

LOCATION MAP



BACKGROUND:

Site Description

The 0.3 acre project site consists of two adjacent parcels (APNs 726-13-029 [70 East Fourth Street] and 726-13-030) zoned Central Business District (CBD) located within the Downtown Specific Plan. The site includes an existing 3,150 square foot single story building and adjacent 7,860 square foot vacant lot. The building has recently been used as a dance studio and exercise facility. There is no on-site parking. Parking is available on the street and in other nearby public parking lots including the 270 space City parking structure located on the opposite side of East Fourth Street.

Surrounding Uses

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The site is adjacent to a motorcycle parts and repair business to the south, a 6 unit condominium complex to the west, and a vacant site to the north proposed to be rezoned for a mixed-use project consisting of 83 residential units and 5,760 square feet of commercial space. To the east of the project site across Depot Street is a surface parking lot owned by the City and Hale Lumber. Other residential, commercial and retail uses exist with the vicinity of the proposed site.

Project Description

The proposed project consists of a wine and beer bar with an adjoining outdoor area to include an additional bar, outdoor seating and recreational area for bocce ball courts. The applicant proposes to implement the project in two phases with Phase I to include tenant improvements for the existing building at 70 E. Fourth Street for a beer and wine bar, including retail sales of beer and wine. No food would be prepared on-site. There would be no on-site parking.

The second phase includes the development of the adjacent vacant lot with an outdoor covered bar area (approximately 600 square feet), outdoor seating, and bocce ball courts (approximately 1,000 square feet), restroom facilities, and other site improvements to accommodate the use. Architectural and Site Review would be required for significant changes to the exterior of the building and for the development of Phase II.

The proposed hours of operation would be from 10:00 AM to 12:00 AM, seven days a week. Phase I is anticipated to have up to four employees and an additional 4-6 employees with the implementation of Phase II. The applicant anticipates more customers in the summertime when conditions are more optimal to fully utilize the indoor and outdoor simultaneously.

ANALYSIS:

The proposed Conditional Use Permit was analyzed with respect to consistency with the: 1) General Plan; 2) Zoning Code; 3) Downtown Specific Plan; and 4) Applicable Policies.

1. General Plan Consistency

The General Plan land use designation for the site is Mixed-Use and is within the Downtown area considered an Area of Special Interest in the General Plan. The Downtown Specific Plan, adopted in 2009, established the City's vision and goals for the land use within the 68 acre Downtown area. The Mixed-Use land use designation and Downtown Specific Plan encourages a mixture of commercial and residential uses to create the social and civic center of Morgan Hill and through the allowance of more intense retail, restaurant, and entertainment uses and encourage more dense development.

City and Neighborhood Form Policies

Policy CNF-14.1 Mixture of uses Downtown. Encourage a mixture of uses in the Downtown that will promote its identity as a cultural and activity center of the City.

Policy CNF-14.3 Downtown Specific Plan. Support the implementation of the Downtown Specific Plan.

Policy CNF-14.4 Downtown Retail Uses. Encourage a mix of retail uses in the Downtown, such as specialty retail, office, entertainment, and other retail uses, with offices located away from

Monterey Road or on upper floors along Monterey Road.

The proposed use for a wine and beer bar and associated commercial recreation has been found consistent with the General Plan land use designation and specific City and Neighborhood Form policies.

2. Zoning Code Consistency

The zoning for the proposed site is Central Business District (CBD), which is intended to implement the Downtown Specific Plan and allows for a mixture of commercial uses either by right or as conditional uses. Figure 8, Permitted Uses of the Downtown Specific Plan requires bars not associated with restaurants within the CBD to obtain a conditional use permit. Commercial recreation up to 3,000 square feet is a permitted use (the bocce ball courts would be considered commercial recreation).

The existing building has been developed in compliance with the development standards of the CBD zoning district including setbacks (0 feet on front, side & rear), lot coverage (no maximum), and building height.

A Design Review Permit will be required to review the architectural and design details for the site, landscape and other associated improvements for Phase II of the project which would include the proposed outdoor bar and bocce courts.

Conditional Use Permit Findings

Pursuant to the requirements in Section 18.54.050 of the Zoning Ordinance, the following findings are required for approval of a Conditional Use Permit:

- A. The site is suitable and adequate for the proposed use.

The proposed site has frontage onto East Fourth Street and Depot Street which are both fully improved public streets within the downtown area. The site can be fully served with public utilities and services. Phase I of the proposed use will take place entirely within an existing building while Phase II will require improvements to a vacant parcel. Any exterior improvements will be reviewed through a Design Review Permit. All exterior and interior improvements will require a tenant improvement plan and/or building permits.

- B. The proposed use and design would not have a substantial adverse effect on traffic circulation and on the planned capacity of the street system.

The Planning Commission established trip generation threshold guidelines to determine when a transportation impact analysis study is needed to determine significant transportation impacts, however, exempted projects within the 14-block Downtown Core area from the guidelines. Regardless, the maximum number of peak hour trips (morning 6-9AM; or evening 4-7PM) generated by the proposed use when Phase I and II are combined is approximately 80 PM peak trips using the Institute of Transportation Engineers (ITE) Trip generation rates, this is below the established 100 net new peak hour trip threshold for requiring a traffic study.

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- C. The proposed use at the location will not adversely affect the peace, health, safety, morals or welfare of persons residing or working in the surrounding area, or impair the utility or value of property of other persons located in the vicinity of the site, or be detrimental to public health, safety or general welfare.

The General Plan has established the Downtown area as the social and civic center of Morgan Hill. The intent of the CBD zoning district is to encourage and provide for a variety and mixture of residential, commercial and public activities in the downtown core. The uses within the CBD are proposed to be more intense retail, restaurant, and entertainment uses. The proposed wine and beer bar and outdoor recreation use introduces an active ground floor use which the Downtown Specific Plan encourages and is similar in nature and use to other uses in the Downtown Area.

Phase I which includes wine and beer tasting bars and retail sales of wine and beer will be completely within the existing building located at 70 East Fourth Street. This use is similar to other retail and drinking establishment uses within the Downtown Specific Plan. Phase II will activate the outdoor area by expanding the use outside with an additional bar, outdoor seating, and bocce ball courts. It is expected that the outdoor activities will generate additional noise within the vicinity, but would be similar to other establishments with outdoor seating and uses in the Downtown. No amplified sound is proposed at this time.

The proposed use would be required to comply with Section 18.48.075 of the Zoning Ordinance which has established the maximum sound generated by any use may not exceed 70 db(A). Additionally, Morgan Hill Municipal Code Chapter 8.28 (Noise) limits live entertainment/amplified sound, radios, musical instruments and similar devices to no louder than is necessary for convenient hearing for the persons listening. Any music played between the hours of 11:00 PM and 7:00 AM is limited in such a manner that it cannot disturb anyone beyond 50 feet of the building or structure where such device is located.

As conditioned, the bar use will be required to provide a safety and security management plan for review and approval by the Police Department. The Police Department has requested an outdoor lighting plan which shall be reviewed with the Design Review Permit.

- D. The design of the project is compatible with existing and proposed development within the district and its surroundings.

Phase I of the proposed use will utilize an existing single story building. Based on the proposed plan, exterior modifications are not expected with this phase. Phase II includes the construction of the new outdoor covered wine bar, restroom facilities, bocce ball courts, and other associated improvements. The plans submitted with the Conditional Use Permit application are considered conceptual and will be further reviewed through a Design Review Permit application. The proposed improvements would be required to be consistent with the Architectural Review Handbook and Downtown Specific Plan Design Guidelines.

3. Downtown Specific Plan Consistency

The site is located within the Downtown Specific Plan. The Downtown Specific Plan boundary covers 18 blocks and approximately 110 acres. Downtown Morgan Hill is centered on Monterey Road and is bound by Main Avenue, Butterfield Boulevard, Dunne Avenue, and Del Monte Avenue. The Downtown Core is generally defined by Main Avenue, the railroad tracks, Dunne

Avenue, and Del Monte Avenue.

The vision statement of the Downtown Specific Plan is: “Strengthening Downtown as the gathering place, a connecting force, the social and activity heart of Morgan Hill, is the overriding aspiration of this Plan - a place where residents from all segments of the community can live, work, meet, shop, dine and participate in public celebrations, and share in the richness of Morgan Hill’s community life. It will be a place like nowhere else - a place with its own scale, character and uses.” Consistent with this vision, the Specific Plan identifies that the Downtown “will offer needed goods and services and well as provide a congenial home for new and unique businesses”.

Since the project is located within the Downtown Specific Plan (DTSP) area, the permitted and conditionally permitted uses and development standards established within the Specific Plan have been adopted as the Morgan Hill Zoning Ordinance and provide the primary tools for the Plan's implementation.

As stated in the General Plan and Zoning Consistency sections above, the proposed use is consistent with the Downtown Specific Plan. Any improvements to the site will be reviewed for consistency with the Design Guidelines in the Downtown Specific Plan.

4. Applicable Policies

Off-street parking has not been provided. Non-residential uses within the Downtown are exempt from providing additional on-site parking (Chapter 4: Parking Resources Management Strategy-Morgan Hill Downtown Specific Plan and City Council Resolution 6640). The Downtown Parking Conditions Study-Update (Prepared by: Hexagon Transportation Consultants, 02/26/2016) concluded that current parking demand in the Downtown is less than the available supply, with known new development. With the completion of the City's parking garage, a parking surplus remains within the Downtown; therefore, the proposed project is exempt from providing off-street parking.

Community Engagement

The proposed project was publicly noticed (mailing to property owners within 300 feet of the project and newspaper legal noticing) for the minimum 10-day period and a sign has been posted at the proposed business location pursuant to the Development Services Department requirements.

Conclusion

As discussed in this report, the City is able to make the required findings for approval of the requested Conditional Use Permit for the operation of the wine and beer bar. Approval is recommended subject to the Findings and Conditions of Approval contained in the attached resolution.

CEQA (California Environmental Quality Act):

Categorical Exemption

The project is categorically exempt from environmental review pursuant to Section 15301 of the CEQA Guidelines – Existing Facilities. The project consist of the operation and licensing of an

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existing private structure involving negligible or no expansion of use beyond that existing of the City's (lead agency) determination.

LINKS/ATTACHMENTS:

Attachments

1. Conditional Use Permit Resolution
3. Statement of Proposed Operations
4. Site and Floor Plan