



## Legislation Details (With Text)

<b>File #:</b>	ID 24-487	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Action Item	<b>Status:</b>		Adopted as Amended	
<b>File created:</b>	4/2/2024	<b>In control:</b>		City Council	
<b>On agenda:</b>	4/18/2024	<b>Final action:</b>		4/18/2024	
<b>Title:</b>	<p>HEARING to Consider Plan Amendment and Rezone Application No. P21-01960, Conditional Use Permit Application No. P21-01959, Conditional Use Permit Application No. P21-03251, Planned Development Permit Application No. P21-03252 and related Final Environmental Impact Report (FEIR), State Clearinghouse (SCH) No. 2021100443 pertaining to ±22.4 acres of property located on the northeast corner of West Herndon Avenue and North Riverside Drive (Council District 2) - Planning &amp; Development Department.</p> <ol style="list-style-type: none"><li>1. RESOLUTION - CERTIFYING Final Environmental Impact Report (SCH No. 2021100443), for the proposed Costco Commercial Center Project;<ol style="list-style-type: none"><li>a. Adopt the Findings of Fact and Statement of Overriding Considerations pursuant to CEQA Guidelines Section 15091; and,</li><li>b. Adopt the Mitigation Monitoring and Reporting Program (MMRP) pursuant to CEQA Guidelines section 15097; and,</li></ol></li><li>2. APPROVE Plan Amendment Application No. P21-01960, requesting authorization to amend the Fresno General Plan and Bullard Community Plan to change the planned land use designation for the subject property from Community Commercial to General Commercial, and reclassify West Herndon Avenue, from North Riverside to North Hayes Avenue, from an Expressway to a Super Arterial; and,</li><li>3. BILL (for introduction and adoption) to approve Rezone Application No. P21-01960, requesting authorization to amend the Official Zoning Map of the City of Fresno to rezone the subject property from the CC/EA/UGM/cz (Community Commercial/Expressway Overlay/Urban Growth Management) zone district to the CG/UGM/cz (Commercial General/Urban Growth Management/conditions of zoning) zone district in accordance with the Plan Amendment Application; and</li><li>4. APPROVE Conditional Use Permit Application No. P21-01959, requesting authorization to construct a ±219,216 square-foot Costco warehouse retail building, with a ±4,800 square-foot carwash and a ±13,000 square-foot fuel canopy with 32 fuel pumps, subject to compliance with the Conditions of Approval dated March 7, 2024.</li><li>5. APPROVE Conditional Use Permit Application No. P21-03251, requesting authorization to establish a State of California Alcoholic Beverage Control (ABC) Type 21 alcohol license that will allow the sale of beer, wine, and distilled spirits for consumption off the premises where sold, subject to compliance the Conditions of Approval dated March 7, 2024.</li><li>6. APPROVE Planned Development Permit Application No. P21-03252, requesting authorization to modify parking lot development standards to allow for 36.5-foot-tall parking lot light fixtures rather than 25-foot-tall fixtures.</li></ol>				
<b>Sponsors:</b>	Planning and Development Department				
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	<p>1. Exhibit A – Vicinity Map &amp; Aerial Photo, 2. Exhibit B-1 – Current and Proposed Zoning &amp; Planned Land Use Map, 3. Exhibit B-2 – West Herndon Avenue Designation, 4. Exhibit C-1 – Project Site Plan Rendering, 5. Exhibit C-2 – Project Elevations Renderings, 6. Exhibit D-1 – Draft Environmental Impact Report with Appendices, 7. Exhibit D-2 – Draft Environmental Impact Report Response to Comments, 8. Exhibit D-3 – Draft Environmental Impact Report Mitigation Monitoring &amp; Reporting Program, 9. Exhibit D-4 – Draft Environmental Impact Report Findings of Fact &amp; Statement of Overriding Considerations, 10. Exhibit D-5 - Errata to the Final EIR.pdf, 11. Exhibit E – Notice of Public Hearing (Planning Commission and City Council), 12. Exhibit F – Fresno Municipal Code</p>				

Findings, 13. Exhibit G – Conditions of Approval for the 7120 N. Riverside Dr. Costco Commercial Center, 14. Exhibit H – Planning Commission Resolution, 15. Exhibit I-1 – City Council EIR Certification Resolution with Final EIR, 16. Exhibit I-2 – City Council Resolution for Plan Amendment Application No. P21-01960, 17. Exhibit I-3 – City Council Ordinance Bill for Rezone Application No. P21-01960, 18. Exhibit J – City Council Hearing PowerPoint Presentation, 19. Exhibit K – Public Comments, 20. Exhibit L - Errata to the Conditions of Approval for the 7120 N. Riverside Dr. Costco Commercial Center.pdf, 21. Exhibit M - Public Comments Received Since February 27, 2024, 22. Exhibit N - Additional Traffic Calming Measures, 23. Exhibit O - Applicant Presentation, 24. Exhibit P - Applicant Provided Supplemental Materials, 25. 925 AM File ID 24-487 Supplement Packet, 26. 9:25 A.M. ID 24-487 Supplement Packet, 27. 9:25 AM ID 24-487 Additional supplement, 28. 9:25 AM Additional Supplement rec'd 4/18/2024

Date	Ver.	Action By	Action	Result
4/18/2024	1	City Council	ADOPTED AS AMENDED	Pass

## REPORT TO THE CITY COUNCIL

**FROM:** JENNIFER K. CLARK, Director  
Planning and Development Department

**BY:** PHILLIP SIEGRIST, Planning Manager  
Planning and Development Department

STEVEN MARTINEZ, Planner  
Planning and Development Department

## SUBJECT

HEARING to Consider Plan Amendment and Rezone Application No. P21-01960, Conditional Use Permit Application No. P21-01959, Conditional Use Permit Application No. P21-03251, Planned Development Permit Application No. P21-03252 and related Final Environmental Impact Report (FEIR), State Clearinghouse (SCH) No. 2021100443 pertaining to ±22.4 acres of property located on the northeast corner of West Herndon Avenue and North Riverside Drive (Council District 2) - Planning & Development Department.

1. RESOLUTION - CERTIFYING Final Environmental Impact Report (SCH No. 2021100443), for the proposed Costco Commercial Center Project;
  - a. Adopt the Findings of Fact and Statement of Overriding Considerations pursuant to CEQA Guidelines Section 15091; and,
  - b. Adopt the Mitigation Monitoring and Reporting Program (MMRP) pursuant to CEQA Guidelines section 15097; and,
2. APPROVE Plan Amendment Application No. P21-01960, requesting authorization to amend the Fresno General Plan and Bullard Community Plan to change the planned land use designation for the subject property from Community Commercial to General Commercial, and reclassify West Herndon Avenue, from North Riverside to North Hayes Avenue, from an Expressway to a Super Arterial; and,
3. BILL (for introduction and adoption) to approve Rezone Application No. P21-01960, requesting authorization to amend the Official Zoning Map of the City of Fresno to rezone the subject property from the CC/EA/UGM/cz (Community Commercial/Expressway Overlay/Urban Growth Management) zone district to the CG/UGM/cz (Commercial General/Urban Growth Management/conditions of zoning) zone district in accordance with the Plan Amendment Application; and
4. APPROVE Conditional Use Permit Application No. P21-01959, requesting authorization to

construct a ±219,216 square-foot Costco warehouse retail building, with a ±4,800 square-foot carwash and a ±13,000 square-foot fuel canopy with 32 fuel pumps, subject to compliance with the Conditions of Approval dated March 7, 2024.

5. APPROVE Conditional Use Permit Application No. P21-03251, requesting authorization to establish a State of California Alcoholic Beverage Control (ABC) Type 21 alcohol license that will allow the sale of beer, wine, and distilled spirits for consumption off the premises where sold, subject to compliance the Conditions of Approval dated March 7, 2024.
6. APPROVE Planned Development Permit Application No. P21-03252, requesting authorization to modify parking lot development standards to allow for 36.5-foot-tall parking lot light fixtures rather than 25-foot-tall fixtures.

## RECOMMENDATIONS

1. RESOLUTION - CERTIFYING Final Environmental Impact Report (SCH No. 2021100443), for the proposed Costco Commercial Center Project;
  - a. Adopt the Findings of Fact and Statement of Overriding Considerations pursuant to CEQA Guidelines Section 15091; and,
  - b. Adopt the Mitigation Monitoring and Reporting Program (MMRP) pursuant to CEQA Guidelines section 15097; and,
2. APPROVE Plan Amendment Application No. P21-01960, requesting authorization to amend the Fresno General Plan and Bullard Community Plan to change the planned land use designation for the subject property from Community Commercial to General Commercial, and reclassify West Herndon Avenue, from North Riverside to North Hayes Avenue, from an Expressway to a Super Arterial; and,
3. BILL (for introduction and adoption) to approve Rezone Application No. P21-01960, requesting authorization to amend the Official Zoning Map of the City of Fresno to rezone the subject property from the CC/EA/UGM/cz (Community Commercial/Expressway Overlay/Urban Growth Management) zone district to the CG/UGM/cz (Commercial General/Urban Growth Management/conditions of zoning) zone district in accordance with the Plan Amendment Application; and,
4. APPROVE Conditional Use Permit Application No. P21-01959, requesting authorization to construct a ±219,216 square-foot Costco warehouse retail building, with a ±4,800 square-foot carwash and a ±13,000 square-foot fuel canopy with 32 fuel pumps, subject to compliance with the Conditions of Approval dated March 7, 2024.
5. APPROVE Conditional Use Permit Application No. P21-03251, requesting authorization to establish a State of California Alcoholic Beverage Control (ABC) Type 21 alcohol license that will allow the sale of beer, wine, and distilled spirits for consumption off the premises where sold, subject to compliance the Conditions of Approval dated March 7, 2024.
6. APPROVE Planned Development Permit Application No. P21-03252, requesting authorization to modify parking lot development standards to allow for 36.5-foot-tall parking lot light fixtures rather than 25-foot-tall fixtures.

## EXECUTIVE SUMMARY

Lynette Dias of Urban Planning Partners, Inc., on behalf of Costco Wholesale Corporation, has filed Plan Amendment/Rezone Application No. P21-01960; Conditional Use Permit Application No. P21-01959, Conditional Use Permit Application No. P21-03251 and Planned Development Permit Application No. P21-03252 pertaining to one vacant parcel totaling approximately ±22.4 acres,

located on northeast corner of West Herndon Avenue and North Riverside Drive.

Plan Amendment Application No. P21-01960 proposes to amend the Fresno General Plan and the Bullard Community Plan to change the planned land use designations for the subject property from *Commercial Community* to *Commercial General*. Further, the proposed plan amendment proposes to reclassify West Herndon Avenue, from North Riverside to North Hayes Avenue, from an Expressway to a Super Arterial.

The rezone application component proposes to amend the Official Zoning Map of the City of Fresno to rezone the subject property from the CC/EA/UGM/cz (*Community Commercial/Expressway Overlay/Urban Growth Management/conditions of zoning*) zone district to the CG/UGM/cz (*General Commercial/Urban Growth Management/conditions of zoning*) zone district in accordance with the Plan Amendment Application.

Related Conditional Use Permit Application No. P21-01959, requests to construct a ±219,216 square-foot warehouse retail building, ±4,800 square-foot carwash and a ±13,000 square-foot fuel canopy with 32 fuel pumps. The warehouse foot print is comprised of ±163,539 square-feet for retail sales, ±4,422 square-feet for loading/receiving, ±46,834 square-feet for market delivery operation, ±3,233 square-feet of open canopy space, and ±1,188 square-feet of building envelope. The project includes 873 total parking stalls, which include 25 accessible spaces and 92 electric vehicle-ready parking stalls. Note, under the current planned land use and zone district of Community Commercial, the proposed carwash would be prohibited. Under the proposed Commercial General planned land use and zone district, the proposed use would be permitted.

Conditional Use Permit Application No. P21-03251 requests authorization to establish a State of California Alcoholic Beverage Control (ABC) Type 21 alcohol license that will allow the sale of beer, wine, and distilled spirits for consumption off the premises where sold.

Planned Development Permit Application No. P21-03252, request to modify parking lot development standards to allow for 36.5-foot-tall light fixtures rather than 25-foot light fixtures.

#### Fresno City Planning Commission Action

On February 21, 2024, the Planning Commission considered the item as presented by staff, followed by a presentation by the applicant. One member of the public spoke in support of the project and one member of the public spoke in opposition of the project. After a complete hearing, the Planning Commission voted and recommended the City Council certify the Environmental Impact Report and approve the plan amendment, rezone, conditional use permits, and planned development permit subject to conditions of approval dated March 7, 2024. The Planning Commission Resolutions (**Exhibit H**) are attached for more information.

#### Fresno City Council Action

On March 7, 2024, the City Council considered the item as presented by staff, followed by a presentation by the applicant. Four (4) members of the public spoke in support of the project and five (5) members of the public spoke in opposition of the project. After a complete hearing, the item was referred back to Planning Staff to consider the concerns brought forth during the hearing. Staff's response is contained within this report.

## BACKGROUND

Lynette Dias of Urban Planning Partners, Inc., on behalf of Costco Wholesale Corporation, has filed Plan Amendment/Rezone Application No. P21-01960; Conditional Use Permit Application No. P21-01959, Conditional Use Permit Application No. P21-03251 and Planned Development Permit Application No. P21-03252 pertaining to one vacant parcel totaling approximately  $\pm 22.4$  acres, located on northeast corner of West Herndon Avenue and North Riverside Drive.

### Surrounding Property Information

The project site is in an area generally characterized by a mix of existing land uses including golf course (north), mini self-storage (east), commercial and residential (south), and single family residential (west). Furthermore, surrounding properties are planned and zoned for a mix of land uses which include Public Recreation (north), Residential Multi-Family and Office (east), Residential, Multi Family and Community Commercial (south), and Residential, Single Family (west). Properties located further to the west are planned for Commercial Highway and Commercial-Regional; to the east Public Facility - Junior High School and Office. Additional surrounding property information such as the existing and planned land use designations, as well as the existing zoning districts surrounding the subject property can be found in **Exhibit B-1**.

### Project Description

The project proposes to develop a new  $\pm 219,216$  square-foot Costco Warehouse Retail building, a 16 dispenser (32 fuel pumps) gas station with a  $\pm 13,000$  square-foot canopy, and a  $\pm 4,800$  square foot automated carwash facility. The project will also include on- and off-site improvements including but not limited to: seven (7) points of ingress and egress (three (3) along North Riverside Drive; one (1) along West Spruce Avenue; three (3) along North Arthur Avenue; curbs, gutters, and sidewalks; landscaping; and guest, employee, and truck parking. All trucks will enter and exit the site only from the two (2) drive approaches nearest West Herndon Ave-one (1) on North Riverside Drive, one (1) on North Arthur Avenue. Employees and patrons may enter and exit the site only from all seven access points.

### Existing and Proposed Facilities and Operations

Costco currently operates three stores with associated gas stations in the Fresno/Clovis area: 7100 North Abby Street (Fresno); 4500 West Shaw Avenue (Fresno); 2270 Clovis Avenue (Clovis). The store proposed in this project will replace the Costco at 4500 West Shaw Avenue which is approximately 134,000 square feet. It is anticipated that the existing Costco building may be purchased or leased by another large-format retailer; however, no specific use, including the potential for redevelopment, is known at this time. The fueling station will remain.

It is noted that the proposed relocation is anticipated to serve existing demand, but also future growth. The new store will largely feature the same services provided at the existing location, however, within a larger footprint to better serve the existing and future demand. These services include: a tire center, optical exams and optical sales, hearing aid testing and sales, pharmacy, food service preparation and sales, meat preparation and sales, bakery and sales of baked goods, and alcohol sales under a Type 21 ABC alcohol license.

The new store will also feature an integrated *Market Delivery Operation* (MDO) component which is

the company's last-mile facility for delivery of large and bulky items. At MDO facilities, large goods are dropped off, organized, and loaded for daily deliveries to Costco members' homes. The MDO component will also provide some sales floor display products from MDO stock and the MDO component and retail component will share employees, equipment, and facilities. Services will be at the same scale as the existing program in the City of Fresno, but be consolidated into the proposed warehouse facility. The existing facility averages approximately 20 MDO trips per day.

#### Gas Station

The project will include a Costco members-only gas station on the northern portion of the project site adjacent to West Spruce Avenue. The facility will include an approximately 13,000 square-foot canopy and a 125 square-foot controller enclosure. There will be four covered fueling islands, each with 4 two-sided fuel dispensers to provide for the fueling of 8 cars at each island, for a total of 32 fueling positions. The gas station will also have 8 stacking lanes, allowing approximately 40 cars to wait for pumps at any given time in addition to the 32 cars at the dispensers. The dispensers will be fully automated and self-service. An attendant will be present at all times of operation to oversee operations and assist members. Four (4) underground fuel tanks will also be installed at the southern edge of the gas station. Lights will be recessed into the canopy to provide both lighting during operating hours and a lower level of security lighting after hours.

#### Car Wash

A Costco members-only automated carwash will be located at the northwest corner of the project site, adjacent to the gas station. The car wash structure will be approximately 4,800 square feet. The car wash facility will include only the automated car wash within the structure; wash water will be recycled; and no self-service car vacuum stations will be provided.

#### Building Design

The store design is contemporary and will include a variety of design elements that add depth and dimension. Costco intends to create scale and architectural interest with the use of design techniques such as the location of building materials, landscaping, and the incorporation of varying parapet cap heights that provide horizontal and vertical articulation. The technique of breaking a long elevation into smaller elements with varied materials and colors is used to create a more pedestrian-friendly scale in the proposed design. The proposed colors are natural earth tones, which will provide consistency with the surrounding development by utilizing similar building materials and architectural detailing.

The warehouse design is consistent with the requirements of Leadership in Energy and Environmental Design (LEED), an internationally accepted benchmark for green building design and construction. The buildings will use recycled metal in construction, and restroom fixtures will be high efficiency to reduce water use. In addition, mechanical heat from refrigeration systems will be captured to preheat hot water tanks.

#### Site Access and Circulation

The proposed development will provide multiple points of access to the project site. The primary entrance to the warehouse will be located along North Riverside Drive, with a full-service driveway aligned with West Fir Drive. This proposal includes the installation of traffic control devices at the intersection of West Fir Drive, North Riverside Drive, and the Costco main driveway. Two additional right-in/right-out driveways along North Riverside Drive will provide secondary points of vehicle access to the project site. The existing right-of-way along the eastern edge of the site, North Arthur Avenue, is planned to become a private driveway. The North Arthur Avenue roadway will provide a

north-south connection between West Spruce Drive and West Herndon Avenue, providing the site with right-in and left-in access from West Herndon Avenue and right-out access from North Arthur Avenue. At the eastern edge of the project site, two additional right-in/right-out driveways are proposed along North Arthur Avenue for customer access. A third driveway is proposed along North Arthur Avenue (near the southern boundary of the project site) that will provide delivery, service, and emergency vehicle access. The primary truck access route will be the southernmost driveway along North Arthur Avenue, with a secondary truck route using the southernmost driveway along North Riverside Drive.

#### *North Arthur Avenue*

A portion of this project involves vacating an existing public street right-of-way for North Arthur Avenue, between West Spruce Avenue and West Herndon Avenue. North Arthur Avenue was originally dedicated on a May 26, 1920 map for the J.C. Forkner Fig Garden Subdivision. North Arthur Avenue was never developed or constructed as a public street. There are no current or future plans to develop or construct North Arthur Avenue as a public street. The purpose of this proposed street vacation is to dispose of excess public street right-of-way to accommodate the development of this project in accordance with the Streets and Highways Code. North Arthur is proposed to be a private street for the site.

#### *West Spruce Avenue*

West Spruce Avenue is located along the northernmost property boundary. Currently Spruce terminates at two intersections: Spruce Avenue and Riverside Drive; Spruce Avenue and Strother Avenue. Spruce does not have a segment across the project site. The applicant will extend and enhance West Spruce Avenue from North Riverside Drive to the intersection with North Sandrini Avenue. The connection will be consistent with the City of Fresno Active Transportation Plan. The asphalt roadway will include curb, gutter, sidewalk, Class II bicycle facilities, and streetlights.

#### *Pedestrian Trails and Bike Paths*

The project will include construction of 12-foot-wide pedestrian and bicycle paths along the project site's frontage with West Herndon Avenue and North Riverside Drive. These facilities will be consistent with the City's Active Transportation Plan.

#### Landscaping

The landscape plan includes a mix of climate-adapted shrubs and grasses, and a variety of shade trees. The landscape design has incorporated a perimeter buffer which includes evergreen and deciduous trees and shrubs to enhance the streetscape. The proposed trees and landscaping will meet the City's shading requirement; the provided landscaping will shade at least 51 percent of the parking lot in 15 years. Additionally, the proposed landscaping represents 13 percent of the total project site and provides 354 trees, which meets the City's requirements of 10 percent of total project site and 121 trees, respectively.

#### Operation

Costco facilities are operated on a membership-only basis. The warehouse and car wash hours of operation are anticipated to be Monday through Friday from 9:00 a.m. to 8:30 p.m., and Saturday and Sunday from 9:00 a.m. to 7:00 p.m. The gas station will operate from 5:00 a.m. to 10:00 p.m. daily. It is anticipated that the proposed facilities will employ approximately 300 individuals in total, which will transfer from the existing Costco facility on West Shaw Avenue. A maximum of 165 to 175 employees will be on-site at any given time. Overall, the project is estimated to generate 10,616 net new weekday trips and 14,266 weekend daily net new trip ends.

Costco anticipates an average of about 10 to 13 trucks delivering goods on a typical weekday. The trucks range in size from 26-foot-long single-axle trailers to 70-foot-long double-axle trailers. Receiving time will be from 2:00 a.m. to 1:00 p.m., averaging two to three trucks per hour, with most of the deliveries completed before the 10:00 a.m. opening time. Deliveries to the warehouse will be made primarily in Costco trucks from its freight consolidation facility in Tracy, California, coming to the project site from SR 99 and West Herndon Avenue. Costco anticipates one daily delivery of large goods to the MDO facility. Typical receiving time is before 6:00 a.m., made primarily in Costco trucks from its freight consolidation facility (depot) in Tracy, California.

It is estimated that fuel will be delivered to the facility in two to three trucks per day. The largest fuel trucks will be approximately 70 feet long. While delivering the fuel, the trucks will be parked over the underground tanks. The trucks will not block access to any of the fueling positions or occupy any queuing space or parking spaces. The facility has been located and specifically designed to avoid traffic and queuing conflicts with the warehouse.

The tire center typically receives shipments of tires one to two times per week in single- or double-trailer trucks of up to 70 feet in length, and the same delivery truck will pick up old tires for recycling. Deliveries to, and pickups from, the tire center will be scheduled for pre-opening hours, typically about 6:00 a.m.

## Existing Land Use and Zoning

The subject property is located within the boundaries of the Fresno General Plan and the Bullard Community Plan. These plans designate the subject ±22.4-acre property for Commercial Community planned land uses. The existing underlying CC/EA/UGM/cz (*Commercial Community / Expressway Area / Urban Growth Management / conditions of zoning*) zone district is consistent with the Commercial Community planned land use designation.

According to the Fresno General Plan, Community Commercial is intended for commercial development that primarily serves local needs such as convenience shopping and small offices. Many of the city's current commercial districts fall into this designation. Specific uses allowed include medium-scale retail, office, civic and entertainment uses, supermarkets, drug stores and supporting uses. Under the current planned land use designation and zone district of Community Commercial, the proposed car wash would be prohibited; and the large format retail would be a conditionally permitted use. Therefore, the related Plan Amendment and Rezone Application (P21-01960) is required to change the existing zoning and land use to a district in which this use is permissible to facilitate the proposed development.

## Proposed Land Use and Zoning

As described above, the project requires a general plan amendment to change the land use designation of the project site from CC (*Community Commercial*) to CG (*General Commercial*). The General Commercial designation proposed for the site is described in Urban Form, Land Use, and Design Element of the general plan as appropriate for retail and service uses that may generate high volumes of vehicle traffic.

Similarly, the project site requires a rezone from CC/EA/UGM/cz (*Community Commercial/Expressway Overlay/Urban Growth Management/conditions of zoning*) to CG/UGM/cz (



*General Commercial/Urban Growth Management/conditions of zoning*). Large-format retail and fuel sales, which are the primary uses at the site, are allowed (after review and approval of a conditional use permit) within the existing CC zoning (see Section 15-1201 of the Fresno Municipal Code). The proposed rezone is necessary to permit the development of the car wash, which is not allowed under the current zoning. Development standards for the CG district are focused on ensuring that structures fit into the surrounding development pattern and architectural or traffic conflicts are minimized.

West Herndon Avenue is designated, depending on the specific segment, as either an expressway or superarterial, the two highest roadway classifications in the General Plan, throughout the project site's vicinity and is designated as a superarterial between the project site and SR 99. The project includes a general plan amendment to reclassify the portion of West Herndon Avenue between North Riverside Drive and North Hayes Avenue from expressway to superarterial to allow the construction of an intersection where West Herndon Avenue meets the private North Arthur Avenue right-of-way. The current classification of expressway does not permit the construction of this intersection. The proposed intersection where West Herndon Avenue meets the North Arthur Avenue right-of-way will allow access to the project site via two north-south streets, rather than solely from North Riverside Drive. This will result in easier travel for southbound drivers along North Riverside Drive, including nearby residents and visitors to the Riverside Golf Course.

Article 67 of the Fresno Municipal Code (FMC) provides use classifications which describe one or more uses of land having similar characteristics (e.g. residential uses, commercial uses, industrial uses, etc.), but does not list every use or activity that may appropriately be within the classification. Pursuant to FMC Section 15-6704 (Commercial Use Classifications), the proposed use is classified as Large-Format Retail, Washing, and Service Station.

**Large-Format Retail** is defined as retail establishments (over 80,000 square feet of sales area) that sell merchandise and bulk goods for individual consumption, including membership warehouse clubs. **Washing** is defined as washing, waxing, detailing, or cleaning of automobiles or similar light vehicles, including self-serve washing facilities. **Service Station** is defined as establishments primarily engaged in retailing automotive fuels or retailing these fuels in combination with activities, such as providing minor automobile/vehicle repair services; selling automotive oils, replacement parts, and accessories; and/or providing incidental food and retail services.

Pursuant to Fresno Municipal Code Table 15-1202 (Land Use Regulations - Commercial Districts), Washing and Service Stations are a conditionally permitted use in the CG zone district. Furthermore, Large-Format Retail is a permitted use in the CG zone district and not subject to specific limitations or additional regulations for special uses pursuant to FMC Article 27. Therefore, if approved, the project will be considered consistent with the proposed planned land use and zoning classification of Commercial General.

## ANALYSIS

### Traffic & Circulation

The project will include construction of off-site improvements to improve circulation. Specific improvements include the following:

- 1) Installation of a traffic signal at the intersection of West Fir Avenue, North Riverside Drive, and the main Costco driveway.
- 2) The construction of a private 36-foot asphalt right-of-way (currently named North Arthur

Avenue) running along the eastern boundary of the project site.

- 3) Construction of the intersection of West Herndon Avenue and North Arthur Avenue to allow right-in/right-out and left-in turning, which will require a median cut on West Herndon Avenue.
- 4) The construction of West Spruce Avenue from North Riverside Drive to the intersection with North Sandrini Avenue. The asphalt roadway will include curb, gutter, sidewalk, and streetlights, as well as the installation of sewer and water mains underneath this portion of West Spruce Avenue. Existing turf and mature trees within the right-of-way will be removed. In addition, the existing irrigation system at the golf course and path for the golf carts will be relocated. A new fence and nets to prevent errant balls from striking vehicles and pedestrians will be installed along the northern boundary of the roadway.
- 5) Improvements to the intersection of West Herndon Avenue and North Riverside Drive.
- 6) Improvements to North Riverside Drive, including moving the concrete median approximately 5 feet to the west, construction of a second southbound left-turn lane, construction of a second northbound lane, and construction of a 12-foot-wide multiuse trail and a 3-foot-tall landscaped berm between trail and parking lot.
- 7) The construction of pedestrian and bicycle facilities, including a trail as identified by the City's Active Transportation Plan along the project site's frontage with West Herndon Avenue.

As previously mentioned, the proposed development will provide multiple points of access to the project site. The primary entrance to the warehouse will be located along North Riverside Drive, with a full-service driveway aligned with West Fir Drive. Two additional right-in/right-out driveways along North Riverside Drive will provide secondary vehicle access to the project site. The existing right-of-way along the eastern edge of the site, North Arthur Avenue, is planned to become a private driveway. The North Arthur Avenue roadway will provide a north-south connection between West Spruce Drive and West Herndon Avenue, providing West Herndon Avenue with right-in and left-in access from West Herndon Avenue and right-out access from North Arthur Avenue. At the eastern edge of the project site, two additional right-in/right-out driveways are proposed along North Arthur Avenue for customer access. A third driveway is proposed along North Arthur Avenue near the southern boundary of the project site that will provide delivery, service, and emergency vehicle access. The primary truck access route will be the southernmost driveway along North Arthur Avenue, with a secondary truck route using the southernmost driveway along North Riverside Drive.

It is anticipated that the proposed facilities will employ approximately 300 individuals in total, which will transfer from the existing Costco facility on West Shaw Avenue. A maximum of 165 to 175 employees will be on-site at any given time. In total, the project is estimated to generate 10,616 net new weekday trips and 14,266 weekend daily net new trip ends.

Costco anticipates an average of about 10 to 13 trucks delivering goods on a typical weekday. The trucks range in size from 26-foot-long single-axle trailers to 70-foot-long double-axle trailers. Receiving time will be from 2:00 a.m. to 1:00 p.m., averaging two to three trucks per hour, with most of the deliveries completed before the 10:00 a.m. opening time. Deliveries to the warehouse will be made primarily in Costco trucks from its freight consolidation facility in Tracy, California, coming to the project site from SR 99 and West Herndon Avenue. Costco anticipates one daily delivery of large goods to the MDO facility. Typical receiving time is before 6:00 a.m., made primarily in Costco trucks from its freight consolidation facility (depot) in Tracy, California.

It is estimated that fuel will be delivered to the facility in two to three trucks per day. The largest fuel trucks will be approximately 70 feet long. While delivering the fuel, the trucks will be parked over the underground tanks. The trucks will not block access to any of the fueling positions or occupy any

queuing space or parking spaces. The facility has been located and specifically designed to avoid traffic and queuing conflicts with the warehouse.

The tire center will typically receive shipments of tires one to two times per week in single- or double-trailer trucks of up to 70 feet in length, and the same delivery truck will pick up old tires for recycling. Deliveries to, and pickups from, the tire center will be scheduled for pre-opening hours, typically about 6:00 a.m.

Although the proposed project will follow all safety and design protocol contained within the Fresno Municipal Code, the Traffic Impact Analysis (TIA) found that the proposed project will potentially increase the occurrence of safety hazards due to queuing. The following intersections were determined to not have sufficient storage to contain 95th percentile queues with project implementation. In these locations, project-generated traffic will result in a potentially hazardous transportation condition:

- ❖ North Riverside Drive and West Fir Avenue;
- ❖ North Riverside Drive and West Herndon Avenue; and
- ❖ North Golden State Boulevard and West Herndon Avenue.

At the two intersections on North Riverside Drive, the existing configuration of the intersections will not accommodate the project traffic volumes generated by the project. As a result, queuing traffic could extend beyond the existing left turn pockets, resulting in a hazard to through traffic. For the westbound approach of North Golden State Boulevard and West Herndon Avenue, the queue will extend past the North Weber Avenue intersection.

The City has identified the following improvements as conditions of approval for the proposed project that are applicable to the intersections for which a queuing impact was identified in the TIA:

- ❖ The proposed project shall modify the intersection of West Herndon Avenue and North Riverside Drive to the following configuration prior to occupancy:
  - Southbound - two (2) left-turn lanes, two (2) through lanes and one (1) right-turn lane.
  - Northbound - two (2) left-turn lanes, two (2) through lanes and one (1) right-turn lane.
  - Eastbound - two (2) left-turn lanes, three (3) through lanes and one (1) right-turn lane.
  - Westbound - two (2) left-turn lanes, three (3) through lanes and one (1) right-turn lane.If the general plan amendment is not approved, the westbound right-turn lane shall be extended to accommodate 150 feet of vehicle storage.
  - Bike lanes shall be provided in all directions. (Not required on westbound West Herndon Avenue if the general plan amendment is not approved).
  - If the general plan amendment is not approved, the westbound right-turn lane shall be extended to accommodate 150 feet of vehicle storage.
- ❖ The proposed project shall install a traffic signal with protected left-turn phasing per City of Fresno standards at the intersection of North Riverside Drive and West Fir Avenue prior to occupancy. This intersection is not subject to reimbursement under the TSML fee program. The intersection should be constructed to include the following configuration:
  - Northbound - one (1) left-turn lane, two (2) through lanes and one (1) right-turn lane.
  - Southbound - one (1) left-turn lane, two (2) through lanes and one (1) right-turn lane.
  - Eastbound - one (1) left-turn lane, one (1) shared through right-turn lane.
  - Westbound - two (2) left-turn lanes, one (1) shared through right-turn lane.
  - Bike lanes shall be provided in northbound and southbound directions.

With the intersection improvements detailed above, the potential queuing at the intersections of North Riverside Drive and West Fir Avenue and North Riverside Drive and West Herndon Avenue will be reduced such that they will not exceed the provided lane storage capacities. However, the conditions of approval do not require improvements to the intersection of North Golden State Boulevard and West Herndon Avenue due to the upcoming High Speed Rail project at this intersection which limits the available right of way for improvements. Thus, the queue of the westbound approach of North Golden State Boulevard and West Herndon Avenue will continue to extend past the North Weber Avenue intersection. Because the proposed project will result in safety hazards related to queuing, the impact related to transportation hazards during operation will be **significant**.

The Public Works Department, Traffic Engineering Division has reviewed the potential traffic related impacts for the proposed project and has determined that the streets adjacent to and near the subject site will be able to accommodate the quantity and kind of traffic which may be potentially generated subject to the standard city requirements for street improvements and subject to the project specific mitigation measures determined applicable by the City of Fresno Traffic Engineer. These requirements generally include: (1) Major and local street dedications; (2) Street improvements, (including, but not limited to, construction of concrete curbs, gutters, pavement, underground street lighting systems; and, (3) Payment of applicable impact fees (including, but not limited to, the Traffic Signal Mitigation Impact (TSMI) Fee, Fresno Major Street Impact (FMSI) Fee, and the Regional Transportation Mitigation Fee (RTMF) Fee. These requirements are outlined within the memorandums from the City Traffic Engineer dated February 14, 2024 which are included in the Conditions of Approval dated March 7, 2024 (**Exhibit G**).

#### Vehicle Miles Traveled (VMT) Analysis

The City has developed and adopted VMT guidelines and thresholds (i.e., CEQA Guidelines for VMT Thresholds) to meet the State requirements set by SB 743 and address CEQA Guidelines Section 15064.3. Therefore, the VMT analysis herein primarily relies on the guidance provided in the City's VMT guidance and CEQA Guidelines Section 15064.3. The City's CEQA Guidelines align with the OPR Technical Advisory which establishes that any net increase in total VMT will indicate a significant impact.

The City of Fresno CEQA Guidelines for VMT Thresholds Section 3.1 regarding Development Projects states that if a project includes a General Plan Amendment or a Rezone, none of the screening criteria may apply, and that the City must evaluate such projects on a case-by-case basis. The proposed project includes both a General Plan Amendment and a Rezone and does not meet the screening criteria. As such, a quantitative VMT analysis is required.

For projects that are not screened out, a quantitative analysis of VMT impacts must be prepared and compared against the adopted VMT thresholds of significance. The City of Fresno CEQA Guidelines for VMT Thresholds includes thresholds of significance for development projects, transportation projects, and land use plans. These thresholds of significance were developed using the County of Fresno as the applicable region, and the required reduction of VMT (as adopted in the City of Fresno CEQA Guidelines for VMT Thresholds) corresponds to Fresno County's contribution to the statewide greenhouse gas emission reduction target. In order to reach the statewide greenhouse gas reduction target of 15 percent, Fresno County must reduce its greenhouse gas emissions by 13 percent. The method of reducing greenhouse gas by 13 percent is to reduce VMT by 13 percent as well.

The City's adopted VMT thresholds for development projects are consistent with the regional VMT thresholds set by Fresno COG. For residential and non-residential (except retail) development projects, the adopted threshold of significance is a 13 percent reduction, which means that projects that generate VMT in excess of a 13 percent reduction from the existing regional VMT per capita or per employee will have a significant environmental impact. Projects that reduce VMT by more than 13 percent will be presumed to result in a less than significant impact. For retail projects, the adopted threshold is any net increase in VMT per employee compared to existing VMT per employee.

Quantitative assessments of the VMT generated by a development project are determined using the COG Activity Based Model (ABM), which is a tour-based model. Kittleson & Associates prepared the project TIA analyzing potential impacts to the transportation system. The VMT analysis methodology utilized a market-based GIS approach using data obtained from the applicant, as detailed below.

The following trip types characterize the proposed project trips:

- ❖ Primary trips: an entirely new trip on the roadway system for the express purpose of driving to and from the Costco facility;
- ❖ Pass-by trips: existing trips that are on roadways adjacent to the proposed project site, which allow motorists to turn into the Costco development and continue to their ultimate destination when their shopping is concluded; and
- ❖ Diverted trips: existing trips on nearby roadways in which a motorist decides to drive out-of-direction for a distance to stop at the Costco facility, and when their shopping is concluded, continues to their trip to the ultimate destination.

The methodology for VMT analysis uses the anticipated travel characteristics of the proposed project, trip generation and trip length assumptions, and vehicle trip distribution for Costco members and employees, as described below:

- ❖ Assessment of project trip generation
  - Including: members (accounting for primary and diverted member trips), warehouse employees, and gas station employees for the proposed project, as well as car wash employees, market delivery operation (MDO) on-site employees, and MDO delivery employees.
  - Excluding: members making pass-by trips, warehouse delivery trucks and fuel delivery trucks for the proposed Costco facility, as well as MDO delivery trucks from the depot and MDO delivery-to-members/other warehouse trucks. VMT is not affected by pass-by trips; thus, they were not assessed in the VMT analysis. Additionally, CEQA Guidelines Section 15064.3(a) states that VMT refers to the amount and distance of automobile travel attributable to a project. The City's CEQA Guidelines and the OPR Technical Advisory describe that the term "automobile" as used in Section 15064.3(a), refers to on-road passenger vehicles, specifically cars and light trucks; heavy vehicles are not included in the definition. Therefore, heavy-duty trucks (i.e., delivery trucks) were not included in the VMT analysis. However, it should be noted that the LOS analysis presented in the TIA considers all vehicle types, including heavy duty trucks.
- ❖ Assessment of members' average primary trip length based on customers' approximate home locations.
- ❖ Assessment of customers' diverted trip length based on expected routes drivers of these trip types will take for the proposed project.
- ❖ Assessment of warehouse, gas station, and car wash employee average trip length based on the Fresno COG
- ❖ VMT Calculation Tool average employee trip lengths for the relevant transportation analysis

zones (TAZs).

- ❖ Assessment of MDO on-site and delivery employee average trip length based on the Fresno COG VMT
- ❖ Calculation Tool average employee trip length for the relevant TAZs.
- ❖ Calculation of overall expected change in regional VMT that will result from the proposed project.

Construction activity is temporary and will generate fewer than 500 daily trips; thus, the proposed project meets the screening criteria established in the City of Fresno CEQA Guidelines for VMT Thresholds while construction activities occur. Operational VMT attributed to the proposed project is expected to result in a net increase of average daily VMT by 129,326 miles. Because the proposed project will result in an increase in VMT, this impact will be significant.

The implementation of Mitigation Measure 3.13-2 will reduce employee trips. However, employee trips account for 436 daily trips (less than 2 percent of the total daily trips) and 13,385 VMT (approximately 7 percent of the daily VMT). Based on the California Air Pollution Control Officers Association's estimates in the Quantifying Greenhouse Gas Mitigation Measures Handbook, Mitigation Measure 3.13-2 could achieve up to a 26 percent reduction in project employee commute VMT (CAPCOA 2021: 86). Implementation of a mandatory commute reduction program with 100 percent employee participation will only result in a 3,480-mile decrease, or less than 2 percent of the proposed project's total daily regional VMT.

The primary source of daily VMT is warehouse shopping by Costco members. The nature of Costco's land use and business model is auto-oriented. Members purchase items in bulk at Costco facilities, making walking, biking, or transit trips to the warehouse impractical. Therefore, even with the implementation of Mitigation Measures 3.13-2 the impact will be **significant and unavoidable**.

## Air Quality and Greenhouse Gas Emissions

The California Emissions Estimator Model (CalEEMod) is a statewide land use emissions computer model designed to provide a uniform platform for government agencies, land use planners, and environmental professionals to quantify potential criteria pollutant and greenhouse gas (GHG) emissions (i.e. reactive organic gasses, oxides of nitrogen, small particulate matter, etc.) associated with both construction and operations from a variety of land use projects.

CalEEMod version 2020.4.0 was used to quantify direct emissions from construction and operation activities (including vehicle use), as well as indirect emissions, such as GHG emissions from energy use, solid waste disposal, vegetation planting and/or removal, and water use. Overall, the project will not result in criterion pollutants and greenhouse gas emissions beyond adopted thresholds of significance. A more detailed analysis and evaluation of the project's air quality and greenhouse gas emissions impacts is included in Sections 3.3 of the environmental impact report that was prepared for the project (**Exhibit D-1**).

## Alcoholic Beverage Control Regulations

In addition to obtaining a Conditional Use Permit from the City of Fresno, the applicant is required to obtain a license from the California Department of Alcoholic Beverage Control (ABC). ABC is awaiting the City's decision on the subject Conditional Use Permit application.

### Number of Existing and Allowed ABC Licenses

The subject site is located in Census Tract 42.16. According to ABC, Census Tract 42.16 currently has two (2) active Type 21 off-sale alcohol licenses.

ABC authorizes one (1) off-sale alcohol license per 1,446 people within Census Tract 42.16, which has an approximate population of 4,338 people. Per ABC, a total of three (3) off-sale alcohol licenses are allowed in Census Tract 42.16. Therefore, there is currently one (1) less off-sale alcohol license in Census Tract 42.16 than permitted for that tract. If the Conditional Use Permit were to be granted and the establishment obtain an off-sale ABC license, Census Tract 42.16 would have the maximum number of permitted off-sale licenses.

Additionally, according to information provided by the California Department of Alcoholic Beverage Control and the Fresno Police Department, this area is within Crime Zone 1242 which is not a high-crime area.

### **Citywide Development Code**

The proposed CUP shall comply with the requirements of Fresno Municipal Code Section 15-2706: The Responsible Neighborhood Market Act.

### **Responsible Neighborhood Market Act**

The RNMA was adopted by City Council on October 15, 2020, and took effect on November 15, 2020. The Act amended Chapter 15, Article 27, Section 15-2706 of the FMC relating to the sale of alcoholic beverages for off-site consumption.

The proposed conditional use permit shall comply with the requirements of FMC Section 15-2706. Pursuant to FMC Section 15-2706-D-1, (Applicability - New or Expanded Use), any new or existing establishment that requests to modify their alcohol or business license (which includes upgrades in license types) must obtain a Conditional Use Permit (CUP) in compliance with the standards of the section, including applicable location restrictions, to ensure that establishments operate in a manner that is mutually beneficial to surrounding uses and to also provide mechanisms to prevent and correct any associated problems.

### Location Restrictions

Pursuant to FMC Section 15-2706-F (Location Restrictions for New Establishments), the following location restrictions shall apply to new and/or existing establishments that must obtain a CUP pursuant to the Responsible Neighborhood Market Act (RNMA).

- 1) Near Sensitive Uses.** The establishment shall not be located within 1,000 feet of the following:
- a. A public park, playground, recreational area including a trail that is immediately adjacent to a public park, or youth facility, including a nursery school, preschool, or day care facility;
  - b. A public or private State-licensed or accredited school; or
  - c. An alcohol or other drug abuse recovery or treatment facility.

*The project does not comply with this restriction. The proposed establishment is located less than 150 feet, across Herndon Avenue from River Bluff Elementary School.*

- 2) Near Other Alcoholic Beverage Establishments.** The establishment shall not be located within 1,000 feet of an existing establishment, nor may it lead to a grouping of more than four

establishments within a 1,000-foot radius. Notwithstanding this requirement, an establishment shall not be located within 500 feet of an existing establishment when an establishment is located in a Census Tract that is not oversaturated with off-sale licenses.

*The project does not comply with this restriction. The proposed establishment is located approximately 200 feet from another establishment which has off-site alcohol sales.*

- 3) Within High Crime Areas.** The establishment shall not be located in an area of high crime, as defined by the California Business and Professions Code 23958.4(a)(1) et seq., and as determined by the Department of Alcoholic Beverage Control.

*The project does comply with this restriction. According to information provided by the California Department of Alcoholic Beverage Control and the Fresno Police Department, this area is within Crime Zone 1242 which is not a high-crime area.*

- 4) Within High Concentration Areas.** The establishment shall not be located in an area of high concentration, as defined by the California Business and Professions Code 23958.4(a)(3) et seq., and as determined by the Department of Alcoholic Beverage Control.

*The subject site is located in Census Tract 42.16. According to ABC, Census Tract 42.16 currently has two (2) active Type 21 off-sale alcohol licenses.*

*ABC authorizes one (1) off-sale alcohol license per 1,446 people within Census Tract 42.16, which has an approximate population of 4,338 people. Per ABC, a total of three (3) off-sale alcohol licenses are allowed in Census Tract 42.16. Therefore, there is currently one (1) less off-sale alcohol license in Census Tract 42.16 than permitted for that tract. If the Conditional Use Permit were to be granted and the establishment obtain an off-sale ABC license, Census Tract 42.16 would have the maximum number of permitted off-sale licenses.*

- 5) Citywide Ratio.** No establishment shall be granted a Conditional Use Permit under this Section if the number of sites selling alcohol for off-site consumption will exceed one license per 2,500 residents. This ratio requirement shall not apply to: (1) existing establishments that must obtain a CUP pursuant to this ordinance due to proposed expansion or improvement of an existing use that is currently operating pursuant to a CUP issued prior to the effective date of this ordinance; (2) new establishments that utilize the Cancel and Transfer provisions stated in Section S., below; or (3) an existing establishment that is in good standing which has a change in the ABC License holder, specifically partner franchisees.

*The project does not comply with this restriction. According to the United States Census Bureau, the City of Fresno has an estimated population of 545,567 residents (2022). Per the established citywide ratio requirements noted above (one per 2,500 residents), there shall be no more than 218 off-sale licenses within the City of Fresno.*

*According to the State of California Alcoholic Beverage Control there are a total of 502 active off-sale alcohol licenses (Type 20 & 21) currently within the City of Fresno. Therefore, the current citywide ratio of existing.*

#### Location Restrictions Exceptions

Pursuant to FMC Section 15-2706(F)(6), a new establishment may be excepted from location



restrictions if the Review Authority determines all of the following:

- 1) The proposed use is not located within an area in which the Chief of Police has determined, based upon quantifiable information, that the proposed use: (a) would be detrimental to the public health, safety, or welfare of persons located in the area; or (b) would increase the severity of existing law enforcement or public nuisance problems in the area.

*The project complies. In the memorandum dated September 28, 2021, the Fresno Police Department indicated they were not in opposition to the project and provided conditions of approval should the application be approved. The Police Chief determined that the proposed use is not located within an area that the proposed use (a) would be detrimental to the public health, safety, or welfare of persons located in the area; or (b) would increase the severity of existing law enforcement or public nuisance problems in the area specific to this request.*

- 2) The proposed off-premises sale of alcoholic beverages is incidental and appurtenant to a larger retail use and provides for a more complete and convenient shopping experience.

*The project complies. Costco warehouse stores provide a variety of good and services including, but not limited to: tire center; optical exams and optical sales; hearing aid testing and sales; pharmacy; food service preparation and sales; meat preparation and sales; bakery and sales of baked goods; sale of bulk groceries (produce, dairy, dry, refrigerated, and frozen); sale of pet, household, office, and hygienic goods; and alcohol sales. Furthermore, the project site will also feature a car wash and a gas station.*

- 3) The proposed outlet for the off-premises sale of alcoholic beverages would act as a public convenience or necessity to an underserved portion of the community and/or enhance the vitality of an existing commercial area without presenting a significant adverse impact on public health or safety.

*The project complies. The proposed establishment will be the only bulk/warehouse store in the vicinity and contribute to the commercial and retail options available to residents and visitors. Patrons at the Costco will have convenient access to purchase alcohol on their regular trip to the store and not have to travel to another retail location. Per ABC, a total of three (3) off-sale alcohol licenses are allowed in Census Tract 42.16. There are currently only two (2) off-sale alcohol licenses. Therefore, the tract may be considered underserved. As conditioned, the Costco will not present a significant adverse impact on public health or safety.*

- 4) The primary use of the establishment, based on information provided by the applicant, has been determined by the Review Authority to meet the definition of a General Market including a supermarket, neighborhood grocery store, or a Healthy Food Grocer.

*The project complies. The proposed establishment will sell food and grocery items for offsite preparation and consumption including: meat preparation and sales; bakery and sales of baked goods; sale of bulk groceries (produce, dairy, dry, refrigerated, and frozen).*

The Director is able to make all of the aforementioned exceptions to the location restrictions pursuant to FMC Section 15-2706(F)(6). Therefore, staff recommends the requested ABC Type 21 License request be approved subject to the Conditions of Approval dated March 7, 2024.

## Public Services

## Sewer

The Department of Public Utilities (DPU) has identified that adequate sanitary sewer and water services are available to serve the project site subject to implementation of the Fresno General Plan policies and the mitigation measures of the related Environmental Impact Report; and, the construction and installation of public facilities and infrastructure in accordance with Department of Public Works Standards, specifications, and policies.

For water service, the total project area considered for water supply requirements consists of a Project area of  $\pm 22.4$  acres. The Developer shall pay the Water Capacity Fee, as specified in the City's Master Fee Schedule, for all new connections to the City's water system. Furthermore, the developer shall pay for all new sewer connections as specified in the City's Master Fee Schedule.

## Fresno Metropolitan Flood Control District

The subject property is located in the Fresno Metropolitan Flood Control District's (FMFCD) Drainage Areas "EG" and "EH." The FMFCD has indicated that the proposed development is not located within a flood prone area. The developer shall construct Storm Drainage and Flood Control Master Plan facilities located within the development. Certain Master Plan facilities will be eligible for fee credit against the drainage fee for the drainage area served by the facilities. These as well as additional requirements are listed in the memorandum from FMFCD dated September 28, 2021.

## Fire Department

The City of Fresno Fire Department reviewed the proposed project and has determined that adequate Fire service will be available subject to future requirements for development which will include installation of public fire hydrants and the provision of adequate fire flows per Public Works Standards, with two sources water; and, installation of fire sprinklers within future buildings.

Review for compliance with fire and life safety requirements for the interior of proposed buildings and the intended use are reviewed by both the Fire Department and the Building and Safety Services Section of the Planning and Development Department when a submittal for building plan review is made as required by the California Building Code.

## Fresno Police Department

The City of Fresno Police Department reviewed the proposed development and recommended that the applicant and its operators combat crime with the implementation of Crime Prevention through Environmental Design (CPTED) concepts. Examples that should be incorporated into the development's design include sufficient lighting, video surveillance systems and signage to deter crime.

Furthermore, the Police Department reviewed the request for a State of California Type 21 ABC license (sale of beer, wine, and distilled spirits, for off-site consumption). In a memorandum dated September 28, 2021, the Police Department provided operational conditions to promote the public welfare.

## **Other Agencies**

All comments received from the applicable agencies have been incorporated into the conditions of approval for Plan Amendment and Rezone Application No. P21-01960, Conditional Use Permit Application No. P21-01959, Conditional Use Permit Application No. P21-03251 and Planned Development Permit Application No. P21-03252. The project will comply with all department comments and conditions and all zoning requirements as incorporated into the conditions of approval dated March 7, 2024.

## **Fresno Municipal Code**

Given the conditions of approval dated March 7, 2024 (**Exhibit G**), Plan Amendment and Rezone Application No. P21-01960, Conditional Use Permit Application Nos. P21-01959 and P21-03251 and Planned Development Permit Application No. P21-03251 will meet all of the provisions of the FMC, including but not limited to setbacks, transition standards, parking, landscaping, and connectivity, and will comply with all applicable design guidelines and development standards for the proposed Commercial General (Large Format Retail, Washing, and Service Station) in the CG/UGM/cz (*Commercial General/Urban Growth Management/conditions of zoning*) zone district.

## **LAND USE PLANS AND POLICIES**

### **Fresno General Plan**

The project proposes to amend the Fresno General Plan to change the planned land use designation of the project site (±22.4 acres) from CC (Community Commercial) to CG (General Commercial). The General Commercial designation proposed for the site is described in Urban Form, Land Use, and Design Element of the general plan as appropriate for retail and service uses that may generate high volumes of vehicle traffic.

Furthermore, West Herndon Avenue is designated, depending on the specific segment, as either an expressway or superarterial, the two highest roadway classifications in the General Plan, throughout the project site's vicinity and is designated as a superarterial between the project site and SR 99. The project includes a general plan amendment to reclassify the portion of West Herndon Avenue between North Riverside Drive and North Hayes Avenue from expressway to superarterial to allow the construction of an intersection where West Herndon Avenue meets the private North Arthur Avenue right-of-way. The current classification of expressway does not permit the construction of this intersection. The proposed intersection where West Herndon Avenue meets the North Arthur Avenue right-of-way will allow access to the project site via two north-south streets, rather than solely from North Riverside Drive.

The Fresno General Plan provides goals, objectives, and policies to guide development. As proposed, the project will be consistent with the following Fresno General Plan goals:

- ❖ Increase opportunity, economic development, business, and job creation.
- ❖ Emphasize and plan for all modes of travel on local and Major Streets in Fresno.
- ❖ Make full use of existing infrastructure, and investment in improvements to increase competitiveness and promote economic growth.

- ❖ Promote orderly land use development in pace with public facilities and services needed to serve development.

These goals contribute to the establishment of a comprehensive city-wide land use planning strategy to meet economic development objectives, achieve efficient and equitable use of resources and infrastructure, and create an attractive living environment.

The following are applicable objectives and policies from the Urban Form, Land Use & Design, and Economic Development elements of the Fresno General Plan:

- ❖ Objective ED-1: Support economic development by maintaining a strong working relationship with the business community and improving the business climate for current and future businesses.
- ❖ Objective LU-1: Establish a comprehensive citywide land use planning strategy to meet economic development objectives, achieve efficient and equitable use of resources and infrastructure, and create an attractive living environment.
  - Policy LU-1-a: **Promote Development within the Existing City Limits as of December 31, 2012.** Promote new development, infill, and rehabilitation of existing building stock in the Downtown Planning Area, along BRT corridors, in established neighborhoods generally south of Herndon Avenue, and on other infill sites and vacant land within the City.
  - Policy LU-1-c: **Provision of Public Facilities and Services.** Promote orderly land use development in pace with public facilities and services needed to serve development.
- ❖ Objective LU-2: Plan for infill development that includes a range of housing types, building forms, and land uses to meet the needs of both current and future residents.
  - Policy LU-2-a: **Infill Development and Redevelopment.** Promote development of vacant, underdeveloped, and re-developable land within the City Limits where urban services are available by considering the establishment and implementation of supportive regulations and programs.

Approval of the plan amendment and rezone will help facilitate and achieve the above-mentioned goals, objectives, and policies of the General Plan. The subject property is currently undeveloped and located in an area experiencing growth in development and that can be generally characterized by a mix of existing land uses including: Parks and Recreation (North); Commercial Community and Vacant Land (South); Vacant and Storage Facility (East); and Medium Density Residential (West). Furthermore, surrounding properties are planned and zoned for a mix of land uses which include Open Space - Golf Course (North); Commercial Community and Residential Urban Neighborhood (South), Residential - Medium High Density (East); and Residential - Medium Density (West). The property is an appropriate infill site as it has existing infrastructure and is near built-out urban uses. The project also proposes a building of high quality design and at a scale compatible with the surrounding area; therefore, the project fosters a high quality design and will contribute to the mix of amenities in the surrounding area. Lastly, the project supports economic development as Costco will provide approximately 300 permanent jobs

## **Bullard Community Plan**

The Bullard Community Plan (City of Fresno 1991) outlines the public land use policy to direct the physical growth and change of the Bullard Community. Originally adopted in December of 1988 and most recently updated in 1991, this plan was developed assuming a 20-year horizon. As an adopted community plan, the Bullard Community Plan continues to guide development of the area. Where there is a conflict between the Bullard Community Plan and other planning guidelines (Including adopted design guidelines, the development code, and the general plan), those other planning guidelines take precedence (refer to City of Fresno Code of Ordinances, Section 15-104[B][4]). Goals identified in the Bullard Community Plan, (1) Designate enough land for commercial use to meet the needs of the anticipated population. (2) Distribute the new commercial land use designations at logical, marketable, convenient and accessible locations.

## **Fresno County Airport Land Use Compatibility Plan**

The project is not located within any Airport Influence Area under the Fresno County Airport Land Use Compatibility Plan.

## **EIR Process / Public Notice and Input**

### Notice of Preparation (NOP) and Scoping Meeting

Upon the determination that an EIR was required for this project, a NOP was made available to the general public, responsible trustee agencies, and interested parties to solicit input on areas of concern that should be addressed in the EIR. The NOP was published and circulated on October 22, 2021 which commenced a thirty (30) day comment period and announced the date and time of the Scoping Meeting: November 2, 2021. Seven comment letters were received from public agencies and interested parties and incorporated into the Draft EIR. NOP outreach was as follows:

- ❖ Circulated to relevant agencies, stakeholders, and other interested parties.
- ❖ Published in the Fresno Bee.
- ❖ Posted by the Fresno County Clerk for 30 days.
- ❖ Posted by the Fresno City Clerk for 30 days.
- ❖ Mailed notices to property owners within 1,000 feet of the project site.

### Notice of Completion and Availability

Upon completion of the Draft EIR, the City issued a Notice of Availability (NOA) announcing the release of the document for a forty-five (45) day public comment period from July 11, 2023 to August 28, 2023. The draft EIR was available to review via the following methods:

Via physical copy at the City of Fresno Planning and Development Department public counter.

- ❖ Via physical copy at the County of Fresno Clerk's Office public counter.
- ❖ Via physical copy at the Fresno County Public Library located at 2420 Mariposa St, Fresno, CA 93721.
- ❖ Via physical copy at the Fresno County Public Library located at 188 E California Ave, Fresno, CA 93706.
- ❖ Via electronic copy by contacting the designated Staff Planner.
- ❖ Via electronic copy on the City of Fresno Planning and Development Department webpage.
- ❖ Via electronic copy on the State of California CEQAnet Web Portal.

The City accepted and responded to all comments on all chapters of the DEIR received between July

11, 2023 through August 28, 2023. The responses are contained within the Response to Comments: **Exhibit D-2**.

#### Final EIR / Response to Comments

The Final EIR consists of the RDEIR and the Response to Comments document. One hundred and seven response letters were received on the RDEIR. None of the responses prepared by the City of Fresno contained new information which revealed new or more significant environmental impacts, and revisions to the RDEIR did not contain significant new information. Therefore, pursuant to CEQA Guidelines Section 15088.5, recirculation of the RDEIR was not necessary, and the Final EIR was prepared.

CEQA Guidelines, Section 15088(b), requires the City's responses to comments to be provided to commenting public agencies 10 days prior to final certification of the FEIR. On February 9, 2023, 28 days prior to the certification hearing, the Response to Comments was sent via email to the public agencies which provided comments on the EIR. This included the California Department of Fish and Wildlife, California Department of Transportation, and San Joaquin Valley Air Pollution Control District.

#### Fresno County Airport Land Use Commission

The project is not located within any Airport Influence Area under the Fresno County Airport Land Use Compatibility Plan.

#### Council District Two Project Review Committee

On January 10, 2022, the Council District Two Project Review Committee recommended approval of the subject applications by a vote of four (4) in favor and none against.

#### Notice of Planning Commission Hearing

On February 9, 2024, the Planning and Development Department mailed notices of the February 21, 2024, Planning Commission hearing to surrounding property owners within 1,000 feet of the subject property in accordance with Section 15-5007 of the FMC (**Exhibit E**).

The Planning Commission voted and recommended the City Council certify the Environmental Impact Report and approve the plan amendment, rezone, conditional use permits, and planned development permit subject to conditions of approval. The Planning Commission Resolutions (**Exhibit H**) are attached for more information.

#### Notice of City Council Hearing

In accordance with Section 15-5007 of the FMC, the Planning and Development Department mailed notices of this City Council hearing to surrounding property owners within 1,000 feet of the subject property on February 9, 2024 (**Exhibit E**).

#### City Council Hearing

At the duly noticed public hearing on March 7, 2024, members of the public spoke in support and opposition to the project. Councilmembers Karbassi and Arias expressed concerns regarding traffic and environmental impacts, mitigation measures to be incorporated, effects on nearby property

values, and traffic safety. Councilmember Chavez had general questions about the project. In a motion by Councilmember Karbassi, seconded by Councilmember Esparza, and passing by a vote of (6) to (0), the project was referred back to staff to consider the concerns brought forth during the public hearing.

### Staff's Response to Concerns

#### 1) **Traffic**

##### a) West Spruce Avenue

The Fresno General Plan Circulation Element plans for West Spruce Avenue, which is currently incomplete and terminates at Strother Avenue, to connect to North Riverside Drive. This project proposes to complete this section of roadway. In doing so, there are concerns related to increased traffic and speeding along West Spruce Avenue, east of the project site towards the intersection of West Spruce and North Hayes Avenues which is currently a two-way stop. Additionally, there were concerns about project related truck traffic using Riverside Drive and/or Spruce Avenue.

The Public Works Department provided traffic calming measures (**Exhibit N**) that could be applied/implemented by Costco. These include:

1. Installation of all-way stop control at the intersection of West Spruce and North Hayes (2 way to 4 way stop) along with high visibility crosswalks in all directions;
2. Installation of a refuge island (Non-ped crossing) at the east end of the golf course for the West Spruce Avenue connection to provide a traffic calming measures approaching/exiting Costco from the east on West Spruce Avenue; and
3. Installation of a refuge island (Non-ped crossing) near the intersection of West Spruce and North Sandrini Avenues.

##### b) West Spruce Avenue Not Connected

Alternatively, should West Spruce Avenue not be built out completely (e.g. connect to current terminus at Strother Avenue) one of the following procedures and/or analysis must be considered/required.

1. Amend the Fresno General Plan Circulation Element to remove the completion of West Spruce Avenue
  - a. Revise the VMT, GHG, and Traffic Safety analysis;
    - i. Recirculate the EIR; or
2. Revise the VMT, GHG, and Traffic Safety analysis;
  - a. Recirculate the EIR
  - b. Changes to project (no Spruce connection) to be considered by Planning Commission prior to returning to City Council.

##### c) Truck Traffic

Concerns were raised about project related truck traffic using North Riverside Drive and/or West Spruce Avenue; specifically, whether trucks associated with other vendors could be restricted to only utilizing North Arthur Avenue.

Costco has expressed an intent to restrict all truck trips, including those associated with other vendors, from using North Riverside Drive and to only utilize Arthur to access the site for loading and delivery purposes.

## 2) Significant Environmental Impacts

The EIR identified four (4) significant environmental impacts (Noise, Project VMT, Cumulative VMT, and Traffic Safety) that would result from the proposed project. However, the EIR did identify mitigation measures to be implemented to reduce adverse impacts.

- Impact 3.11-1: Generation of a substantial temporary increase of construction noise levels in excess of applicable standards;
- Impact 3.13-2: Conflict or Be Inconsistent with CEQA Guidelines Section 15064.3, Subdivision (b) Regarding Vehicle Miles Traveled;
- Impact 3.13-3: Substantially Increase Hazards Due to a Geometric Design Feature (e.g., Sharp Curves or Dangerous Intersections) or Incompatible Uses (e.g., Farm Equipment); and
- Impact 4-13: Cumulative Transportation Impacts.

The project has incorporated all feasible mitigation measures to address the environmental impacts. Additional discussion may be found below in the “ENVIRONMENTAL FINDINGS” section of this report and in Exhibit D-4.

## 3) Netting

Recreational netting along West Spruce Avenue was described in the project description (Infrastructure Improvements section) of the of the EIR and shall therefore be required as part of the project.

With coordination with City of Fresno PARCs Department, the improvements/modifications to the golf course and installation of recreational netting shall be completed at Costco’s expense. Any new netting shall be consistent and compatible with improvements on the west property line of the golf course, along North Riverside Drive.

## 4) Carwash

Any modifications to the carwash (e.g. relocation/removal) would require subsequent entitlement applications to be processed by Planning and Development.

## ENVIRONMENTAL FINDINGS

The CEQA Statutes (California Public Resources Code [PRC] Sections 21000, et seq.) and Guidelines (California Code of Regulations [CCR] Sections 15000, et seq.) state that if it has been determined that a project may or will have significant impacts on the environment, then an EIR must be prepared.

Pursuant to Section 15090 of the CEQA Guidelines, the EIR must be certified prior to the approval of the project. Pursuant to Section 15091 of the CEQA Guidelines, no public agency shall approve or



carry out a project for which an EIR has been certified which identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding. The findings required shall be supported by substantial evidence in the record. The possible findings are:

(1) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.

(2) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.

(3) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.

Pursuant to Section 15092 of the CEQA Guidelines, after considering the final EIR and in conjunction with making findings under Section 15091, the Lead Agency may decide whether or how to approve or carry out the project. A public agency shall not decide to approve or carry out a project for which an EIR was prepared unless either: (1) the project as approved will not have a significant effect on the environment, or (2) The agency has: (A) eliminated or substantially lessened all significant effects on the environment where feasible as shown in findings under Section 15091, and (B) determined that any remaining significant effects on the environment found to be unavoidable under Section 15091 are acceptable due to overriding concerns as described in Section 15093.

The project, as proposed, will have a significant effect on the environment. Findings of Fact and A Statement of Overriding Considerations were prepared and attached as **Exhibit D-4**.

## **FRESNO MUNICIPAL CODE FINDINGS**

Based upon analysis of the applications, staff concludes that the required findings of Sections 15-5306 (Conditional Use Permit Findings), 15-5812 (Plan Amendment and Rezone Findings), and the 15-5905 (Planned Development Permit Findings) of the Fresno Municipal Code can be made. These findings are attached as **Exhibit F**.

## **LOCAL PREFERENCE**

Local preference was not considered because the project does not include a bid or award of a construction or service contract.

## **FISCAL IMPACT**

Affirmative action by the City Council will result in timely deliverance of the review and processing of the applications as is reasonably expected by the applicant. Prudent financial management is demonstrated by the expeditious completion of this land use application in as much as the applicant has paid to the City a fee for the processing of this application and that fee is, in turn, funding the respective operations of the Planning and Development Department.

## CONCLUSION

The appropriateness of the proposed project has been examined with respect to its consistency with goals and policies of the Fresno General Plan, Bullard Community, and the Fresno County Airport Land Use Compatibility Plan; its compatibility with surrounding existing or proposed uses; and its avoidance or mitigation of potentially significant adverse environmental impacts. These factors have been evaluated as described above and by the accompanying environmental impact report and concludes that the required findings contained within Sections 15-5812, 15-5306, and 15-5905 et seq. of the FMC can be made. Upon consideration of this evaluation, it can be concluded that the proposed Plan Amendment and Rezone Application No. P21-01960, the related Conditional Use Permit Application No. P21-01959, Conditional Use Permit Application No. P21-03251 and Planned Development Permit Application No. P21-03252 are appropriate for the subject property.

## Attachments:

- Exhibit A - Vicinity Map & Aerial Photo
- Exhibit B-1 - Current and Proposed Zoning & Planned Land Use Map
- Exhibit B-2 - West Herndon Avenue Designation
- Exhibit C-1 - Project Site Plan Rendering
- Exhibit C-2 - Project Elevations Renderings
- Exhibit D-1 - Draft Environmental Impact Report with Appendices
- Exhibit D-2 - Draft Environmental Impact Report Response to Comments
- Exhibit D-3 - Draft Environmental Impact Report Mitigation Monitoring & Reporting Program
- Exhibit D-4 - Draft Environmental Impact Report Findings of Fact & Statement of Overriding Considerations
- Exhibit D-5 - Errata to the Final EIR
- Exhibit E - Notice of Public Hearing (Planning Commission and City Council)
- Exhibit F - Fresno Municipal Code Findings
- Exhibit G - Conditions of Approval for the 7120 N. Riverside Dr. Costco Commercial Center
- Exhibit H - Planning Commission Resolution Nos. 13834 (EIR), 13835 (Plan Amendment), 13836 (Rezone), 13837 (Conditional Use Permit), 13838 (ABC Conditional Use Permit), and 13839 (Planned Development Permit)
- Exhibit I-1 - City Council EIR Certification Resolution with Final EIR
- Exhibit I-2 - City Council Resolution for Plan Amendment Application No. P21-01960
- Exhibit I-3 - City Council Ordinance Bill for Rezone Application No. P21-01960
- Exhibit J - City Council Hearing PowerPoint Presentation
- Exhibit K - Public Comments
- Exhibit L - Errata to the Conditions of Approval for the 7120 N. Riverside Dr. Costco Commercial Center
- Exhibit M - Public Comments Received Since February 27, 2024
- Exhibit N - Additional Traffic Calming Measures
- Exhibit O - Applicant Presentation
- Exhibit P - Applicant Provided Supplemental Materials