

**CITY OF MERCED**  
**Planning & Permitting Division**

**STAFF REPORT:** #15-10-Addendum

**AGENDA ITEM:** 4.3

**FROM:** Kim Espinosa,  
Planning Manager

**PLANNING COMMISSION**  
**MEETING DATE:** May 6, 2015  
(Continued from April 8, 2015)

**PREPARED BY:** Julie Nelson,  
Associate Planner

**CITY COUNCIL**  
**MEETING DATE:** July 6, 2015  
(tentatively)

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**SUBJECT:** **General Plan Amendment #14-06 and Zone Change #421**, initiated by Golden Valley Engineering, on behalf of Merced Holdings, LP, property owner. This application is a request to change the General Plan and Zoning designations for two parcels totaling 5.42 acres located at the southeast corner of Yosemite Avenue and McKee Road. The requested change is to amend the General Plan designation from Low Density Residential (LD) to Neighborhood Commercial (CN) and to change the Zoning designation from R-1-6 to Neighborhood Commercial (C-N) to allow the future construction of an approximately 62,000-square-foot shopping center. \*PUBLIC HEARING\*

**ACTION:** PLANNING COMMISSION:

Recommendation to City Council

- 1) Environmental Review #14-32 (Mitigated Negative Declaration)
- 2) General Plan Amendment #14-06
- 3) Zone Change #421

CITY COUNCIL:

Approve/Disapprove/Modify

- 1) Environmental Review #14-32 (Mitigated Negative Declaration)
- 2) General Plan Amendment #14-06
- 3) Zone Change #421

**SUMMARY**

The project site is located at the southeast corner of Yosemite Avenue and McKee Road (Attachment A). The site is comprised of two parcels totaling 5.42 acres. The property is currently zoned for single-family residential uses (R-1-6). Currently, a single-family dwelling exists on each parcel (Attachment B). These dwellings are currently vacant and in a state of disrepair. The applicant is requesting a change to the General Plan designation from Low Density Residential (LD) to Neighborhood Commercial (CN) and a change to the zoning from R-1-6 to Neighborhood Commercial (C-N) (Attachment C). If approved, the property owner plans to construct an approximately 62,000 square-foot shopping center. A preliminary site plan can be found at Attachment D. A second site plan (Option #2) is provided at Attachment E.

This site plan changes the access to Yosemite Avenue by eliminating a service road shown on Option #1 and extending Whitewater Way through to Yosemite Avenue. More details regarding these options is found later in this report.

The Merced 2030 General Plan defines the Neighborhood Commercial (CN) designation as follows:

To provide sites for retail shopping areas, primarily in shopping centers, containing a wide variety of businesses including retail stores, eating and drinking establishments, commercial recreation, auto services, etc., to serve residential neighborhoods.

Uses allowed as “permitted uses” within a Neighborhood Commercial (C-N) zone include, retail stores, barber and beauty shops, professional offices, restaurants (not including entertainment or dancing or sale of alcohol – alcohol could be allowed with a Conditional Use Permit), licensed massage establishments, tanning salons, and nail salons.

Conditional Uses allowed within a C-N zone include an auto service station, carwash, fast-food restaurants, convenience market with gasoline sales, restaurant or café which includes the sale of alcoholic beverages for on-site consumption, and retail businesses of 20,000 square feet or less selling alcoholic beverages for off-site consumption. A complete listing of all permitted and conditional uses as well as additional information on the Neighborhood Commercial zone is found at Attachment F.

Staff has reviewed this request and is recommending approval of the requested General Plan Amendment and Zone Change subject to the Findings and Conditions included in this report. However, staff has not made a recommendation regarding the site plan (Option #1 or Option #2). Staff feels both plans have merit, but there are also concerns with each. Therefore, staff is asking the Planning Commission to include in any motion for approval the site plan they wish to recommend to the City Council. It should be noted that Condition #21 has been added since the Planning Commission meeting on April 6, 2015 to address requirements of the San Joaquin Valley Air Pollution Control District.

## **RECOMMENDATION**

Planning staff recommends that the Planning Commission recommend approval of Environmental Review #14-32 (Mitigated Negative Declaration), General Plan Amendment #14-06, and Zone Change #421 (including the adoption of the Resolution at Attachment Q), subject to the following conditions:

- \*1) The General Plan and Zoning designations shall be changed as shown on the map at Attachment C of Planning Commission Staff Report #15-10.
- \*2) The Site Plan for the future shopping center shall substantially comply with the Site Plan at either Attachment D (Option #1) or Attachment F (Option #2) of Planning Commission Staff Report #15-10. *(The Planning Commission should identify in any motion which site plan option they are recommending.)*
- \*3) The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.

- \*4) All other applicable codes, ordinances, policies, etc., adopted by the City of Merced shall apply.
- \*5) Approval of the General Plan Amendment and Zone Change is subject to the applicant's entering into a written (developer) agreement that they agree to all the conditions and shall pay all City and school district fees, taxes, and/or assessments, in effect on the date of any subsequent subdivision and/or permit approval, any increase in those fees, taxes, or assessments, and any new fees, taxes, or assessments, which are in effect at the time the building permits are issued, which may include public facilities impact fees, a regional traffic impact fee, Mello-Roos taxes—whether for infrastructure, services, or any other activity or project authorized by the Mello-Roos law, etc. Payment shall be made for each phase at the time of building permit issuance for such phase unless an Ordinance or other requirement of the City requires payment of such fees, taxes, and or assessments at an earlier or subsequent time. Said agreement to be approved by the City Council prior to the adoption of the ordinance, resolution, or minute action.
- \*6) The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend, and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend (with counsel selected by the City) such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.
- \*7) The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control.
- \*8) Community Facilities District (CFD) formation is required for annual operating costs for police and fire services as well as storm drainage, any public landscaping, street trees, street lights, parks and open space. CFD procedures shall be initiated before final building permit approval for the first phase of construction. Developer/Owner shall submit a request agreeing to such a procedure, waiving right to protest and post deposit as

determined by the City Engineer to be sufficient to cover procedure costs and maintenance costs expected prior to first assessments being received.

- \*9) In accordance with Merced Municipal Code (MMC) Section 20.52 – Interface Regulations, a Conditional Use Permit shall be required prior to the construction of all buildings.
- \*10) The project shall comply with all mitigation measures outlined in Mitigation Monitoring Program for Expanded Initial Study #02-27 for General Plan Amendment #02-02 and Annexation/Pre-zone #02-02 [Attachment G and Exhibit C of the Planning Commission Resolution (Attachment Q)].
- \*11) The project shall comply with all mitigation measures outlined in the Mitigation Monitoring Program for Initial Study #14-32 for this application [Attachment H and Exhibit B of the Planning Commission Resolution (Attachment Q)].
- \*12) All signs shall comply with the North Merced Sign Ordinance and Section 20.22 (Neighborhood Commercial Zone) of the City’s Zoning Ordinance.
- \*13) The applicant shall construct all missing improvements along the property frontage on Yosemite Avenue and McKee Road, including but not limited to, sidewalk, curb, gutter, street lights, and street trees.
- \*14) All necessary right-of-way along the property frontage (Yosemite Avenue and McKee Road) needed for public improvements shall be dedicated prior to the issuance of a building permit.
- \*15) Appropriate turning radii shall be provided within the parking areas to allow for Fire Department and refuse truck access. Details to be worked out at the Conditional Use Permit stage.
- \*16) Parking lot trees shall be installed per the City’s Parking Lot Landscape Standards. Trees shall be a minimum of 15-gallons, and be of a type that provides a 30-foot minimum canopy at maturity (trees shall be selected from the City’s approved tree list). Trees shall be installed at a ratio of at least one tree for each six parking spaces. Details to be worked out at the Conditional Use Permit stage.
- \*17) If the property is split into multiple parcels, owners shall be required to record joint access and parking easements allowing free vehicular access and parking between parcels. Such easements shall be recorded as part of any parcel map or conditional use permit approval.
- \*18) A minimum 6-foot high concrete block wall shall be installed along the southern property line. The height of the wall could be increased, not to exceed 8-feet tall, if written verification is provided from the adjacent property owner approving the increased height. A minimum one-foot wide landscaping area shall be provided to allow for the planting of vines or other appropriate landscape material. Details to be worked out at the Conditional Use Permit stage.

- 19) All future development shall comply with the Low Impact Development (LID) standards adopted by the state and all requirements of Merced Municipal Code Chapter 15.50 – Storm Water Management and Discharge Control.
- 20) Pedestrian access between buildings and to the public sidewalk shall be provided. This may be done through the use of special paving or other markings to indicate the pedestrian path of travel and shall be provided with each phase of construction. Details shall be worked out at the Conditional Use Permit stage.
- 21) Prior to issuance of the first grading/building permit, the applicant shall demonstrate compliance with San Joaquin Valley Air Pollution Control District Rule 9510 to the Planning Department. Changes to the site plan resulting from compliance with Rule 9510 are subject to review by City Staff or the Planning Commission, as determined by the Director of Development Services.

(\*) Denotes non-discretionary conditions.

### **PROJECT DESCRIPTION**

The applicant is requesting to change the General Plan and Zoning designations for two parcels totaling 5.42-acres located at the southeast corner of Yosemite Avenue and McKee Road (Attachment A). The parcels are currently designated as Low Density (LD) Residential in the General Plan and are zoned R-1-6. The requested change would amend the General Plan and Zoning designations to Neighborhood Commercial (CN). This change would allow the future construction of an approximately 62,000-square-foot shopping center (Attachments D and E).

#### Surrounding Uses (Attachment A)

<b>Surrounding Land</b>	<b>Existing Use of Land</b>	<b>City Zoning Designation</b>	<b>City General Plan Land Use Designation</b>
North	Single-Family Residential/Church/School (across Yosemite Avenue)	County	Rural Residential (RR)
South	Single-Family Residential	R-1-6	Low Density Residential (LD)
East	Single-Family Residential	RP-D #52	Low Density Residential (LD)
West	Single-Family Residential (across McKee Road)	R-1-6	Low Density Residential (LD)

### **BACKGROUND**

The project site was annexed to the City in 2003 as part of the Hunt Farms Annexation. There are two existing homes on the site (one on each parcel). These homes have been vacant for quite some time and are in a state of disrepair. In addition to the homes, there are some accessory structures on the site. Both the homes and the accessory structures would be demolished prior to construction of the future shopping center.

### **PLANNING COMMISSION MEETING APRIL 8, 2015**

On April 8, 2015, the Planning Commission held a duly noticed public hearing regarding this project. At that time, there were four people who spoke in opposition to the project. They cited concerns with increased traffic and some of the different types of uses that could be allowed especially uses selling alcohol or a mini-market type use. It was suggested that due to the high volume of traffic on McKee Road, a left-turn lane into the shopping center should be added. There were also comments regarding the difficulty with making u-turns on Yosemite Avenue at Hatch Road and Perch Lane/Via Moraga Avenue.

Don Borgwardt spoke on behalf of Yosemite Church. Mr. Borgwardt indicated the improvements to the church site which include moving the eastern driveway on Yosemite Avenue to align with McKee Road and having a new driveway entrance off Hatch Road would be at least 10 years away.

Prior to the Planning Commission meeting, staff received a letter from Jack and Sharon Lesch regarding this project (Attachment P). Mr. and Mrs. Lesch are not opposed to the project, but support site plan Option 1 (not having Whitewater Way connect to Yosemite Avenue).

Due to the fact that two Planning Commission members were absent from this meeting and there is one vacancy on the Commission, the Planning Commission voted 4-0 to continue this item to the Planning Commission meeting of May 6, 2015, to allow the full Commission to make a decision on this item.

### **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 designation of Neighborhood Commercial (CN) and the zoning designation of Neighborhood Commercial (C-N).

General Plan "Land Use" goals and policies that relate to this proposal include:

Land Use Policy – L-2.1 Encourage further development of appropriate commercial and industrial uses throughout the City.

Land Use Policy – L-2.1a Designate adequate amounts of commercial and industrial land to serve the City's employment needs through 2015 and beyond.

Urban Expansion Policy – UE 1.2.a

Encourage development on in-fill sites by amending the Zoning and Subdivision Ordinances to better accommodate such requests.

#### **Traffic/Circulation**

- B) The project site is located at the southeast corner of Yosemite Avenue and McKee Road. Yosemite Avenue, east of Parsons, is designated as a "Special Street Section" in the *Merced Vision 2030 General Plan*. As such, the ultimate right-of-way for this road is 94 feet. McKee Road is a Collector Road with an ultimate right of way of 74 feet. The project would have access from Yosemite Avenue, McKee Road, and Whitewater Way (a local road). The change to the General Plan and Zoning designations would not in and of

itself affect the traffic in the area. However, the future construction of the shopping center would impact the traffic flow. Therefore, a traffic study was required to analyze the potential impacts caused by the future construction of the shopping center. Below is information regarding the proposed shopping center design and results of the traffic study (Attachment I).

#### Yosemite Avenue Access

The primary access on Yosemite Avenue would be a driveway that is located approximately 320 feet east of the intersection of Yosemite Avenue and McKee Road (Attachments D and E). This driveway would provide right in/right out access only. A median currently exists in Yosemite Avenue along the project frontage.

The applicant has provided two options for a second access on Yosemite Avenue near the eastern edge of the property. Option #1 includes access to a one-way only service road to allow vehicles to enter the site and go southbound. The service road would then turn to the west and go behind Building 1 and exit onto McKee Road (refer to the site plan at Attachment D). This option maintains the current roadway design within the Moraga Subdivision to the east of the project site (Attachment J).

Option #2 would be to extend and open Whitewater Way to Yosemite allowing right turns off of Yosemite and then a right turn into the site from Whitewater Way. See the site plan at Attachment E. This option would change the current roadway design within the Moraga subdivision allowing right-turn only access into the subdivision from Yosemite Avenue at Whitewater Way.

#### McKee Road Access

The primary access on McKee Road would be through a driveway located approximately 195 feet south of the intersection of Yosemite Avenue and McKee Road. This driveway would allow both left and right turning movements. The service road exit is located approximately 85 feet south of the primary driveway on McKee Road. This would be an exit only driveway, but would allow both left and right turns onto McKee Road.

#### Whitewater Way Access

Access from Whitewater Way would be located approximately 195 feet south of Yosemite Avenue and would align with the driveway entrance on McKee Road. The location of this entrance would not be significantly changed whether the site was developed with Option #1 (a service road off of Yosemite Avenue) or Option #2 (extending and opening Whitewater Way to Yosemite Avenue).

A neighborhood center should provide access into the adjacent neighborhood. However, consideration should be given to other traffic entering the neighborhood. With the service road option (Option #1), any traffic leaving the center via Whitewater Way would have to either go east on Explorador Drive to Via Moraga and exit onto Yosemite Avenue at the traffic signal located at Via Moraga and Yosemite Avenue or go south on Whitewater Way through the subdivision to Silverstone Drive and exit onto McKee Road.

Option #2 would provide an exit onto Yosemite Avenue from Whitewater Way. Although, vehicles would be limited to a right turn only onto Yosemite, a u-turn could be made at the traffic signal located at Via Moraga and Yosemite Avenue (approximately 0.2 miles from the shopping center exit). The map located at Attachment K shows the traffic flow for both options. The Planning Commission should indicate in any recommendation for approval which site plan option they prefer.

C) Trip Generation

The future construction of the shopping center would add approximately 62,000 square feet of retail shopping and associate parking to the project site. The project site consists of two parcels that total 5.42 acres with access on Yosemite Avenue and McKee Road.

A Traffic Impact Analysis Report was prepared by TJKM Transportation Consultants (Attachment I). The following table identifies the Average Daily Trips and Peak Hour Trips expected to be generated by the construction of the future shopping center.

**Proposed Project Trip Generation**

<b>Average Daily Trips (ADT's)</b>	<b>A.M. Peak Hour Trips (PHT's)</b>	<b>P.M. Peak Hour Trips (PHT's)</b>
2,647	60	230
<b>Less Passer-By Trip Reductions (35%)</b>		
1,721	39	150
Source: Trip Generation (9 <sup>th</sup> Edition), Institute of Transportation Engineers (2012)		

Level of Service

*Merced Vision 2030 General Plan*, Policy T-1.8, establishes an acceptable Level of Service (LOS) of “D” for intersection and roadway operations. The traffic study identified the Level of Service for the following roadways and intersections:

*Intersections:*

- Yosemite Avenue and Parsons Avenue
- Yosemite Avenue and McKee Road
- Yosemite Avenue and Hatch Road
- McKee Road and Olive Avenue

*Roadways:*

- Yosemite Avenue between Parsons Avenue and McKee Road
- McKee Road between Yosemite Avenue and Silverado Avenue

The study analyzed the Level of Service for the following scenarios:

- Existing Conditions
- Existing Conditions, plus Project Conditions



- Existing Conditions, plus Project Conditions, plus Other Approved Projects in the Area
- Cumulative Year 2035 No Project Conditions
- Cumulative Year 2035, plus Project Conditions

Under all the scenarios, all intersections and roadways operate at an acceptable Level of Service (LOS “D” or better), with the exception of the intersection of Yosemite Avenue and Parsons Avenue. This intersection is currently operating at an LOS E and remains at LOS E under the existing plus project conditions. However, it falls to LOS F under the other scenarios. Details of the Level of Service analysis may be found on pages 10-27 of the Traffic Impact Analysis at Attachment I.

Based on the traffic analysis, the 24-hour volume for Yosemite Avenue is 7,081 trips and 4,263 trips on McKee Road. Both roadways currently operate at an LOS C. With the addition of the project traffic, the 24-hour volume increases to 7,942 on Yosemite Avenue and maintains an LOS C. The 24-hour volume increases to 4,607 trips on McKee Road, but continues to operate at an LOS C.

Because the level of service at the intersection of Parsons and Yosemite Avenues would deteriorate from LOS E to LOS F under the Cumulative 2035 scenario, mitigation is recommended for this intersection to raise the level of service back to an LOS D.

The intersection of Olive Avenue and McKee Road would also decrease from LOS C to LOS F under the Cumulative 2035 scenario. Mitigation measures are also recommended for this intersection which would bring the level of service back to an LOS C.

It should be noted that a traffic signal is planned for this intersection in the future. The cost of the signal would be the responsibility of the City of Merced. The traffic analysis determined that this intersection meets the Manual on Uniform Traffic Control Devices (MUTCD) warrants for traffic signals. However, the traffic analysis recommends that prior to installation of a traffic signal, the remaining MUTCD warrants be conducted to determine if the need exists for a traffic signal at this time. Because the cost of the traffic signal would be borne by the City, it was determined that the recommended mitigation identified in Initial Study #14-21 was more feasible at this time.

**Mitigation Measures:**

- O-1) The westbound lane of Yosemite Avenue at Parsons Avenue shall be modified to accommodate an additional 200-foot shared thru/right turn lane. In addition, the existing shared left/thru/right lane shall be restriped to be a shared left/thru lane (refer to the map at Attachment L). (The Traffic Analysis recommended an additional 100 foot lane be installed. The City Engineer recommends the length of the lane be increased to 200 feet.).

-or-

The applicant shall be required to pay for their proportionate share of the above improvement as determined by the City Engineer.

The Development Services Director and City Engineer would determine which option above would be appropriate prior to the issuance of a building permit for the construction of the future shopping center.

- O-2) The following modifications to the intersection of Olive Avenue and McKee Road shall be made (refer to the map at Attachment M):

Southbound Approach:

- Remove the adjacent on-street parking for 100 feet on the southbound approach.
- Re-stripe the approach as shared left/thru lane and shared right/thru lane.
- Remove the adjacent on-street parking for 100 feet on the southbound receiving lane and stripe it as a lane drop.

Northbound Approach

- Remove the adjacent on-street parking for 100 feet on the north bound approach.
- Re-stripe the approach as shared left/thru lane and shared right/thru lane.
- Remove the adjacent on-street parking for 100 feet on the northbound receiving lane and stripe it as a lane drop. The City Engineer shall determine if this measure is feasible due to the location of residential driveways in this area.

Condition #10 requires development of the subject site to comply with all mitigation measures identified in Initial Study #14-32.

D) Other Traffic Impacts in the Area

Yosemite Church is located to the north of the subject site across Yosemite Avenue (outside the City Limits). An expansion of the church was approved in 2002, which allowed the construction of an 18,500-square-foot multi-use sanctuary, outdoor amphitheater, conversion of a residence to a youth facility and development of outdoor softball and soccer fields. At that time, the church was required to obtain a 25-foot access easement to Hatch Road to mitigate traffic impacts generated as a result of the expansion. This access has never been constructed. In addition, the existing driveway on the western edge of the property was to be relocated and aligned with McKee Road in the future (the County did not specify when this was to happen). Refer to the map at Attachment N for location of improvements.

Although these improvements were required by the church development, the development took place outside the City of Merced. Therefore, the City has no jurisdiction to require these improvements and any impacts from these missing improvements cannot be made a burden of this proposed development on the project site under consideration.

F) Turn Lane in McKee Road

At the Planning Commission meeting on April 6, 2015, residents asked that a turn lane be added to McKee Road to allow left-hand turns into the shopping center. Staff is currently reviewing the feasibility of adding a turn lane. Details will be provided at the Planning Commission meeting.

**Parking**

- G) Parking for general retail uses is one space for each 300 square feet of floor area. Other uses allowed within the Neighborhood Commercial zone include office uses and beauty and nail salons. These uses would require parking at a ratio of one space for each 200 square feet of floor area. Retail food stores require one space for each 250 square feet of floor area. The proposed site plan provides 216 parking spaces. Based on a 62,000 square foot building, this would be equal to one space for each 300 square feet. Details on the parking for the future shopping center would be addressed at the Conditional Use Permit stage and subsequently at the Building Permit stage to ensure sufficient parking is provided for each proposed use.

**Public Improvements/City Services**

- H) Future development on the subject site would be responsible for installing all public improvements along the property frontage on Yosemite Avenue and McKee Road as well as making the necessary improvements to comply with the mitigation measures described in the Traffic/Circulation section above. Public improvements would include, but not be limited to, sidewalk, curb, gutter, street lights, street trees, and any roadway improvements or striping needed.

**Building Design**

- I) The applicant has not submitted building elevations at this time. If this request is approved, a Conditional Use Permit would be required prior to construction of the shopping center. At that time, the Planning Commission would be able to review the building design and materials.

**Site Design**

- J) The applicant has submitted two options for the site design. The building locations do not change between the two options. The sizes of the buildings vary slightly. With Option #2, the total square footage is reduced to 61,000 square feet instead of 62,000 square feet as proposed with Option #1.

Option #1

This design is found at Attachment D and provides the main access from Yosemite Avenue from a driveway entrance located near the center of the shopping center frontage. This access would allow right-turn only movements when exiting the center. A second access from Yosemite Avenue, a service road, is provided at the eastern edge of the property. This access would provide entrance-only access and would provide a one-way lane around the eastern and southern perimeter of the site, with an exit onto McKee Road and allow both left and right turning movement. Although it would be available for

public access, it is intended to primarily serve delivery vehicles. Delivery trucks serving Building 3 (and possibly the other buildings) would use the service road to access the site, then would back into the loading dock for Building 3 on the east side of the building. Vehicles serving the other buildings on the site would proceed south from the service road, behind Building 1 if delivering from the rear of the building. Deliveries for Building 2 would be done from the parking lot area.

Another driveway is also provided on McKee Road approximately 195 feet south of the intersection of McKee Road and Yosemite Avenue. This driveway would allow both left and right turning movements. The service road exit described above is located approximately 85 feet south of this primary driveway.

Access is also provided from Whitewater Way along the eastern side of the site. This driveway would be approximately 195 feet south of Yosemite Avenue. This driveway would allow access to the site from the adjacent neighborhood. In Option #1, Whitewater Way does not provide access to Yosemite Avenue which is consistent with the original design of the subdivision. This option may prevent additional traffic into the neighborhood. However, unless someone lives in the area, it seems unlikely they would travel through the subdivision to reach their destination. This subdivision has very narrow roads which cause traffic to move more slowly than in other areas. Whitewater Way is planned to be widened to the width of a traditional local road (48-foot right-of-way) in the future as development occurs on the lots fronting McKee Road, but the other roads would remain narrow.

It is the intent of a neighborhood center to provide easy access into the adjacent neighborhood without causing vehicles from the neighborhood to travel on other major roads. Therefore, staff feels access to the center from Whitewater Way is an important element of the site design.

#### Option #2

This design is found at Attachment E and as previously described, this option reduces the overall square footage of the buildings on the site slightly, but otherwise does not change the primary access points on Yosemite Avenue, McKee Road, and Whitewater Way. The only change to the site with this option is the removal of the service road entrance from Yosemite Avenue. This option extends Whitewater Way through to Yosemite Avenue which would provide access to the shopping center and the neighborhood from Yosemite Avenue. The driveway on Whitewater Way would remain the same as in Option #1, but the service road would begin just south of the entrance on Whitewater Way and extend along the southern edge of the property, exiting onto McKee Road as in Option #1. With this option, delivery vehicles serving Building 3 located at the northeast corner of the site would most likely enter from Whitewater Way, pulling south onto the service road, then back into the delivery dock located on the east side of the building. Deliveries for the other buildings would be provided the same as in Option #1.

By opening Whitewater Way to Yosemite Avenue, vehicles leaving the center would have an additional option to get back to a major roadway. After exiting the center, vehicles would get to Yosemite Avenue without having to travel through the

neighborhood. Vehicles exiting onto Whitewater Way wanting to get to McKee Road would still have to travel south through the subdivision to get to McKee. It seems unlikely vehicles would travel through the subdivision unless they have a destination within the area. However, by opening Whitewater Way to Yosemite, there could be an increase in traffic on Whitewater Way by people trying to avoid the signal at Yosemite and McKee.

As previously mentioned, access to and from the adjacent neighborhood is an important element for a neighborhood center. Both Option #1 and Option #2 provide this access. Staff is asking the Planning Commission to provide direction on whether Whitewater Way should be opened to Yosemite Avenue (Option #2) or if the service road design (Option #1) is preferred.

### **Landscaping**

- K) No landscaping has been proposed at this time. However, Condition #15 requires parking lot trees to be installed with future development in compliance with City Standards. Condition #17 requires a concrete block wall along the southern property line to have landscaping along the wall (fast growing vines or other approved landscape material).

### **Neighborhood Impact/Interface**

- L) The site is surrounded by residential uses as well as a church to the north. The property located across Yosemite Avenue is not within the City Limits at this time. The closest home to the site across Yosemite Avenue is approximately 175 feet away and would be approximately 200 feet from the building at the northeast corner of the site.

Although the lots adjacent to the site to the east are zoned for residential development, they are currently vacant. The homes to the south of the site were part of the same annexation as the subject site. The parcels are large parcels with a depth of approximately 660 feet from McKee Road. The house on these parcels front McKee Road with the majority of the parcels being vacant or used for accessory buildings or other purposes (not for living facilities). The home closest to the subject site is approximately 50 feet from the property line. With the proposed setback of the buildings being 25-30 feet, the home would be approximately 75-80 feet from the commercial buildings.

The homes to the west (across McKee Road) would be approximately 115 feet from the future buildings on the site. There is mature landscaping along the eastern property line of these homes which will help protect them from noise and light that might be generated from the project site.

- M) **Neighborhood Meeting**

On November 16, 2014, the applicant's representative, Golden Valley Engineering, held a neighborhood meeting to inform the neighbors of the proposed project and gather input and comments from the residents. A map of the area where the homeowners received an invitation to the meeting is provided at Attachment O. It should be noted that this area is larger than the area required to be notified for public hearings (the City is required to

notify all property owners within 300 feet of a site of potential development). City staff members David Gonzalves, Director of Development Services, and Julie Nelson, Associate Planner, also attended the meeting.

At the meeting, representatives from Golden Valley Engineering explained that the project would consist of a small grocery store on the northeast corner of the parcel and a fast food restaurant on the northwest corner. They explained that the retail uses would be similar to those found at the Raley's Shopping Center at Yosemite Avenue and G Street or to the uses at the Promenade at Yosemite Avenue and Paulson Avenue.

The majority of the concerns raised by the neighborhood included traffic related issues and concerns with alcohol-related uses being allowed in the shopping center.

Concerns were raised about vehicles going to Yosemite Church having to make u-turns at Hatch Road in order to enter the site from the eastern driveway (Attachment N). The neighbors explained that this intersection isn't wide enough for cars to make the u-turn and, therefore, they drive onto the neighbor's property when making that turn.

Other neighbors expressed concerns with the traffic volume on McKee Road and explained that at certain times of the day, they have a difficult time exiting their property onto McKee. Concerns about vehicle speed on McKee Road were also expressed. It was also noted that many people use Whitewater Way through the Moraga Subdivision to avoid the light at Yosemite Avenue and McKee Road. In addition, UC students park their vehicles in the different areas of the subdivision to catch the Cat Tracks bus to the University.

A question was asked about whether McKee Road would be widened to four lanes as a result of this development. Mr. Gonzalves, Director of Development Services, advised that McKee Road is designated as a Collector Road and is not intended to be widened to a four lane road. Mr. Gonzalves also advised that Yosemite Church across the street from the site may have some outstanding improvements that need to be made that might help alleviate some of the concerns with traffic on Yosemite Avenue at Hatch Road.

The residents asked about the types of uses that would be allowed in the shopping center and specifically whether bars/nightclubs would be allowed. City staff in attendance explained that any use that serves alcohol in a C-N zone would be required to obtain a Conditional Use Permit prior to obtaining a license from the Department of Alcoholic Beverage Control (ABC). In addition, any retail use less than 20,000 square feet in size would be required to obtain CUP approval prior to being allowed to sell alcoholic beverages for off-site consumption. Nightclubs would not be allowed within a Neighborhood Commercial zone. However, a restaurant with a bar could be allowed if the bar was an accessory use to the restaurant. In other words, if the bar was only open when the restaurant was open, then it could be allowed with Conditional Use Permit approval.

City staff advised the neighbors that a traffic study would be required to analyze the impacts of this development on the traffic in the area. Staff also explained the public hearing process for the proposed General Plan Amendment and Zone Change as well as the subsequent CUP.

### Notice of Public Hearing

Public hearing notices were sent to the same residents who were invited to the neighborhood meeting. As of the date of this report, staff has received one call from a resident with concerns about traffic and the types of uses allowed within the shopping center (specifically any uses allowing alcohol sales).

### Signage

- N) Because this site is located within the area regulated by the North Merced Sign Ordinance, all signs would be required to comply with this ordinance. The applicant has not proposed any signage at this time. Details on signing would be reviewed at the Conditional Use Permit stage.

### Environmental Clearance

- O) The Planning staff has conducted an environmental review (Initial Study #14-32) of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Draft Mitigated Negative Declaration (i.e., no significant effects in this case because of the mitigation measures and/or modifications described in Initial Study #14-32) is being recommended (Attachment P).

### Attachments:

- A) Location Map
- B) Aerial of Site
- C) Map of Proposed General Plan and Zoning designation changes
- D) Site Plan (Option #1)
- E) Alternate Site Plan with Whitewater Way open to Yosemite Avenue (Option #2)
- F) C-N Zone Excerpt
- G) Mitigation Monitoring Program for Expanded Initial Study #02-27
- H) Mitigation Monitoring Program for Initial Study #14-32
- I) Traffic Study
- J) Moraga Subdivision
- K) Traffic circulation through Moraga Subdivision
- L) Mitigation for Parsons & Yosemite
- M) Mitigation for Olive & McKee
- N) Map of Yosemite Avenue & Hatch Road
- O) Notice Area for neighborhood meeting and public hearing notices
- P) Initial Study #14-32
- Q) Letter from Jack and Sharon Lesch
- R) Draft Planning Commission Resolution

Refer to Admin Report Attachments for Attachments A through F and I through Q. Refer to Initial Study #14-32 at Attachment 18 for Attachments G and H. Attachment R intentionally omitted.