



Legislation Text

File #: 18-078, **Version:** 1

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SUBJECT: Public Hearing Regarding Proposed Amendments to the City's Commercial Shopping Center (C-SC) Zone

REPORT IN BRIEF

Council will consider amendments to Merced Municipal Code Table 20.10-1-Permitted Land Uses in the Commercial Zoning Districts regarding the Commercial Shopping Center (C-SC) Zone.

RECOMMENDATION

City Council - Adopt a motion adopting a Categorical Exemption and Introducing **Ordinance No. 2486**, an Ordinance of the City Council of the City of Merced, California, Amending Table 20.10-1 ("Commercial Zoning Districts") of the Merced Municipal Code.

ALTERNATIVES

1. Introduce the ordinance as recommended by the Planning Commission and City staff; or,
 2. Introduced a modified ordinance as revised by the City Council (identify specific modifications in the motion);
 3. Deny; or,
 4. Refer back to City staff for reconsideration of specific items (specific items to be addressed in the motion);
- or,
5. Continue to a future City Council meeting (date and time to be specified in the motion).

AUTHORITY

City of Merced Charter, Section 200

CITY COUNCIL PRIORITIES

The City Council has expressed for many years the need for a grocery store in South Merced and it has been a high priority project for City staff.

DISCUSSION

Site Selection

There is currently only one lot within the entire City of Merced that is zoned Commercial Shopping Center. This vacant 6-acre lot is located at the southeast corner of Childs Avenue and Canal Street (112 S. Canal Street - Attachment 5). The City of Merced Redevelopment Agency (RDA) purchased this site several years ago with the intention of reserving it for a grocery store in an effort to spur economic development and provide access to fresh produce in an area that had been identified as a

“food desert” by the *Martin Luther King Jr. Way Revitalization Plan*. This site is surrounded by high-density residential uses and is located along a major arterial road (Childs Avenue) that is close to Highway 99, Highway 59, and Highway 140, allowing for good vehicle access and a regional clientele.

Public Participation

The plan to bring a new grocery store to South Merced was a community-wide effort under the direction of previous and current City Council Members with the collaboration of several non-profit organizations and community groups, such as the Citizens for the Betterment of South Merced. Through several workshops, community meetings, and public hearings, it became apparent that the neighborhood desired to have a new grocery store in South Merced. These residents collected over 1,200 signatures showing their support and commitment to shop at the future grocery store at 112 S. Canal Street.

Establishment of the C-SC Zone

Around 2013, the State announced that they were dissolving the RDA and requiring the City of Merced to transfer 112 S. Canal Street to them. The City of Merced was subsequently in a position where they could lose control of the development at 112 S. Canal Street as the State could sell this site to a developer who did not want to construct a grocery store. The City Council and the community did not want to lose an opportunity to have a grocery store at a desired location, so they created a new zoning designation specifically designed for 112 S. Canal Street, called the “Commercial Shopping Center (C-SC) Zone.” This zone requires the construction of a grocery store (of over 20,000 s.f.), but significantly limits the types of secondary businesses that could be part of the shopping center.

112 S. Canal Street has remained vacant for approximately 6 years and there has been minimal interest to develop a grocery store there. To encourage development, Planning and Economic Development staff reached out to developers to find ways to make this site more attractive to investors. Developers reported that this site would be much more attractive if the C-SC Zone allowed for “packaged-development” that would require a grocery store (as desired by the City Council and the neighborhood) and allow for other profitable developments like drive-through restaurants, gasoline stations, and car washes. Broadening the C-SC Zone land use policy in this manner would make development more financially feasible for investors. Since preparing this Zoning Ordinance Amendment, City staff has received interest from one anonymous developer looking to construct a 40,000-square-foot grocery store with two out-parcels for a drive-through restaurant and a shell building.

Permit Review Process

In order to purchase 112 S. Canal Street, the State would like to know that a developer can obtain entitlement approvals from the City within a limited timeframe. To help developers meet this deadline, staff is recommending that development within the C-SC Zone be streamlined with a Site Plan Review Permit instead of a Conditional Use Permit. This would help developers meet the State's deadline because a Site Plan Review Permit can be processed in half the time that it takes to process a Conditional Use Permit (4-6 weeks compared to 7-10 weeks). The Site Plan Review Permit process allows City staff to expedite the development review process without sacrificing the ability to require conditions of approval addressing specific impacts to traffic, access (pedestrian/vehicle/bike), parking, noise, lighting, landscaping, aesthetics, etc. Because 112 S. Canal Street is adjacent to residential zones, the adjacent property owners would receive at least a 10-day

Public Hearing Notice before the Site Plan Review Committee takes action on a proposal for a shopping center.

Land Use Table

The proposed Zoning Ordinance Amendment would modify the Merced Municipal Code Table 20.10-1- Permitted Land Uses in the Commercial Zoning Districts, as shown at Attachment 6, and as summarized below:

The following uses would change from being prohibited to being allowed with a Site Plan Review Permit: Community Gardens, Colleges & Trade Schools, Commercial Recreation Indoor, Commercial Recreation Outdoor, and Drive-Through/Drive-Up Sales.

The following uses would change from requiring a Conditional Use Permit to requiring a Site Plan Review Permit: Gas and Service Stations/Car Washes, Offices/Professional Uses, and Restaurants.

All of the uses shown above, except for a Community Garden, would be allowed only as part of a development that requires a grocery store of over 20,000 square feet as the main anchor to a shopping center. A Community Garden would be allowed as a temporary use until a shopping center is developed.

Public Participation with this Zoning Ordinance Amendment

Because the Citizens for the Betterment of South Merced played a role in establishing the C-SC Zone in 2012, staff wanted to make sure that they were involved with this Zoning Ordinance Amendment. Staff met with this community group during the months of November 2017 and January 2018, to solicit their comments. During those meetings, the Citizens for the Betterment of South Merced recognized the need to modify the C-SC Zone land use table to encourage the development of a shopping center. They also noted that they appreciate that this ordinance amendment streamlines the development of professional and recreational uses.

Planning Commission Action

The Planning Commission considered the proposed ordinance at the public hearing held on February 7, 2018. One person spoke at the public hearing, a member of the Citizens for the Betterment of South Merced, who supported the proposed Zoning Ordinance Amendment as recommended by City staff. This community member expressed that he appreciates the City's efforts to streamline the development review process for this zone.

After extensive deliberations, the Planning Commission recommended that the City Council adopt the ordinance by a vote of 5-1-1 (5 ayes, 1 no, 1 absent - Attachment 2) as well as the Categorical Exemption (Attachment 5). The Planning Commission noted that they would like to see more land uses require a Conditional Use Permit because they would like to be involved with the development review process and because of the lengthier public hearing notice time period of 21 days compared to that of 10 days for a Site Plan Review Permit. Some Planning Commission Members noted that the lengthier public hearing notice period would be better for public participation. It should be noted that the 10-day vs. 21-day notice period is based on the level of environmental review required, and many items that go the Planning Commission with a Categorical Exemption only require a 10-day notice.

City Council Action

The Planning Commission and City staff recommend that the City Council adopt a Categorical Exemption (Attachment 5) and introduce the Ordinance at Attachment 6 amending the Merced Municipal Code Table 20.10-1-Permitted Land Uses in the Commercial Zoning Districts.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

1. Location Map
2. Planning Commission Resolution #3089
3. Planning Commission Minute Excerpts
4. Planning Commission Staff Report
5. Categorical Exemption
6. Ordinance Amending MMC Table 20.10-1 Permitted Land Uses in the Commercial Zoning Districts