



MEETING

The regular meeting of the Hayward Planning Commission was called to order at 7:30 p.m. by Chairperson Bogue, followed by the Pledge of Allegiance.

ROLL CALL

Present: COMMISSIONERS Zermeno, McKillop, Sacks, Caveglia, Halliday, Thnay
 CHAIRPERSON Bogue
 Absent: COMMISSIONER None

Staff Members Present: Anderly, Conneely, Gaber, Koonze, Looney, Patenaude

General Public Present: Approximately 10

PUBLIC COMMENT

There were no public comments.

AGENDA

1. Appeal of the Planning Director's Denial of Tentative Parcel Map 7690 – Ed Fuentes (Applicant/Owner) – Request to Subdivide a 9,000± Square-Foot Parcel into Two Parcels – The Property is Located at 22838 Francisco Street in a CC-C (Central City-Commercial) Subdistrict
2. Use Permit Application No. PL-2002-0106 – Julie McKillop and Ana Marisol Valles (Applicants); Julie McKillop (Owner) – Request to Operate a Retail Wine and Food Shop in the CC-C-SD-1 (Central City-Commercial/Streetcar Special Design District) Zoning District – The Property is Located at 742 B Street, Across From City Hall

PUBLIC HEARINGS

1. Appeal of the Planning Director's Denial of Tentative Parcel Map 7690 – Ed Fuentes (Applicant/Owner) – Request to Subdivide a 9,000± Square-Foot Parcel into Two Parcels – The Property is Located at 22838 Francisco Street in a CC-C (Central City-Commercial) Subdistrict

Assistant Planner Koonze explained why the Planning Director denied the application as well as the history of the application. He then described both buildings on the lot. He explained that the applicant wants to upgrade the commercial building. He explained that staff is looking at the long-term goal of high-density for that area and therefore, the subdivision is inconsistent with the Downtown Design Plan and with the Zoning Ordinance. Staff feels that the area should be striving toward consolidation rather than subdivision of parcels.

Commissioner Caveglia questioned the City's vision and what they would like to see.

Assistant Planner Koonze explained that staff is looking forward to incorporating into a higher intensity use in that area.

Planning Manager Anderly suggested that in looking at just these two lots, for the short term this might be a good solution. Eventually, however, the whole block might be considered. She noted that there is no vision for the block but the General Plan indicates a long-term vision of high density and commercial. She also stated that staff does not know how structurally sound the commercial building is.

Commissioner Caveglia commented that in driving by the property he noticed two major cables on that side need to be fixed. He asked staff to make a note of this.

Commissioner Halliday asked whether this is in the Redevelopment Area.

Planning Manager Anderly responded that it is. She then noted that by approving the request, there would be more property that would be problematic for the Redevelopment Agency plans.

Commissioner Halliday asked whether the backyard is out of conformance.

Assistant Planner Koonze responded that at present it is not since it is all one lot.

Chairperson Bogue opened the public hearing at 7:45 p.m.

Ed Fuentes, property owner, noted that he was appealing the staff denial of the project. He explained that he is doing this with private funding, and commented on a letter from his banker who supports the project. He noted that the property is too complex and special to stay as one lot, and said he would like to get the commercial building back into service. The upstairs of the property can be converted to two or three units. He noted that by separating the lot there would be both the commercial and the residential property. He explained that he knows, in time, the house is going to have to go. He noted that he came to the City in July and met with both the Redevelopment and Planning Directors. He learned at that time that there is no long term Redevelopment plans for that block. He explained that having the building vacant is not positive for either the City or himself.

Commissioner Zermeño asked the applicant what plans he had for the building.

Mr. Fuentes responded that it has incurred years of neglect. He would need to shore up the old floor, and bring the building up to code standards. He thought he would add another bathroom both upstairs and downstairs. Since he has been told it is structurally sound, he thought \$30-40,000 would make it attractive for responsible tenant.

Commissioner Zermeño then asked what type of business he envisioned in the building.

Mr. Fuentes responded that there would be a variety of service businesses that might be



interested and that the building and location lend themselves nicely to all types of retail.

Commissioner Halliday noted that she had spoken by phone with the applicant. She asked about his report of the minimum size of the development site.

Assistant Planner Koonze commented that this was a section of the Downtown Hayward Design Plan that was removed. Having it in the staff report was in error.

Assistant Planner Koonze said the minimum lot size requirement was removed from the Downtown Hayward Design Plan as part of the last revision.

Commissioner McKillop asked about the rental costs for the properties.

Mr. Fuentes said it would be different whether it were a single unit or two units. The rental would probably be between \$1400-\$1500. As to the commercial space, he was assuming it would rent for over a \$1 a square foot, which is typical of the downtown area at this time, and it is 1500 square feet.

Steven Davis, described himself as a building official, said he has been working with Mr. Fuentes. He has spent some time evaluating the building, and feels it is very sound.

Chairperson Bogue closed the public hearing at 8:02 p.m.

Commissioner Halliday described the property on both sides that are subdivided. Since there is no date for when the City will be able to redevelop the lot, she commented that it would be an asset to make this work. She then moved, seconded by Commissioner Zermeño, to uphold the appeal, pending staff returning with findings to approve and CQA review.

Assistant City Attorney Conneely commented that staff would have to perform CEQA review, so the motion is to conduct CEQA review and bring back findings for approval.

Commissioner Zermeño said that in the long term he would agree with staff goals, but meantime, the property is not appealing. He said he would like to see it upgraded and more attractive. He said he too had talked with Mr. Fuentes.

Chairperson Bogue said he also had talked with Mr. Fuentes.

Commissioner Thnay asked whether an Environmental Impact Report would be required.

Planning Manager Anderly indicated that this has been staff's response where the project does not meet City policies. However, the Planning Commission's action reflects their belief that it is consistent with the General Plan.

Commissioner Thnay commended staff for the overall direction the City is going. At the same time, with CCC zoning and financing, Mr. Fuentes might still contribute to the enhancement of downtown. He noted that in the short-term, this is an interim solution.

Commissioner Sacks said she was sorry she had missed Mr. Fuentes on the telephone. She noted that this is a redevelopment situation in the future, but since the Commission has to deal with the day-to-day realities, she said she would support the motion.

Commissioner McKillop said she has had her eye on this building for a long time. She would love to see the old building get another lease on life.

Commissioner Halliday commented that Mr. Fuentes has done an excellent job of helping staff make findings that this project will conform to the General Plan.

Commissioner Zermeño said the sign on the building was pretty ugly and hoped it would probably have to go.

Planning Manager Anderly stated that any sign for an obsolete business would have to go.

The motion passed unanimously.

2. Use Permit Application No. PL-2002-0106 – Julie McKillop and Ana Marisol Valles (Applicants); Julie McKillop (Owner) – Request to Operate a Retail Wine and Food Shop in the CC-C-SD-1 (Central City-Commercial/Streetcar Special Design District) Zoning District – The Property is Located at 742 B Street, Across From City Hall

Commissioner McKillop recused herself due to a conflict of interest.

Planning Manager Anderly described the wine bar proposed for across the street from City Hall. She noted that it would be 500-feet from nearest alcohol sales. They plan to have outside seating in the rear. One letter of objection was received from Commpre, which noted that the location was in an area of over-concentration. Staff says the use permit can regulate many things, including hours. She said there is an expectation that the downtown will have wine bars, etc. She noted the request from Commpre to having a requirement for Responsible Beverage Service classes for the staff. She said they were also asking for “no off-sale,” as well as a requirement that the gross sale of alcohol would not exceed the gross sale of food. She noted that this would be difficult for the City to monitor with inadequate staff.

Commissioner Caveglia said that in looking at the drawings, there was nothing of the residence in the upper part of the building.

Planning Manager Anderly responded that the Use Permit is for the bar and alcohol sales. The residence is separate from this hearing.

Commissioner Sacks discussed the property near City Hall. She said many people think of the green area as a kind of park. She emphasized that it is not a park. Plans for a commercial building have been submitted for this area.



Planning Manager Anderly noted that a request for an office building on that parcel had already been submitted.

Commissioner Zermeño clarified that Commpre had recommended no off-sale liquor sales.

The public hearing opened at 9:20 p.m.

Anna Marisol Valles, Applicant, described her passion for hospitality. She said she wants to bring the service and luxury she has learned to Hayward and this establishment. She described the business model for the building, and said she appreciated the effort of Commpre. The applicants had met with them to try to solve their concerns. She noted that they had agreed to the responsible beverage training. She then asked the Commission to grant the permit.

Commissioner Halliday asked about the conditions #13, #14 that refer to beer, malt liquor, and distilled spirits being sold. She said she thought this was a wine bar.

Ms. Valles explained that there could be foreign beers offered for sale as well.

Commissioner Caveglia said he thought the project was a fascinating new concept. Having the two apartments upstairs. He asked about the cost of the wine.

Ms. Valles said that it would vary with the variety of wines. She said it might be from \$12 - \$21. The bottles would mostly be mid-range wines and sell for \$15 or so. She noted that they would have educational classes as well.

Commissioner Caveglia then asked about the restaurant and its menu.

Ms. Valles said they would serve cheeses, soups, and dishes that compliment wines.

Commissioner Zermeño asked for more information about the classes and could they be combined for credit at Chabot.

Ms. Valles described them as wine classes and education. She noted that occasionally vintners would come in.

Commissioner Zermeño then commented that he had never heard of Neumanali winery.

Ms. Valles responded that the name refers to the three owners.

Commissioner Sacks asked whether there would be anything available for people who do not drink wine.

Ms. Valles described the wine shop as a destination point, a place to view art or just be around other people. She noted that food would be available to them as well as other beverages.

Helga Grayson, co-applicant for the project, described her background as having a specialty catering business. She commented on the passion of many people of a glass of wine with a great meal. She said they looked at the success in the downtown area and felt it could be further enriched and added to the culture. She then read condition 15, and demonstrated the sizes of wine. She asked for the sizes of wines to include a split or 375 ml size rather than simply over 750 ml for sale.

Commissioner Zermeño said the gallon jugs would worry him.

Ms. Grayson noted that the largest size they would make available would be a magnum but these would be rare.

Commissioner Zermeño then asked whether the shop would serve California wines only.

Ms. Grayson responded that they would have mostly California wines but would not say only since there are many specialty wines with a European flair. She explained that they might have exceptions.

Commissioner Sacks asked whether corked wine was typical of their sales.

Ms. Grayson said yes, everything sold would have a cork.

Clarice Roberts said she is part of the art group going at the shop. The Phantom gallery is presently located in temporary quarters on B Street. They have a 6-month lease and will have to vacate soon. She said they were originally formed to help revitalize the downtown. She said they would be staffing the art part of it. The gallery will show local artists, more than half of whom exhibit nationally.

Jim DeMersman, representing the Hayward Chamber of Commerce, commented that the Downtown is alive, well and growing. It is in full swing and the place to be. He noted a number of attractive uses available. He said the urban transit/housing is being noted on a national level. He said the arts help to draw residents and visitors alike. As museum curator he noted that although many other cities are losing response, Hayward's Museum patrons have increased 36 percent from last year. He noted that each component adds to the success of the downtown. Ms. McKillop has made a commitment to the community. He noted that she had brought much of her business from the San Francisco area to invest in the Hayward community.

Emily Chung, representing Commpre, said the law would not allow a new establishment within 500 feet of a licensed liquor outlet. She called attention to Albertson's, which is within 200 feet. She added that although they are exempt from ordinance because of their size, they are still there. She noted the distilled spirits in the conditions. She emphasized that this is not a "wine only" license. She commented that if this business was not successful or sold to someone else, the next owner would be able to sell beer. She then discussed a different



solution. She suggested a license type 41, which must operate at a bona fide eating-place. She noted that Buffalo Bill's is a kind of 41-type. She said Commpre would like them to increase the gross sales of food. ABC will enforce such a condition.

Commissioner Halliday asked whether the License 41 could have a provision for off-sale.

Ms. Chung responded that they could have the privilege for off-sale. She noted that Buffalo Bill's has off-sale as well.

Commissioner Halliday then asked about the provision for 50 percent of the total sales being food as well as alcohol. She commented that if they were selling wine, sales of wine would exceed food. She noted that it would be hard to enforce. Everything is half

Ms. Chung commented that since it is a condition of the Alcohol Beverage Commission, they would have to enforce it. She said Commpre does not want to encourage over-saturation of alcohol establishments in this area.

Commissioner Caveglia said he was interested in the License 41 and would like a response from the applicant.

Ms. Valles said that their license would be a combination of a 20 and a 41, since the sales would not be half food.

Planning Manager Anderly said she was not versed enough to know the restrictions. She noted that with the higher priced wines, it would be difficult to achieve a half and half percentage of sales of alcohol versus food.

Commissioner Sacks commented that the license types do not take into account the cost of the product.

Ms. Chung said a License 41 includes a restaurant.

Commissioner Sacks said that is not a consideration of what the applicant is asking. They are not planning a full restaurant.

The public hearing closed at 8:53 p.m.

Commissioner Zermeño said he certainly appreciated Commpre's effort. However, the applicant had plans to only sell wine and beer. He said he could not see winos or teenagers buying booze here. He said he does see this as unique and upscale, with an art galley and a garden. He moved for approval of the permit, with elimination of Condition 15. The motion died for lack of a second.

Commissioner Thnay moved, with Commissioner Sacks seconding, approval of the permit. He noted that Condition 15 would be changed to 375 ml instead of 750 ml. He commented on the difference between an alcohol shop and this up-scale wine shop. He added his compliments to Commpre for all the work they are doing but this is part of the evolution of downtown in trying to attract more people to the area.

Commissioner Halliday asked staff about the existing 500 feet and whether Albertson's was exempt.

Planning Manager Anderly said it was exempt and not to be considered in this decision.

Commissioner Halliday then said as long as these people run this establishment she would feel comfortable with it. However, if they were to leave the building the license will go with the land.

Planning Manager Anderly clarified that the new owner would be restricted by the same Conditions of the Use Permit.

Commissioner Halliday then proposed a friendly amendment to delete most of Condition 16, so that it would read, "Distilled spirits shall not be sold." Both the maker of the motion and the seconder agreed.

Planning Manager Anderly said she did not think the applicant would mind this restriction.

Commissioner Halliday added that she was excited to see both applicants at this meeting. It really indicates that the downtown is taking off. She said she liked to see locally inspired small business. This looks like a nice business, its near BART, and should enhance the ambiance of downtown. She added that she highly respect the work of Commpre.

Chairperson Bogue asked that a further condition be added to require the Responsible Beverage Classes for employees. This was also agreed to.

Commissioner Sacks added that there should be plenty of oversight with its location across from City Hall.

Commissioner Caveglia commented that for the first time in 7 years, he would be voting for a project that has alcohol.

The motion passed unanimously 6:0:1, with Commissioner McKillop abstaining.

ADDITIONAL MATTERS

3. Oral Report on Planning and Zoning Matters

There were no oral reports.

4. Commissioners' Announcements, Referrals

MINUTES



REGULAR MEETING OF THE PLANNING
COMMISSION, CITY OF HAYWARD, Council
Chambers
Thursday, October 17, 2002, 7:30 P.M.
777 "B" Street, Hayward, CA 94541

There were no announcements or referrals.

APPROVAL OF MINUTES

- September 26, 2002 – Approved.

ADJOURNMENT

The meeting was adjourned by Chairperson Bogue at 9 :08 p.m.

APPROVED:

Barbara Sacks, Secretary
Planning Commission

ATTEST:

Edith Looney
Commission Secretary