



Planning Department

TO: Chairperson and Members of the Planning Commission

FROM: Victor Carniglia, Planning Consultant
Holly Smyth, Planning Director

DATE: August 6, 2018 Planning Commission Meeting

SUBJECT: Hercules Self Storage, LP Design Review Permit #DRP 18-02 for a 7.1-acre site for the Willow Avenue Commercial Project consisting of: 1) Initial Study / Final Mitigated Negative Declaration / Mitigation Monitoring and Reporting Program (IS/MND/MMRP); 2) Zoning Text Amendment (#ZTA 18-04) to allow a “mini storage” (a.k.a., self-storage)” facility in the General Commercial (CG) Zone subject to Conditional Use Permit approval; 3) Development Agreement (#DA 18-01); 4) Conditional Use Permit (#CUP-18-01) for mini storage, car wash, and auto service uses; and 5) Design Review (#DRP 18-02) for the proposed self storage structures, site layout, conceptual auto service uses and landscaping at 1444 Willow Avenue east of the Willow Avenue/Palm Avenue intersection, Assessor Parcel Numbers 406-522-001 and 406-522-004.

1. RECOMMENDATION

That the Planning Commission receive a presentation from City staff, continue the public hearing, invite the applicant to make a presentation, receive any testimony from the public and the Commission, close the public hearing and consider adopting four resolutions recommending the City Council approval of various components of the project.

2. BACKGROUND

At the July 16, 2018 Planning Commission meeting the Commission received presentations from City staff, followed by presentations from the Environmental Consultant and the applicant. The Commission then opened the public hearing and heard testimony, including comments from the Fire Chief indicating that a number of Fire Department issues remained to be resolved. In the discussion that followed, the Commission asked questions of staff and the applicant, while providing direction on a number of project issues. The discussion concluded with the Commission continuing the public hearing to the August 6, 2018 Commission meeting. [Attachment 5](#) is a hyperlink to the entire staff report from the July 16, 2018 meeting, which contains a detailed description of the project and also highlights a number of key project issues and includes attachments to all draft environmental documents and appendices, fire district

comments, and initial drawings. The following is a summary of the key comments/direction provided by the Planning Commission at the July 16, 2018 hearing:

- A number of Commissioners indicated they were supportive of the proposed Zoning Text Amendment to add self storage to the list of uses allowed with a Conditional Use Permit in the General Commercial Zoning District.
- While Commissioners generally supported the architecture of the self storage facility, a number of Commissioners were concerned with the proposed color pallet, particularly the red hue proposed. The Commission requested that the applicant bring back on August 6, 2018 three distinct alternate color pallets for the self storage facility, so the Commission would have options to consider.
- The Commission requested that a grading exhibit be created for the August 6, 2018 Commission meeting that provided a three dimensional view of the project site depicting before and after grading conditions, as well as the location and height of proposed retaining walls. Concerns were also expressed by Commissioners over the height of several of the retaining walls, particularly the wall toward the rear of the site that is proposed to exceed 20 feet in height.
- There were a number of questions raised concerning the Development Agreement, including questions on the fiscal benefits to the City. After a short discussion, the Commission agreed that further discussion of the Development Agreement should wait until the August 6, 2018 Commission meeting.

3. PROJECT HISTORY AND PROJECT DESCRIPTION

A detailed discussion of the Project History leading up to the July 16, 2018 Planning Commission hearing is provided in the staff report and all its attachments that was prepared for that hearing, a copy of which is hyperlinked to this report ([see Attachment 5](#)). In addition, the July 16, 2018 staff report also provides an in depth Project Description. Rather than duplicating that information in this staff report, Commissioners can refer as needed to the earlier hyperlinked [July 16, 2018 staff report](#).

4. ANALYSIS:

In this section of the staff report the various actions/entitlements being requested as part of this project are identified and analyzed, with a focus on the addressing the various findings that need to be made by decision makers to approve or deny a specific entitlement:

A. Mitigated Negative Declaration:

The first action for the Commission to consider is the Mitigated Negative Declaration, action on which is necessary before making recommendations on the various project entitlements. As discussed by the environmental consultant at the July 16, 2018 Commission meeting, an environmental determination of Mitigated Negative Declaration (MND) was found to be appropriate to address the environmental implications of this project. The Draft MND was circulated for a 20 day comment period, which ended on July 12, 2018. The Planning Commission received a copy of this draft environmental document. A single comment letter

was received on the MND from a member of the church located across Willow Avenue, with concerns primarily over traffic and noise impacts. Enclosed in the packet (see Attachment 1-Exhibit A) is a finalized copy of the MND, referred to as the “Final MND”. This document differs from the earlier Draft MND version the Commission received, as the Final MND includes a copy of the comment letter along with a response to the comment received. In addition, a number of updates were made to the MND, primarily to ensure that the wording of the mitigation measures in the Final MND were consistent with the conditions of approval contained in the Conditional Use Permit #CUP 15-01 and Design Review Resolution #DRP 18-04.

There are no “findings” per se that are needed to act on the Final MND, other than the determination as spelled out in the attached Resolution (Attachment 1), that “the Final MND is appropriate to address the environmental impacts of the project.” This same Resolution also adopts the Mitigation Monitoring and Reporting Program (MMRP) that identifies the parties responsible for enforcing the Mitigation Measures and at what stage in the process. Lastly Exhibit B to Attachment 1 contains the one received comment letter on the MND that is being added to the previously provided Technical Appendices section of the MND.

B. Zoning Text Amendment #ZTA 18-01:

The project site is zoned General Commercial (GC). This designation allows a wide variety of commercial uses. Only “Warehouses and Storage Facility” directly related to the primary commercial use of a site is allowed currently in commercial district which is not the same as mini-storage or self storage. “Mini-storage” (a.k.a., “self storage”) uses are only currently allowed in the City’s Industrial (I) Zone (which no land currently has this designation) under “storage and mini storage” category with a Conditional Use Permit. The applicant is requesting the approval of a Zoning Text Amendment that would add “mini-storage” (a.k.a., “self storage”) as a use that could be considered under the General Commercial (CG) Zoning District, under subcategories “Commercial Uses”/ “Services and Offices” subject to the approval of a Conditional Use Permit by the Planning Commission. As mentioned at the July 16, 2018 hearing on this project, the proposed text change would apply to all land zoned General Commercial (CG) in the City, and not just the subject site.

Facts and Findings: The following are the findings that decision makers must make in order to change the zoning on a given piece of property, or as in this case, to amend the text of the City’s Zoning Ordinance:

Finding 1: The proposed amendment is consistent with the General Plan.

Fact 1: Adding self storage to the list of uses that can be considered with a Conditional Use Permit in the General Commercial Land Use Designation is consistent with the General Commercial General Plan Land Use designation, as that designation allows for “commercial uses that attract clientele from Hercules and adjacent communities and those using Highway 4 and I-80. Also, Land Use Objective 4 talks about “develop sufficient employment and commercial tax generating uses to maintain a positive City government fiscal condition.” With the developer proposed “municipal surcharge,” the mini-storage component of the

project will have a very positive revenue to the City, amounting to approximately \$200,000 annually.

Finding 2: The proposed amendment would not be detrimental to the health, safety, welfare, and public interest of the City.

Fact 2: The Mitigated Negative Declaration (MND) prepared for this project thoroughly evaluated the potential impacts of the proposed project and change to allow mini-storage / self storage in the General Commercial (CG) designation, and concluded that with mitigations included in the project, the change to the zoning to allow the mini-storage would not have a significant impact on the environment, and therefore would not be detrimental to the public health safety and welfare. Self storage use generates less than half the amount of traffic than “typical” commercial uses and minimal to no noise associated with storage, emissions associated with uses in an Industrial District, is a logical candidate for including within one of the City’s more intensive commercial designations. In addition, the City will retain Conditional Use Permit control over any mini-storage use seeking to locate in the General Commercial (CG) Zone.

Finding 3: The proposed amendment is internally consistent and does not conflict with the purposes, regulations and required findings of the Zoning Ordinance.

Fact 3: The proposed change to the text of the General Commercial Zone to allow Mini Storage (a.k.a., Self Storage) with a Conditional Use Permit will ensure that the City’s Zoning Ordinance will be internally consistent. Chapter 8 of the Zoning Ordinance discusses various specific purposes of the Commercial District. Under Section 8.100 (3) commercial uses are to “Encourage uses that bring additional revenues (retail sales, property tax) either directly or indirectly to the City”.

Under Section 8.100 (4) the purpose is to “Create a strong and successful focus or center for business and activities that would provide services, shopping opportunities which would attract employees, clients, and patrons from a regional area, while not disturbing existing residential and community oriented areas. Where appropriate, allow limited commercial uses in residential areas to promote access to services.” Due to the location of the project site residential areas are avoid and attraction of clients from the regional area is accomplished.

Under Section 8.100(5) the purpose is to “Encourage local and regional commercial uses that can benefit from substantial regional traffic on I-80, SR-4, and San Pablo Avenue.” Again, due to the project location, the project can benefit from regional traffic coming from SR-4.

The general purpose of the General Commercial is to have 1-2 story uses but allows taller building up to 3-stories in height so long as it does not adversely impact surrounding development. The project has been designed to put the taller 3- story building towards the back of the site furthest from Willow adjacent to the existing BNSF railroad line and places lower 1-story mini-storage and 2-story caretakers unit closer to Willow to minimize the visual impacts. Additionally, landscaping is being added around the perimeter to soften the view to all onsite buildings.

C. Development Agreement:

As the Commission is aware, a Development Agreement (DA) is a component of this project. A draft Resolution #18-16 is attached (see Attachment 3) in which the Planning Commission is recommending to the City Council approval of an ordinance adopting the Development Agreement. A copy of the proposed DA is attached (see Attachment 3-Exhibit A). State law requires the Planning Commission to review and provide a recommendation to City Council on a Development Agreement. The following are some of the key provisions contained in the DA:

- The term of the DA is 10 years. This functions as the time frame over which the developer needs to construct the project. When the Self Storage portion of the project is completed, the term of the DA automatically extends for another 5 years.
- The City is entitled to 10% of the gross revenue derived from the “Base Rent” of the Self Storage Facility. The terms “Base Rent” is defined in Section 3.1 of the DA. This obligation for the owner to pay the City 10% of the “Base Rent” does not expire as long as the site is actively used for self storage, and the City complies with the requirements of the DA.
- The DA contains a provision that states if another self storage facility is approved by the City, the City needs to negotiate an equivalent revenue arrangement with the developer of the new self storage facility. If the City does not comply with this stipulation, then the Hercules Self Storage no longer is obligated to give the City 10% of its Base revenue.

Determinations and Facts: The City’s Municipal Code in Chapter 8 contains an implementing ordinance addressing Development Agreements. This Code section contains a number of required determinations that need to be made for the City to act on a DA. These d are identified and discussed below:

DA Determination 1: Is the DA consistent with the objectives, policies, general land uses and programs specified in the General Plan and any applicable Specific Plan?

DA Fact 1: The DA facilitates the development of a mini-storage (a.k.a., self storage) use. With the zoning text amendment being processed concurrently, the self storage use will be allowed with a Conditional Use Permit in the applicable Zoning District, in this case “General Commercial”. Therefore, the use being considered under the DA will be consistent with the General Plan and Zoning as discussed in the Zoning Text Amendment section above.

Determination 2: Is the DA compatible with the uses authorized in and the regulation prescribed for the land use district in which the real property is located?

DA Fact 2: As just noted above in the previous finding, the DA as it is structured will be compatible with the land use and zoning district of “General Commercial” (CG) once the City Council approves the Zoning Text Amendment prior to executing the Development Agreement.

DA Determination 3: *Is the DA in conformity with public convenience, general welfare, and good land use practice?*

DA Fact 3: The DA will facilitate bringing a needed self storage facility to the region and the City, which is a use that is currently not represented in Hercules, thereby aiding public convenience. The location near a freeway entrance and exit, adjacent to a freight rail line, and separated from residential uses, reflects good land use practice for siting self storage and auto related uses without negatively impact residential uses.

DA Determination 4: *Will the DA be detrimental to the health, safety, and general welfare?*

DA Fact 4: The Mitigated Negative Declaration prepared for this project addressed in detail the potential impacts of the proposed uses, and with the proposed mitigations in the MND concluded there would be no impacts of significance.

DA Determination 5: *Will the DA adversely affect the orderly development of property or the preservation of property values.*

Fact 5: The site is currently vacant coupled with an extremely odd lot shape and unique grades, and the proposed mix of uses is logical and orderly given the proximity of the freeway, and the presence of the freight rail line which would negatively impact other more sensitive uses. The quality of architecture and design proposed should be supportive of property values in the area as discussed in the Design Review Section of this report and shown in the drawings contained in Attachment 4-Exhibit A.

D. Conditional Use Permit #CUP 18-01 and Design Review Permit #DRP 18-02

Draft Resolution 18-17 has been included (see Attachment 4) that recommends to the City Council approval of the Conditional Use Permit #CUP 18-01 and Design Review Permit #DRP 18-02. It is this resolution that contains the conditions of approval of the project, with a total of 67 conditions proposed. The proposed conditions are divided into Project Specific Conditions, and Standard conditions. Each condition is given a brief description in bold lettering to allow someone reviewing the conditions to more easily find a specific condition. In addition, a “legend” is provided that identifies which City department or other agency is responsible for ensuring a specific condition is implemented.

Conditional Use Permits: All of the automotive related uses proposed (the car wash, express lube, auto services building) and the vehicle rental associated with the self storage operation, require Conditional Use Permit approval,. In addition, the proposed mini-storage (a.k.a., self storage) use will also require a Conditional Use Permit, assuming the Zoning Text Amendment is adopted as proposed by .

Facts and Findings needed for CUP: A total of five findings are required for in order for the decision making body to approve a Conditional Use Permit. The following is a list of the required findings, along with a discussion the proposed project's compliance with the findings:

CUP Fact #1: That the proposed use is consistent with the General Plan.

CUP Finding #1: The proposed Use Permits requested for the car wash, express lube, automotive uses, and the mini-storage (a.k.a., self storage) are consistent with the General Commercial General Plan designation, and the goals and purposes of that General Plan designation, subject to the Zoning Text amendment. General Plan policies call for the development of a wide range of commercial uses to adequately serve the residents of the City. The proposed Willow Avenue Commercial center will address multiple commercial needs in the community that are currently either unserved or underserved. The proposed state of the art 850 unit self storage use will address the need for personal storage in the City that is currently unmet. The auto related uses will address a need that is currently under served.

The project is also consistent with the General Plan policy that encourage the development of commercial uses in close proximity to the freeways, Hwy 4 and I-80. The project will benefit from the enhanced access given its location in close proximity to Hwy 4. The provisions in the Development Agreement will ensure that the project is consistent with the goal in the General Plan concerning the need for fiscally sound development as discussed above.

CUP Fact #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.

CUP Finding #2: The automotive related uses proposed are currently allowed in the General Commercial Zoning District with the approval of a Conditional Use Permit. These automotive related uses, the car wash, express lube, and auto related retail/tire store, are all consistent with the "heavy commercial" nature of the General Commercial District as discussed above. The location of the project site near the freeway is much more appropriate for the type of uses proposed than a location surrounded by or in close proximity to sensitive residential uses.

The proposed self storage use requires a Zoning Text Amendment. The addition of the mini-storage (a.k.a., self storage) use, which will require a conditional use permit, is an appropriate fit for the heavier types of commercial/retail uses already allowed in the general Commercial Zoning District. The self storage use will have reduced impacts when compared to other commercial uses allowed with a Conditional Use Permit in the General Commercial Zoning District.

Based on a detailed analysis, the project complies with all of the various zoning requirements, including setbacks, lot size, building height etc. The self storage component also complies with the code section in the City's Zoning Ordinance that specifically regulates self storage uses.

CUP Fact #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.

CUP Finding #3: The City has reviewed the project plans to confirm that the project as proposed will function and operate correctly. The City has reviewed the design and architecture to ensure the proposed structures meet City design and architectural standards to ensure that the development is compatible with surrounding uses and structures. The buildings with the potential to generate noise are oriented in such a way so that the majority of the noise generated will be directed away from the sensitive church and school uses located immediately across the street. Information has been provided as part of the project review process that documents that the amount of traffic generated by the self storage use will be as much as 60% less than other commercial uses. Restriction on the hours of operation will help to ensure any potential noise impact on sensitive uses is minimized.

CUP Fact #4: There is adequate access, traffic, public utility, and public service capacity for the proposed use and surrounding existing and anticipated uses.

CUP Finding #4: The Mitigated Negative Declaration prepared with this project provided a detailed analysis of the capacity of the infrastructure system in the surrounding area, and concluded that sewer, water, and drainage systems could handle the outputs due to the project. The traffic analysis prepared as part of the MND determined that the surrounding road network could handle the project, with the condition that improvements to be made to the Willow/Palm intersection which have been made a requirement of the project. Based on the infrastructure analysis there are a number of options to address connecting the project to City sewer. While all the three options are viable, there are different costs and complications associated with each of the three approaches.

CUP Fact #5: There are no potential, significant adverse environmental impacts that could not be feasibly mitigated and monitored.

CUP Finding #5: The analysis prepared as part of the Mitigated Negative Declaration process, along with the required mitigation measures, ensure the project will not have a significant adverse impacts on the environment. A number of mitigation measures were

identified as part of the MND process that will be implemented through the projects Mitigation Monitoring and Reporting Program (MMRP). With the implementation of the mitigation measures as identified in the MMRP, all of the project's potentially significant impacts will be mitigated to a less than significant level.

Design Review Permit #DRP 18-02: Design Review approval is required for all new buildings and for the site layout, landscaping, fencing, and other site improvements. While as just noted the applicant is requesting Use Permit approval for all the auto related uses, concurrent Design Review approval is not being requested for the design/architecture of the buildings in which the auto related uses will locate. This situation is due to the dilemma facing the applicant as described at the July 16, 2018 Commission meeting, that a user/tenant for an automotive related use will not commit the time and expense necessary to prepare architectural drawings if there is uncertainty as to whether the automotive use in question will receive approval. The applicant understands that Design Review approval will be required in the future for the car wash, lube facility, and automotive services building.

Facts and Findings needed for Design Review: The findings required for Design Review Approval are identified and discussed below:

DRP Fact 1: The approval of the design review plan is in compliance with all provisions of this Chapter (meaning Chapter 42 of the Zoning Ordinance), pertinent provisions of Zoning Ordinance and applicable zoning and land use regulations, including but not limited to the Hercules General Plan as amended and any specific plan.

DRP Finding 1: The project, as currently proposed and designed, adheres to all applicable development standards of the General Commercial land use designation and Zoning Classification and would be consistent with such applicable policies as Policy 4a of the Land Use Element which is intended to “[e]ncourage local and regional commercial uses that can benefit from substantial regional traffic on I-80 and Highway 4 freeways.” The self storage and auto related uses will benefit from the close proximity to the freeway as such uses will draw from a larger regional area.. The City has reviewed the design and architecture to ensure the proposed structures meet City design and architectural standards so the development is compatible with surrounding uses and structures. The project meets or exceeds all the various zoning requirements, and fully complies with the provisions in the City’s Zoning Ordinance concerning self storage.

DRP Fact 2: The approval of the design review plan is in the best interests of the public health, safety, and general welfare.

DRP Finding 2: The proposed Willow Avenue Commercial Center would be in the best interest of the public health, safety, and general welfare of the surrounding vicinity and community of Hercules. Specifically, the self storage and automotive related uses would be located conveniently for Hercules residents who are currently underserved by both self storage and auto related uses The Land Use Element of the Hercules General Plan supports the development of a wide range of commercial uses to serve all the commercial needs of the

community. The project will make needed improvements to the Willow Avenue/Palm Avenue intersection, which will benefit the wider community.

The Project Site will be served by adequate infrastructure and utilities, including fire protection, sewer, water, and drainage, and adequate parking. Approval of this plan is in the best interest of the public health, safety, and general welfare and consistent with the development concepts for the General Commercial zone. The design of the self storage facility provides an attractive addition to the community. The project meets all the development requirements, which are in place to protect the public health, safety and welfare.

The Mitigated Negative Declaration prepared for the project assessed all the potential impacts of the project on the City and surrounding uses, and concluded that with the mitigation measures proposed with the project, that the project will not be detrimental to the public health, safety, and welfare.

DRP Fact 3: General site considerations, including site layout, open space and topography, orientation and location of buildings, vehicular access, circulation and parking, setbacks, height, walls, fences, public safety and similar elements have been designed to provide a desirable environment for the development.

DRP Finding 3: The project achieves balanced grading, creating a flat pad that can be effectively developed with commercial uses. Walls and fences facing the public right of way are required to be of a decorative design. The tallest and largest self storage building is located in the interior of the site to minimize its visual impact on Willow Avenue. The design of the entrance driveways has been so to line up with the Valley Bible church property's most north-easterly driveway as requested by staff and parking aisles meet City and requirements, and will provide safe and convenient access to the site.

DRP Fact 4: General architectural considerations, including the character, scale, and quality of the design, the architectural relationship with the site and other buildings, building materials, colors, screening of exterior appurtenances, exterior lighting and signing, and similar elements have been incorporated in order to insure the compatibility of this development with its design concept and the character of adjacent buildings.

DRP Finding 4: Staff has determined that the design of the self storage and auto related project is consistent and compatible with the neighboring uses, as the lower traffic generation will help to minimize any traffic impacts on the surrounding street system. The auto related building have been oriented so the noise producing uses, including the car wash and lube shop are oriented so the service bays do not face the existing church to the north or the residential uses to the south. The parking lot areas will be sufficiently illuminated for pedestrian and vehicular safety. As part of the Conditions of Approval the applicant will be required to develop and submit a Master Sign program for the auto related uses which will identify the overall design and location of all development signage and will assist with providing efficient way-finding from both off-site and within the site. The site layout has

been deliberately designed to place the less attractive self storage buildings in the northerly area of the property where they are less visible from public rights of way. Building colors and materials will be finalized by the Commission to provide an attractive development, while being compatible with the surrounding area.

DRP Fact 5: General landscape considerations, including the location, type, size, color, texture and coverage of plant materials at the time of planting and after a 5 year growth period, provision for irrigation, maintenance and protection of landscaped areas and similar elements have been considered to insure visual relief, to complement buildings and structures, and to provide an attractive environment for the enjoyment of the public.

DRP Finding 5: The landscape plan will provide a visually appealing development by providing landscaping along the entire Willow Avenue frontage. Conditions of approval ensure that the very visible Willow/Palm intersection will be landscaped down to the edge of existing pavement. An attractive combination of street trees, shrubs, and ground cover is proposed along the entire Willow Avenue frontage and is being conditions to include landscaping outside of the property within the existing right-of-way along Palm Avenue similar to the church property so there is not a blighted gap with an encroachment easement. The landscaping along will help to screen and soften the view of the car wash and express lube buildings that will be located on pads above Willow Avenue. Pavers are proposed to help to highlight and identify the driveway that leads into the project. The amount of landscaping proposed on site significantly exceeds the 10% minimum landscape requirement contained in the City's Zoning Ordinance. The landscaping plan will ensure that the site is attractively landscaped both at the time of planting and after a five year period.

5. ANALYSIS:

After holding the public hearing and deliberating, the Planning Commission should consider adopt the attached 4 draft Resolution making recommendations to the City Council on the various project application approvals individually in the order listed below:

- Final Initial Study/Mitigated Negative Declaration/Mitigation Monitoring & Reporting Program (IS/MND/MMRP)
- Zoning Text Amendment #ZTA 18-04
- Development Agreement #DA 18-01
- Conditional Use Permit #CUP 18-01 and Design Review Permit #DRP 18-02 with conditions

ATTACHMENTS

1. **Resolution 18-14** Recommending adoption of the Final IS /MND / MMRP
 - Att 1-Exhibit A of Reso 18-14: Final IS / MND / MMRP document dated August 1, 2018
 - Att 1-Exhibit B of Reso 18-14: Comment Letter on MND
2. **Resolution 18-15** Recommending adoption of the Zoning Text Amendment #ZTA 18-04
 - Att 2-Exhibit A of Reso 18-15: Draft City Council Ordinance approving #ZTA 18-04
3. **Resolution 18-16** Recommending adoption of the Development Agreement #DA 18-01
 - Att 3-Exhibit A of Reso 18-16: Draft Development Agreement
4. **Resolution 18-17** Recommending adoption of the Conditional Use Permit #CUP 18-01 & Design Review Permit #DRP 18-04 with conditions incorporated therein
5. [Hyperlink to July 16, 2018 Planning Commission Staff Report and its various attachments](#)