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.

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

**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
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.

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).
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.

Table 1: Rezoning Request by Address & APN

<table>
<thead>
<tr>
<th>Address</th>
<th>APN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1305 Eastshore Hwy</td>
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<td>1331 Eastshore Hwy</td>
<td>59-2344-7</td>
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<td>1401 Eastshore Hwy</td>
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<td>59-2341-5</td>
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<tr>
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<td>59-2345-7</td>
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<td>643 Camelia St</td>
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<tr>
<td>1311 Second St</td>
<td>59-2346-1</td>
</tr>
<tr>
<td>630 &amp; 640 Gilman St</td>
<td>59-2345-1</td>
</tr>
</tbody>
</table>
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.

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
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**

**Phase 1: Rezoning Project (this application)**
- Zoning map & text amendments (e.g., list uses, maximum floor area, maximum height)

**Phase 1: California Environmental Quality Act (City to initiate)**
- Environmental review of all CEQA topics (e.g., historic/cultural, transportation)

**Phase 2: Use Permit/Design Review Project (future application)**
- Individual building uses and floor area
- Architectural design

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 businesses economically, benefit the City government fiscally, and promotes the varied and interest character of the West Berkeley area. West Berkeley Plan, p. 34.
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.

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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.
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 Toxics 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 scare 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
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.

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.
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 unleasable 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.

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...
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.

**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.