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July 30, 2026

Hercules Planning Commission
City of Hercules
111 Civic Drive
Hercules, California 94547

Re: Conditional Use Permit Application CUP 26-02
1560 Sycamore Avenue, Hercules — Continued Hearing

Dear Chair and Members of the Planning Commission:

I write on behalf of Dollar Tree Stores, Inc. ("Dollar Tree") in connection with the continued hearing on its Conditional Use Permit application (CUP 26-02) for 1560 Sycamore Avenue. We appreciate the Commission's thoughtful consideration of this application and write to provide additional context that we believe will be helpful as the Commission prepares for the continued hearing.

Dollar Tree Is Committed to Community Participation

The July 20 hearing was conducted via Zoom. Government Code section 54953, subdivision (b)(1), permits remote participation equivalent to in-person attendance. Although Dollar Tree had six team members in attendance, technical difficulties prevented several from responding to Commissioner questions. The Commission continued the item, requesting in-person attendance.

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Dollar Tree heard the Commission's request and has taken it to heart. Dollar Tree has assembled a team—including company and property owner representatives—to attend the continued hearing in person. While a small number of colleagues will join remotely due to scheduling conflicts, a comprehensive team will be present to answer the Commission's questions directly. We hope this reflects Dollar Tree's genuine desire to engage with the Commission and to be a responsive member of the Hercules community.

Property Background and the Benefits of a Tenanted Building

Property owner Sevan Oungouljian has been an active member of the Hercules community for over 30 years. He developed the neighboring senior apartment building at 1550 Sycamore Avenue, which is home to more than 100 seniors. He purchased 1560 Sycamore Avenue with the goal of tenanting the building with a store that would benefit the adjacent senior residents and the broader Hercules community. Approval of this application would provide a particular benefit to the neighboring seniors. A conveniently located, value-priced retail store within walking distance offers these residents accessible, affordable options for everyday goods, and directly supports the property owner's decades-long commitment to the community.

The building at 1560 Sycamore Avenue has been vacant and actively marketed for over a year. During that time, Mr. Oungouljian has continuously maintained the property—undertaking weed removal, trash and graffiti cleanup, vandalism repair, and two significant illegal-dumping cleanups this year alone. Mr. Oungouljian has also installed surveillance cameras and a monitored security system on the building. He will continue to maintain surveillance and monitoring to prevent dumping, loitering or other such activities even after Dollar Tree occupies the building.

A leased and active building will only enhance Mr. Oungouljian's ongoing maintenance efforts. Freestanding pad buildings of this size are exceptionally difficult to lease in the current retail environment, as evidenced by national bankruptcies (Big Lots, Joann, Party City, Rite Aid) and Walgreens' continued downsizing. Dollar Tree is the only reputable tenant that has expressed interest in the space. Simply put, a tenanted, well-maintained



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retail building is demonstrably preferable to continued vacancy for the neighboring seniors and the community.

The Market Determines Tenancy

Dollar Tree recognizes that some community members may have hoped for a different tenant at this location. That is an understandable preference, but the market—not the City—determines tenancy, and Dollar Tree is the only reputable tenant that has expressed interest after a year of active marketing. The Commission’s role under the Zoning Ordinance is not to select among hypothetical tenants, but to evaluate the application against the objective findings required by HMC Section 13-50.300, based on the evidence in the record.

California law requires that applicants receive a fair hearing before unbiased decision-makers and that decisions be based on record evidence rather than on an applicant’s identity or perceived customer base. (Gov. Code, § 65008 [prohibiting discriminatory application of local zoning authority]; *Clark v. City of Hermosa Beach* (1996) 48 Cal.App.4th 1152, 1172 [“even the probability of unfairness is to be avoided”].)

With respect to whether Dollar Tree “fits” a community like Hercules, Dollar Tree is common and successful in higher-income communities throughout the Bay Area and beyond. Shoppers earning over \$100,000 are driving significant Dollar Tree growth, and more than a quarter of new Dollar Tree store openings last year were in ZIP codes with median household incomes exceeding \$100,000. Dollar Tree operates successfully in comparable communities such as San Carlos, San Mateo, Sunnyvale, Mountain View and Moraga—locations with household incomes well over \$100,000 per year. This is because shoppers of every income level and demographic value Dollar Tree’s convenient, everyday offerings—including greeting cards, craft and party supplies, and seasonal school and holiday items—regardless of household income.

Finally, although there are existing stores in Pinole approximately three miles away, Dollar Tree has determined that the market can support the Hercules location. Operational experience has taught Dollar Tree that stores can be spaced as closely as one mile apart



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under the right circumstances, considering road networks, traffic, topography, and population density. The closest existing East Bay stores are on average approximately 1.2 miles apart. This new Hercules location would be farther than that average from the closest store in Pinole and would provide Hercules residents a convenient shopping location that eliminates the need to drive on the freeway. Dollar Tree would not be seeking to lease this building if it were not confident the store would be successful.

Approving the Use Permit Benefits the Community

Dollar Tree proposes a general retail store within the existing approximately 12,115-square-foot building, involving interior tenant improvements only. The store would employ approximately 10 employees and be open to the public from 8:00 a.m. to 10:00 p.m. daily (operational activities like stocking may occur before or after these hours), consistent with typical neighborhood retail uses.

Trash and recycling would be served by a single 4-yard dumpster in the existing rear enclosure, which will be more than adequate. Waste produced at the store is anticipated to be no more than that of a single-family residence, and cardboard would be baled and stored inside until pickup ensuring there is no perceived exterior dumping.

Dollar Tree requests that the condition of approval related to deliveries not be limited to one delivery per week as currently proposed. During peak seasons or based on store performance two primary stock deliveries per week may be necessary (along with smaller deliveries of refrigerated or perishable items.)

Regarding safety and security, Dollar Tree maintains a comprehensive asset protection program including surveillance systems, incident investigation, and staff training on loss-prevention protocols. A concern was expressed at the July 20 hearing about student loitering. The nearest high school is approximately 1.2 miles away (roughly a 25-minute walk), making student loitering unlikely. Nonetheless, Dollar Tree will promptly address any loitering that occurs.



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If loitering becomes a problem, Dollar Tree's Operations and Loss Prevention departments, along with the property owner, will work collaboratively with the City to remedy the situation. If desired by the City, the property owner could place no-loitering signs outside the building as an additional deterrent. Dollar Tree does not want to, and does not anticipate needing to, burden local law enforcement. To that end, Dollar Tree is willing to designate a community point of contact so the City and residents can raise concerns directly with Dollar Tree—reinforcing Dollar Tree's commitment to a cooperative relationship with Hercules. Additionally, Fox Rothschild LLP, Dollar Tree's outside national real estate counsel for over 25 years, will be available if any issues arise and prides itself on long-term, good working relationships with cities, having never had a Dollar Tree use permit revoked.

Substantial Evidence Supports All Five Required Findings

The staff report confirms that substantial evidence supports each of the five findings required under HMC Section 13-50.300. The proposed use continues the established general retail character of the site. Dollar Tree will occupy an existing building formerly operated as a Rite Aid—a substantially similar use—through interior re-tenanting with no exterior modifications or site plan alterations. The use conforms with the Zoning Ordinance and Community Commercial district, where retail stores over 2,000 square feet are conditionally permitted under HMC Table 13-8.1.

Substantial evidence is evidence that is reasonable, credible, and of solid value, such that a reasonable trier of fact could make the finding. Speculation and unsubstantiated concerns—such as hypothetical security concerns and an unadopted plan for the "Sycamore commercial district"—do not constitute substantial evidence on which to deny or condition a permit. (*Krovoza v. City of Davis* (2025) 117 Cal.App.5th 623, 640.) What the record does support is that all five findings can be made and the permit approved.

Compatibility with surrounding uses is well established. Under General Plan Objective 13 and Policy 13A, the City's existing zoning for this site has already determined that general retail use is compatible with surrounding commercial and residential uses. Thus, the City's own General Plan and zoning framework has affirmatively determined that a general retail



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use of this scale at this site is compatible with adjoining properties and there are no adverse land use impacts.

Conclusion

For the foregoing reasons, Dollar Tree respectfully requests that the Planning Commission approve Conditional Use Permit CUP 26-02 at the continued hearing. The proposed use is a modest re-tenanting of an existing commercial building—the same type of general retail use that operated at this location for years—supported by substantial evidence satisfying each of the five required findings.

Dollar Tree looks forward to presenting its team at the continued hearing and to answering any questions the Commission may have. I would also welcome the opportunity to discuss any of these matters with staff or the Commission in advance of the hearing. Thank you for your continued consideration of this application.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Leigh F. Prince", with a long horizontal flourish extending to the right.

Leigh F. Prince

cc: City of Hercules Planning Department
Hercules City Attorney