

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

**STAFF REPORT:** #15-03

**AGENDA ITEM:** 4.3

**FROM:** Kim Espinosa,  
Planning Manager

**PLANNING COMMISSION**  
**MEETING DATE: Jan. 7, 2015**

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

---

**SUBJECT:** **Conditional Use Permit #1195**, initiated by Central Valley Gas Stations Atwater Partnership, LLC, property owner. This application involves a request to allow alcohol sales (beer and wine only) for off-site consumption at an existing gas station/mini-market generally located at the northeast corner of G Street and East 21st Street (2104 G Street), within a Neighborhood Commercial (C-N) Zone. \*PUBLIC HEARING\*

**ACTION:** Approve/Disapprove/Modify

- 1) Environmental Review #14-31 (Categorical Exemption)
- 2) Conditional Use Permit #1195

**SUMMARY**

The project site is located at the northeast corner of G Street and East 21<sup>st</sup> Street (Attachment A). The site has recently been undergoing a renovation to remodel the existing gas station and mini-market. The gas station will have a Union 76 gas brand, a Circle K Mini-Mart, and a TCBY frozen yogurt counter inside the mini-market. There will be 4 gas pumps with 8 fueling positions (Attachment B) and the mini-market will be approximately 1,668 square feet (Attachment C). The mini-market will have approximately 300 square feet dedicated to a walk-in cooler area to store and display items that need to be refrigerated. In addition to typical items sold at a mini-market, the applicant is requesting approval to sell beer and wine for off-site consumption at this location. Three of the doors inside the cooler area would be dedicated to alcohol sales. The applicant provided information on the business hours and procedures to be implemented related to alcohol sales (Attachment D).

The gas station/mini-market is located within a Neighborhood Commercial (C-N) zone. Alcohol sales for off-site consumption are considered a Conditional Use for any retail business of 20,000 square feet or less within a C-N zone. Additionally, Section 20.54.320 of the Municipal Code requires the Planning Commission to make specific findings related to the sale of alcohol for off-site consumption.

Planning staff in conjunction with the Police Department have reviewed the applicant's request and are recommending approval subject to the conditions below.

## **RECOMMENDATION**

Planning staff recommends that the Planning Commission approve Environmental Review #14-31 (Categorical Exemption) and Conditional Use Permit #1195 (including the adoption of the Resolution at Attachment H) subject to the following conditions:

- \*1) The proposed project shall be constructed/designed/operated as shown on Exhibit 1 (floor plan) and Exhibit 2 (business plan/description) -- Attachments C and D, except as modified by the conditions.
- \*2) All conditions contained in Resolution #1249-Amended ("Standard Conditional Use Permit Conditions"—except for Condition #16 which has been superseded by Code) shall apply.
- \*3) The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
- \*4) The Project shall comply with the conditions set forth in Resolution #2108 for Conditional Use Permit #733 and Site Plan Review #363 previously approved for this project.
- \*5) All other applicable codes, ordinances, policies, etc., adopted by the City of Merced shall apply.
- \*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) No sales of alcoholic beverages shall be allowed between the hours of 2:00 a.m. and 6:00 a.m.
- \*9) No beer or wine shall be displayed within five (5) feet of the cash register or the front door.
- \*10) No advertisement of alcoholic beverages shall be displayed at motor fuel islands.
- \*11) No sale of alcoholic beverages shall be made from a drive-in window.
- \*12) No display or sale of beer or wine shall be made from an ice tub.
- \*13) No beer or wine advertising shall be located on motor fuel islands and no self-illuminated advertising for beer or wine shall be located on buildings or windows.
- \*14) Employees on duty between the hours of 10:00 p.m. and 2:00 a.m. shall be at least twenty-one (21) years of age to sell beer and wine.
- \*15) Prior to obtaining a license from the Alcoholic Beverage Control (ABC) to sell alcohol, the applicant shall obtain a Finding of Public Convenience or Necessity from the Merced City Council.
- 16) No single-serving containers smaller than 20 ounces shall be sold individually. Any containers smaller than 20 ounces shall be sold as part of a larger pack (i.e., 6-pack or 12-pack).
- 17) “No Loitering” signs shall be placed on the building along the alley and the front of the store.
- 18) The proprietor and/or successors in interest and management shall be prohibited from externally advertising or promoting beer & wine and/or distilled spirits including, but not limited to, window and wall signage.
- 19) This approval is subject to the business owner being in good standing with all laws of the State of California, including the Alcohol Beverage Control (ABC), City of Merced, and other regulatory agencies.
- 20) The proprietor and/or successors in interest and management shall comply with all Municipal Codes relating to loitering, open container laws and other nuisance-related issues.
- 21) The City reserves the right to periodically review the area for potential problems. If problems (on-site or within the immediate area) including, but not limited to, public drunkenness, the illegal sale or use of narcotics, drugs or alcohol, disturbing the peace and disorderly conduct result from the proposed land use, the conditional use permit may be subject to review and revocation by the City of Merced after a public hearing and following the procedures outlined in the Merced Municipal Code.
- 22) Sufficient lighting shall be provided throughout the site to provide a safe environment for patrons of the market. If lighting does not currently exist, it shall be provided within 60 days of this approval. Details to be worked out with staff.

23) The premises shall remain clean and free of debris at all times.

(\* Denotes non-discretionary conditions.

**PROJECT DESCRIPTION**

The applicant is requesting approval to sell beer and wine within a mini-market/gas station business. The mini-market is approximately 1,668 square feet and would have a Circle K Brand with a TCBY frozen yogurt counter inside the mini-market. The gas station would have 4 gas pumps with 8 fueling positions. The business would be open 7 days a week, 24 hours per day.

The display area for the beer and wine would be within a cooler area located along the north wall. The cooler area is approximately 300 square feet with 11 cooler doors to offer merchandise for sale. Approximately 80 square feet or 3 doors would be dedicated to the display and sale of beer and wine. The applicant has applied for a Type 20 (Off-Sale Beer and Wine) license from the Department of Alcoholic Beverage Control (ABC).

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	Sherwin-Williams	C-N	Neighborhood Commercial (CN)
South	Flanagan Square	C-N	Neighborhood Commercial (CN)
East	Multi-Family Residential	R-3-2	High/Medium Density Residential (HMD)
West	Single-Family Residential	C-O	Commercial Office (CO)

**BACKGROUND**

This gas station has existed on the site for a number of years. In 1989, Conditional Use Permit #733 was approved to allow an addition to the building and to add a canopy along East 21<sup>st</sup> Street. Subsequently, there were modifications to the CUP to modify the approval for the canopy and to allow additional signing to the canopies.

On March 13, 2014, the Site Plan Review Committee reviewed and approved a modification to the site to allow a remodel of the existing gas station/mini-market. The remodel included upgrading the exterior of the building and making improvements to the site, including adding landscaping and improving the pavement and driveway, and bringing the site into compliance with the California Building Code regarding disabled access.

Zoning Ordinance Amendment #94-01 was adopted by the City Council on June 19, 1995. This amended the Merced Municipal Code dealing with conditional uses in the C-N, C-C, C-T and C-G zoning districts by requiring retail businesses of 20,000 square feet or less to procure a conditional use permit prior to obtaining a license from the ABC for the off-site sale of alcoholic beverages.

The ordinance was primarily directed at the proliferation of alcoholic beverage retail establishments, such as liquor stores, and convenience markets, with a particular emphasis on South Merced. As such, establishments of 20,000 square feet and greater, such as conventional grocery stores, were exempted from the CUP process. The primary reason behind exempting conventional grocery stores from the CUP process is the fact that alcoholic beverages comprise only an incidental component of a much larger and diverse inventory. As such, the City Council concluded that conventional grocery stores have typically not contributed to the problems associated with the proliferation and over-concentration of alcoholic beverage retail establishments, such as liquor stores and convenience markets.

In addition, Zoning Ordinance Amendment #94-01 added a section to the Merced Municipal Code, Section 20.54.320, establishing three criteria by which to evaluate requests for the establishment of off-site sales of alcoholic beverages. The details of those criteria are described in the findings section of this report.

### **FINDINGS/CONSIDERATIONS:**

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

- A) The proposed project complies with the General Plan designation of Neighborhood Commercial (CN) and the zoning designation of Neighborhood Commercial (C-N).

#### **Zoning**

As previously indicated, Zoning Ordinance Amendment #94-01 established three criteria by which to evaluate requests for off-site sales of alcoholic beverages as discussed below:

- B) Criteria #1

*The proposed use will not result in an "undue concentration" of establishments dispensing alcoholic beverages as defined by Section 23958 and 23958.4 of the California Business and Professional Code and giving consideration to the California Department of Alcoholic Beverage Control's (ABC) guidelines related to number and proximity of such establishments within a 1,000-foot radius of the site.*

#### Finding #1

The subject site is located within Census Tract 14.01. According to the ABC, this census tract is allowed a total of 3 off-sale licenses. As shown on the map at Attachment E, there are currently 6 licenses within this tract. Therefore, this census tract is considered to be over-concentrated. The Department of Alcoholic Beverage Control may issue a license in an area considered to be "over-concentrated" if the local jurisdiction makes a Finding of Public Convenience or Necessity. The applicant has applied for the City Council to review his request for a Finding of Public Convenience or Necessity. Therefore, the Planning Commission may approve this request contingent upon the City Council making a Finding of Public Convenience or Necessity. The City Council is tentatively scheduled to review the applicant's request for a Finding of Public Convenience or Necessity at its meeting of January 20, 2015.

C) Criteria #2

*The proposed use will not adversely affect the economic and societal welfare of the pertinent community or residentially zoned community in the area of the City involved, after giving consideration to the distance of the proposed use from residential buildings, churches, schools, hospitals, public playgrounds, and other similar uses; and other establishments dispensing, for sale or other considerations, alcoholic beverages including beer and wine.*

Finding #2

There are multi-family and single-family residential uses, a City park, five churches, and the National Guard Armory located within 1,000 feet of the subject site (Attachment F). Sheehy Elementary School is located within the 1,000-foot radius.

The sale of beer and wine is not new to this area. The Save More Market is located less than a block away to the south on G Street and Bernie's Liquor is located to the north. Both of these stores have a Type 21 ABC License which allows them to sell beer, wine, and distilled spirits. Planning staff consulted with the Merced Police Department regarding the sale of alcohol at this location. The Police Department did not have any concerns with this request other than to limit the size of individual containers that can be sold. Condition #16 limits the size of containers being sold individually (not part of a pack or case) to no smaller than 20 ounces. Based on the information provided by the Police Department and the fact that alcohol sales currently exist in the area, staff does not anticipate the issuance of an ABC license at this location would adversely affect the economic and societal welfare of the surrounding area.

Criteria #3

*The crime rate in the area of the proposed site. Particular attention shall be given to those crimes involving public drunkenness, the illegal sale of narcotics, disturbing the peace, and disorderly conduct.*

Finding #3

Over the last year (12-1-13 to 12-1-14), the Police Department has recorded 270 incidents within a 500-foot radius of the site. Because the store and gas station were closed over that time period, none of these calls were related to operations on the site. The table below shows the number of incidents and the number of cases involving the types of crimes listed above within a 500-foot radius. The number of incidents reported City-wide for the same 12-month time period was 61,256 incidents. Based on the total number of calls within the City, the 270 calls to this area are equal to 0.4% of the overall crime within the City.

**Incidents and Cases Reported December 1, 2013 to December 1, 2014**

Incident/Case Type	Number of Incidents
DUI	3
Public Intoxication	0
Disturbance (assaults)	6
MMC*	1
Narcotics violations	4

\*Municipal Code Violations regarding open containers, drinking in public, etc.

**Neighborhood Impact/Interface**

D) The gas station and mini-market has been at this location for many years. However, alcohol sales were never offered at this location. The area devoted to alcohol sales would be a small portion of the overall business. Three of the 11 cooler doors would be dedicated to alcohol sales (approximately 25% of the cooler area). Although there are many residential uses in the area and a school nearby, staff feels the conditions recommended in this report would minimize any potential impacts on the neighborhood. Alcohol could not be consumed on the premises. Therefore, all customers purchasing alcohol would have to leave the area. “No Loitering” signs are required and the fact that containers less than 20 ounces in size could not be sold individually would deter people from “hanging around” the area to consume alcohol.

The Police Department participated in the review of this project and did not object to the issuance of a license with conditions in place to restrict the sale of single containers. The Police Department feels the conditions of approval included in the staff report provide additional tools for them to use in case problems arise that are directly related to the sale of alcohol.

Public hearing notices were sent to all property owners within 300 feet of the site. To date, staff has not received any comments from the neighborhood.

**Environmental Clearance**

E) The Planning staff has conducted an environmental review (Initial Study #14-31) of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Categorical Exemption is being recommended (Attachment G).

**Attachments:**

- A) Location Map
- B) Site Plan
- C) Floor Plan
- D) Business Description
- E) Census Tract 14.01
- F) Sensitive Uses
- G) Categorical Exemption
- H) Draft Planning Commission Resolution



Commercial

Commercial

Single-Family Residential

Single-Family Residential

SUBJECT SITE

Multi-Family Residential

Single-Family Residential

Single-Family Residential

Commercial - Flanagan Square

Single-Family Residential





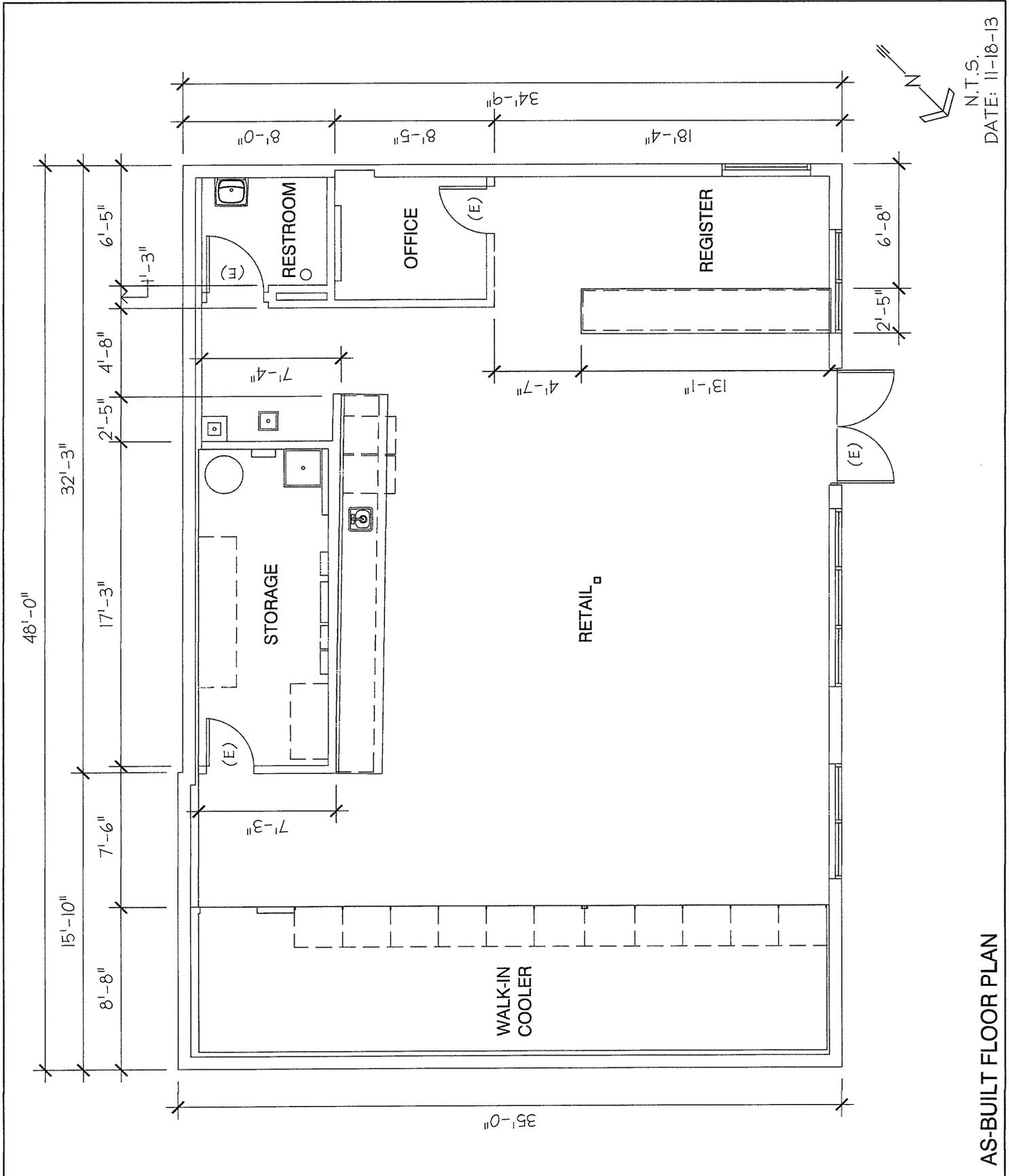


**CENTERLINE  
DESIGN, LLC**

PLANNING - DESIGN - CONSULTING  
1800 TOLLBOOSE ROAD, SUITE 'C'  
CLOVIS, CALIFORNIA 93311  
569-268-2000 (OFFICE)  
569-268-3287 (FAX)

**SCHEMATIC FLOOR PLAN FOR:  
MERCED GAS STATION  
2104 G STREET, MERCED, CALIFORNIA 95340**

PROJECT



N.T.S.  
DATE: 11-18-13

AS-BUILT FLOOR PLAN

**ATTACHMENT C**

**2104 G St., Merced, CA**

**Previous Use of Property:** Property was previously a gas station and convenience store. New convenience store building and gas pumps will be installed.

**Transfer of Alcohol License:** Alcohol license is a transfer of an existing license within the same jurisdiction. No new licenses will be purchased.

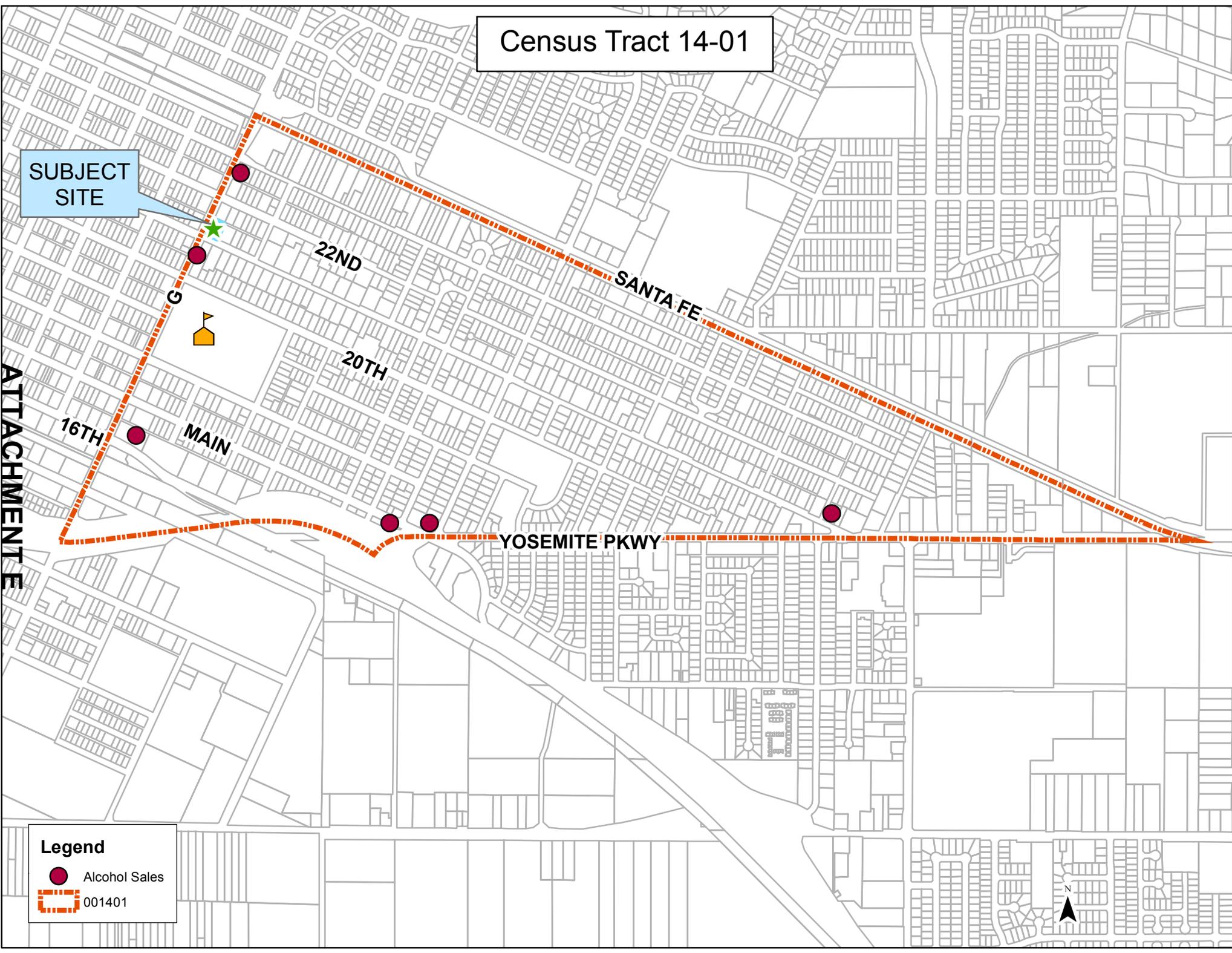
**Hours of operation:** 24 hours, 7 days per week

**Alcohol Sales Methods:** All persons purchasing alcohol will be required to show identification regardless of age. Point of sales systems require cashiers to enter date of birth prior to sale to ensure age verifications are met.

# Census Tract 14-01

SUBJECT SITE

ATTACHMENT E

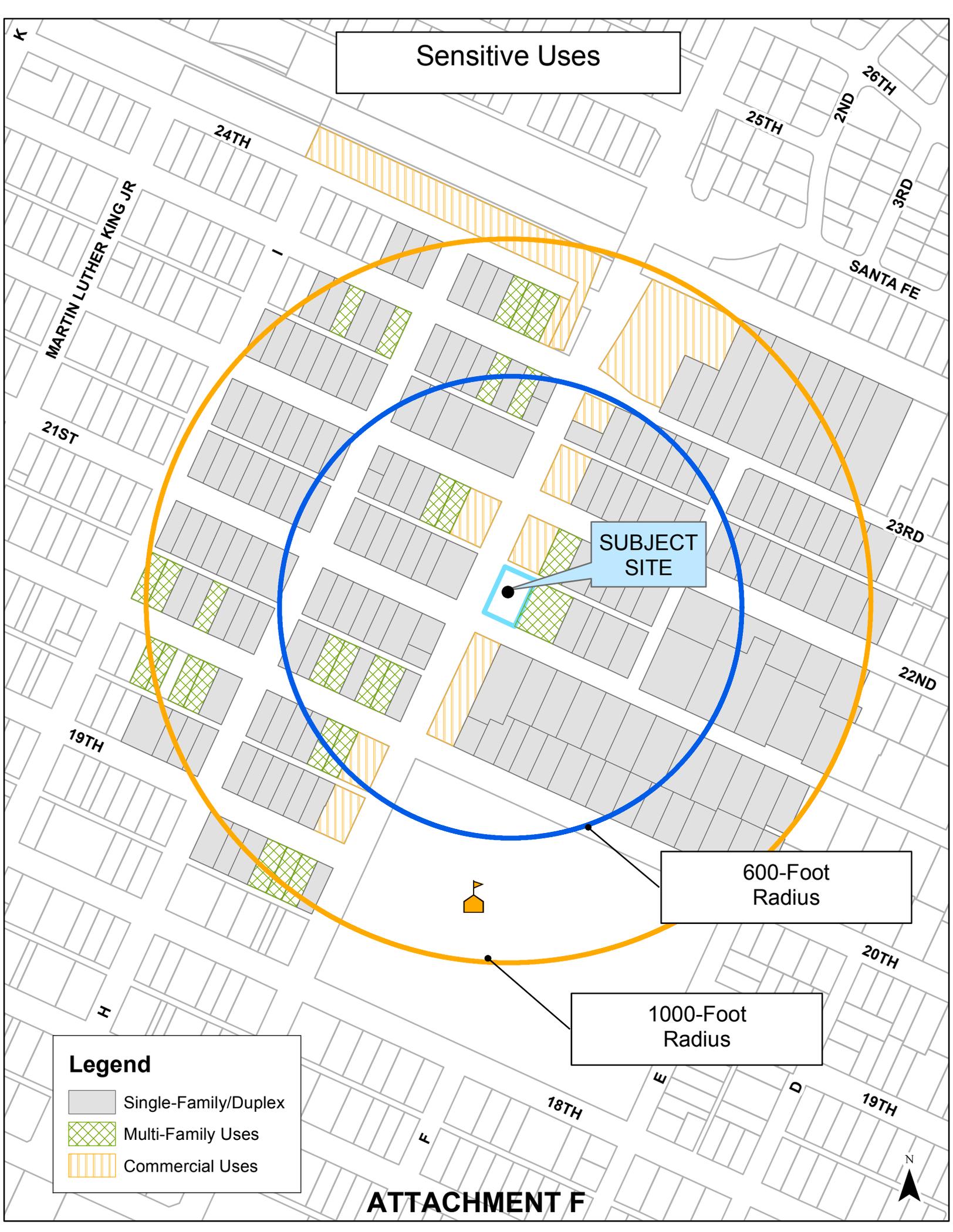


**Legend**

- Alcohol Sales
- ▭ 001401



# Sensitive Uses



SUBJECT SITE

600-Foot Radius

1000-Foot Radius

**Legend**

- Single-Family/Duplex
- Multi-Family Uses
- Commercial Uses



**NOTICE OF EXEMPTION**

---

To: \_\_\_\_\_ Office of Planning and Research  
P.O. Box 3044  
Sacramento, CA 95812-3044

From: (Public Agency)  
City of Merced  
678 West 18th St.  
Merced, CA 95340

X County Clerk  
County of Merced  
2222 M Street  
Merced, CA 95340

**Project Title:** Conditional Use Permit #1195

**Project Applicant:** Central Valley Gas Stations Atwater Partnership, LLC

**Project Location (Specific):** 2104 G St. **APN: 034-071-014**

**Project Location - City:** Merced **Project Location - County:** Merced

**Description of Nature, Purpose, and Beneficiaries of Project:**

**Name of Public Agency Approving Project:** City of Merced

**Name of Person or Agency Carrying Out Project:** Central Valley Gas Stations Atwater Partnership, LLC

**Exempt Status:** (check one)

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State Type and Section Number: Section 15301 (a)
- Statutory Exemptions. State Code Number: \_\_\_\_\_.
- General Rule (Sec. 15061 (b)(3))

**Reasons why Project is Exempt:** As defined under the above referenced Section, the proposed project consists of minor interior and exterior alterations only, such as partitions, electrical, and plumbing, which are considered to be exempt under the CEQA Guidelines per Section 15301 (a)....

**Lead Agency:** City of Merced

**Contact Person:** Julie Nelson, Planner

**Area Code/Telephone:**(209) 385-6858

**Signature:**  **Date:** 12-15-2014 **Title:** Associate Planner

X Signed by Lead Agency Date Received for Filing at OPR: \_\_\_\_\_  
(If applicable)

Authority Cited: Sections 21083 and 21110. Public Resources Code  
Reference: Sections 21108, 21152, and 21152.1. Public Resources Code

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

**Resolution #\_\_\_\_\_**

**WHEREAS**, the Merced City Planning Commission at its regular meeting of January 7, 2015, held a public hearing and considered **Conditional Use Permit #1195**, initiated by Central Valley Gas Stations Atwater Partnership, LLC, property owner. This application involves a request to allow alcohol sales (beer and wine only) for off-site consumption at an existing gas station/mini-market generally located at the northeast corner of G Street and East 21st Street (2104 G Street), within a Neighborhood Commercial (C-N) Zone; also known as Assessor’s Parcel No. 034-071-014; and,

**WHEREAS**, the Merced City Planning Commission concurs with Findings A through E of Staff Report #15-03; and,

**NOW THEREFORE**, after reviewing the City’s Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #14-31, and approve Conditional Use Permit #1195, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, and carried by the following vote:

AYES:       Commissioner(s)

NOES:       Commissioner(s)

ABSENT:   Commissioner(s)

ABSTAIN:   Commissioner(s)

PLANNING COMMISSION RESOLUTION # \_\_\_\_\_

Page 2

January 7, 2015

Adopted this 7<sup>th</sup> day of January 2015

---

Chairperson, Planning Commission of  
the City of Merced, California

ATTEST:

---

Secretary

Attachment:

Exhibit A – Conditions of Approval

n:shared:planning:PC Resolutions:CUP#1195 Central Valley Gas Stations

**Conditions of Approval**  
**Planning Commission Resolution #\_\_\_\_\_**  
**Conditional Use Permit #1195**

1. The proposed project shall be constructed/designed/operated as shown on Exhibit 1 (floor plan) and Exhibit 2 (business plan/description) -- Attachments C and D of Staff Report #15-03, except as modified by the conditions.
2. All conditions contained in Resolution #1249-Amended (“Standard Conditional Use Permit Conditions”—except for Condition #16 which has been superseded by Code) shall apply.
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. The Project shall comply with the conditions set forth in Resolution #2108 for Conditional Use Permit #733 and Site Plan Review #363 previously approved for this project.
5. All other applicable codes, ordinances, policies, etc., adopted by the City of Merced shall apply.
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. No sales of alcoholic beverages shall be allowed between the hours of 2:00 a.m. and 6:00 a.m.
9. No beer or wine shall be displayed within five (5) feet of the cash register or the front door.
10. No advertisement of alcoholic beverages shall be displayed at motor fuel islands.
11. No sale of alcoholic beverages shall be made from a drive-in window.
12. No display or sale of beer or wine shall be made from an ice tub.
13. No beer or wine advertising shall be located on motor fuel islands and no self-illuminated advertising for beer or wine shall be located on buildings or windows.
14. Employees on duty between the hours of 10:00 p.m. and 2:00 a.m. shall be at least twenty-one (21) years of age to sell beer and wine.
15. Prior to obtaining a license from the Alcoholic Beverage Control (ABC) to sell alcohol, the applicant shall obtain a Finding of Public Convenience or Necessity from the Merced City Council.
16. No single-serving containers smaller than 20 ounces shall be sold individually. Any containers smaller than 20 ounces shall be sold as part of a larger pack (i.e., 6-pack or 12-pack).
17. "No Loitering" signs shall be placed on the building along the alley and the front of the store.

18. The proprietor and/or successors in interest and management shall be prohibited from externally advertising or promoting beer & wine and/or distilled spirits including, but not limited to, window and wall signage.
19. This approval is subject to the business owner being in good standing with all laws of the State of California, including the Alcohol Beverage Control (ABC), City of Merced, and other regulatory agencies.
20. The proprietor and/or successors in interest and management shall comply with all Municipal Codes relating to loitering, open container laws and other nuisance-related issues.
21. The City reserves the right to periodically review the area for potential problems. If problems (on-site or within the immediate area) including, but not limited to, public drunkenness, the illegal sale or use of narcotics, drugs or alcohol, disturbing the peace and disorderly conduct result from the proposed land use, the conditional use permit may be subject to review and revocation by the City of Merced after a public hearing and following the procedures outlined in the Merced Municipal Code.
22. Sufficient lighting shall be provided throughout the site to provide a safe environment for patrons of the market. If lighting does not currently exist, it shall be provided within 60 days of this approval. Details to be worked out with staff.
23. The premises shall remain clean and free of debris at all times.

n:shared:planning:PC Resolutions: CUP#1195 Exhibit A