



## Legislation Text

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File #: 21-271, Version: 1

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*Report Prepared by: Michael Hren, Principal Planner, Development Services Department, Planning Division*  
**SUBJECT:** Public Hearing to Consider Adoption of a Mitigated Negative Declaration for General Plan Amendment #20-02, Site Utilization Plan Revision #2 to Planned Development #12, Changing the Land Use Designation from Commercial Office (CO) and Industrial (IND) to Business Park (BP) for Approximately 3.38 Acres Located at the Northeast Corner of Olive Avenue and State Highway 59; Introduction of an Ordinance Approving Site Utilization Plan Revision #2 to Planned Development #12, Including a Mini-Mart with Fuel Island, a Drive-Through Business, and an Office/Retail Building; and Approval of a Legislative Action Agreement for the Project

### REPORT IN BRIEF

Request for City Council approval to change the General Plan and Site Utilization Plan designations for a parcel of approximately 3.38 acres located at the northeast corner of Olive Avenue and State Highway 59 to allow a commercial development, including the adoption of a Mitigated Negative Declaration.

### RECOMMENDATION

**City Council** - Adopt a motion:

- A. Adopting **Resolution 2021-32**, A Resolution of the City Council of the City of Merced, California, approving a Mitigated Negative Declaration for General Plan Amendment #20-02 and Site Utilization Plan Revision #2 to Planned Development #12 for a parcel containing approximately 3.38 acres located at the northeast corner of Olive Avenue and State Highway 59; and approving General Plan Amendment #20-02 for the same parcel changing the General Plan Designation from Commercial Office (CO) and Industrial (IND) to Business Park (BP); and,
- B. Introducing **Ordinance 2524**, an Ordinance of the City Council of the City of Merced, California, approving Site Utilization Plan Revision #2 to Planned Development (P-D) #12 changing the land use designation from "Commercial Office" (CO) and "Industrial" (IND) to "Business Park" (BP) for a parcel of approximately 3.38 acres of land generally located on the northeast corner of Olive Avenue and State Highway 59; and,
- C. Approving the legislative action agreement and authorizing the City Manager or designee to execute the necessary documents.

### ALTERNATIVES

1. Approve, as recommended by the Planning Commission and staff; or,
2. Approve subject to modifications as conditioned by City Council; or,

3. Deny; or,
4. Refer back to staff for reconsideration of specific items (to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

## AUTHORITY

Title 19 of the Merced Municipal Code outlines environmental review procedures and California Government Code Section 65358(a) grants authority to amend all or part of an adopted General Plan. Merced Municipal Code Section 20.42.080 grants the City Council authority to approve revisions to a Planned Development.

## CITY COUNCIL PRIORITIES

Infill Development is listed as a part of FY 2020-21 Council Goals and Priorities as part of Element 5, Future Planning.

## DISCUSSION

### Project Description

The proposed General Plan Amendment includes a General Plan Amendment and Site Utilization Plan (SUP) Revision for 3.38 acres. At the time of application, the site was part of a 13.03-acre parcel (APN: 058-030-037) which was comprised of two unconnected portions, the westernmost of which is where the 3.38-acre subject site sits. Since the application, a Boundary Adjustment has been processed, separating the 3.38-acre site into its own parcel.

The site has two General Plan designations of Commercial Office (CO) and Manufacturing/Industrial (IND); it also has a Zoning Designation of Planned Development #12. The proposed General Plan Amendment would change the General Plan designation to Business Park (BP). The SUP Revision includes changes to Planned Development #12 including a gas station with convenience store, a drive-through, and office and retail uses.

### Surrounding Uses

| <i>Surrounding Land</i> | <i>Existing Use of Land</i>  | <i>City Zoning Designation</i> | <i>City General Plan Land Use Designation</i>        |
|-------------------------|--|--------------------------------|--|
| North                   | Open Space   | P-D #9                         | Open Space; Industrial (IND)                         |
| South                   | Merced County Food Bank, Wal-Mart, Commercial (Across Olive Ave.)    | R-1-6, P-D #16                 | Industrial (IND); Regional/Community Commercial (RC) |
| East                    | Industrial Warehouses, Cannabis Dispensary                           | P-D #12                        | Industrial (IND)                                     |
| West                    | Vacant Lot, Approved Site of Commercial Development (Across Hwy. 59) | C-T                            | Thoroughfare Commercial (CT)                         |

### Background

This site was previously entitled through establishment of Planned Development #12 and through Conditional Use Permit (CUP) #380. At the time of the approval of CUP #380, the project site was part of a larger site that included what is now 1985 W Olive Avenue; CUP #380 was primarily for the purpose of constructing one of the warehouse buildings that currently occupies that site. The Bianchi Tomato Warehouses occupied that site for many years. In 2018, the Blue Fire cannabis dispensary located on the site.

At the time of application for this General Plan Amendment and Site Utilization Plan Revision, the project site was a part of a larger parcel extending to the north and east of the subject 3.38-acre site. Since then, a boundary adjustment has been recorded, modifying the borders such that this 3.38-acre site stands alone as a parcel unto itself.

On March 17, 2021, the Planning Commission held a public meeting to consider this application. At that meeting, representatives from the applicant were the only members of the public who expressed an interest in speaking about the project. The Planning Commission voted 5-0 (1 absent, 1 vacancy) to approve Resolution #4060 (Attachment 8).

Since the Planning Commission meeting, staff has received comments on the project's environmental review (Attachment 7) from the San Joaquin Valley Air Pollution Control District (SJVAPCD). In response to the Air Pollution Control District's comments, staff is recommending an additional Condition of the Resolution to read as follows:

34. Prior to issuance of the first building permit, the applicant shall demonstrate compliance with San Joaquin Valley Air Pollution Control District Rule 9510.

### Findings/Considerations

Please refer to Exhibit B of the Planning Commission Resolution at Attachment 8 for findings and detailed information about the project. Finding L was not part of the Resolution recommended by the Planning Commission. It is recommended by staff to be added to the City Council's Resolution after further analysis that occurred after the Planning Commission's recommendation was made.

### City Council Action

After the public hearing, it is recommended that the City Council adopt a Mitigated Negative Declaration per Attachment 5; adopt the Resolution at Attachment 9 approving the General Plan Amendment; introduce the Ordinance at Attachment 10 to approve the SUP Revision; and approve the Legislative Action Agreement at Attachment 11.

## **IMPACT ON CITY RESOURCES**

No appropriation of funds is needed.

## **ATTACHMENTS**

1. Location Map with Proposed Land Use
2. Aerial Map
3. Site Plan
4. Elevations

5. Initial Study #20-36
6. Mitigation Monitoring Program from Environmental Review #20-36
7. Letter from SJVAPCD regarding the Proposed Project
8. Planning Commission Resolution #4060
9. Draft City Council Resolution
10. Draft Ordinance
11. Legislative Action Agreement
12. PowerPoint Presentation