

Alturas Planning Commission

Regular Meeting

City Hall Council Chambers

March 14, 2018 5:30 p.m.

The meeting was called to order by Chairman Bill Hall at 5:30 p.m. **Commissioners present:** Tom Romero, Marlene Hamilton, Chris Lauppe. **Commissioners absent:** Robert Dolan. **Staff present:** Planner Jennifer Andersen Planning Director Joe Picotte, City Council Planning Dept. Liaison Mark Steffek, Secretary Bobbi Jean Melbourn, City Treasurer Sara Peet, Administrative Asst. Macey Binning. **Public attending:** 32

No one is present under the public forum.

MOTION by Commissioner Romero, **SECONDED** by Commissioner Hamilton to approve the minutes of the December 13, 2017 meeting. **ALL AYES.**

Commissioner Hall reviewed the guidelines of a Public Hearing and introduces Planner Jennifer Andersen to the public.

PUBLIC HEARING ITEM A: Opened at 5:43 p.m. Clement Balsler of Blackpoint Group, Inc. is requesting a Use Permit (UP2018-01) to develop a portion of vacant APN 001-090-014 into a retail shopping center anchored by a Grocery Outlet store.

Planner Jennifer Andersen explains the location of the proposed project is north of the Department of Motor Vehicles with direct access from Highway 299 (W. 12th Street) and secondary access off of N. West 'C' Street. The Center is proposed as a phased development with Phase 1 to include a 16,000 SF Grocery Outlet and all the improvements illustrated in the Site Plan except the paving and landscaping surrounding the drive-through restaurant area and the curb and sidewalk improvements immediately surrounding the second retail pad. The proposed Use Permit is currently conditioned for any tenant. It is fairly standard to allow for substitute tenants. Phase 2 would include a 6,825 retail building that may house up to three tenants, and Phase 3 would include a 3,000 SF Quick Serve Restaurant with a Drive-Through window with all the surrounding hardscape, parking and landscaping. A total of 125 off-street parking spaces are proposed. Improvements include sidewalks on Highway 299 and on West 'C' Streets, adjacent to the actual property subject to this development, and a dedicated bus stop area.

The City has recommended a generous time frame to complete the phasing plan: Phase 1- to be built within five years of Use Permit approval; Phase 2 within 10 years, and Phase 3 within 15 years. Failure to complete the plan within the allotted time frame would nullify the entire permit.

Andersen has conducted a detailed analysis in order to determine all requirements are met. The proposed use is consistent with the General Plan (General Commercial) and is specifically allowed by a Use Permit pursuant to the Land Use Matrix of the Zoning Ordinance. The intended Primary Use, Light Industrial (M1), is compatible and provides a buffer between the surrounding industrial and commercial uses; and sensitive developments such as the neighboring 'new hospital project'. Although there is some

concern in the community that added business competition might adversely impact some existing businesses in Alturas, the proposed use would not be detrimental to public health, safety and welfare, or injurious to the neighborhood. If approved, a Use Permit would supersede the Zoning Ordinance.

Planner Andersen defines the mitigation measures required pursuant to environmental review and notes that public notice has been mailed out to all property owners within 300' of the project site; also published in the local newspaper. The 20 day environmental public review period ended on March 9, 2018. As of March 7, eight written comments were received by the City; two in favor and six against.

Commissioner Hall adds that two additional letters, received to date, are available to the public at this time.

Public Comment

Commissioner Hall opens the period for Public Comment by introducing Jeffrey Shaffer, Director of Sales and Merchandise for Grocery Outlet in Nevada and Northern California. Shaffer has prepared a slide presentation. He begins by sharing that Grocery Outlet (GOI) is a family-run, independently owned and operated company. It is not a franchise. GOI is driven by family values which he describes are reflected in a variety of ways throughout the organization. GOI offers an assortment of natural, organic, specialty, and healthy (NOSH) products as well as staple items.

Valerie Coe, a local resident since 1992 currently residing in Parker Creek, asks how one justifies viability of another grocery store in a shrinking population. A member of the public adds, "How many Grocery Outlet stores have closed in the last ten (10) years?" Shaffer answers none that he is aware of.

Patty Neubert inquires of Shaffer if he has any information about two other Grocery Outlet stores proposals; one in Lakeview and another in McArthur. Shaffer responds he does not even know where Lakeview and McArthur are.

Paula Pataye would like to know if there is a local developer.

Commissioner Hall interjects, Jeffrey Shaffer merely represents the Grocery Outlet store and is not equipped to answer some of the questions. The developer is in attendance. Hall asks the public to allow Jeffrey Shaffer to continue the slide presentation in its entirety; the Commission will hear questions afterward.

Jeffrey Shaffer continues, citing annual investments, expenditures for remodel, maintenance and upgrades; as well as community commitment. Prospective owner-operators must submit detailed business plans and meet selective criteria. Shaffer adds that owners have autonomy to support local organizations and cites several examples. After sharing additional examples of independent operators in action, Shaffer concludes Grocery Outlet is not like a WalMart or a Safeway.

David Pena states he would love to get more competition in the area and asks if prices would be comparable. Shaffer replies that great savings are passed on to the customer

through opportunistic sourcing and made-to-order purchases; boasting 40-70% savings over typical grocery stores; 10-20% cheaper than WinCo Foods or WalMart.

Pat Cantrall informs Mr. Shaffer of what Alturas used to be in the 1940's when there was a population of 4000.

Shaffer explains he will be part of the selection process for the owner/operator of the local store and his job also includes assessing local conditions, shopability, and acting as an advisor.

Commissioner Hall asks if Grocery Outlet has automatic orders. Shaffer explains there is no 'real time' order guide. The manager has autonomy to make merchandising decisions. The only required merchandise is that which is based on grocery advertisements.

A local resident asks how the individually owned business is maintained. Jeffrey Shaffer explains the maintenance of Grocery Outlet is built into the Lease Agreement. Costs are split 50/50 between the Grocery Outlet and the owner/operator. Refrigeration and other equipment belongs to Grocery Outlet. There is an outside source for repairs.

The public questions the examples of community involvement, noting all those presented to the City were expressly larger than anything in Modoc.

Several statements corroborate the concern of Grocery Outlet coming into the City while the rest of our businesses on Main Street are closing and our residents need jobs.

A concerned citizen states the project might benefit the community by bringing a little competition, providing jobs, increasing product choices, and increasing value of surrounding land by improvements.

Jeffrey Shaffer responds to several comments by stating he is not personally involved in this; however, he would not be here today unless the current research showed a very high probability of success. He adds that Grocery Outlet hires an average of 20-30 employees in a community.

Ardie Ferry states, "You have to have competition come in to survive."

A local resident want to know who pays for the sidewalks and landscaping, the City or the developer?

Jeff Halbert has a contract with Bob Heard and an answer to the question. The owner of record for the property, Mr. Heard, could not be present tonight as he is ill. The property owner is responsible for the construction, development and maintenance of the land. Mr. Halbert is purchasing the property.

Halbert explains Grocery Outlet requested he do a series of analysis pursuant to operations in Alturas, which he did. Based on projections, Grocery Outlet agreed the outlook is good and was one of very few that is growing. Hence, Halbert approached Director Picotte and

staff, doing his due diligence to satisfy the requirements of both City Ordinances and CalTrans. Grocery Outlet, in turn, committed to the sight, and they are very hopeful.

When asked if Grocery Outlet hires local or out-of-town contractors, Halbert responded that he does everything outside of the store including the building and the landscaping; he obtained a list of local engineers and contractors from Director Picotte and plans to locally manage the construction. He then introduced Clement Balsler of Blackpoint Development LLC.

When asked who the other tenants would be, it was stated by Mr. Halbert that there are no other commitments at this time.

Commissioner Lauppe confirmed Bob Heard is the current owner of the property and welcomed Jeff Halbert to the community, stating to the public that the responsibility of the investment is entirely on Mr. Halbert.

Commissioner Romero requests facts of Halbert to deem the project viable. Halbert states he is not privy to the details; however, studies show a positive impact and there is a solid base of trust with Grocery Outlet's current success as well as their conclusions.

Halbert responds to questions about the intended time frame by stating the Use Permit is conditioned but his intention is to immediately bombard Joe Picotte with Building Permit Applications if the project is approved.

Jennifer Andersen reiterates the Phasing Plan reminding the public that it is fairly flexible and is intended to protect the public interest.

Halbert states he could actually foresee pulling Building Permits for the Grocery Outlet and other related improvements within 24 months of Use Permit approval and a Certificate of Occupancy within two years from the date of completed construction for Phase 1. Phase 2 Building Permits could be pulled with 1 year of completion of Phase 1 and ready for occupancy 2 years from construction completion date and Phase 3 Building Permits could be pulled with 1 year of completion of Phase 2 and ready for occupancy within 2 years of construction completion date.

Developer Clement Balsler asked consideration to recondition the Use Permit to allow for Phases 2 and 3 to be interchangeable.

Planner Andersen confirmed, that would be advantageous to the community in that it would ensure the landscape and parking around the restaurant with the drive-through would be complete in an earlier phase, not leaving the section of dirt landscape unfinished for such a long period of time.

Commissioner Lauppe agreed.

Rosemary Nelson asked Jeff Halbert how many Grocery Outlets he owns and are any comparable to the one proposed in Alturas.

Halbert answers there are six (6) and none, other than possibly one in rural Texas, are comparable. He added, of thirty land bases with shopping centers built in a variety of sizes and demographics, all have been successful.

De Funk thanked presenters and spoke in support of growth.

Steve Atkins expressed concern for the hours and wages of prospective employees of Grocery Outlet. He shared that in Reno, where most businesses remain open for several hours and throughout the night, it makes sense that employees could survive on these wages. His concern is that here in Alturas, low pay and short hours are not what families need to support themselves and to come off of Social Services.

Jeffrey Shaffer responds that it is projected that Grocery Outlet will bring at least 20 jobs to the community. Average wages are 6-7% above the local minimum wage, which varies throughout California.

Jim White state we need to be positive; move forward. With a Grocery Outlet, maybe the residents will stay and shop locally.

David Pena adds, at least this will give welfare recipients a shot.

Becky Cypert states, if the proposed Project passes the Planning Department and meets all its goals, it should be approved. The City could use the tax revenue.

Sara Peet asks if the Jeffrey Shaffer who represents Grocery Outlet if he has an owner in mind.

Shaffer responds by stating that within four to six months prior to opening, they would identify an independent owner/operator for our local store. Currently, there are hundreds of people training as owner/operators.

Dee White mentions she works with Modoc Medical Center and has been a party to the process of the new hospital project. Dee infers that, if they are willing to invest the work and finances required to get to this point of the process, they deserve to build.

Commissioner Lauppe draws the logical conclusion that there is a growing number of the population that is spending their dollars obtaining groceries and other merchandise through online purchase from place like Amazon.com; none of which comes before the Planning Commission. While this is a growing convenience, we have the choice to keep ourselves a step ahead of this.

A member of the public inquired whether the Planning Commission has the authority to investigate an applicant's financial information.

Commissioner Hall responds stating the Commission cannot review financial information, as they can only work in terms of the Zoning Ordinance, the General Plan and California Law in terms of what the Commission can approve.

Planner Andersen advises we codify the agreement before making a motion citing

- (1) Amend the timing of the Conditions of Phasing,
- (2) Amend the Use Permit to allow Phases 2 and 3 to be interchangeable;
- (3) and with respect to the strong representation for the public by Grocery Outlet and the Developer, as a sign of good faith to the public's desire to specifically allow Grocery Outlet into the community; Condition Phase 1 Tenant to be solely approved for the occupancy of a Grocery Outlet.

With no further comment by the public, Public Hearing concluded at 7:12 p.m.

Planner Jennifer Andersen reviewed the Staff Recommendation with the following changes:

(a) Building permits for Phase 1 shall be pulled by the Developer within two years of the approval date on the Use Permit and all improvements shall be completed and the building be ready for occupancy within two years of building permit approval.

(b) Building permits for Phase 2 shall be pulled by the Developer within one year of the approval for occupancy of Phase 1 improvements. Phase 2 may include the retail building w/ up to three tenants, and/or the SF Restaurant which is permitted to have a drive-through feature. When the restaurant is built, it shall be built with all surrounding landscaping and parking which was omitted in earlier phase(es) All Phase 2 improvements shall be completed, and the building ready for occupancy, within two years of building permit approval

(c) If either the restaurant building or the retail building remain to be completed after Phase 2, building permits shall be pulled for them by the Developer within one year of the approval for occupancy of Phase 2 improvements. Phase 3 improvement shall be completed, and the building ready for occupancy, within two years of building permit approval.

(d) The first tenant of the 16,000 SF building must be a Grocery Outlet store. It must be built to the specifications of Grocery Outlet Inc. Tenant improvements must be made to house a typical Grocery Outlet. The building must be approved for occupancy for a Grocery Outlet, then fully stocked and staffed as a Grocery Outlet store, and operate for at least one day with a full complement of staff.

MOTION by Commissioner Lauppe, **SECONDED** by Commissioner Hamilton to Approve Resolution 2018-01 and Use Permit UP 2018-01 with Exhibits, Site Plans provided as attachments, and staff recommendations as amended this evening just prior to this motion. **AYES: Commissioners Romero, Lauppe, Hamilton. ABSTAIN: Commissioner Hall.**

General Meeting Item A: Last Frontier Healthcare District requests to vacate and/or relocate a variety of public easements currently located on vacant land between 8th and 9th Street, just east of the Department of Motor Vehicles.

Planner Andersen explains several components required to facilitate the construction of a new hospital and health center complex on APN#'s 001-090-018 and 019, eliminate

surplus right-of-way, and secure needed public utility easements and right-of-way on the property. These can be achieved through a Summary Vacation (VAC-S 2018-01). The actions proposed will create a new alignment for Nagle Street and its public service easements approximately 60 feet west of its current location.

Staff recommendation is for Planning Commission to confirm staff findings as presented, including the finding that the request is in conformance with the City's General Plan, and Recommend City Council approve this Vacation request as conditioned by staff.

MOTION by Commissioner Hamilton to recommend City Council approve summary vacation request VAC-S 2018-01 as conditioned by staff, **SECONDED** by Commissioner Romero. **ALL AYES.**

Commissioners' Reports:

Commissioner Lauppe requests Planner Andersen review relevant facts of the environmental document resulting from assessment of the Heard property and its impact on property development.

Andersen states the document herein referred is a Cultural Resource Inventory, dated April 2013, done by Last Frontier Healthcare. Findings reveal the Resource Area spans North to South from 12th to 9th Streets, and extends 140 feet from the Western-most property line of APN#001-090-014. The Koealetke Band's Cultural Representative was provided notice of the opportunity to monitor the initial ground disturbance phase of the project construction.

Commissioner Lauppe adds that, several years ago, the property owner added fill to that stretch of property. This was discussed a few years back by the Commission.

Andersen explains the fill does not significantly affect the environmental assessment; the City's ability to control these things is limited; however, the project is mitigated to protect the sensitive cultural resource area and a more detailed study would be required in order to develop that portion of land.

Staff Updates/Project Status Report:

Director Picotte updates on the Swimming Pool Project. The City is currently accepting RFQ's for the Design/Build process. Review of prequalification is expected to occur next week. It is anticipated that Request for Proposals will go out the following week.

Commission Lauppe requests an update on the Ballpark construction.

Director Picotte explains there is current reconstruction of the Thornybrook, T-ball, soccer and softball fields, and the Concessions building. After that, all new sprinkler systems will be installed.

With no further business to come before the Commission, **MOTION** by Commissioner Lauppe, **SECONDED** by Commissioner Hamilton to adjourn the meeting at 7:31 p.m. **ALL AYES.**

Respectfully submitted,

Bobbi Jean Melbourn
Secretary