



PLANNING COMMISSION STAFF REPORT

MEETING DATE: August 19, 2019

TO: Members of the Planning Commission

SUBMITTED BY: Holly Smyth, AICP, Planning Director
Michele Rodriguez, Adjunct Planner

SUBJECT: Conditional Use Permit #19-02 application for Alphas Wheels & Tires LLC at 636 Alfred Nobel Drive, to operate a wheel rim warehouse and distribution business in a 4,590 square feet ground floor space with the potential of retail sales of associated product in approximately 2,000 square feet in a Planned Office-Research and Development Mixed-Use District (PO/RD).

APPLICANT: Yao Hua Zhu dba as Alphas Wheels & Tires, LLC.

1. RECOMMENDATION

That the Planning Commission hold a public hearing and consider approving Resolution #19-08 approving CUP 19-02 subject to the conditions therein.

2. PROJECT DESCRIPTION, RELEVANT HISTORY, AND SETTING

Project Description: The proposed Conditional Use Permit #19-02 is to operate a 4,590-square-foot ground floor wheel rim warehouse and distribution business with the option of retail sales of associated product in approximately 2,000 square feet in the North Shore Business Park. The applicant owns and operates an existing tire and wheel business in Hayward. The business owner has outgrown the Hayward building capacity so he recently purchased the Hercules building unit for additional warehousing, storage, and shipping and intends to keep the Hayward location open to handle service needs.

The building is located in the Planned Office-Research and Development Mixed-Use District (PD/RD), which allows “warehouse and distribution uses” with an approved conditional use permit.

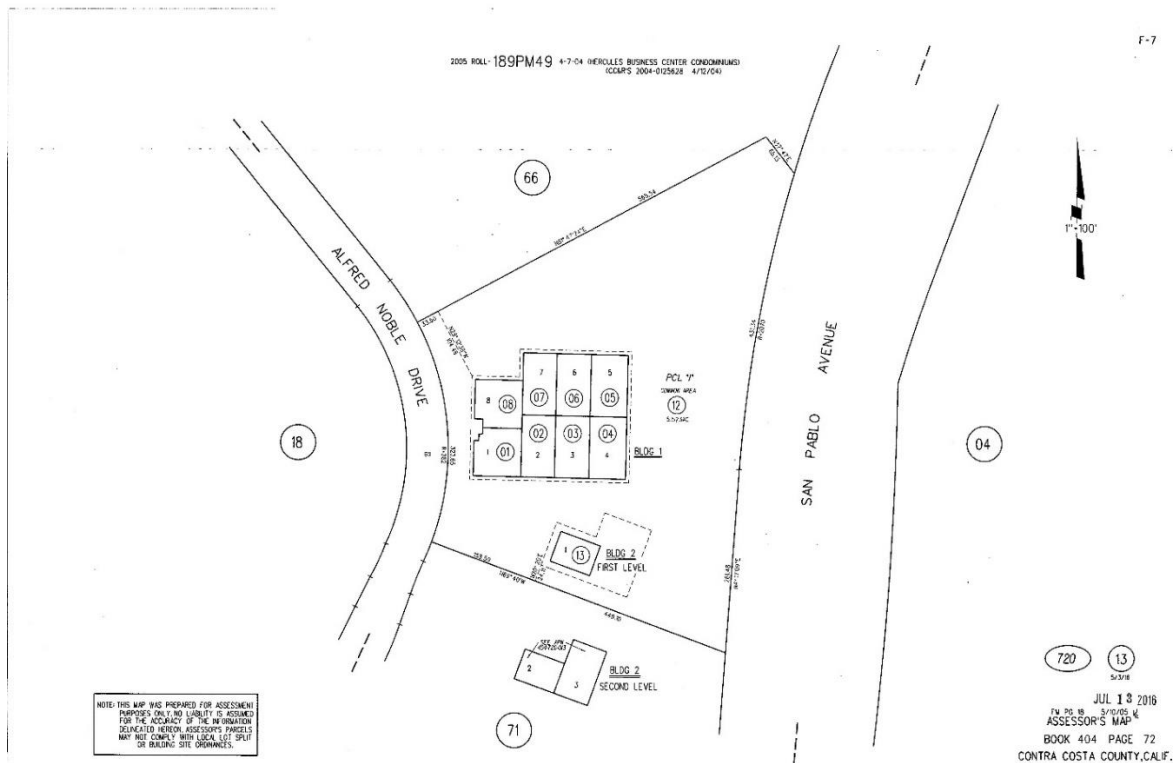
The business model for the Hercules location includes monthly shipment of wheels (tire rims) delivered by shipping container from China to Oakland. The shipping container is delivered to the Hayward location for unloading and storage. Wheels will be delivered monthly to the Hercules location via a 26’ truck which would back into the warehouse via the large sliding door without blocking the other tenant parking or common driveway aisles. Wheels would be unloaded using a hand-truck to be stored on the ground within the warehouse. The wheels are advertised for sale on a variety of websites such as Amazon, EBay or wholesale sites. Smaller shipping and delivery is anticipated to occur once per day via FedEx, or USPS.

In addition, the owner would like the potential of retail sales of associated product of up to 2,000 square feet. The land use regulations allow certain commercial uses, including retail sales of 2,000 square feet or less subject, to administrative approval. The previous use had retail sales of motorcycle clothing and accessories in the front portion of the building we no record of complaints associated to this portion of the business use. There is no expected direct impact from the retail sales to adjacent uses because the primarily business emphasis is on rims, and retail sales are secondary and incidental to occur when during normal business hours of Monday–Friday, 8:00 a.m.–5:00 p.m. (closed on weekends). There is no tire storage, sales or tire / wheel balancing proposed in Hercules and therefore noise will be kept to a minimum.

The applicant may consider applying in the future for administrative approval of a small portion of the building to be used as a retail store for the rims and car accessories (excluding the rubber tires) similar to what the prior motorcycle business tenant conducted new storefront signage.

Background: In 1984 Subdivision #6212 was created forming the North Shore Business Park which has it's own CC & R's dated August 21, 1984, which gives the Major Developer, Bio-Rad, approving authority for land uses that are not clearly allowed by the CC&Rs, signage, and building improvements for this site as well as the entire Business Park. In reviewing the Business Park CC&Rs "Regulation of Uses" section, permitted Uses include "Storage, warehouse, and distribution uses without any caveats (which is slightly different than the City's zoning code provisions). Bio-Rad has provided its letter of approval for the proposed business.

Later a condo map was filed separating out 13 Assessor's parcels with 2 buildings and a common area serving the grouping. A 5.52 common parking, drive access, and landscape area exists and is owned by the Hercules Business Center Association. The proposed use is located at 636 Alfred Noble Drive which is within Building 1 which contains 8 contiguous spaces individually owned by different parties (with the applicant owning lot 4). Building 2 contains 1 business space (fitness center) on the southerly portion of the shared site. The former use within lot 4 was California Sport Touring, a motorcycle parts and accessories sales and repair shop which contained a retail display area, order counter, restrooms, warehouse/ work area for repairs to component parts on the ground floor and additional office space on the 2nd floor.



Existing Setting. The shared parcel area is bordered on the east by San Pablo Avenue and on the west with access from Alfred Nobel Drive. Located to the north and south existing multi-tenant business park buildings. As mentioned above the shared site contains two buildings with a variety of uses, with the proposed business located on the southeast portion of the approximate 30,000-square-foot building. The business contains approximately 4,590 square feet of ground floor area with a warehouse, restroom, and office/ potential retail sales area and approximately 500 square feet of 2nd floor mezzanine space. The existing shared site is fully developed with drive ingress and egress, more than 10% required landscaping and approximately 121 parking spaces (107 exterior parking spaces and 14 interior parking spaces under the fitness center) plus 5 handicapped stalls with 5 loading zones for the ADA spots.. Because the business site shares a common parking area, many of the units have assigned number of parking spaces with the ownership of their business location. When the project applicant purchased their unit it included eight dedicated parking spaces. According to 13-32.300 Municipal Code, parking requirements for “unspecified uses” are 1/employee and 3 employees being proposed with the business with little to no foot traffic the 8 spaces are considered adequate parking for the proposed use. Should the applicant wish to incorporate a retail section as part of the business, parking for “large hard goods) is 2.5 per 1,000 square feet and would therefore allow up to 2,000 square feet of retail space to be used.

As a side note, across from this proposed business unit is a gym which has its peak hours generally experienced after 5:00p, and they tend to occupy this units 8 parking spaces. Because the business hours are anticipated to be closed after 5:00p this is not anticipated to be a concern.

3. PROCESS

According to the Hercules General Plan, the land use designation is Planned Office/R&D (PO/RD). This land use category is intended to provide areas of adequate size and access to support development of a wide variety of employment-oriented business and enterprise complexes. Warehouse, distribution, or wholesale uses may be appropriate in these areas, if they serve or are essential to businesses in Hercules.

Chapter 13-16.400 of the Hercules Municipal Code, PO/RD Planned Office-Research and Development Mixed-Use District, allows warehouse and distribution uses within the district that generate low volumes of traffic, and can be shown to be compatible with permitted uses pending approval of a conditional use permit. Chapter 13-50 Use Permits, includes the requirement that Planning Commission has authority to approve, deny, or conditionally approve the proposed use subject to required findings.

Because the project is subject to discretionary review, Sections 13-40.700 and 13-44.200 of the Municipal Code (the “Mailing Lists and Address Labels” and the “Hearings, Appeals, and Judicial Review” sections) require that the City hold a noticed public hearing and notify all property owners within 300-ft. of the project property. Therefore, public hearing notices were mailed to property owners and tenants within 300 feet of the subject site, posted at City sites, and then published in the West County Times regarding the Planning Commission’s public hearing of this Use Permit request at least 10 days prior to the hearing.

4. ENVIRONMENTAL DETERMINATION

Staff has determined that the proposed use is Categorically Exempt according to Section 15301, “Existing Facilities,” of the California Environmental Quality Act (CEQA). As defined under CEQA, “existing facilities” include:

“....the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination. The types of ‘existing facilities’ itemized below are not intended to be all-inclusive of the types of projects which might fall within Class 1. The key consideration is whether the project involves negligible or no expansion of an existing use. Examples include but are not limited to:

(a) Interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances...”

5. REQUIRED FINDINGS

Section 13-50.300 of the Municipal Code allows the Planning Commission to grant an application for a use permit only if certain findings are made. Below are the required five (5) findings with supporting facts:

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

The General Plan Land Use Map designates the project property as Planned Office/R&D (PO/RD). The original Planned Development Plan included provisions for adequate sewer capacity, access to public streets, adequate parking, landscaping, and architectural guidelines. The proposed use within an existing building for a wheel warehouse and distribution business may be appropriate if the use can meet the following objectives and policies of the City's Land Use Element of the General Plan:

- a. "This [Planned Office/R&D] land use category is intended to accommodate employment-oriented business and enterprise complexes, including warehouse, distribution, or wholesale uses if they serve or are essential to businesses in Hercules. Wheels are an essential compliment to employment, and distribution in the City of Hercules, and is consistent with the intent of this land use designation.
- b. *Land Use Element, Objective 3: Ensure the provision of services needed to support growth that balances jobs, commercial, and housing opportunities, page II-13*
"Create a focus for business that would provide services which would attract patrons from a regional area, while not disturbing existing residential and community oriented areas."
Land Use Element Policy 3D, page II-14
- c. "Emphasize employment-generating development which is lagging behind residential development."
Land Use Element Policy No. 2C, page II-13
- d. "Encourage uses that bring additional revenues (retail sales, property taxes) either directly or indirectly to the City."
Land Use Element Policy 4B, page II-15.
- e. "Develop sufficient employment and commercial tax generating uses to maintain a positive City government fiscal condition."
Land Use Element Objective No. 4, page II-15

Finding 2: 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 City of Hercules Zoning Ordinance ("PO/RD" Planned Office-Research and Development mixed-Use District); Section 13-16 of the Hercules Municipal Code) defines what uses are allowed through either an Administrative Use or Conditional Use Permit (those that are not listed are not allowed). Table 13-16.1, "Land Use Regulations: PO/RD," requires a conditional use permit (CUP) for warehouse, distribution, and storage facilities related to the primary use. Retail sales of 2,000 square foot or less requires an Administrative Use Permit, which has been merged with this application for decision. Specific findings are required for the Planning Commission to grant a conditional use permit. Section 13-16.100 Specific purposes of the PO/RD district (3) to allow warehouse, distribution, and wholesale uses within this district if they directly serve or are essential to businesses in Hercules. Wheels are considered essential to businesses in Hercules to conduct economic development tasks.

A condition of approval is being included in the proposed approving resolution that the business will need to meet all Performance Standards contained in Section 13-31.300 of the Hercules Municipal Code Zoning section (which includes provisions on noise, storage, equipment and the like) as well as the Building code at all times.

Finding 3: *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 use will be conducted entirely within the existing building. Marketing of wheels (meaning the alloy rims not the rubber tires) on E-Bay, Amazon, and their own website. Orders will be received from the internet or by phone. Distribution of orders once per day will occur via FedEx, or United States Postal Service. The business does not conduct wheel repair or assembly of wheels and tires, and therefore has no waste tires for hazardous materials. There is on-site storage of wheels for sale. The goal for wheel sales is 1000 per month. They will have up to four employees working daily. The proposed use is equal to, or less than, the amount of activity allowed in this zoning district in terms of number of employees or users including library, daycare facilities, banks, business services, restaurant, deli, light manufacturing use. No physical changes or improvements to the existing unit are proposed, however the building department will need to verify that the existing 2nd floor space and bathroom were properly permitted to meet code

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

The currently vacant unit already has all utilities and services necessary for the business to operate, including access from Alfred Nobel Dr. which is a city street with curbs, gutters, and sidewalks. The project site is fully served with underground utilities, including existing water, sanitary sewer, gas, and electrical services, and no additional services are required to be provided.

Finding 5: *There are no potential, significant adverse environmental impacts that could not be feasible mitigated and monitored.*

The proposed business is Categorically Exempt per Section 15301 of the California Environmental Quality Act as discussed above.

6. ISSUES FOR PLANNING COMMISSION'S CONSIDERATION

Based on the above report, staff has prepared a draft resolution for Planning Commission's consideration. In voting to approve, modify, or deny the application for CUP #19-02, the Planning Commission should consider if the use satisfies the required findings with facts listed above and is appropriate for the Northshore Business Park and compatible with the requirement that they directly serve or are essential to businesses in Hercules. Additionally, Commission should consider if the conditions of approval included in the draft resolution are adequate to ensure that the proposed use is compatible with the zoning or if conditions need to be added or modified.

7. ATTACHMENTS:

Attachment 1 – Draft Resolution 19-08 approving Conditional Use Permit #19-02 with conditions of approval contained therein

Figure 1: Project Vicinity and Location (636 Alfred Nobel Drive)

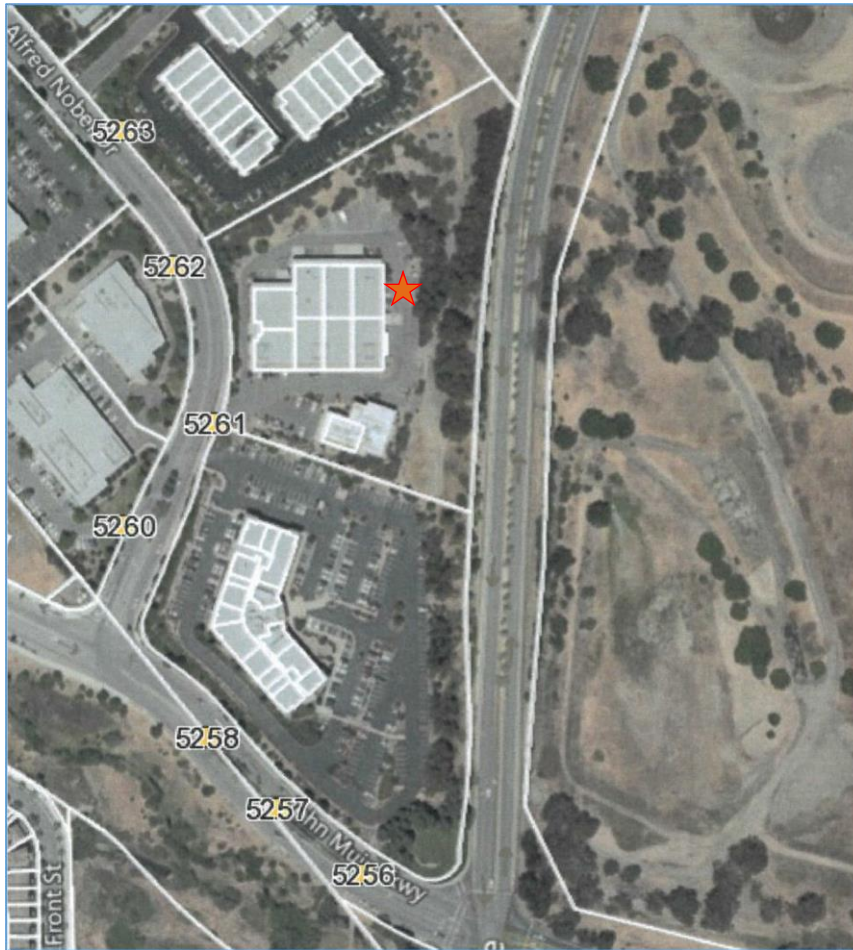


Figure 2: Existing Frontage of 636 Alfred Nobel Drive



Figure

3:

Existing to Remain Interior for Alphas Wheels & Tires

