



MILPITAS PLANNING COMMISSION STAFF REPORT

September 14, 2016

APPLICATION: **Conditional Use Permit (P-UP16-0015)** A request for a Conditional Use Permit to allow shared parking exception for a 24 hour fitness center within Milpitas Town Center, located at 749 E. Calaveras Boulevard

RECOMMENDATION: **Staff recommends that the Planning Commission: Adopt Resolution No. 16-036 approving Conditional Use Permit (P-UP16-0015), subject to the attached Conditions of Approval**

LOCATION:
Address/APN: 749 E. Calaveras Blvd. (APN 026-05-024)
Area of City: North of East Calaveras Boulevard, East of North Milpitas Boulevard and West of North Hillview Drive.

PEOPLE:
Project Applicant: Farouk Lalji, Shapell Properties
Consultant(s): Tracy Lum, MCG Architecture
Property/Business Owner: Shapell Properties
Project Planner: Michael Fossati

LAND USE:
General Plan Designation: Town Center (TWC)
Zoning District: Town Center (TC)
Overlay District: Site and Architectural Overlay (-S)

ENVIRONMENTAL: The proposed project, which includes the review of local parking standards associated with uses of existing private facilities, is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 of the CEQA Guidelines (Existing Facilities). Although the project is an analysis of parking standards associated by local ordinance, the proposed use of a fitness center and commercial services will occur within an existing facility, where it involves a negligible expansion of the existing use.

EXECUTIVE SUMMARY

The applicant is requesting a Conditional Use Permit to allow a shared parking exception for a proposed fitness center and new retail shops within the building in the Milpitas Town Center that was previously occupied by Mervyn's. A Conditional Use Permit is required for the approval of a shared parking exception. If approved, the agreement would allow 1,379 parking spaces where 1,536 spaces are required through strict application of the code. The project is consistent with the General Plan, and all other zoning standards. The project is exempt under CEQA pursuant to Section 15301, Existing Facilities.

BACKGROUND

In 1980, the Milpitas Redevelopment Agency approved an S-zone application for the construction of the Milpitas Town Center. In 2004, the Planning Commission approved the Town Center redevelopment that included 65 town homes, new supermarket and commercial areas, freestanding signs, and a new sign program. Mervyn’s was one of the commercial tenants in the Town Center. In 2008, the group of investors that owned the department store filed for bankruptcy and closed down the store. The building, located at 749 E. Calaveras Boulevard, has been vacant ever since.

The Application

On July 5, 2016, an application was submitted for a Conditional Use Permit. The following is a summary of the request:

- *Conditional Use Permit:* to allow a shared parking exception for a 24 hour fitness center to be located within 749 E. Calaveras Boulevard.

PROJECT DESCRIPTION

Overview

The applicant wishes to convert the vacant Mervyn’s building into a fitness center and two retail stores. Both are permitted uses in the TC zoning district. However, to allow such a use per City Code parking requirements, the site would require 1,536 parking spaces. The Milpitas Town Center has 1,379 parking spaces. Per strict application of the City Code, the site would be short 157 parking spaces. To address this issue, the applicant is requesting a conditional use permit to allow a shared parking exception between the parcels.

Location and Context

The project is located on an approximately 7.0 acre site in the Town Center District (TC) with a Site and Architectural (S) overlay. A commercial building occupies the site, and the building is currently vacant. Below is a table summarizing the project properties land use designation and surrounding uses.

General Plan Designation	TWC- Town Center
Zoning District	TC-Town Center
Overlay District	S-Site and Architectural Overlay
Site Size	6.966 acres
Present Use	Vacant – former retail building
Surrounding Zoning and Uses	North: POS-Park Open Space South: TC-Town Center (Parking) East: TC-Town Center West: TC-Town Center
Access	Site access is from either S Hillview Dr. or Town Center Dr.

PROJECT ANALYSIS

General Plan Conformance

The General Plan designation for the project site is Town Center Development. This project is in conformance with the policies and standards in the City’s General Plan policies, as outlined in the following chart:

Policy	Conformance
<p>2.a-G-2 <i>Maintain a relatively compact urban form. Emphasize mixed-use development to the extent feasible, to achieve service efficiencies from compact development patterns and to maximize job development and commercial opportunities near residential development.</i></p>	<p>Consistent. The proposed project is consistent with the underlying commercial designation in that the project will encourage quality urban infill to achieve service efficiencies and commercial opportunities near residential development.</p>
<p>2.a-G-4 <i>The Town Center will be the “heart” of Milpitas’ Civic, cultural, business, and professional life.</i></p>	<p>Consistent. The addition of the proposed fitness center at the Town Center will broaden the site’s accessibility to a wider range of audiences, further bolstering the Town Center’s importance in an effort to provide goods and services to the citizens of Milpitas.</p>
<p>2.a-I-7 <i>Provide opportunities to expand employment, participate in partnerships with local business to facilitate communication, and promote business retention.</i></p>	<p>Consistent. The proposed project is consistent with the Milpitas’ economic development plan in that its integration into the site will foster business relationships within the Town Center, as well as provide employment opportunities and business partnerships to community members on its premises.</p>
<p>2.a-I-27 <i>Develop the Town Center as an architecturally distinctive mixed use complex which will add to Milpitas’ identity and image.</i></p>	<p>Consistent. The addition of the proposed fitness center includes a quality façade upgrade that increases the architectural distinctiveness of the space, in order to solidify the Town Center’s status as a true mixed use space important to the community members and the City.</p>

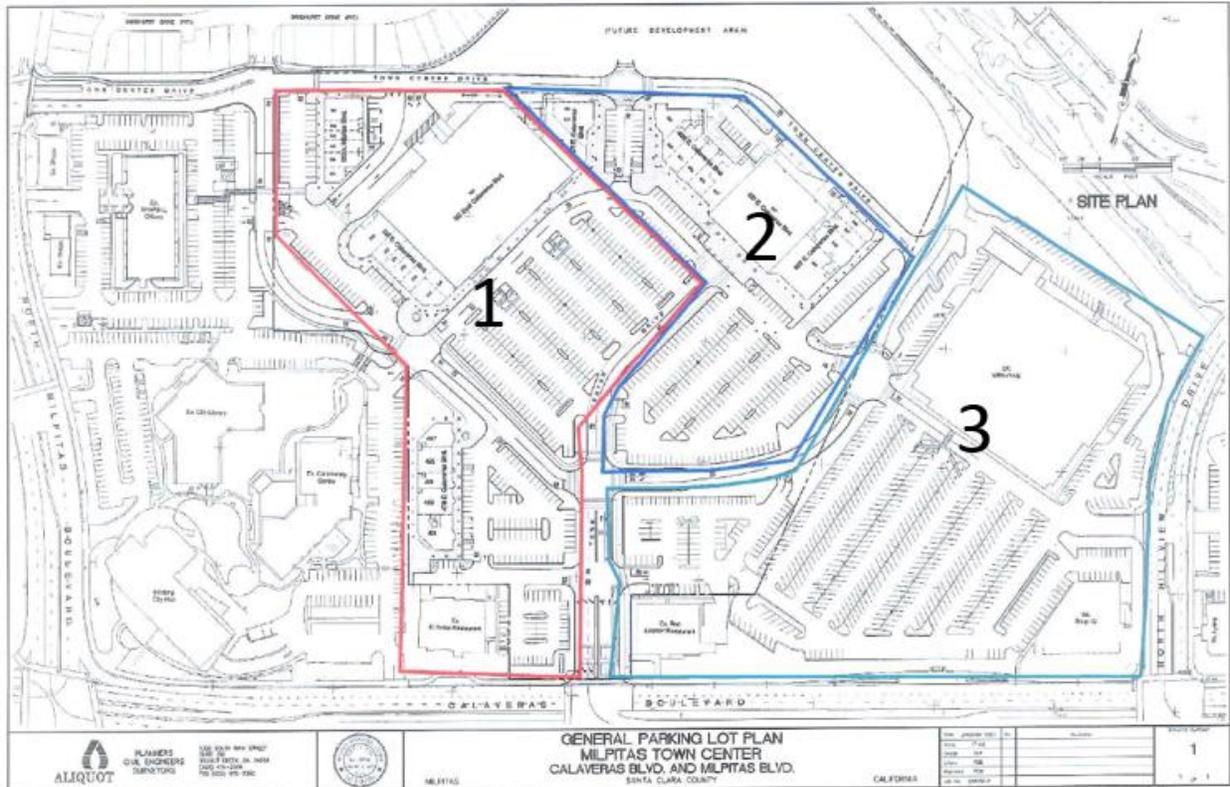
Zoning Conformance

The Zoning designation for the project site is Town Center. As previously, the proposed use for the former Mervyn’s building is a fitness center and commercial retail service uses. These uses

are principally permitted by the City Code (Table XI-10-5.02-1). The project meets all development standards, with the exception of parking, which is discussed later in this report.

Parking

In an effort to create clarity in determining parking requirements, the applicant provided a map that breaks down the Milpitas Town Center into three distinct districts. The breakdown is shown on the map below:



District 1 is considered the Safeway Parcel. District 2 is considered the Staple’s Parcel. District 3 is considered the Mervyn’s Parcel. Per the City Code requirements regarding the calculation of required parking spaces, which includes an indoor commercial athletic facility with basketball court, the required parking spaces for the site would be as follows:

Land Use	Size	Parking Required
Safeway Parcel		
Retail	64,210 sq. ft.	321
Restaurants	23,880 sq. ft.	261
Financial	2,080 sq. ft.	11
Medical/Office	7,310 sq. ft.	32
	Sub Total	625

Land Use	Size	Parking Required
Staples Parcel		
Retail	30,950 sq. ft.	154
Restaurants	8,780 sq. ft.	88
Financial	9,740 sq. ft.	54
Medical/Office	4,290 sq. ft.	18
	Sub Total	314
Mervyn's Parcel		
Retail	12,170 sq. ft.	61
Restaurants	9,090 sq. ft.	85
Mervyn's/Proposed Uses		
	Fitness Center	319
	Retail	135
	Sub Total	600
	Total	1,539

Generally, the Milpitas Municipal Code requires each proposed use to provide off-street parking in accordance with the ratios set forth in its Table 53.09-1. However, the Code also recognizes that “[d]edicated parking areas for individual uses, especially when provided in new developments, can result in less efficient land usage, lower floor area ratios, and more environmental/water quality impacts.” (Milpitas Municipal Code Section XI-10-53.11(A).) To that end, the Code permits applicants to seek authorization for shared parking under various circumstances. For instance, when a shopping center leases 20% of its gross leasable area to a dining and entertainment use, the City will allow a shared parking exception via the Conditional Use Permit process, per MMC Section XI-10-53.11(B)(2). As proposed, Milpitas Town Center has proposed to lease approximately 32% of its space to dining and entertainment uses. Therefore, the applicant is allowed to apply for a shared parking exception.

Required Review

Shared parking occurs when complementary land uses on the same site or in close proximity are able to utilize the same parking spaces because they have different peak parking characteristics. In order to demonstrated that a shared parking strategy can be used to establish the minimum number of parking spaces within a shopping center, a shared parking analysis using the Urban Land Institutes (ULI) methodology is required. (MMC Section XI-10-53.11(D).)

As noted above, Milpitas Town Center has 1,379 parking spaces available. By utilizing a shared parking analysis following ULI criteria, it has been demonstrated that at peak parking demand (including the proposed fitness use), 1,265 parking spaces would be required for the whole site. Analyzing solely the Mervyn's Parcel, which is where the fitness center and retails uses are proposed, the parking analysis demonstrates that 657 parking spaces are available when 445 parking spaces are needed at peak capacity. Technical details of the parking study can be found in Attachment B.

In closing, the analysis provided by the applicant and reviewed by staff provides sufficient evidence to demonstrate that a shared parking exception is warranted and the findings required for Conditional Use Permit approval can be made.

FINDINGS FOR APPROVAL

A finding is a statement of fact relating to the information that the Planning Commission has considered in making a decision. Findings shall identify the rationale behind the decision to take a certain action. Staff has found that the proposed project is consistent with the General Plan, Zoning Ordinance, and all required Findings.

Findings for issuance of the Conditional Use Permit for shared parking:

- 1. The proposed use, at the proposed location will not be detrimental or injurious to property or improvements in the vicinity nor to the public health, safety, and general welfare.*

Currently, the Mervyn's parking lot has 657 parking spaces. Based upon shared parking analysis, the Mervyn's parcel will only need 445 out of its 657 parking spaces to accommodate peak parking demand generated by combined proposed and existing uses of the parcel. This leaves 212 parking spaces available for existing uses on the Safeway and Staples Parcels, in addition to their own parking. As demonstrated in the analysis, a shared parking exception to allow the proposed fitness center and retail uses will not be detrimental or injurious to property or improvements within the vicinity.

- 2. The proposed use is consistent with the Milpitas General Plan.*

The proposed project is consistent with the policies of the General Plan, as demonstrated within the staff report.

- 3. The proposed use is consistent with the Milpitas Zoning Ordinance.*

The project conforms to all other Zoning Ordinance standards regarding the proposed uses, both of which are principally permitted within this zoning district per Milpitas Municipal Code Table XI-10-5.02-1, and the shared parking analysis documents compliance with the City's parking regulations.

ENVIRONMENTAL REVIEW

A categorical exemption pursuant to Section 15301 of the CEQA Guidelines – Existing Facilities, has been applied to this project. Although the project is an analysis of parking standards associated by local ordinance, the proposed use of a fitness center and commercial services will occur within an existing facility, where it involves a negligible expansion of the existing use.

PUBLIC COMMENT/OUTREACH

Staff provided public notice the application in accordance with City and State public noticing requirements. At the time of publishing this report, there have been no public comments received. A notice was published in the Milpitas Post on September 2, 2016. In addition, 680 notices were sent to owners and occupants within 1,000 feet of the project site. A public notice was also posted on the project site, on the City's Website, www.ci.milpitas.ca.gov, and at City Hall.

RECOMMENDATION

STAFF RECOMMENDS THAT the Planning Commission:

1. Open the Public Hearing;
2. Close the Public Hearing;
3. Adopt Resolution 16-036 approving Conditional Use Permit (P-UP16-0015), to allow shared parking on site, subject to the findings and conditions of approval.

Attachments

A: Resolution No. 16-036

B: Parking Study for the Proposed Fitness Center, dated May 20, 2016