



STAFF REPORT TO THE PLANNING COMMISSION

DATE: Regular Meeting of July 20, 2026

TO: Chair and Members of the Planning Commission

SUBMITTED BY: Timothy Rood, AICP, Community Development Director
Larissa Alchin, Contract Senior Planner

SUBJECT: Conditional Use Permit (CUP 26-02) for a Retail Store

APPLICANT: Dollar Tree Stores, Inc. – A&R Permits

LOCATION: 1560 Sycamore Avenue, Hercules, CA 94547 (APN: 407-020-035-9)

RECOMMENDED ACTION

That the Planning Commission:

1. Request planning staff present the staff report;
2. Open the public hearing;
3. Invite the applicant to make a presentation or statement;
4. Receive comments from the public;
5. Offer the applicant or their consultant team the opportunity to answer questions;
6. Close the public hearing;
7. Request clarification from staff or the applicant on any issues related to the project;
8. Find that the project is categorically exempt from CEQA review pursuant to Class 1 (Existing Facilities), California Code of Regulations, Title 14, Section 15301; and,
9. Approve Conditional Use Permit CUP 26-02, authorizing the operation of a general retail store at 1560 Sycamore Avenue, as proposed and modified by the Conditions of Approval (Attachment 2).

BACKGROUND

Dollar Tree Stores, Inc., through its agent A&R Permits ("Applicant"), proposes to occupy the existing, vacant approximately 12,115-square-foot commercial building at 1560 Sycamore Avenue, formerly occupied by Rite Aid. The project consists of a change of tenancy with interior tenant improvements only. No exterior building modifications, signage, or site plan changes are proposed as part of this application.

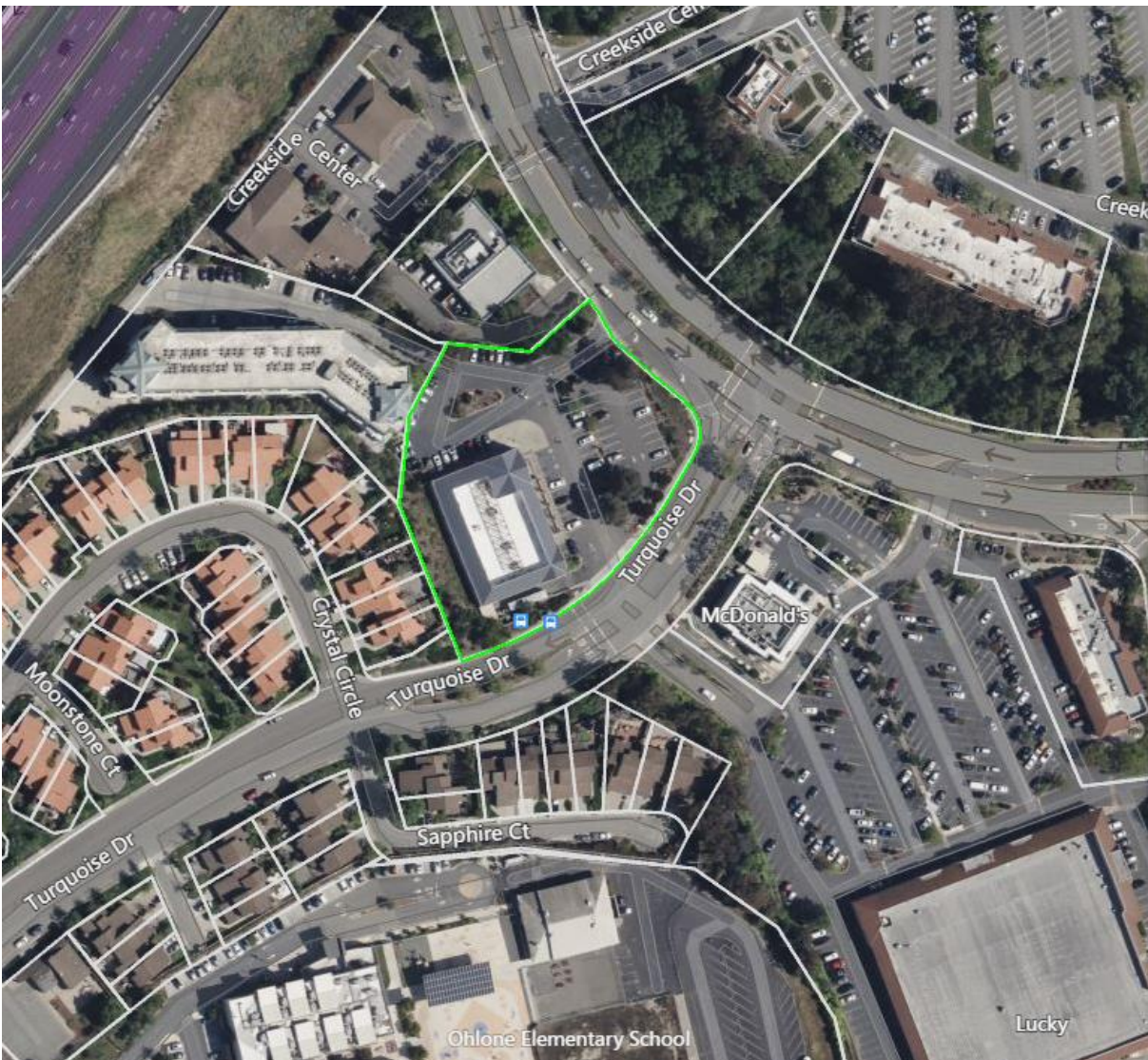
Retail stores exceeding 2,000 square feet are conditionally permitted in the Community Commercial (CC) district and require a Conditional Use Permit (CUP) approved by the Planning Commission (Hercules Municipal Code (HMC) Table 13-8.1). Because no exterior modifications or signage are proposed, a Design Review Permit is not required for this application; any signage proposed in the future is subject to a separate Administrative Design Review Permit. Staff has reviewed the application for compliance with the Hercules General Plan, HMC Chapter 13-8 (Commercial Districts), and Chapter 13-50 (Use Permits), and recommends approval.

Site and Setting

The approximately 1.65-acre subject property is located at 1560 Sycamore Avenue (APN: 407-020-035) and is developed with a one-story, approximately 12,115-square-foot retail building, surface parking, drive aisles, and landscaping. The site is adjacent to a multi-family residential development at 1550 Sycamore Avenue, which is held under the same ownership as the subject property. The two (2) properties are subject to a private shared parking and access easement. Surrounding uses along this segment of Sycamore Avenue are general commercial in character, consistent with the Community Commercial designation applied elsewhere along the corridor.

The building most recently operated as a Rite Aid pharmacy under a separate entitlement.

Figure 1: Project Aerial View



Source: City GIS 7/1/2026

Entitlement History

On February 9, 2026, the Community Development Director determined that the prior tenant, Rite Aid, had abandoned the tenant space, rendering the previously granted use permit for that tenancy abandoned pursuant to HMC Section 13-50.600(4). Notification of this determination was sent to the property owner as required by that section, triggering the applicable appeal period. No appeal was filed, and the abandonment became final; as a result, any new use at the site requires a new use permit.

Parking and Access Easement

The subject property and the adjacent 1550 Sycamore Avenue multi-family development share a private parking and access easement, and both properties are under common ownership.

PROJECT DESCRIPTION

Proposed Use and Operations

The Applicant proposes a general retail store selling variety merchandise. The use falls within the “Retail Stores of more than 2,000 square feet” classification, which is conditionally permitted in the CC district (HMC Section 13-8.400 and Table 13-8.1). No alcoholic beverages would be sold, and no manufacturing, processing, or industrial activities are proposed on site. Equipment would be limited to typical retail fixtures, shelving, point-of-sale systems, shopping carts, and standard equipment used for merchandise handling and store maintenance.

Proposed hours of operation are 8:00 AM to 10:00 PM, daily. The store would employ approximately 10 employees to support daily store operations, customer service, stocking, and management functions.

Scope of Physical Improvements

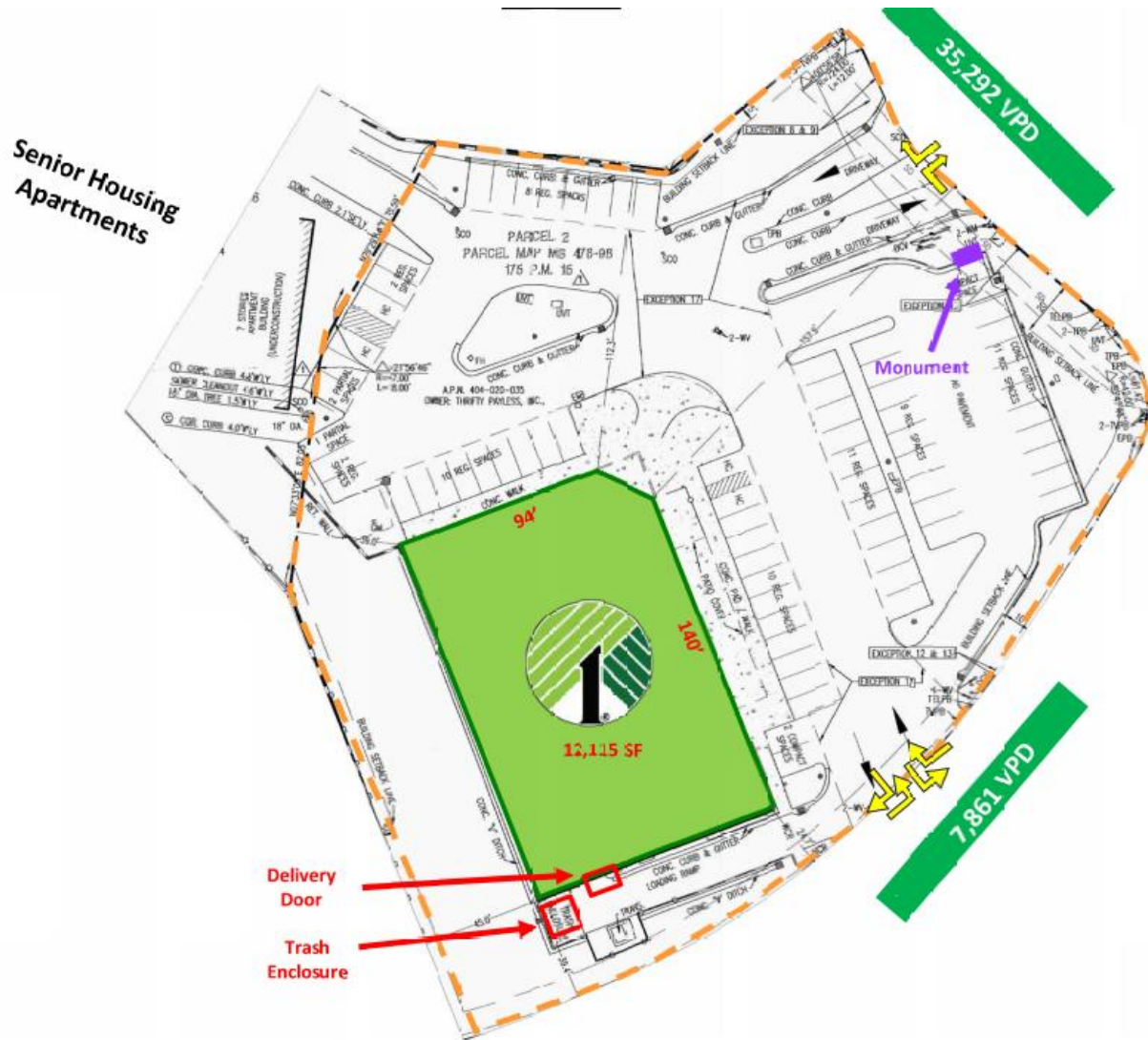
- Interior work is limited to tenant improvements, finishes, fixtures, freezer and cooler units, checkout stations, and an office and employee area, consistent with the submitted Floor Plans.
- No changes to the building footprint, exterior elevations, site layout, parking supply, landscaping, or grading are proposed.
- No signage is included as part of this application. Any future signage would be subject to a separate Administrative Design Review Permit pursuant to the Hercules Municipal Code.

Trash, Recycling, and Cardboard Handling

The Applicant has provided the following waste-handling plan:

- Cardboard would be managed using an on-site baler. Cardboard bales would be stored in a designated interior space within the store until pickup, rather than stored outdoors.
- Trash and organics would be served by one (1) 4-yard dumpster, to be placed within the existing dumpster enclosure located in the rear loading dock area.
- The pickup schedule for the dumpster has not yet been finalized by the waste hauler, pending the store becoming operational. The Applicant anticipates a weekly pickup, consistent with the once-weekly delivery schedule.
- No parking spaces would be used for waste collection, addressing the City's prior concern regarding the previous tenant's informal use of parking spaces for trash pickup.

Figure 3: Site Plan



Source: Project Plans

ANALYSIS

General Plan Consistency

The site is designated Community Commercial (CC) in the General Plan Land Use Element, which is intended to accommodate retail, office, and service uses serving residents and employees within the City. The proposed retail use is consistent with the following applicable objectives and policies:

Objective 2 / Policy 2A (balanced commercial development within designated intensity ranges). The proposed use would occupy an existing building within a CC-designated commercial center with no increase in building area or intensity. The project floor area ratio remains within the CC gross intensity range of 0.20 to 1.00.

Objective 2 / Policy 2B (provide a variety of shopping and service opportunities that reduce the need for residents to leave the community). The store would provide residents with an additional retail option offering accessible price points, expanding the range of goods available locally.

Objective 13 / Policy 13A (attain compatible land uses that minimize adverse impacts). The use would occupy an established commercial building within a fully developed shopping center with no new building mass or intensification. The Applicant's operational plan minimizes potential impacts on adjoining commercial properties and the senior housing use.

The proposed use is therefore consistent with the CC land use designation and the applicable General Plan objectives and policies.

Zoning Consistency – Community Commercial District (HMC Chapter 13-8)

Per HMC Table 13-8.1, retail stores of 2,000 square feet or less require an Administrative Use Permit (AUP), while retail stores exceeding 2,000 square feet require a Conditional Use Permit (CUP) approved by the Planning Commission. At 12,115 square feet, the proposed store requires a CUP. No changes to building footprint, floor area, setbacks, or parking are proposed, and all property development standards of HMC Chapter 13-8 and Table 13-8.200 would be maintained.

Parking (HMC Chapter 13-32)

HMC Table 13-32.1 requires retail stores/sales to provide 3.5 parking spaces per 1,000 square feet of gross leasable area. For the proposed 12,115-square-foot retail store, this results in a minimum requirement of 42 parking spaces.

The commercial building was developed with a total of 67 on-site parking spaces. A private recorded easement grants 16 of these spaces to the neighboring multi-family residential development, leaving 51 parking spaces available to serve the proposed retail use. Even after accounting for the easement, the 51 spaces available to the site exceed the 42-space minimum required under HMC Table 13-32.1 by nine (9) spaces, therefore providing compliance with the Municipal Code's parking requirement.

The proposed project does not remove, reconfigure, or reduce on-site parking. The use is a general retail tenancy comparable in type and intensity to the prior Rite Aid store, resulting in no increase in parking demand.

Conditional Use Permit Findings (HMC §13-50.300)

Per HMC Section 13-50.300, the Planning Commission may grant a conditional use permit only if all of the following findings are made. Staff's analysis of each finding is set forth below:

Finding 1 - HMC §13-50.300(1): "That the proposed use is consistent with the General Plan."

As discussed under General Plan Consistency, above, the proposed retail use is consistent with the Community Commercial land use designation. The site has long operated as general retail commercial, and the proposed use continues that established character. The finding can be made.

Finding 2 - HMC §13-50.300(2): “That the proposed location of the use conforms with the purposes of the Zoning Ordinance and the purposes of the district in which the site is located and will comply with the applicable provisions of the Zoning Ordinance.”

The CC district is intended to accommodate retail, office, and service uses serving City residents and employees, and general retail is a core conditionally permitted use type in the district. The project complies with the applicable provisions of the Zoning Ordinance: no changes to building footprint, floor area, setbacks, parking, or landscaping are proposed, and no signage is proposed under this application. Subject to the Conditions of Approval, the use complies with all applicable provisions of the Zoning Ordinance. The finding can be made.

Finding 3 - HMC §13-50.300(3): “That the location, size, design and operating characteristics of the proposed use will be compatible in design, scale, coverage and density with existing and anticipated adjacent uses.”

The proposed use occupies an existing retail building of unchanged size and scale, and surrounding uses along this segment of Sycamore Avenue are general commercial in character. The proposed waste-handling plan, including interior storage of cardboard bales pending pickup and a single dumpster located within the existing enclosure within the loading dock, is designed to avoid parking-space encroachment. The finding can be made.

Finding 4 - HMC §13-50.300(4): “There is adequate access, traffic, public utility, and public service capacity for the proposed use and surrounding existing and anticipated uses.”

The site is fully improved with existing access drives, surface parking, and utility connections that served the prior retail tenancy. Traffic generation would be comparable to the former Rite Aid use, as no floor area is added and the use classification is similar. Existing public streets, water, sewer, and dry utilities are adequate to serve the use. The finding can be made.

Finding 5 - HMC §13-50.300(5): “There are no potential, significant adverse environmental impacts that could not be feasibly mitigated and monitored.”

The project is a change of tenancy within an existing building on a developed commercial parcel, with minor interior improvements and no expansion of use or intensity. As discussed under Environmental Review below, the project is categorically exempt from CEQA as a Class 1 (Existing Facilities) project, and no unusual circumstances or exceptions to the exemption apply. No significant adverse environmental impacts would result. The finding can be made.

Environmental Review - CEQA Analysis

The project proposes a change of business tenancy within an existing commercial building with proposed minor interior improvements. No ground disturbance, expansion of building area, or change in use intensity is proposed.

The project is categorically exempt from CEQA pursuant to Class 1 (Existing Facilities), California Code of Regulations, Title 14, Section 15301, which exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures involving negligible or no expansion of existing or former use. No

unusual circumstances exist that would remove the project from this exemption, and none of the exceptions set forth in CEQA Guidelines Section 15300.2 apply. The Class 1 categorical exemption is appropriate for this project.

RECOMMENDATION

Based on the foregoing analysis, staff recommends that the Planning Commission:

1. Find that the project is categorically exempt from CEQA review pursuant to Class 1 (Existing Facilities), California Code of Regulations, Title 14, Section 15301; and
2. Approve Conditional Use Permit CUP 26-02, authorizing the operation of a general retail store (Dollar Tree) at 1560 Sycamore Avenue, as proposed and modified by the Conditions of Approval set forth in the Draft Resolution of Approval (Attachment 1).

ATTACHMENTS

Attachment 1 – Draft Resolution of Approval (CUP 26-02)

- Exhibit A – Conditions of Approval
- Exhibit B – Project Exhibits

Attachment 2 – Conditions of Approval

Attachment 3 – Project Exhibits:

- Statement of Operations
- Site Plan
- Floor Plans
- Parking Exhibit

Staff Presentation

Applicant Presentation