The Port of Oakland (Port) Permit Coordinator and Environmental Programs and Planning Division staff have reviewed the subject Port Development Permit Application. We find the proposal meets the applicable standards of the Port, as set forth in the detailed analysis and findings below.

Port Permit No: 5296
Permit Applicant: Choice Hotels International
Project Location: 111 Hegenberger Road, Oakland
APN: 42-4420-4
Estimated Value: $19,720,000
Environ. Assessment: CEQA Guidelines Section 15332

Background:
Choice Hotels proposes to develop a hotel on the property located at the corner of Hegenberger Road and Pardee Drive, which was formerly owned by the operators of Francesco’s Restaurant (Francesco Operators). Francesco Operators sold the property to a developer who proposed a mixed-use commercial project (Commercial Developer). The mixed-use commercial project was approved by the Port on November 1, 2017, and the Commercial Developer demolished Francesco’s Restaurant. Subsequently, the Commercial Developer abandoned plans for the mixed-use commercial project and sold the vacant parcel to Choice Hotels International, which is now proposing to develop a Cambria Hotel on the site (Project).

Project Description

A. Project Site: The Project site is located on private property at the northwest corner of Hegenberger Road and Pardee Drive. (Note: Hegenberger Road is a street that runs north-south on the east side of the Project Site. Pardee Drive runs east-west on the south side of the proposed hotel building.) The site is currently listed as 8520 Pardee Drive, but will be changed to 111 Hegenberger Road during the Port Development Permit process. This will serve to align the new hotel with the other existing hotels along the Hegenberger corridor and improve wayfinding by matching the address to the freeway exit off I-880. The L-
shaped 2.94-acre site is currently vacant. A Harley-Davidson Dealer is located north of the site on Hegenberger Road. A SpringHill Suites hotel borders the site to the north behind the Harley-Davidson Dealer with access to Hegenberger Road north of the Harley-Davidson Dealer, as well as access to Pardee Drive west of the Project site.

B. Project Description: The Project is a 132-room four-story hotel. The building ground floor is proposed to be 21,652 square feet (sf), with the three upper floors proposed to be 18,537 sf each, for a total building area of 77,262 square feet. The ground floor main entrance is located on the west side of the porte-cochere on the Pardee Drive frontage into the lobby. Ground floor guest amenities include a full-service restaurant, bar, exercise room, and conference rooms. The ground floor accommodates nine guest rooms as well as a kitchen and other hotel support facilities. Floors 2-4 each accommodate 41 guest rooms.

C. Exterior Improvements: Two driveways are proposed to access the site from Pardee Drive. One driveway is located near the center of the frontage at the porte-cochere, the other at the west end of the frontage. An additional entrance-only driveway is proposed from Hegenberger Road. Exterior improvements on the north side include a patio (3,760 SF) for outdoor dining, and other recreational activities, pathways, and parking. The pathways connect parking areas, patio, and entrances to the building with the sidewalks along Hegenberger Road and Pardee Drive. The Project will provide 154 parking spaces distributed around the hotel, including six (6) Clean Air Vehicle (CAV) spaces and ten (10) Electric Vehicle Charging Stations (EVCS). The site will be landscaped along all street fronts and property lines, as well as within the site at the ends of parking rows and around the exterior patio. Refer to Appendix 1 for the Permit Plan Set.

Land Use Analysis

The Project is located on a vacant site that was previously developed with a restaurant facility. This is an in-fill development on a site with utility services available. The Land Use and Development Code (LUDC) for the Oakland Airport Business Park allows hotels (referred to as “Transient Lodging” within the LUDC) on properties with access from Hegenberger Road. In addition, hotels must be full service, which is defined as a minimum of one hundred (100) sleeping rooms, containing a full-service restaurant providing three meals per day and room service and including at least one indoor and one outdoor recreational amenity.

The prominent building front and porte-cochere face Pardee Drive. Most traffic is expected to travel between Oakland International Airport via Hegenberger Road to Pardee Drive and into the Project site. The driveway from Hegenberger Road will serve traffic coming from the north of the site, I-880, and other areas of Oakland and the region.

The City of Oakland General Plan is applicable to this site. The General Plan designation is Regional Commercial. The Regional Commercial classification is
intended to maintain, support, and create areas of the City of Oakland that serve as regional-draw centers of activity. The desired character and land uses include a mix of commercial, office, entertainment, arts, recreation, sports and visitor serving activities, mixed-use development and other uses of similar character or supportive of Regional Commercial.

The hotel will have a driveway from Hegenberger Road, an indoor exercise room, an outdoor patio for dining, lounge, other recreational uses, and a full-service restaurant. The Applicant has submitted a sample menu to verify compliance with these conditions.

Public Notice

Although not required under the LUDC or CEQA Guidelines, the Port sent notification of the Project and conducted a neighborhood meeting to present the Project to the community. The public notice of the neighborhood meeting, Project plans, and CEQA analysis, were posted on the Port’s website on March 4, 2021. A notice of the Project was posted at the Project site on March 4, 2021. Furthermore, the notice was sent to adjacent properties and interested parties on March 5, 2021. The Port conducted the neighborhood meeting on March 18, 2021.

Findings

The Port approves this application for a Port Development Permit, as submitted by Choice Hotels International, with the following findings:

1. The Project will not be detrimental to the health, safety, peace, morals, comfort or general welfare of persons working, visiting, transiting through the Oakland Airport Business Park or be detrimental or injurious to property and improvements of the adjacent properties, the surrounding area or neighborhood or to the general welfare of the City.

2. The Project is consistent with the City of Oakland’s General Plan and the specific designation of Regional Commercial.

3. The Project complies with provisions of the LUDC, including the specific conditions for Transient Lodging under Section 2.3K.

4. The Project has been adequately evaluated under the California Environmental Quality Act (CEQA), see below for further details.

5. The Project has been approved, or has a reasonable chance of being approved, by all outside agencies having jurisdiction over the Project, including, but not limited to: the City of Oakland, Bay Area Air Quality Management District, Federal Aviation Administration, and San Francisco Bay Regional Water Quality Control Board.

---

1 Individuals who contacted the Port during the Permit Application review process or those who were interested from the previous hotel development at 195 Hegenberger Road, Oakland.
6. The Project will neither interfere with the operations of Oakland International Airport, nor enable the establishment of uses that may be incompatible with the potential imposition of noise, light, smoke, air currents, electronic or other emissions, vibrations, discomfort, and/or inconvenience resulting from airport operations at Oakland International Airport.

7. The Port has attached such conditions to issuance of the Development Permit as it deems reasonable or necessary to achieve the purposes of the LUDC, to reduce or to mitigate environmental impacts, and to address the Project’s anticipated burden on the Business Park and the Port, and which conditions otherwise promote the health, safety, and welfare of the surrounding community.

Environmental Findings

The Port is the Lead Agency under CEQA, having land use jurisdiction over the Project site. The Project is considered an urban infill development project and is in a class of projects that has been determined exempt from CEQA review under CEQA Guidelines Section 15332 (Class 32 Infill Exemption). Based on the information and conclusions set forth in Appendix 3, the Project qualifies for the Class 32 Infill Exemption as meeting all of the conditions described in that section, and there are no exceptions to this exemption based on the criteria of CEQA Guidelines Section 15300.2 (Exceptions). A Notice of Exemption will be filed with the Alameda County Clerk Offices once the Project is approved.

Public Comments

The Port received three comment letters following the notice of the neighborhood meeting. Refer to Appendix 2a-2c. In summary, five concerns were raised:

- Consistency with the Land Use and Development Code (LUDC)
- Proper Notification
- Traffic/Transportation Impacts
- Occupancy Rate
- Use of the Class 32 Infill Exemption

The Port has determined that the concerns presented do not change the Port’s Findings or CEQA determination, therefore the Port’s recommends project approval based on the above findings and subject to the permit conditions listed below.

Permit Conditions

1. All conditions of approval shall be printed on the final permit set of plans.

2. The Project shall conform to Port-stamped approved plans, including the conditions of approval, unless otherwise approved by the Port. The Permit Applicant is responsible for including all details agreed upon, or conditions made by the Port, during the approval process. Failure to include any such details will
not exempt the Permit Applicant from meeting the Port Development Permit conditions.

3. The Applicant shall confirm that an aviation easement in favor of Oakland International Airport in a form approved by the Port Attorney has been recorded on the subject property. If not, the Permit Applicant shall grant and record an aviation easement.

4. The Permit Applicant shall meet all conditions and requirements of all outside agencies having regulatory authority over the Project, including but not limited to the City of Oakland, Bay Area Air Quality Management District (BAAQMD), Federal Aviation Administration, and San Francisco Bay Regional Water Quality Control Board. The Permit Applicant shall report to the Port prior to Project construction any conflicts with Port Development Permit or other requirements arising from outside agencies’ permit conditions and requirements. Any such conflicts must be resolved by the Permit Applicant to the satisfaction of the Port and the outside agency involved.

5. The Permit Applicant shall provide copies to the Port of authorizations or permits from outside agencies.

6. The Permit Applicant shall obtain, at the Permit Applicant’s expense, all City of Oakland building permits required for the Project.

7. The Permit Applicant and the Permit Applicant’s contractor shall construct the Project according to the plans approved under Port and City permits. Modifications made to comply with City of Oakland permit requirements shall be subject to verification of compliance with Port permit conditions by the Port prior to the start of Project construction.

8. The Permit Applicant shall maintain the Project site in a clean and orderly condition during the entire term of the Development Permit. If there is a work stoppage at any time after Project construction has commenced for a period of more than 30 days, the Permit Applicant shall physically secure any completed or uncompleted work on the Project site and remove or screen any stored materials. The Chief Operating Officer of the Port may provide a 30-day Notice and Order to the Permit Applicant to comply with this condition. If the Project Applicant fails to comply during that time period, or fails to present and implement an acceptable plan for compliance, the Port maintains the right at Port’s discretion, to complete the necessary work and bill the Permit Applicant for all related costs, or impose reasonable fines for violation of this condition of approval and/or for violation of the Port Chief Operating Officer’s 30-day Notice and Order. Any such fines shall be reasonably related to the nature of the violation and/or the cost to correct.

9. To the maximum extent permitted by law, the Permit Applicant shall defend, hold harmless, and indemnify the Port and its respective officers, agents and employees (whether the action is on behalf of the Port, or otherwise) (the “Indemnified Parties”) against any and all liability, damages, claims, demands,
judgments, or other losses (including, without limitation, attorneys fees, expert witness and consultant fees and other litigation expenses), referendum or initiative relating to, resulting from or caused by, or alleged to have resulted from, or caused by, any action or approval associated with the Project. This indemnity includes, without limitation, any legal or administrative challenge, referendum or initiative filed or prosecuted to overturn, set aside, stay or otherwise rescind any or all approvals granted in connection with the Project, any environmental determination made for the Project, and granting any permit issued in accordance with the Project. This indemnity includes, without limitation, payment of all direct and indirect costs associated with any action specified herein. Direct and indirect costs as used herein shall include, without limitation, any attorney’s fees, expert witness and consultant fees, court costs and other litigation fees, Port Attorney time and overhead costs, and other Port Staff overhead costs and normal day-to-day business expenses incurred by the Port (“Litigation Expenses”). The Indemnified Parties shall have the right to select counsel to represent the Indemnified Parties, at the Permit Applicant’s expense, in the defense of any action specified in this condition of approval. The Indemnified Parties shall take all reasonable steps to promptly notify the Permit Applicant of any claim, demand, or legal actions that may create a claim for indemnification under these conditions of approval.

10. The Applicant shall comply with applicable storm water quality requirements including Low Impact Development site design.

11. The Applicant shall comply with the Private Sewer Lateral (PSL) Permit pursuant to the East Bay Municipal Utility District PSL ordinance, and as enforced through the City of Oakland Building Permit.

12. The Applicant shall agree to comply with any other conditions added by the Port.
RECOMMENDED:

Environmental Programs and Planning:

Colleen Liang, Port Environmental Supervisor

Date: May 10, 2021

DECISION:

Port Permit Coordinator: ☐ Approve ☐ Deny

Joe Marsh

Date: May 10, 2021

APPENDICES (Included separately):

1. Permit Plan Set
2. Public Comment Letters
3. Cambria Hotel Project on Hegenberger/Pardee CEQA Analysis, prepared by Lamphier-Gregory, dated December 2020
   Attachment A – Cambria Hotel Development Project Transportation Impact Study – Final Report, prepared by CHS Consulting Group, dated August 2020;
   Attachment B – 8520 Pardee Drive Cambria Hotel: CalEEMod Output dated February 20, 2020
   Attachment C – Phase I Environmental Assessment Report, prepared by PARTNER Engineering and Science, Inc., dated July 17, 2018