

**P05-035- Rite Aid Pharmacy at Whiskey Hill Lofts**

- REQUEST: A. Environmental Determination: Exempt 15322  
B. Special Permit to allow alcohol sales in a structure less than 15,000 sf.  
On .37+ acres in the Residential Mixed Use-R Street Special Planning  
District (RMX-SPD) zone.  
C. Variance to reduce maneuvering area from 26 feet to 24 feet.

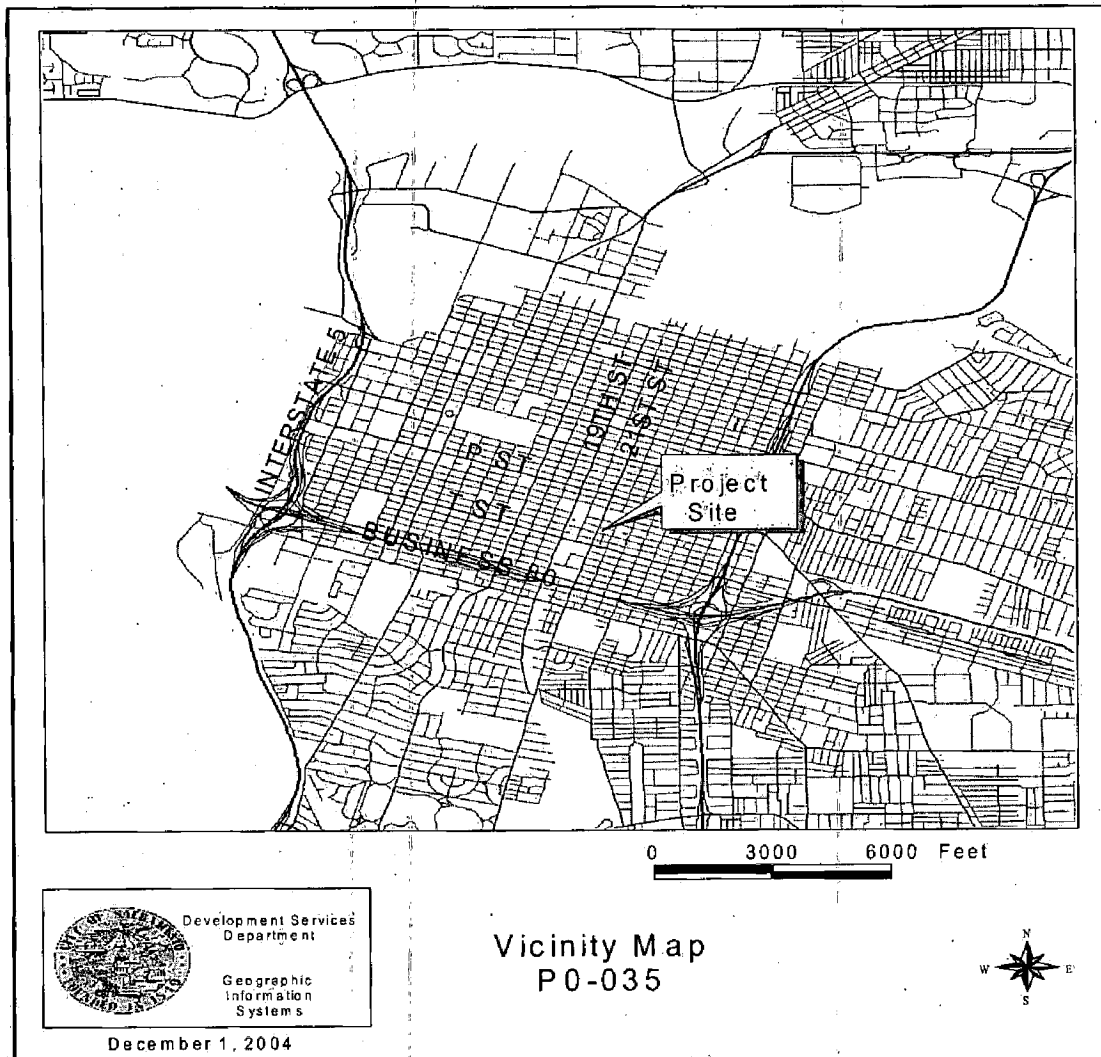
LOCATION: 2101 S Street  
APN: 010-0033-010  
Council District

<b>APPLICANT:</b>	<b>Petrovich Development Company 5046 Sunrise Boulevard, Suite One Fair Oaks, CA 95628</b>
<b>OWNER:</b>	<b>Calvine and Florin LLC 5046 Sunrise Boulevard, Suite One Fair Oaks, CA 95628</b>
<b>APPLICATION FILED:</b>	<b>March 7, 2005</b>
<b>STAFF CONTACT:</b>	<b>Mark Kraft, (916) 808-8116</b>

**SUMMARY/ RECOMMENDATION:**

The applicant is requesting entitlements to sell alcohol in an approved 8,000 sf pharmacy in the Residential Mixed Use- Special Planning District (RMX-SPD) zone in the R Street Corridor. The project will require a special permit for the alcohol sales. The applicant is also requesting an entitlement to reduce the parking lot maneuvering area from 26 feet to 24 feet for the pharmacy parking lot.

**Staff recommends approval of the project, subject to conditions.** This recommendation is based on the project's consistency with the Central City Community Plan and R Street Corridor Plan designation and zoning for the site. The recommendation is also based upon the consistency of the proposed project with General Plan and Central City Community Plan policies, and Central City Housing Strategy, which encourages the development of mixed use projects. There are no outstanding issues with this project.



**PROJECT INFORMATION:**

General Plan Designation:

Special Planning District (R Street Corridor)

Central City Community Plan Designation:

Residential Mixed Use

Existing Land Use:

Vacant Warehouse

Existing Zoning of Site:

Residential Mixed Use-R Street Special Planning District (RMX-SPD)

**Surrounding Land Use and Zoning:**

North: Sacramento Bee Parking Lot: C-4-SPD  
 South: Residential and Office: RMX-SPD  
 East: Sacramento Bee Corpyard: RMX-SPD  
 West: Vacant and Office: RMX SPD

Property Dimensions:	100' x 160'
Property Area:	.37± net acres
Square Footage of Buildings:	8,000 sf
Height of Building:	25'
Height Limit	35'
Lot Coverage	50%
Exterior Building Materials:	Brick & Aluminum, metal canopies
Roof Material:	Built-up
Parking required:	20 spaces
Parking provided (on-site):	24 spaces
Topography:	Flat
Street Improvements:	Existing
Utilities:	Existing

**OTHER APPROVALS REQUIRED:** In addition to the entitlements requested, the applicant will also need to obtain the following permits or approvals, including, but not limited to:

<u>Permit</u>	<u>Agency</u>
Building Permit	Building Division
Off-site improvements	Public Works, Plan Check
ABC License	ABC

**BACKGROUND INFORMATION:**

The applicant is seeking a Special Permit to sell alcoholic beverages for off-site consumption per the City of Sacramento Zoning Ordinance for retail structures that are under 15,000 sf in size. The Rite Aid structure has received previous approvals from both Planning and Design Review under the entitlement process for the Whiskey Hill Lofts Project (P04-057). This project was approved by the Design Review/Preservation Board on August 14, 2004 and by the Planning Commission on September 9, 2004. At the time of the previous approvals, the applicant was unaware that a Special Permit would be required for the sale of alcoholic beverages.

In their justification for the request, the applicant states the following:

1. Proven track record as a responsible retailer: The Alhambra Boulevard and the 9<sup>th</sup> and K Rite Aid stores enjoy great success both from a retail perspective and

from providing necessary and daily retail services to the surrounding area and neighborhoods. These stores supply prescription services, daily necessities and comprehensive retail shopping services in the Downtown and East Sacramento areas. During their time in operation in the City of Sacramento, these stores have proven that Rite Aid works with the City, with surrounding neighborhoods they serve, and that they are responsible corporate retail outlets when it comes to the issue of the sale of alcoholic beverages for off-site consumption.

2. Sale of alcoholic beverages is an expected service of Rite Aid to its customers: the sale of alcoholic beverages is a normal part of the operation of all Rite Aid stores, including the Alhambra Boulevard and 9<sup>th</sup> and K Street store. It is important that a Rite Aid provide customers with the same retail experience at all of their stores. The sale of alcoholic beverages for off-site consumption is a part of that retail experience and an expectation of the customer, and is necessary for the success of the Rite Aid store at 2101 S Street.
3. The 2102 S Street Rite Aid store is required to have a Special Permit because the building is less the 15,000 sf, the size required by the ordinance that would allow alcohol sales "by right". This particular Rite Aid building will be 8,000 sf and represents a size that is less than one-half the normal size for a Rite Aid building, which is 17,272 sf. The City (in 1997) approved a Rite Aid store with alcohol sales at the Alhambra location, however this store did not require a Special Permit, as it is 16,000 sf in size.
4. The project is in scale with the neighborhood and providing services that help to reduce the dependence on vehicle trips: The 2101 S Street Rite Aid is designed to be in scale, massing and size complimentary to the surrounding neighborhood while providing the services of a full convenience store to the neighbors within walking distance, thus reducing the need for vehicle trips. The building, besides being a new design prototype for Rite Aid that is much more urban in character, represents a new trend where the corner neighborhood drug store has become the corner convenience store in the 21<sup>st</sup> century. Although much smaller than Rite Aid stores located elsewhere, the 2101 S Street store will be a full service Rite Aid with all of the convenience and merchandise found in other Rite Aid locations, including the sale of alcoholic beverages.
5. Condition on the Special Permit to reduce perceived social issues with the sale of alcoholic beverages: The City of Sacramento has the added benefit of conditioning the projects alcohol sales to minimize perceived concerns from the outset. This would not be possible for the City if the 2101 Street building met the "by right" condition of being over 15,000 sf. Rite Aid has worked with the City on previous projects to identify and include conditions that reduce social concern with the sale of alcoholic beverages for off-site consumption. These conditions of approval have included limiting the sale of fortified alcoholic beverages and not allowing the sale of singles. We believe that we can reach accord with the city on similar conditions for the Special Permit requested herein.

6. The low percentage of the area of the building dedicated to the sale of alcoholic beverages: Within the zoning ordinance the area of the sale of alcoholic beverages allowed in a 15,000 sf building "by right" is 10 percent of the shelf area. The 2101 S Street building store layout includes only 375 sf of the building area for the sale of alcoholic beverages, or less than 5 percent of the 8,000 sf building, well below what would be allowed "by right" if the store were over 15,000 sf. Although Rite Aid believes the sale of alcoholic beverages is important to meet the expectation of shoppers and the sale of alcoholic beverages is an important component to the overall convenience for the Rite Aid shopper, the 2101 S Street building will also provide a full service retail experience with all of the other items you would normally expect at a Rite Aid including prescriptions, over the counter medications, photo processing, ice cream, and daily convenience needs.
  
7. Stores selling alcoholic beverages in the area and competitiveness with the surrounding retail establishments: Until recently the surrounding area was served for its retail needs predominately by very small "mom and pop stores on P Street and N Street. With the opening of the Safeway at the R Street market development, however, Midtown residences have a new supermarket with comprehensive services, including prescription service and the sale of alcoholic beverages. Although primarily a drug store, Rite Aid needs to place the store at 2101 S Street on as even a footing as possible with grocery stores and other retailer establishments in the area. The sale of alcoholic beverages for off-site consumption is a part of being competitive. Given the large area of Safeway devoted to the sale of alcoholic beverages and the large quantity of beverages the store stocks, it does not seem reasonable that the small additional amount of area devoted to such sales the Rite Aid store would bring to the neighborhood would be a concern.

STAFF EVALUATION: Staff has the following comments:

A. Policy Considerations

In providing a mixed-use project, including retail development, near a transit station, the project is consistent with the following Central City Community Plan (R Street Corridor Plan) policies:

Policy 2.6

Through land use designations, zoning and development standards, provide the opportunity for sufficient neighborhood commercial services to serve residents of mixed use neighborhoods.

Policy 3.1

Encourage mixed use residential/commercial development within a 660 foot radius of each light rail station, subject to compliance with setbacks and other building intensity standards, to ensure a design and scale compatible with adjacent neighborhood scale uses.

**B. Special Permit to allow alcohol Sales**

The zoning code states that retail stores of less than 15,000 square feet are required to obtain a Special Permit from the Planning Commission for the sale of alcoholic beverages. To grant the Special Permit, the Planning Commission is required to make the following findings:

- 1) The proposed use will not adversely affect the peace or general welfare of the surrounding area.
- 2) The proposed use will not result in undue concentration of establishments dispensing alcoholic beverages.
- 3) The proposed use will not enlarge or encourage the development of a skid row or blighted area.
- 4) The proposed use will not be contrary to or adversely affect any program of redevelopment or neighborhood conservation.

It is staff's position that, although the project is below the 15,000 square foot threshold, the use is essentially a full service pharmacy, and is therefore compatible with the mix of residential and small businesses which serve the community, and that the above findings can be made for the proposed project. The City will provide adequate conditions to prevent the use of the building as a liquor store, should Rite Aid vacate the building.

The project proposal has been routed to the City Police Department, and the Police have expressed no objection to the proposal, subject to conditions which are included in the attached Notice of Decision.

**C. Variance to reduce the parking lot maneuvering area from 26 feet to 24 feet**

When the Whiskey Hill lofts project (P04-057) was approved on September 9, 2004, the site plan approved showed 24 feet of maneuvering area between the two rows of parking stalls in the Rite Aid parking lot, two feet short of the required 26 feet. Although this proposal was reviewed and approved by staff, staff neglected to cite this entitlement in the original approval; therefore the applicant is requesting that this entitlement be granted as a part of this project. Although the maneuvering area is two feet short of that required by code, the 24 feet provided does provide adequate maneuvering area, given that the applicant is providing full sized parking spaces and adequate room for backing out, and if multiple movements are required to back out of a space, these movements will not impede on-street circulation. The applicant is attempting to provide adequate parking on a relatively small site, and variances of this nature have been commonly granted in the Central City. Staff therefore supports the requested variance.

**PROJECT REVIEW PROCESS:**

A. Environmental Determination

The Environmental Services Manager has determined that the project, as proposed, is exempt from environmental review pursuant to CEQA Section 15322 (Infill).

B. Public/Neighborhood/Business Association Comments

The proposed project application was routed to the Newton Booth Neighborhood Association (NBNA). Land owners within a 500 foot radius of the project site were also notified of the project proposal. At the January meeting of the NBNA, the issue of the Special Permit to allow the sale of alcoholic beverages for off-site consumption was discussed by the applicant. The NBNA did not express concern with the request. Staff has received one phone call from a neighboring property owner, expressing the opinion that the alcohol sales are not necessary because there are other places to purchase alcohol in the vicinity of the project.

C. Summary of Agency Comments

The project has been reviewed by several City Departments and other agencies. Comments have been incorporated as conditions in the attached Notice of Decision.

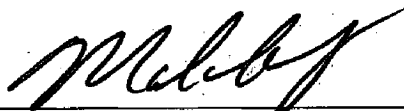
PROJECT APPROVAL PROCESS: The Planning Commission has the authority to approve or deny all of the entitlements. The Planning Commission action may be appealed to the City Council. The appeal must occur within 10 days of the Planning Commission action.

RECOMMENDATION:

Staff recommends the Planning Commission take the following actions:

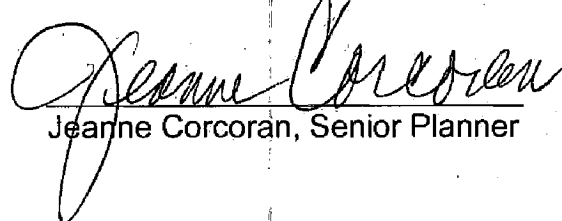
- A. Adopt the attached Notice of Decision and Findings of Fact which finds that the project is Exempt Exempt 15322.
- B. Adopt the attached Notice of Decision and Findings of Fact approving the Special Permit to allow alcohol sales in a structure less than 15,000 sf.
- D. Adopt the attached Notice of Decision and Findings of Fact approving the Variance to reduce the required maneuvering area from 26 feet to 24 feet.

Report Prepared By,



Mark Kraft, Associate Planner

Report Reviewed By,



Jeanne Corcoran, Senior Planner

Attachments

Attachment 1	Notice of Decision & Findings of Fact
Exhibit 1A-D	Site Plans, Floor Plans, Elevations
Attachment 2	Land Use & Zoning Map