

**CITY OF HAYWARD PLANNING DIVISION
PROPOSED WINERY (OFF-SALE RETAIL ESTABLISHMENT)
LOCATED AT 1013 "B" STREET
CONDITIONAL USE PERMIT APPLICATION NO. 201903274**

FINDINGS FOR APPROVAL

Conditional Use Permit

Pursuant to Hayward Municipal Code Section 10-1.3200, The Planning Commission or other approving authority may approve or conditionally approve an application when all of the following findings are made:

1. The proposed use is desirable for the public convenience or welfare;

The proposed wine shop (also known as "winery") will be desirable for the public convenience and welfare in that the winery will allow individuals of legal age (21 and over) to taste and purchase wines at a retail establishment located in Downtown Hayward. The winery proposes to incorporate a unique experience into the business model as the tenant space will include a small-scale, artisan wine making operation for display by patrons where grape crushing/pressing, fermentation, wine aging, bottling, and storage will take place. The wine making processes will be accompanied by wine tastings to promote sales of quality wines including Pinot Noirs, Roses, Merlots, Merlot/Cabernet Sauvignons, and Chardonnays. The establishment of a winery also supports the growing trend and market where individuals are interested in artisan, locally crafted and sourced products using high quality ingredients. In the current age of technology where high volumes of sales are conducted online, the proposed winery creates an experience where one can be educated about the artisan wine making process from vineyard to production to sales.

In addition, the *Hayward 2040 General Plan* calls for land uses that will attract creative-class professionals and businesses, provide for arts and entertainment in the Downtown, and to activate underutilized buildings to create a vibrant, transit-oriented, and mixed-use city center. This establishment at the project will reduce the percentage of vacant storefronts within the downtown area and allow the ability for private investment to significantly improve and remodel the interior of the building which supports making Downtown Hayward a destination for all. The proposed winery is accessible by walking, numerous bus lines along Mission Boulevard, Main Street and B Street, and the Hayward Bay Area Rapid Transit (BART) Station which are all within a half-mile of the subject site to allow for convenient.

2. The proposed use will not impair the character and integrity of the zoning district and surrounding area;

The proposed winery will not impair the character and integrity of the zoning district and surrounding area in that the project site is located within the Downtown Main Street (DT-MS) zoning district, which encourages the establishment of a diverse mix of businesses and other activities which will enhance the economic activity of the downtown core area. Currently, there is one existing retail wine store, Doc's Wine Shop, located in Downtown Hayward and several liquor stores. By allowing the proposed winery, this will assist in transforming the image of Downtown Hayward with boutique retail shops, eateries, and unique experiences. The proposed establishment would activate a previously underutilized and vacant space at the

corner of B and Main Street that will be compatible and may assist in patronizing neighboring businesses in the revitalization of the Downtown core area.

Further, as conditioned, the operation of the winery will be required to adhere to the performance standards of the Hayward Municipal Code and the California Department of Alcoholic Beverage Control (ABC) which regulate the production, bottling, and sales of wine which will further incorporate protections to prevent impairment of the character and integrity of the zoning district and surrounding area.

3. The proposed use will not be detrimental to the public health, safety, or general welfare; and

The proposed winery, as conditioned, will not be detrimental to the public health, safety, or general welfare in that establishment shall be subject Alcoholic Beverage Outlet Ordinance, regulations set forth by ABC, and other codes as applicable. As stated above, the referenced ordinances and regulations contain operating and performance standards for establishments that include the sale of alcoholic beverages and permitted tastings to minimize nuisances on neighboring properties. As stated in the business plan, the applicant intends on selling wines with an average bottle price of \$25-\$30 to correlate with the higher quality wines the applicant plans to offer. Further, violations of any of the Condition of Approval or any of the ordinances and regulations listed above may result in administrative citations to the business owner, Code Enforcement action, or the revocation of licenses and permits, including this Conditional Use Permit at the expense of the business owner.

4. The proposed use is in harmony with applicable City policies and the intent and purpose of the zoning district involved.

The proposed winery will be in harmony with the applicable City policies and the intent and purpose of the zoning district involved in that the subject site is located within the DT-MS zoning district which aims to create a citywide focal point for Hayward with commercial, retail, and entertainment. The project involves the leasing of an existing tenant space and does not involve the expansion of the building footprint; thus, is compliant with all development standards including lot coverage, setbacks, height, etc. Also, as prescribed with the Downtown Specific Plan, nonresidential uses with 1,500 square-feet of floor area or less do not require the provision of off-street parking spaces. In addition, the tenant improvement for the project will be limited to the interior only and does not involve any exterior modifications to the historic building except for business signage which complies with the City's Historic Preservation Ordinance.

The project site is also designated as Central-City Retail and Office Commercial (CC-ROC) in the *Hayward 2040 General Plan*, which focuses on the core of the Downtown Hayward and envisions building improvements including the rehabilitation and redevelopment of underutilized properties that will assist in transforming the downtown core area into a vibrant, transit-oriented, and mixed-use city center. Allowed uses for the CC-ROC land use designation include retail, dining, and service uses as well as entertainment and recreational uses which is also consistent with the vision/goals of the recently adopted Downtown Hayward Specific Plan.

Further, the project site is located within one of the City's Priority Development Areas (PDAs) which further encourages the private-sector investment into the Downtown City Center of Hayward to create a compact, mixed-use and walkable neighborhood with venues for

entertainment experiences as well as recreational and cultural activities. The Economic Development Strategic Plan (EDSP) states that the downtown area is a key retail area, and Goal SR2 (Service and Retail Industry) calls to secure new businesses in priority locations that are a good fit for the City of Hayward. Overall, the proposed winery will support the following Hayward 2040 General Plan goals and policies:

- Land Use Policy LU-2.1 – Downtown Arts and Entertainment. The City shall encourage private-sector investment in Downtown to transform it into a safe, vibrant, and prosperous arts and entertainment district that offers enhanced shopping, dining, recreational, and cultural experiences and events for residents, families, college students, and visitors.
- Land Use Policy LU-2.2 – Downtown Activities and Functions. The City shall maintain the Downtown as a center for shopping and commerce, social and cultural activities, and political and civic functions.
- Land Use Policy LU-2.4 – Downtown Retail Frontages. The City shall require retail frontages and storefront entrances on new and renovated buildings within the “retail core” of Downtown Hayward.
- Land Use Policy LU-2.16 – Uses to Attract the Creative Class. The City shall encourage the development of uses and amenities to attract creative-class professionals and businesses to Hayward including: restaurants and cafes; art studios and galleries; and entertainment and cultural venues.
- Land Use Policy LU-5.1 – Mix of Uses and Activities. The City shall encourage a mix of retail, service, dining, recreation, entertainment, and cultural uses and activities in regional and community centers to meet a range of neighborhood and citywide needs.
- Economic Development Policy ED-1.14 – Hospitality and Entertainment Business Clusters. The City shall encourage the development of a hospitality and entertainment business cluster within Downtown Hayward and other appropriate locations to improve opportunities for shopping, dining, arts and entertainment, lodging, business conventions, and cultural events.
- Economic Development Policy ED-3.1 - BEAR Program. The City shall develop, maintain, and implement a Business Expansion and Retention (BEAR) program that that helps businesses stay, grow, and become more committed to the Hayward community. The City shall primarily focus its BEAR efforts on small businesses with high growth potential and other local companies that have a demonstrated commitment to the Hayward community.
- Economic Development Policy ED-3.3 - Buy Local. The City shall encourage residents, local businesses, colleges, trade schools, and community organizations to purchase goods and services from other local businesses to support local jobs and to recirculate money within the local economy.

Lastly, the Downtown Hayward Design Plan and Core Area Plan were adopted in 1992 and set forth strategies, policies, and actions to revitalize the economic vitality and livelihood of the downtown core area. Analyses within the document discuss opportunities for better business practices, cultural activities, façade improvements, and public/private partnerships for a dynamic and diverse core neighborhood. Like the Alcoholic Beverage Outlet Ordinance, the Core Area Plan acknowledges that the management of alcohol related establishments in a positive and responsible manner enhances the economic and social character of the downtown stating that “[t]he successful revitalization of downtown will likely include new restaurants and

entertainment facilities, many of which will sell alcoholic beverages and will hopefully become an asset to downtown". The proposed winery would be consistent with the goals of the adopted plan to introduce entertainment uses into underutilized and vacant buildings which will promote economic activity and pedestrian traffic that will further patronize other businesses.

Environmental Review

The proposed project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301, Class 1 for existing facilities in that the project involves the leasing approximately 975 square-feet of existing tenant space that will create a negligible impact on the environment. Therefore, no environmental review is necessary.