Cultural Resources). Under AB 52, consultation must be initiated by the City for all projects that require environmental review under CEQA. However, this request would require the City to initiate consultation for projects that do not require environmental review. This requirement could potentially establish a precedent for future projects, and would therefore constitute a policy decision that falls outside of the bounds of the authority vested to staff. Therefore, the proposed language is provided below for consideration by the Planning Commission and the City Council:

Potential Mitigation Measure TCR-1a: Given the very high potential for disturbing Tribal Cultural Resources in this highly sensitive area, including ancestral human remains, Confederated Villages of Lisjan Nation will be allowed a 30-day comment period to provide requests for additional mitigation measures based on any specific development plans proposed by a project proponent even when a supplemental EIR is not required or where only an addendum may be required.

Alternatives in the Draft EIR

As required by Section 15126.6 of the CEQA Guidelines, an EIR must examine a range of reasonable alternatives to the proposed project that would feasibly obtain most of the CEQA Project Objectives and avoid or substantially lessen many of the project's significant environmental impacts. The following alternatives are evaluated in the Draft EIR:

- **Alternative 1: No Action Alternative.** This alternative is a version of the “no project” alternative (*CEQA Guidelines* Section 15126.6(e)) that assumes no construction on the site would occur. The existing buildings would not be demolished and would instead remain in place, unchanged from existing conditions. The existing Manufacturing land use and zoning designations would remain, and in the City of Berkeley General Plan and West Berkeley Area Plan would not be amended.
- **Alternative 2: General Plan Compliant Alternative.** This alternative is a version of the “no project” alternative (*State CEQA Guidelines* Section 15126.6(e)) that assumes the project site would be redeveloped pursuant to the current land use and zoning designations. Implementation of the General Plan Compliant Alternative would allow for the development of approximately 1,005,365 square feet of manufacturing and industrial uses on the 11.54-acre project site. Under this alternative, the maximum height would be limited to 45 feet.

- **Alternative 3: Reduced Development Alternative.** This alternative assumes the project site would be limited to the PSC site, consistent with the City Council referral. The Pacific Steel Casting overlay zoning boundary would include nine parcels totaling 354,317 square feet. These parcels are currently developed with 250,606 square feet of industrial uses (see Table 3.A in the Draft EIR for details). This alternative would also require a minimum 100-foot buffer between any existing residential use and proposed new non-residential use, including surface parking lots or structures. Accordingly, future development on the project site would need to be set back from the existing building at 1306 Third Street. Focusing development on the Pacific Steel Casting site with a required buffer would reduce the overall buildout potential of the project site by approximately 50 percent, resulting in up to 566,300 square feet of non-residential space and a minimum of 566 off-street automobile parking spaces.
- **Environmentally Superior Alternative.** CEQA requires the identification of the environmentally superior alternative among the options studied, which is the alternative among those studied that has the fewest significant environmental impacts. Table 5.A in the Draft EIR indicates whether each alternative's environmental impact is greater, lesser, or similar to that of the proposed project.

As described in Section 5.8 of the Draft EIR, the No Action Alternative would result in the fewest impacts and would be environmentally superior to the proposed project. However, if the No Action Alternative is the environmentally superior alternative, the EIR must identify an environmentally superior alternative from among the other alternatives.¹³ None of the other alternatives would avoid the significant and unavoidable impacts to air quality or GHG emissions, due to the lack of construction details and the usage of natural gas. Of the development alternatives, Alternative 2 the "General Plan Compliant Alternative" would avoid the significant and unavoidable air quality impacts associated with construction risk, but would not avoid or reduce the significant and unavoidable historic resource impact associated with 1306 Third Street. Alternative 3 the "Reduced Development Alternative" would avoid the significant and unavoidable historic resource impact associated with 1306 Third Street, and would lower the significant and unavoidable construction health risk impacts at 1306 Third Street because the development potential would be reduced by 50 percent.

Because Alternative 3 would avoid the proposed project's significant and unavoidable impacts on built historic resources and would have lower impacts than the proposed project as they relate to the significant and unavoidable impact to air quality, and it would meet most of the project objectives, it is considered as the Environmentally Superior Alternative.

¹³ State CEQA Guidelines Section 15126.6(e)(2).

Publication and Distribution of the Draft EIR

The Draft EIR was made available for public review on **October 21, 2024**. The Notice of Availability (NOA) for the Draft EIR was distributed to State and local planning agencies (**Attachment 6**). The NOA was posted in the office of the County Clerk and notices of the public hearing were published in the Berkeley Voice. Copies of the Draft EIR are available for review and distribution at 1947 Center Street, 2nd Floor, Berkeley CA, 94704. Additional copies are available for review at the additional locations listed below and on the City's website: <https://aca.cityofberkeley.info/CitizenAccess/Welcome.aspx>, under Zoning Application Permit Number "PLN2022-0079".

- City of Berkeley at 1947 Center Street, 2nd Floor;
- Central (Downtown) Library, 2090 Kittredge Street;
- Tarea Hall Pittman South Branch Library, 1901 Russell Street; and
- West Branch Library, 1125 University Avenue.

The Planning Commission is also being asked to take public testimony on the Draft EIR and provide comments to staff on the Draft EIR. Comments on the Draft EIR should focus on whether the Draft EIR is sufficient in discussing possible impacts to the physical environment, ways in which the potential adverse effects may be avoided or minimized through mitigation measures, and alternatives to the proposed project in light of the Draft EIR's purpose to provide useful and accurate information about such factors.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

In accordance with CEQA and the *CEQA Guidelines*, the City of Berkeley Planning and Development Department has prepared a Draft EIR for the proposed project that evaluates the potential environmental effects of adoption and implementation of the proposed zoning, General Plan, and West Berkeley Plan amendments, as well as the Potential Berkeley Forge Development to the extent site planning details have been provided. The City is the Lead Agency for the proposed project and is represented by the Planning and Development Department. An NOA of a Draft EIR was published on **October 21, 2024** and the Draft EIR was posted to the City's website on that date. The public comment period for the Draft EIR ends on **December 5, 2024**.

NEXT STEPS

The Planning Commission recommendation will be forwarded to the City Council. The Council will consider comments from the Planning Commission and the public on these documents, and will consider taking action to:

- Adopt the M-RD zoning, West Berkeley Plan and General Plan amendments; and
- Certify a Final EIR (which will include responses to CEQA-related comments on the Draft EIR submitted during the public comment period (October 21, 2024 to December 5, 2024)).

Should the proposed zoning and General Plan amendments be approved and the environmental document certified by City Council, it is anticipated that an application to redevelop the area, similar to the Potential Berkeley Forge Development referred to in this report and in the Draft EIR, would be submitted to the Planning and Development Department for review and action through the typical permitting process. These subsequent permit application(s) would set forth specific development parameters, configuration, allocation and mix of uses proposed, and related site planning details. The permit application(s) would also need to comply with the relevant and applicable requirements, standards, guidelines and policies of the Zoning Ordinance and General Plan, as amended, and be reviewed and acted on by the relevant City Boards and Commissions.

CONTACT PERSON

Ashley James, Senior Planner, Planning and Development Department, 510-981-7458

ATTACHMENTS

1. Planning Commission Resolution 2024-03
 - a. Exhibit A: Proposed Zoning Ordinance Amendments
 - b. Exhibit B: Proposed West Berkeley Plan Amendments
 - c. Exhibit C: Proposed General Plan Amendments
2. City Council Referral to the Planning Commission to Establish a Zoning Overlay at the Pacific Steel Casting Property, April 20, 2021
3. Zoning Map Amendment Application (PLN2022-0079), October 25, 2022
4. Planning Commission Staff Reports, February 1, 2023 and March 1, 2023
5. Gilman Gateway Draft EIR
6. Notice of Availability
7. Notice of Preparation
8. Public Hearing Notice

**NOTICE OF PUBLIC HEARING
BERKELEY CITY COUNCIL
CERTIFICATION OF THE FINAL ENVIRONMENTAL IMPACT REPORT
AND ADOPTION OF RELATED CALIFORNIA ENVIRONMENTAL
QUALITY ACT (CEQA) FINDINGS, A STATEMENT OF OVERRIDING
CONSIDERATIONS, MITIGATION MEASURES, AND A MITIGATION
MONITORING AND REPORTING PROGRAM; AND APPROVAL AND
ADOPTION OF ZONING ORDINANCE AMENDMENTS TO ESTABLISH
THE MANUFACTURING, RESEARCH AND DEVELOPMENT DISTRICT,
AND ASSOCIATED WEST BERKELEY PLAN AND GENERAL PLAN
AMENDMENTS**

The public may participate in this hearing by remote video or in-person.

The Department of Planning and Development is proposing that the City Council:

1. Adopt a first reading of an Ordinance amending Title 23 of the Berkeley Municipal Code and the Zoning Map to establish the Manufacturing, Research & Development (M-RD) zoning district to encourage redevelopment of the former Pacific Steel Casting (PSC) site.
2. Adopt a resolution to:
 - A. Certify the Environmental Impact Report and Adopt related California Environmental Quality Act (CEQA) findings, a statement of overriding considerations, mitigation measures, and a mitigation monitoring and reporting program; and
 - B. Approve and adopt West Berkeley Plan and General Plan amendments to be consistent with the associated Ordinance amendments.

The proposed zoning ordinance amendments would add the M-RD district to the list of zoning districts (BMC 23.108.020), add the permit thresholds for uses in the M-RD district to the allowed land use table in manufacturing districts (23.206.020(A)), add new floor area permit requirements within the M-RD district (23.206.030), add tenant space reconfiguration requirements within the M-RD district (23.206.030), revise use-specific regulations to include requirements for uses in the M-RD district (23.206.040), revise use-specific regulations in the MU-LI district (23.206.080(B)), revise the permit findings in manufacturing districts (23.206.100), add a new section – Manufacturing, Research and Development district – including purposes and development standards (23.206.100), revise the permit findings in manufacturing districts (23.206.110), add regulations for outdoor uses in the M-RD district (23.302.020(E)), revise permit findings for food service establishments in the M-RD district (23.302.070(E)(4)), add regulations for parking lots/structures in the M-RD district (23.302.070(G)), add regulations for off-street parking in the M-RD district (23.322.030(C)), add regulations for off-street loading spaces in the M-RD district (23.322.100(A) and (B)).

The proposed zoning ordinance amendments would apply to all parcels bordered by Gilman Street to the north, the Union Pacific Railroad (UPRR) and Amtrak heavy rail corridor to the east, Page Street to the south, and Interstate 80 [I-80]/Interstate 580 [I-580]) to the west, currently zoned Manufacturing (M). The zoning map is available online:

<https://berkeley.maps.arcgis.com/apps/webappviewer/index.html?id=2c7dfafbb1f64e159f4fdf28a52f51c6&showLayers=Berkeley%20Parcels;Base%20Data;Planning%20and%20Building>

Each affected APN and address are listed below:

APN	Address
59-2344-1-2	1305 Eastshore Highway
59-2341-4	1401 Eastshore Highway
59-2340-8-2	1421 Second Street
59-2341-5	1420 Second Street
59-2344-4-1	1320 Second Street
59-2344-3-1	1314 Second Street
59-2345-9	1333 Second Street
59-2345-2-2	1310 Third Street
59-2345-1	1311 Second Street; 630 Gilman Street; 640 Gilman Street
59-2344-7	1331 Eastshore Highway
59-2344-5-1	1330 Second Street
59-2345-8-1	1337 Second Street
59-2345-6-1	635 Camelia Street
59-2345-4	643 Camelia Street
58-2345-2-1	1306 Third Street
59-2344-2-1	600 Gilman Street
59-2341-3-2	1433 Eastshore Highway
59-2345-7	631 Camelia Street 625 Camelia Street

The hearing will be held on **March 25, 2025 at 6:00 pm** in the School District Board Room, located at 1231 Addison Street, Berkeley CA 94702.

A copy of the agenda material for this hearing will be available on the City's website at <https://berkeleyca.gov/> as of March 13, 2025. **Once posted, the agenda for this meeting will include a link for public participation using Zoom video technology, as well as any health and safety requirements for in-person attendance.**

For further information, please contact Ashley James, Senior Planner, Department of Planning and Development at 510-981-7458.

Written comments should be mailed or delivered directly to the City Clerk, 2180 Milvia Street, Berkeley, CA 94704, or e-mailed to council@berkeleyca.gov in order to ensure delivery to all Councilmembers and inclusion in the agenda packet.

Communications to the Berkeley City Council are public record and will become part of the City's electronic records, which are accessible through the City's website. **Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the City Council, will become part of the public record.** If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service or in person to the City Clerk. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the City Clerk at (510) 981-6900 or clerk@berkeleyca.gov for further information.

Published: March 14, 2025 – The Berkeley Voice

Public Hearing required by BMC 23.412.050, 22.040.020(A) and Govt Code 65853, 65355; notice provided according to Govt Code 65090 and BMC 23.404.040.

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I hereby certify that the Notice for this Public Hearing of the Berkeley City Council was posted at the display case located near the walkway in front of the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way, as well as on the City's website, on **March 13, 2025.**

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Mark Numainville, City Clerk