

Planning Commission Staff Report

August 24, 2016

Item No. 5.b.

SUBJECT: P15-0740

APPLICANT: Neil Diamonds Inc.

PROPERTY OWNER: Harsch Investment Properties

PURPOSE: Application for a Conditional Use Permit (CUP) to operate a jewelry warehouse with incidental smelting

LOCATION: 5627 Stoneridge Drive, Suite 323

GENERAL PLAN: Business Park (Industrial/Commercial and Office)/Mixed Use

ZONING: PUD-I/C-O (Planned Unit Development – Industrial/Commercial and Office) District

EXHIBITS:

- [A. Draft Conditions of Approval](#)
- [B. Narrative, Site Plan, and Floor Plan dated "Received July 22, 2016"](#)
- [C. Hacienda Approval Letter](#)
- [D. Emails from Lun Auyang and Sushma Balakrishna dated "August 14, 2016"](#)
- [E. Location and Notification Map](#)

STAFF RECOMMENDATION

Staff recommends that the Planning Commission approve Case P15-0740 by taking the following actions:

1. Make the required CUP findings as listed in the staff report; and
2. Approve Case P15-0740 subject to the conditions listed in Exhibit A.

EXECUTIVE SUMMARY

The applicant, Neil Diamonds Inc., is requesting to continue operating a jewelry warehouse with incidental smelting within Suite 323 of the existing building at 5627 Stoneridge Drive.

BACKGROUND/HISTORY

The applicant began operations within the subject suite some time prior to 2013 without obtaining a zoning approval and business license. In 2013, the applicant was informed that a zoning approval and business license were required for the operation of the business, and the applicant subsequently applied for both. After reviewing the zoning approval request, staff

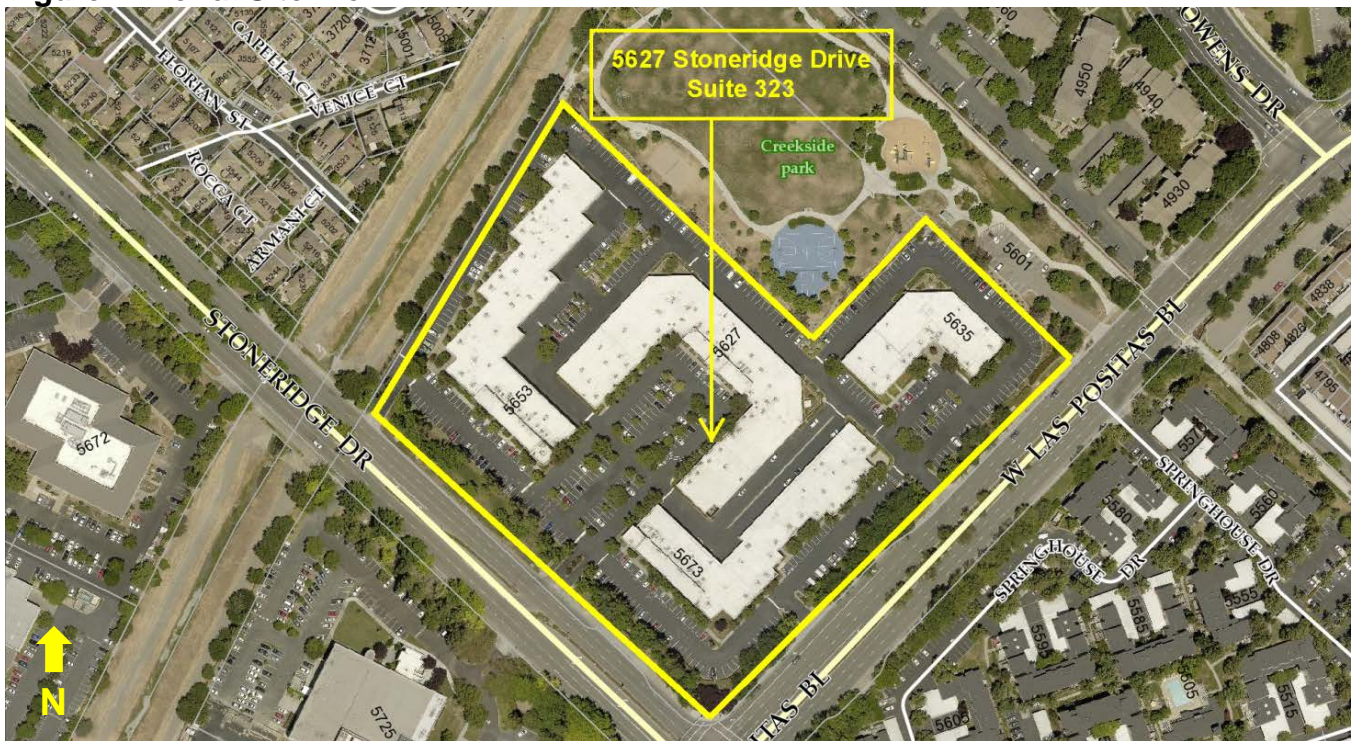
informed the applicant that a CUP is required for the business, which was classified as a warehouse use because the warehousing component of the business is the primary use and the smelting component is incidental. The subject site is located within the Hacienda Business Park and is zoned PUD-I/C-O District. Warehouses are conditionally permitted within the PUD-I/C-O District with the approval of a CUP. Since then, the applicant has been working with staff to submit a complete CUP application. The applicant submitted a complete application on July 22, 2016. The CUP application is now before the Planning Commission for review and action.

SITE AND AREA DESCRIPTION

The subject site is an approximately 11.4-acre parcel located on the northern corner of Stoneridge Drive and West Las Positas Boulevard (Figure 1). The existing one-story building (Figure 2), which is approximately 51,616 square feet in size, contains 19 tenant spaces. Current tenants include various general office, research and development, and light industrial uses. The subject site contains three other one- and two-story commercial/office/light industrial buildings and a parking lot with a total of 536 parking spaces. The parking spaces are shared among all the tenants within the subject site.

The subject site is bordered by Creekside Park and Iron Horse Trail to the northeast, residential uses across West Las Positas Boulevard to the southeast, office and light industrial uses to the southwest, and Tassajara Creek to the northwest.

Figure 1: Aerial Site View



PROPOSED PROJECT

Neil Diamonds Inc. purchases used metals and stones, which are shipped or brought to the subject site. The metal is then melted in an induction melting machine, which uses electricity as opposed to open fire, and molded into ingots. The stones are assorted by size and clarity. Afterwards, these items are shipped to or picked up by customers (industrial refineries, jewelers, and dental labs). The applicant is proposing to continue operating a jewelry warehouse with incidental gold smelting in Suite 323 of the existing building. The smelting, which is completed by one small smelting machine in the warehouse area, is a very small component of the business operation. Less than 5 percent of the tenant space will be used for smelting and processing precious and semiprecious metals and stones for jewelry and dental-related items. The remainder of the tenant space will be used for warehousing, which will include areas for storage, preparing for jewelry display, office work, and shipping. The proposed hours of operation are from 9:00 a.m. to 5:30 p.m. Monday to Friday, and by appointment on Saturday. Two employees will be on-site at any given time and up to two additional employees may be hired to work on-site if needed. On a typical day, up to two customers will visit the tenant space to drop off or pick up jewelry.

ANALYSIS

Conditional uses are those uses which, by their nature, require special consideration so that they may be located properly with respect to the objectives of the Pleasanton Municipal Code (PMC) and to ensure land use compatibility. In order to achieve these purposes, the Planning Commission is empowered to approve, conditionally approve, or deny applications for use permits.

Land Use

The subject site has a General Plan designation of Business Park (Industrial/Commercial and Office) and is zoned PUD-I/C-O District. The subject site is also located within the IPD (Research and Development/Light Manufacturing Planning District) in the Hacienda Business Park. As previously discussed, staff determined that the proposed use was primarily a warehouse use with incidental smelting. The smelting is very small component of the business operations and less than 5 percent of the tenant space is used for smelting. Warehouses are a conditionally permitted use in the IPD. Therefore, if the CUP were granted, the warehouse would be consistent with the applicable land use regulations.

One of the primary concerns in reviewing a CUP application is the effect of a proposed use on surrounding uses. The proposed use is located in a light industrial zoned area of Hacienda Business Park, containing mixed land uses including office and light industrial uses. The subject site is also adequately buffered from the closest residentially zoned properties located across West Las Positas Boulevard to the southeast, across Tassajara Creek to the northwest, and on the other side of Creekside Park and Iron Horse Trail to the northeast. The jewelry warehouse would not generate high amounts of activity, traffic, odors, or noise. Therefore, staff believes it is unlikely the proposed use would adversely impact the surrounding uses. Therefore, if the CUP were granted, the proposed use would be compatible with the surrounding uses.

Should future problems arise, the City would have the ability to bring the application back to the Planning Commission for mitigation, or possible revocation, if necessary. In addition, staff has included conditions of approval that will ensure that the surrounding uses are not impacted due to noise, odors, or other objectionable influences. Therefore, from a land use perspective, staff finds the use to be acceptable on the subject site as conditioned.

Noise

The subject site is in an area containing industrial uses, and a certain amount of noise is expected. For industrial properties, the PMC establishes a maximum noise level of 75 dBA (A-weighted decibels) at any point outside of the property plane. Also, one of the objectives of the Zoning Ordinance is to “[p]romote the stability of existing land uses that conform with the General Plan and to protect them from inharmonious influences and harmful intrusions.”

Based on the project narrative and the fact that all proposed activities would occur inside of the subject suite, staff believes that it is unlikely that the noise generated during the proposed activities would exceed the PMC noise level standard or impact other tenants. A recommended condition of approval requires that the exterior doors remain closed when not being used for ingress/egress purposes. Therefore, staff believes that the noise from the warehouse would not significantly impact surrounding uses.

Parking

The total floor area for the four buildings on the subject site is approximately 150,664 square feet and there are a total of 536 on-site parking spaces. The parking ratio is approximately one space per 281 square feet of gross floor area. The proposed use would occupy an approximately 1,739 square-foot suite. Thus, a total of six parking spaces would be theoretically allocated to this subject suite. However, there are no assigned parking spaces within the subject site.

As mentioned previously, up to four employees will be on-site at any given time and up to two customers will visit the tenant space to drop off or pick up jewelry. As such, the proposed use is expected to generate a maximum parking demand of up to six spaces at any given time, which is consistent with the six parking spaces “allocated” to this tenant space. In addition, staff visited the subject site on several occasions and observed that there was ample available parking. Therefore, staff believes that adequate parking exists on site to accommodate the proposed use and that the proposed use would not adversely affect parking at the subject site.

Odors and Waste

In response to odor complaints from neighboring tenants, Neil Diamonds Inc. installed a ductless fume hood, which is turned on during the smelting process, in its tenant space to filter fumes produced during the smelting process. The fumes are produced by an induction melting machine, which uses electricity (no open fire) to melt metal and household candle wax as a non-stick substance to keep the ingot from sticking to the mold. The ductless fume hood is a self-contained enclosure that removes fumes, vapors, and particles from the air. The City has not received any odor complaints since the installation of the ductless fume hood. No other substances or chemicals are used in the smelting process and there are no by-products.

Furthermore, conditions of approval have been included that require the applicant to turn on the ductless fume hood during the smelting process and maintain it in good working order at all times. Therefore, staff believes that the proposed use would not produce any odors or waste that would adversely impact surrounding uses.

Public Correspondence

Two residents, Lun Auyang and Sushma Balakrishna, expressed concerns regarding the environmental hazards, namely the hazardous by-products, associated with the smelting process in emails submitted to staff dated “August 14, 2016” (Exhibit D). Staff explained that the smelting process only uses household candle wax as a non-stick substance for the smelting machine and does not generate any by-products. The neighbors no longer have any concerns after staff provided this clarification.

ALTERNATIVES

The subject property is zoned for a mix of industrial, office, and commercial uses and the subject tenant space is surrounded by various general office, research and development, light industrial, and residential uses. The proposed warehouse use would be one of the preferred land uses to meet the intent of the underlying zoning. Other alternatives include:

1. Denying the CUP application; or
2. Approving the CUP application for the warehouse use, without incidental smelting.

The first alternative would require Neil Diamonds, Inc. to vacate the subject tenant suite and move to another location. This alternative would not be preferred because the subject tenant suite would be temporarily vacant and Neil Diamonds, Inc., a longstanding business in the City, would have to move to another location, potentially in another City (resulting in a disruption to the business and possibly also a loss of a business in the City if an alternate space cannot be located). The second alternative would require Neil Diamonds, Inc. to find another location to conduct its incidental smelting. This alternative would not be preferred because the current location of the incidental smelting and processing with the proposed conditions of approval would be appropriate from a land use perspective.

PROS AND CONS FOR THE PROPOSED PROJECT

Pros	Cons
The City would be able to regulate the operation of Neil Diamonds, Inc. with conditions of approval	The application, like any use of its type, has a small potential to generate land use incompatibilities, although staff believes the risk is low with the proposed operational program and identified conditions.
Neil Diamonds, Inc. would be able to continue operating and providing commodities and services to the residents of the City	
The subject tenant suite would continue to be occupied and there would not be a temporary vacancy	

FINDINGS

The Commission needs to make the following findings prior to the granting of a use permit:

- A. That the proposed location of the conditional use is in accordance with the objectives of the zoning ordinance and the purpose of the district in which the site is located.**

Objectives of the zoning ordinance include: fostering a harmonious, convenient, workable relationship among land uses; protecting existing land uses from inharmonious influences and harmful intrusions; and ensuring that public and private lands ultimately are used for the purposes which are most appropriate and beneficial to the City as a whole. The subject site is zoned PUD-I/C-O District and located in the IPD of the Hacienda Business Park, which generally has the characteristics of the City's I-P (Industrial Park) District. One purpose of the I-P District is to provide locations for uses that can operate in close proximity to commercial and residential uses with minimum mutual adverse impact.

As conditioned, staff feels the proposed warehouse would be consistent with the objectives of the Zoning Ordinance and PUD-I/C-O District. The proposed warehouse would be operated so as to not impact or interfere with the surrounding uses. It would not generate a large number of employees or visitors. The proposed warehouse would also offer commodities and services to the residents of Pleasanton and surrounding areas. Therefore, staff believes this finding can be made.

- B. That the proposed location of the conditional use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety, or welfare, or materially injurious to the properties or improvements in the vicinity.**

With the recommended conditions, staff finds that the proposal will not have a detrimental impact to the public health, safety, or welfare, or be materially injurious to the properties or improvements in the vicinity. In particular, conditions require all exterior doors to be closed at all times except for ingress/egress purposes. The proposed warehouse is also required to adhere to the City's Noise Ordinance, which was designed to protect the peace, health, safety, and welfare of the citizens of the City. In addition, the ductless fume hood, which must be maintained in good working order at all times, must be turned on any time smelting is being conducted to filter odorous fumes. Furthermore, if a conflict arises with the operation of the business, a condition of approval allows the Director of Community Development to determine if the proposal needs to return to the Planning Commission for further consideration or additional mitigation measures. Therefore, staff believes that this finding can be made.

- C. That the proposed conditional use will comply with each of the applicable provisions of the zoning ordinance.**

The site's PUD-I/C-O District zoning conditionally permits the establishment of warehouses. In addition, as conditioned, the proposed warehouse complies with all relevant sections of the City's Zoning Ordinance. Granting a CUP to the proposed warehouse would be consistent with the City's ability to regulate zoning as listed in Chapter 18.124 of the PMC. Therefore, the proposed use will comply with the provisions of the Zoning Ordinance and staff believes that this finding can be made.

HACIENDA OWNERS ASSOCIATION

James Paxson, General Manager of Hacienda Owners Association, has reviewed the application for the proposed use and found that it is in substantial compliance with Hacienda's guidelines set forth in the covenants, conditions and restrictions (CC&R's) (please refer to Exhibit C). The Association believes that the use, parking, and traffic are compatible with the currently approved uses within the subject area and, thereby, approved the proposed use.

PUBLIC NOTICE

Notice of this application was sent to surrounding property owners and tenants within a 1,000-foot radius of the site. Staff has provided the location and noticing maps as Exhibit E for reference. At the time this report was published, staff only received the emails from Lun Auyang and Sushma Balakrishna referenced in a previous section of this report.

ENVIRONMENTAL ASSESSMENT

This project is categorically exempt (Section 15301, Existing Facilities, Class 1) from the requirements of the California Environmental Quality Act (CEQA). Therefore, no environmental document accompanies this report.

SUMMARY/CONCLUSION

Staff believes that the required CUP findings for the project can be met if the project is approved as conditioned. Staff is of the opinion that the proposed use would be compatible with the surrounding businesses and that the proposed location is appropriate. Conditions of approval have also been included which will ensure that the safety and general welfare of the surrounding area is maintained.

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