

**CITY OF MERCED**  
**Planning Commission**

**Resolution #4129**

**WHEREAS**, the Merced City Planning Commission at its regular meeting of March 20, 2024, held a public hearing and considered **General Plan Amendment #23-05, Zone Change #434, and Establishment of Planned Development (P-D) #81**, initiated by Unite Security Company, LLC, on behalf of Nicholas Mary Lee, Trustee, property owner for the property located at 470 E. Olive Avenue. The General Plan Amendment would change the General Plan land use designation from Low-Medium Density Residential (LMD) to Business Park (BP). The Zone Change would allow the Establishment of the Planned Development to change the land use from Low Medium Density Residential (R-2) to “Self-Storage.” The approximate 3.50-acre subject site is generally located on the south side of E. Olive Avenue, approximately 500 feet west of Oleander Avenue. The subject site is more particularly described as “Parcel 1” as shown on the map entitled “Parcel Map for Fred Walker, JR.” recorded in Book 29, Page 40, in Merced County Records; also known as a portion of Assessor’s Parcel Number (APN) 007-050-009; and,

**WHEREAS**, the Merced City Planning Commission concurs with Findings/Considerations A through I of Staff Report #24-256 as modified and additional Finding J (Modified Exhibit B of Planning Commission Resolution #4129); and,

**WHEREAS**, the Merced City Planning Commission concurs with the Findings as modified for Planned Development (P-D) Zoning Districts in Merced Municipal Code Section 20.20.020 (J) (Modified Exhibit B); and,

**NOW THEREFORE**, after reviewing the City’s Initial Study and Draft Environmental Determination, and fully discussing all the issues, the Merced City Planning Commission does resolve to hereby recommend to City Council ~~adoption~~ denial of a Mitigated Negative Declaration and Mitigation Monitoring Program regarding Environmental Review #23-45, and recommend ~~approval~~ denial of General Plan Amendment #23-05, Zone Change #434, and Establishment of Planned Development (P-D) #81, ~~subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.~~

Upon motion by Commissioner Camper, seconded by Commissioner Delgadillo, and carried by the following vote:

AYES: Commissioner Gonzalez, Smith, Thao, Ochoa,  
Camper, Delgadillo, and Chairperson Harris

NOES: None

ABSENT: None

ABSTAIN: None

ATTACHMENT A

PLANNING COMMISSION RESOLUTION #4129

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April 3, 2024

Adopted this 3<sup>rd</sup> day of April 2024

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Chairperson, Planning Commission of  
the City of Merced, California

ATTEST:

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Secretary

Exhibits:

Exhibit A – Conditions of Approval--Deleted

Exhibit B – Findings/Considerations--Modified

Exhibit C – Mitigation Monitoring Program--Deleted

**Modified Findings and Considerations Per Planning Commission Action (4/3/24)**  
**Planning Commission Resolution #4129**  
**General Plan Amendment #23-05**  
**Zone Change #434**  
**Establishment of Planned Development (P-D) #81**

**FINDINGS/CONSIDERATIONS:**

**General Plan Compliance and Policies Related to This Application**

- A) If the General Plan Amendment is approved, the proposed project would comply with the General Plan land use designation of Business Park (BP), which allows parking facilities as a principally permitted use and self-storage facilities with a Site Plan Review permit. The project would also comply with the Zoning classification of Planned Development (P-D) #81 with the change in land use designation from Low Medium Density Residential to Self-Storage.

The proposed project, with conditions of approval, will help achieve the following General Plan land use policies:

**Policy L-3.2: Encourage Infill Development and a Compact Urban Form**

The proposed project would develop an approximate 3.50-acre site that has been vacant for decades. Developing this site addresses some maintenance issues associated with undeveloped parcels, such as overgrown weeds (fire hazard), vandalism, and loitering which could impact neighboring parcels. In addition, infill development is an efficient use of development that utilizes existing infrastructure within City limits as opposed to annexing land that requires expanding City infrastructure and services.

**General Plan Amendment - Findings**

- B) Chapter 20.82 (General Plan Amendments) outlines procedures for considering General Plan Amendments, but does not require any specific findings to be made for approval. However, Planning practice would be to provide objective reasons for approval or denial. These findings can take whatever form deemed appropriate by the Planning Commission and City Council. Based on State law and case law, the following findings are recommended:

*1. The proposed amendment is deemed to be in the public interest.*

The proposed amendment is not deemed to be in the public interest because it would convert land available for housing to a commercial use. will provide employment, and storage options so that residential properties are not overcrowded with personal items resulting in blight from items stored outside.

2. *The proposed amendment is consistent and compatible with the rest of the General Plan and any implementation programs that may be affected.*

As shown under Finding A, the proposal meets some of the General Plan Goals and Policies regarding promoting infill developments. The proposed project would comply with the General Plan designation of Business Park (BP) if the General Plan Amendment is approved, but the Planning Commission is recommending denial.

3. *The potential impacts of the proposed amendment have been assessed and have been determined not to be detrimental to the public health, safety, or welfare.*

The proposed project does not include any uses that would be detrimental to the public health, safety, and welfare of the City. Implementation of the conditions of approval and adherence to all applicable Building Codes, Fire Codes, and City Standards would prevent the project from having any detrimental effect on the health, safety, and welfare of the City as a whole. However, the proposed amendment would result in the loss of land available for housing. ~~the surrounding uses could be impacted by the development, therefore, conditions are included to minimize any possible impacts.~~

4. *The proposed amendment has been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act (CEQA).*

The proposed General Plan Amendment has been processed in accordance with all applicable California Government Code sections. In addition, Planning staff has conducted an environmental review (#23-45) of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Mitigated Negative Declaration (see Attachment J of Planning Commission Staff Report #24-256) has been recommended.

### **Zoning Code Compliance for Planned Development Establishments**

- C) Per Merced Municipal Code Section 20.20.20 (J) Planned Development (P-D) Zoning Districts, an application for Planned Development Establishment or Revision with an accompanying Preliminary Site Utilization Plan can only be approved if the following findings can be made, but the Planning Commission is recommending denial.

1. *The proposed development is consistent with the goals, policies, and actions of the General Plan and any applicable specific plan and community plan.*

The proposed Planned Development would change the land use designation for the approximately 3.50-acre subject site from Low Medium Density Residential (LMD) to Self-Storage. This use would be consistent with the General Plan if General Plan Amendment #23-05 is approved. As described in Finding A above, the project would help achieve Land Use Policy L-3.2 by encourage in-fill development.

2. *The site for the proposed development is adequate in size and shape to accommodate proposed land uses.*

The project site is approximately 3.50 acres and would be used for 681 storage units and 74 long-term parking spaces for boats and recreational vehicles. The storage facility is similar in size to other existing storage facilities in the community (Simply Space Self Storage, Central Self Storage, Cal Storage, etc.) so it is considered adequate in size and shape to accommodate the proposed land uses.

3. *The site for the proposed development has adequate access considering the limitations of existing and planned streets and highways.*

The proposal would have adequate access to existing and planned streets and highways. The proposed development would have access to E. Olive Avenue through a driveway along the northern property line. No additional driveways are proposed. The project does not require the construction of additional streets. However, because the vehicles coming to the site could cause a stacking problem on E. Olive Avenue, a condition requiring sufficient stacking space for vehicles to prevent stacking onto E. Olive Avenue is recommended along with possibly widening the driveway along E. Olive Avenue (refer to Conditions #12 and #32 of Planning Commission Resolution #4130 for the Conditional Use Permit #1276, Site Plan Review Permit #538, and Minor Use Permit #24-02 at Attachment B of Planning Commission Staff Report #24-256). However, the Planning Commission expressed concerns about the increased traffic, especially with large vehicles, in a residential neighborhood.

4. *Adequate public services exist or will be provided to serve the proposed development.*

City utilities such as water and sewer main lines as well as storm drain lines are directly available to the north at E. Olive Avenue. These lines are adequate to serve the project.

5. *The proposed development will not have a substantial adverse effect on surrounding property, will be compatible with the existing and planned*

*land use character of the surrounding area, and will enhance the desirability of the area and have a beneficial effect.*

There may be some temporary impacts such as vibration, noise, and dust during construction. ~~but as described under Finding F—Neighborhood Impact, the proposed development would not have a substantial adverse effect on surrounding property, will be compatible with the existing and character of the surrounding area, and will enhance the desirability of the area and have a beneficial effect.~~

6. *The proposed development carries out the intent of the Planned Development zoning district by providing a more efficient use of the land and an excellence of site design greater than that which could be achieved through the application of established zoning standards.*

The proposed development provides efficient use of land optimizing the property by proposing a zero-lot line development with no setbacks along the eastern, western, and southern property lines. This is attainable through specific development standards proposed as part of the Establishment of Planned Development (P-D) #81. These standards are provided at Attachment I of Planning Commission Staff Report #24-256.

7. *Each individual unit of the proposed development, in each phase as well as the total development, can exist as an independent unit capable of creating a good environment in the locality and being in any stage as desirable and stable as the total development.*

The proposed development consists of a self-storage facility along the northern portion of the property. The southern portion of the parcel would have long-term parking for boat and recreational vehicles. This self-storage facility and long-term parking lot could remain independent, capable of creating a good environment in the locality and being in any stage as desirable and stable as the total development.

8. *Any deviation from the standard ordinance requirements is warranted by the design and additional amenities incorporated in the development plan, which offer certain unusual redeeming features to compensate for any deviations that may be permitted.*

As shown on Attachment G of Staff Report #24-256 the proposal includes decorative block building walls along the western and eastern property lines that include a mixture of color finishes that go beyond a standard concrete masonry unit wall.

9. *The principles incorporated in the proposed development plan indicate certain unique or unusual features, which could not otherwise be achieved under the other zoning district.*

The proposed use would allow development of the entire parcel, and not just the northern portion. By allowing a deviation in the setback requirements, the proposed development is able to provide long-term vehicle parking and use an attractive design and color palette for the buildings on the northern portion of the site. Without the deviation in the setback requirement, the development would not be able to provide sufficient storage spaces to make the development feasible. This could lead to the site remaining empty and susceptible to blight.

An Establishment of Planned Development would allow this development to deviate from the standard zoning requirements, allowing the project to move forward in a more streamlined approach. Planned Developments were specifically designed to allow such unique designs.

### **Planned Development Standards**

- D) Specific development standards are typically established within a Planned Development. The applicant could propose a standard City Zoning classification; however, by proposing a Planned Development, the developer has the opportunity to request unique development standards that deviate from the City's typical requirements. Through the Establishment of a Planned Development, the developer has requested a reduction in the number of parking spaces required, a reduction in interior and exterior yard setbacks, and the use of an alternate material for the boat and recreational vehicle parking surface (refer to Attachment I) and are shown below.

**DEVELOPMENT STANDARDS FOR OLIVE AVENUE SELF-STORAGE &  
BOAT/RV LONG TERM PARKING FACILITY**

	<b>P-D #81</b>
Exterior yard/front setbacks for all primary and secondary structures (from north property lines)	<b>15-Feet</b>
Interior yard/side and rear setbacks for all primary and secondary structures (from east, west, and south property lines)	<b>Zero-Lot Line</b>
Boat & RV Parking Surface	<b>Gravel</b>
Off-Street parking for Self-Storage and Boat/RV Long Term Parking Facility	<b>5 parking stalls</b>

The parking reduction would allow the development to provide 5 parking spaces for customers and employees instead of 20 spaces as required by the Zoning Ordinance (refer to the Site Plan at Attachment E).

The applicant is also requesting a mostly Zero Lot Line development with no setbacks for the side or rear property lines, and a minimum 15-foot-setback from the front property line along E. Olive Avenue. For the recreational vehicle/boat parking surface area, the applicant is requesting that the drive aisles be finished with an impervious surface and that the parking stalls be made out gravel or similar surface rather than typical pavement or other type of impervious surface. However, given concerns with gravel and dust pollution and oil contamination, staff is including Condition #33 prohibiting the use of gravel and requiring an impervious surface as approved by the City Engineer.

### **Traffic/Circulation**

- E) The proposed development includes a self-storage facility with approximately 681 storage units, and a long-term boat and recreational vehicle parking facility with approximately 74 spaces on an approximately 3.50-acre vacant parcel at 470 E. Olive Avenue within northeast Merced. The project site fronts an arterial road (E. Olive Avenue). Vehicle access would be available from a driveway along E. Olive Avenue. The nearest major north-south roads being G Street (arterial road) and Parsons Avenue (arterial road) are designed to carry large volumes of traffic traveling throughout the community. G Street provides access to Highway 99 that connects Merced with other regional communities throughout the State.



## Vehicle Miles Traveled

The Office of Planning and Research (OPR) advisory suggests that the Vehicle-Miles Traveled (VMT) contribution of small projects need not be considered significant. OPR suggests that agencies can find projects generating fewer than 110 vehicles trips a day to be less than significant. The proposed self-storage project is comprised of land uses estimated to generate 90 vehicle trips per day. As this trip generation estimate falls below the 110 daily trip threshold identified by OPR, the proposed project qualifies as a “small project” that can be assumed to have a less than significant impact on regional VMT.

## Improvements

The development does not require the construction of any streets. Staff is of the opinion that the existing streets can adequately serve the development. Given the loading/unloading of storage facilities and the long-term boat and recreational vehicle parking spaces, staff anticipates that large trucks and vehicles will be entering and existing the site. To prevent these large vehicles from stacking onto E. Olive Avenue and creating traffic congestion, staff is requiring that the developer work with a traffic engineer to determine the sufficient distance for vehicle stacking space to enter the site (Condition #12 of Planning Commission Resolution #4130 – Attachment B of Planning Commission Staff Report #24-256). This may require making minor modifications to the site plan that would need to be reviewed and approved by the Director of Development Services. The Planning Commission expressed concern over the increase in commercial vehicle traffic, especially larger vehicles, in a residential neighborhood.

## Neighborhood Impact

- F) The uses surrounding the subject site include Burbank Park to the west, Luther Burbank Elementary School to the south, Christian Life Center to the east, and single-family homes to the north across E. Olive Avenue. The subject site is designated Low Medium Residential (LMD) as a lower impact land use designation that is compatible with the surrounding uses. ~~Even though the applicant is proposing a General Plan designation of Business Park, the proposed use of self-storage and boat/RV parking is expected to produce less traffic than the existing surrounding uses of a school, park, and religious facility; thus, would not significantly alter the traffic patterns throughout the neighborhood.~~

Even though the subject site is surrounded by residential zones, there are no actual single or multi-family homes adjacent to the subject site. There is buffer of approximately 175 feet between the subject site and the homes to the west (with a park in between), and approximately 375 feet between the subject site and the

homes to the east (with a church in between). To create additional compatibility with the surrounding sites to help reduce concerns regarding noise, lighting, and privacy, there are conditions found in Planning Commission Resolution #4130 requiring the parking lot lights and building lights be shielded so that lighting does not “spill-over” to adjacent parcels (Conditions #24), controlling hours of operation to allow operation only between 7 a.m. and 10 p.m. (Condition #26), and prohibit dwelling within storage facilities or within any recreational vehicle or boats parked onsite (Condition #27). In addition, the 12-to 14-foot-tall block walls along portions of the eastern and western property lines should reduce noise and privacy concerns.

Public hearing notices were sent to all property owners within 300 feet of the project site. At the time that this report was prepared, the City had not received any comments regarding this project. However, one resident spoke in opposition to the project at the April 3, 2024, Planning Commission public hearing.

The Planning Commission voted to recommend denial of the project due to concerns about increased commercial traffic with large vehicles in a residential area and the loss of land available for housing. Overall, the Planning Commission indicated that the site was better suited for housing (even higher density) than a self-storage facility.

### **Affordability Requirements**

- G) In 2023, the City Council updated the City’s Reginal Housing Needs Allocation Unit Production Plan. A housing affordability requirement is triggered by two qualifiers that need to be met: entitlement type and number of units created. For single-family residential developments, the affordability requirement is triggered by a legislative action agreement (through annexations, general plan amendments, site utilization plan revisions, or zone changes) for projects with over 60 single-family homes (multi-family residential projects are exempt). The proposed singular (1) live/work unit for the manager of the self-storage facility is exempt from having to provide affordable units, as even though the proposal does require a legislative action agreement, it contains less than the number of units needed to trigger the affordability requirement.

### **Housing Opportunity**

- H) As noted under Finding A, the subject site is currently zoned Low Medium Density Residential (R-2). As such, zoning at this location currently allows for single-family homes and duplexes at a density of 6-12 residential units per acre. Thus, by changing the land use designation to Business Park, the site loses the potential of having up to 40 residential units constructed at its current designation.

The subject site is not part of the City's current Housing Element Cycle, but it has been identified in the Draft Multi-Jurisdiction Housing Element as a site that could potentially be rezoned for higher density in order to meet the City's Regional Housing Need Allocation (RHNA) obligations for the 2024 Housing Element cycle. If the site were to be rezoned to High Density Residential (R-4), it would qualify for 24 to 36 dwelling units per acre, allowing a maximum of 126 dwelling units. The City's RHNA plan has a built-in contingency to provide more units than the City's RHNA requirement, so the City should still be able to meet its housing obligation without this site; but since the other required rezones have not yet been considered, that cannot be guaranteed.

Should the rezone not be approved, staff believes this site would be a good site for upzoning to high-density residential given that the site fronts a major arterial road (E. Olive Avenue), and its close proximity to multiple shopping centers within 750 feet of the site, along with the adjacent park, and school. The Planning Commission cited the loss of land for housing and the suitability of this site for housing as reasons for recommending denial.

### **Environmental Clearance**

- I) Infill projects over 5 acres or projects that don't comply with Zoning/General Plan designations require an Initial Study, per the California Environmental Quality Act (CEQA). In this case, the project is under 5 acres (at 3.50 acres), but the site is not consistent with Zoning or the General Plan requiring an Initial Study. An Initial Study includes a wide range of analysis required by the State covering an array of subjects including, but not limited to, impacts on vehicle miles traveled, air quality, biological resource, public services, cultural resources, and City utilities. Planning staff has conducted an environmental review of the project in accordance with the requirements of CEQA, and concluded that Environmental Review #23-45 results in a Mitigated Negative Declaration as the proposal would have an effect on the environment, but could be mitigated with certain measures (Attachments J and K of Planning Commission Staff Report #24-256) and does not require the preparation of an Environmental Impact Report. A copy of the Initial Study with a Mitigated Negative Declaration can be found at Attachment J of Planning Commission Staff Report #24-256.
- J) Added Finding J: On April 3, 2024, after holding a duly noticed public hearing, the Planning Commission voted unanimously (7-0) to recommend denial of the General Plan Amendment, Zone Change, and Planned Development Establishment due to concerns about the loss of land available for housing; traffic concerns, especially with large vehicles; neighborhood compatibility; and the site being better suited for housing than a self-storage facility.