



PLANNING COMMISSION AGENDA REPORT

Meeting Date: November 17, 2022

Subject: CUP22-0002 – Conditional Use Permit for the Expansion of an Existing Commercial Recreation Use at 129 First Street; exemption finding pursuant to California Environmental Quality Act Guidelines Section 15303 (New Construction or Conversion of Small Structures)

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Initiated by: Elmer Lin, Applicant

Attachments:

- A. Draft Resolution No. PC 2022-XX
- B. Applicant's Statement of Operation
- C. Application Plans
- D. Area, Vicinity and Notification Maps

Recommendation:

Approve Conditional Use Permit 22-0002 subject to the findings and conditions listed in Resolution No. PC 2022-XX

Environmental Review:

Granting the permit would be exempt from environmental review pursuant to Section 15303 (New Construction or Conversion of Small Structures) of the California Environmental Quality Act (CEQA) Guidelines in that the project involves the conversion of an existing small commercial structure from one use to another and none of the circumstances set forth in CEQA Guidelines Section 15300.2 applies.

Summary:

The city received a conditional use permit request to expand the existing commercial recreational use – a video game arcade – from the tenant space at 127 First Street to the adjacent tenant space at 129 First Street.

Background

The subject site at 129 First Street is located in the Commercial Downtown/Multiple-Family (CD/R3) Zoning District and within a “Downtown Commercial” land use designation in the General Plan. The subject property is a two-story building including 2,453 square feet of ground floor area and a separate mezzanine level at the upper floor that is unconditioned and not part of the project. Six parking spaces including one accessible parking space are located in the rear yard accessed from the public alley

abutting the rear property line. The site is located adjacent to the existing arcade use (HyperSpace Los Altos) to the north, a vacant building (139 First Street) to the south, the Safeway grocery store and a mixed-use commercial building across First Street to the west, and multiple-family residential units across the alley to the east. The most recent use of the building on the subject site was used for a fitness studio (“Momentum Cycling Studio”) which is classified as a personal service in the Zoning Code and considered a permitted use in the CD/R3 zoning district.

On December 6, 2018, the Planning Commission approved a Conditional Use Permit application (18-UP-06¹) for the commercial recreation, video game arcade use at 127 First Street, which has the same operation and ownership as this requested conditional use permit. The existing arcade previously operated at 151 First Street before relocating to 127 First Street under a different conditional use permit. The Planning Division has not received any formal complaints received about the business’ hours of operation or use of the building.

Discussion/Analysis

Proposed Use

The video game arcade, Hyperspace, is seeking to expand from the existing two-story tenant space at 127 First Street to the 2,453 square-foot ground floor of the building at 129 First Street. At the ground floor, the arcade game machines will be placed along the parameter of the interior space with a counter staffed by employees for the token change and prize redemption. An existing commercial kitchen at the ground floor will be further reduced in size and used for catering when there is a special event. New internal circulation will be added at the first floor to connect with existing arcade at 127 First Street. The mezzanine level is currently unconditioned and does not have direct access from the ground floor. As a condition of approval, the mezzanine level shall not be used in the operation of the arcade until subsequent permits are obtained from the city in the future.

The primary entrance to the business will be on First Street, and secondary access will occur from the rear yard parking lot. To the rear of the building is a covered pergola and six onsite parking spaces accessible from the alley way at the rear of the building and an outdoor patio for seating in the front yard. The proposed regular hours of operation will be 12:00 pm to 8:00 pm Monday through Thursday, 12:00 pm to 10:00 pm on Friday, 10:00 am to 10:00 pm on Saturday, and 10 am to 8 pm on Sunday. The business will have a total of two to four employees. A complete project and business description is included in Attachment B.

Parking and Operation

Per Section 14.74.110 (G) of the Municipal Code, commercial recreation establishments are required to provide one parking space for every three employees, plus additional parking spaces as may be prescribed by the Commission. Based on the submitted statement of operations between two to four employees will be on-site at any given time; therefore, two parking spaces are required. Parking demand is minimized, as documented in the applicant’s statement of operations letter, as children and

¹ 18-UP-06 Planning Commission agenda report along with other supporting document can be assessed at https://los-altos.granicus.com/MetaViewer.php?view_id=&event_id=575&meta_id=57303 for Commissioners reference.

teenagers are the target customers of the arcade who use alternative modes of transit and are frequently dropped off and picked up by parents or guardians. Based on the information provided, the property provides the minimum onsite parking required to accommodate the proposed expansion of the existing use.

The Building Division will require a building permit for the change in use and occupancy, and to make any necessary improvements to comply with accessibility (ADA) requirements. These requirements have been included as conditions of approval.

Use Permit Findings

As defined in Chapter 14.52 of the Zoning Ordinance, a commercial recreation use is a conditionally permitted use in the CD/R3 District. Pursuant to Chapter 14.80 Use Permits, the Planning Commission shall be the decision-making body for conditional use permit applications in all Commercial Districts within existing buildings and pursuant to Section 14.80.060, the Planning Commission shall make the following positive findings in consideration of the proposed conditional use permit:

- A. That the proposed location of the conditional use is desirable or essential to the public health, safety, comfort, convenience, prosperity, or welfare.*

This finding can be made because the proposed project is an expansion of an existing use that has operated successfully downtown since 2018. The expansion to the tenant space at 129 First Street should continue a diverse commercial use and contribute to the overall economic viability that brings visitors and families downtown.

- B. That the proposed location of the conditional use is in accordance with the objectives of the zoning plan as stated in Chapter 14.02 of this title;*

This finding can be made because this proposed arcade expansion, categorized as the commercial recreation use, is a permitted use upon granting of a use permit per Section 14.52.040 of the Zoning Code.

- C. That the proposed location of the conditional use, under the circumstances of the particular case, will not be detrimental to the health, safety, comfort, convenience, prosperity, or welfare of persons residing or working in the vicinity or injurious to property or improvements in the vicinity;*

This finding can be made because the use, as conditioned, continues to be compatible with the adjacent land uses and will continue to not create any substantial issues with regard to public health, safety, comfort, convenience, prosperity or welfare.

- D. That the proposed conditional use will comply with the regulations prescribed for the district in which the site is located and the general provisions of Chapter 14.02.*

This finding can be made because the proposed conditional use complies with the objective standards prescribed for the CD/R3 zoning district.

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Consistent with the use permit for the property at 127 First Street, to minimize noise generating activity in the rear parking lot adjacent to the residential uses, a condition requiring the installation of "Quiet Zone" signage has been added. Overall, with the included conditions of approval, the existing use relocating to this address is consistent with the General Plan, the zoning ordinance and all other applicable goals and policies. Therefore, based on the positive findings outlined in Resolution No. PC 2022-XX, staff recommends approval of the conditional use permit.

Public Notification

For this meeting, a public hearing notice was published in the *Town Crier*, posted on the property and mailed to the 436 property owners and 462 current tenants within 500 feet of the site. The application's public notification map is included in Attachment D.