

Berkeley Honda
2777 Shattuck Ave; 2747 Adeline Street
Revised Applicant Statement
August 28, 2015

Introduction:

The original Applicant Statement dated April 29, 2015 is hereby updated and revised. The “Background” and “Project Introduction” of that Statement are pasted at the end of this Revised Applicant Statement.

The State automotive franchise laws prohibit a new dealership to locate within a 10 mile radius of an existing dealership. However, Berkeley Honda has existed within 5 and 4 miles of El Cerrito and Oakland Honda dealerships, respectively, and thus “grand-fathered” in. Any relocation of Berkeley Honda, has thus become limited to within a one-mile radius of their historic location at 2600 Shattuck Avenue.

Application History:

Since February 2015 when Berkeley Honda reached out to the community regarding its Pre-Application, Berkeley Honda’s proposal to relocate to the former Any Mountain site has received a significant amount of feedback from the neighbors, City staff, Landmarks Preservation Commission on July 09, 2015 and Design Review Board on July 16, 2015.

In addressing the concerns raised by the community, Berkeley Honda has made a significant change in the design and layout of its proposed dealership. This change, we believe, ameliorates and addresses the concerns raised about the perceived potential impacts on the residential neighbors on the East, and the community at large. Berkeley Honda continues to seek improvements to its proposal consistent with its history of being a good neighbor and a local small business for the past 40 years at 2600 Shattuck Avenue.

Original Design:

As 2777 Shattuck is on the State Historic Resources Inventory (SHRI), (even though it is not a historic resource under CEQA), the original design aimed at no alterations to the façade of the building. As a result, the designers proposed a new Addition for vehicle service, located on the existing parking lot on Stuart Street. The siting, design and potential traffic impacts of this Addition created significant anxiety and concern by the residential neighbors to the East of the site, particularly on Stuart Street. The community’s comments, particularly those of the members of the Design Review Board on July 16, 2015, sent us back to the drawing board.

Proposed New Design:

We met with the City staff to solicit their input on a new design whereby the Addition would be built on the north parking lot, but accessed from Shattuck, completely hidden from view from either Shattuck Avenue or Ward Street. This would allow the Stuart Street parking lot (behind Sconehege) to remain unaltered and continue to serve the needs of Sconehege and Kirala, as it has done so historically. Additionally, we studied the potential impact of creating an opening near the north end of the existing building for entrance to, and exit from the Addition on Shattuck Avenue.

Proposed Revised Project:

The revised design removes the Addition on Stuart Street to a much less visible place in the vacant parking lot at the back of the main building. Access and exiting to this Addition is proposed to be from Shattuck Avenue. This design includes more than adequate queuing spaces for a minimum of 12 vehicles inside the building (14 additional service bays will be available in the AM Peak for incoming vehicles, if needed). The new Addition is proposed at 4,427 square feet filling what is currently spaces for 14 vehicles on the north parking lot. This design requires a minor alteration of the façade of the building by enlarging an existing door opening to 24 feet, and installing an attractive roll up door for auto entry/exit. In addition, interior tenant improvements will be done to adapt the existing main building for an auto show-room, auto service and parts inventory. The existing 2,500 square foot second floor offices/storage will be used for filing and storage by Berkeley Honda.

The proposed use complies with all existing applicable zoning for both parcels. Required parking for the proposed full-service dealership is provided at the parking lot at 2747 Adeline Avenue.

New Project Boundaries:

With the proposed new design, the Stuart Street parking lot remains outside the scope of this project. It will simply continue to serve the historical parking needs of Sconehege café and Kirala restaurant. The proposed new project now includes the existing building formerly occupied by Any Mountain/Berkeley Bowl and a proposed new Addition located in the parking lot on Ward Street. The proposed new construction is completely hidden from external views outside of the existing parking lot accessed from Ward Street.

Updated Community Outreach:

Since Design Review Board's public hearing on July 16, 2015, we have made several attempts to meet with the affected neighbors to solicit their input into the proposed design. Unfortunately, none of the ones we (and the City staff) contacted were willing to meet with us.

Below, please see a chronology of Berkeley Honda's community outreach:

- On February 25, 2015, Berkeley Honda hand-delivered and mailed the enclosed flyer (**Exhibit 1: flyer and copy of labels used for mailing**) to all properties within 300 foot radius of the sites. The flyer informs that Berkeley Honda has made a pre-application to the City of Berkeley and invites citizens to contact the owner or owner's consultant. Several phone and email inquiries were made.
- On March 18, 2015, Tim Beinke, Berkeley Honda Principal, and Mauricio de La Pena, Project Architect, attended the LeConte Neighborhood Association's monthly meeting, and presented the plans and attempted to answer questions;
- On April 01, 2015, Berkeley Honda organized a community open house at 2615 Shattuck, in which approximately 100 people attended. Mr. Beinke, Mr. De la Pena, Mr. Trachtenberg and Mr. Kashani introduced the proposed project and answered questions. The meeting was very lively and Berkeleyside reporter wrote an apt report on the meeting. Please see **Exhibit 2 that includes the flyer, and the article, along with in excess of 191 comments**, most of which are supportive of the proposed project).
- On July 09, 2015, Landmarks Preservation Commission discussed the proposed project along with Project Evaluation dated May 18, 2015 by Preservation Architecture. LPC members made comments to DRC and received ample public comment;
- The revised project is scheduled to go before LPC on September 03, 2015 for their comments to the DRC;
- On July 16, 2015, Design Review Board held a public hearing on the proposed project and received testimony from a large number of community members. The Board then made comments on the proposed project and voted to continue the hearing;
- The revised project is scheduled to go before DRC for its second public hearing on the project on September 17, 2015.

There have existed a great deal of misunderstanding about the nature of Berkeley Honda's business and activities; the sponsor has attempted to address questions as best they could. The following includes issues raised and addressed in the various community meetings and in subsequent conversations with the neighbors.

Traffic:

Following our application submittal on April 29, 2015, we received several comments from the City's traffic engineers. Additionally, the planning staff met with four neighbors and provided us additional comments and questions regarding project's traffic and parking. Finally, on August 6, 2015, we met with the city planning staff and Mr. Michael Vecchio to review the City's requirements for both the original project, as well as solicit their input on the current proposed revised project.

The City staff suggested that we expand the original scope of traffic impact analysis from trip generation to a more in-depth analysis to include trip distribution and level of service analysis at four intersections.

The enclosed traffic impact analysis includes and addresses all of the above and concludes that the project's impact on the existing plus proposed conditions is insignificant. Berkeley Honda has been operating a full-service dealership at 2600 Shattuck Avenue, just two blocks north, for the past 40 years, historically, maintaining the same traffic volumes and trip generations in the neighborhood for all these years.

We will continue to work with City staff and the community to improve the plans and to further reduce any potential impact this proposed project may have on the surrounding residential neighbors. Berkeley Honda strives to remain a sensitive and good neighbor and family-owned small business serving the Berkeley community.

Full service auto dealerships have a lower trip-generation rate than general retail; this is based on empirical studies and supported by the Manual of Institute of Transportation Engineers. Berkeley Honda's proposed use is expected to generate less traffic than either the former Berkeley Bowl full service grocery.

Berkeley Honda's former location was very similar to the proposed new location: it abutted residential neighbors both on Parker Street and Carleton Street. As a good neighbor, Berkeley Honda made sure that its car-buying or service customers did not adversely impact its residential neighbors, nor did it allow them to test-drive on those streets. Additionally, with the current proposed design, Berkeley Honda's service customers will drive their vehicles into the service

entrance on Shattuck Ave, with more than adequate queuing space, leave their vehicles for the day and get driven by Berkeley Honda's shuttle to BART or other destinations. Once the cars are serviced, they are either left in the building, or driven to the dealership's parking lots on Adeline Ave, until customers will pick them up.

With the relocation of service entrance to Shattuck, the overall impacts of both car sales and service on the residential neighborhoods on Ward and Stuart Streets will be significantly less than Any Mountain, or other general retail.

Parking:**Existing Parking:**

According to the City's own records (Zoning Research letter dated January 9, 2015 from Shannon Allen), there are currently a total of 69 spaces at the Center (25 in the Ward Street lot, 13 in the Stuart Street lot, 31spaces at 2747 Adeline). The use permits for the three uses have required the following:

	Size (sqft)	# of Parking Spaces	Current Use
Berkeley Bowl Produce/Any Mountain	16,720	33	Vacant
Rod's Café	2,400	8	Sconehege
Kar Kover Bldg	3,945	8	Kirala
Restaurant	1,700	6	Kirala
TOTAL		55	

Proposed Parking:

Berkeley Honda proposes to move Kirala's 8 parking spaces approved via UP #A1379MOD from 2747 Adeline to the parking lot on the northeast of the building, accessed via Ward Street. Both the property owner, Mr. Glenn Yasuda and the owner of Kirala restaurant, Mr. Akira Komine, have agreed to this modification. The Stuart Street parking lot will continue to serve the parking needs of Sconehege (8 spaces) plus 3 spaces for Kirala Restaurant, leaving an additional two spaces beyond required parking for those use permits. Please note that the total of 69 parking spaces at the Center will be reduced by 2 as new disabled-access parking will be incorporated into the project. Below is the required/ proposed parking plan:

BUSINESS ENTITY	SPACES REQUIRED	PROPOSED DISTRIBUTION (RESTRIPED)			TOTAL SPACES PROVIDED
		Stuart St. Lot	Ward St. Lot	Adeline Ave. Lot	
KIRALA	14	3	11		14
SCONEHENGE	8	8			8
BERKELEY HONDA	21			21	21
TOTAL REQUIRED	43	11	11	21	43
	TOTAL AVAILABLE	13	11	31	55

Berkeley Honda will utilize the remaining 10 parking spaces (55-43-2) at 2747 Adeline for display and inventory purposes. Additional customer "parking" for Honda's customers are provided in the proposed 14 service bays inside the building.

Noise:

The service component of the business will be inside the concrete masonry walls and the level of noise it generates will be contained within the building. The air compressor is carefully located away from the residential neighbors to the East. A Noise Study was completed to insure that Berkeley Honda's business practices are compliant with the City of Berkeley's Noise Ordinance.

Deliveries:

Berkeley Honda's car deliveries will be to the lot at 2747 Adeline, accessible from Adeline Street; so there will not be any impact on the residential neighbors on Ward and Stuart Streets. For parts deliveries, Berkeley Honda proposes that all parts deliveries to be made to 2747 Adeline Street and employees will carry the parts into the service department via Shattuck Avenue, just in the same manner as they did at 2600 Shattuck Avenue. This will reduce any potential impact of parts delivery vehicles to the residential neighborhood.

Hazardous Chemicals:

The 21st century automation and computerization has significantly changed the way cars are serviced. The mechanics generally don't touch any oils whether engine or transmission oils, as all these are stored in regularly inspected double-stepped tanks and provided to the car lifts through pressurized hoses. Used oil is suctioned off into a tank that is regularly taken away by environmentally controlled trucks designed for this specific purpose.

Upon approval of its entitlements, as part of its Certificate of Occupancy, Berkeley Honda will submit a plan detailing how it will handle all chemicals such as oils, batteries, coolants, etc. so as to responsibly address any concerns the City might have.

Le Conte and Willard Students:

Berkeley Honda's move to this neighborhood will likely reduce the threat of car accidents to the children. This is based on an overall significant reduction in trip generation by the new uses. All service and retail traffic will be on Shattuck Avenue and thus will have no potential detrimental impact on Stuart and Ward Streets.

Additionally, Berkeley Honda's owner, Tim Beinke is available to the dealership seven days/week and all of his neighbors at 2600 Shattuck had his personal cell phone number. Berkeley Honda has been part of this community for a long time and has a great reputation as a local small business.

Existing Land Use Agreements:

The City of Berkeley has issued use permits that involve the subject properties over the years. These include the following:

1. Use Permit #A1379 dated May 09, 1988 for 2100 Ward Street; Kirala Restaurant
2. Use Permit #A1937 dated April 09, 1998 amending use permit #A1379;
3. Use Permit #07-10000040/#08-70000019; 1911 Russell Street.

Below, we address how Berkeley Honda's proposed use of the two properties maintains and protects the existing conditions and agreements with the City of Berkeley and the local businesses. In fact, Berkeley Honda has historically supported small local businesses such as Touchless Car Wash and several car detail servicers in Berkeley.

Kirala and Sconehege:

As provided in Use Permit #A1379 and the subsequent modification #A1937, there are a total of 69 parking spaces in the shopping center (25 in Ward Street lot, 13 in Stuart Street lot and 31 in 2747 Adeline Ave lot) of which 55 were required by Berkeley Bowl/Any Mountain, Sconehege and Kirala. Berkeley Honda's proposal preserves 13 spaces on the parking lot on Stuart Street, to be used by Sconehege (8) and Kirala (3), allocates 11 spaces on Ward Street lot for Kirala and captures all of its parking requirements at 2747 Adeline Avenue lot.

Berkeley Honda's use, will maintain all conditions contained in Modification of #A1937, except that Kirala's customers would be directed to park on the parking lot East of Kirala on Ward Street, and on Stuart Street.

Sconehege currently uses three parking spaces on Ward Street and five on Stuart Street. The owner of Sconehege has agreed to move her three spaces to the parking lot on Stuart Street.

Thai Temple; 1911 Russell:

On December 1, 1992, Mr. Dan Kataoka, the then General Manager of Berkeley Bowl issued a letter to the City stating that "Berkeley Bowl is willing to allow church participants the use of our parking lot located on Shattuck Avenue (2747 Adeline) during non-business hours on Sundays." Berkeley Bowl is open on Saturdays 9AM-8 PM and on Sundays, 10 AM-7 PM, thus providing access to the Thai Temple patrons from Saturdays after 8 PM to Sunday 10 AM, and on Sundays, from 7 PM to Monday at 9 AM.

On September 22, 2009, the City issued a new use permit to the Thai Temple and under Sunday Food Service required that the Thai Temple “reinstate” the off-site parking agreement with Berkeley Bowl

Based on our extensive research, we have found no evidence that the Thai Temple “reinstated” the parking agreement. This is largely due to the fact that they did not complete the construction of the buildings they had envisioned, or expanded their Sunday food service to the extent they had represented in their application.

Once the City issued the new use permit in September 2009, requiring the reinstatement of the former agreement, and by virtue of it not being renewed, the commitment of the parking spaces to the Thai Temple was nullified. Berkeley Honda’s use of the parking lot for its display/inventory does not violate any land use agreements with the City of Berkeley.

On April 15, 2015, Ms. Shannon Allen, Principal Planner informed us that the City of Berkeley has now released 2747 Adeline Street lot from its obligation to the Thai Temple and this is no longer an outstanding issue.

Any Mountain and Le Conte Neighborhood Association Agreement:

At the Community Open House on April 01, 2015, several neighbors informed us that there existed a use restriction in the form of an agreement signed by Mr. Glenn Yasuda and LCNA on the Ward Street Parking Lot. Mr. Yasuda informed us that he had no recollection of entering into such an agreement with LCNA.

Exhibit 3 includes a copy of the Use Permit issued to Any Mountain by the City of Berkeley on March 18, 1999 along with a letter signed by Mark Rhoades. The City’s files also include a Letter of Understanding executed between Any Mountain and LCNA dated March 12, 1999 that includes a provision that restricts the use of the Ward Street parking lot to the Any Mountain employees, among other provisions. Additionally, on April 02, 1999, the then Deputy Planning Director, Ms. Wendy Cosin sent a letter to LCNA stating that the Agreement between Any Mountain and LCNA was voluntary and not required by the City. Ms. Cosin’s letter clarifies that the agreement is not a use restriction, nor Mr. Yasuda is a party to that agreement.

Landmark Building

As 2777 Shattuck is on the State Historic Resources Inventory, Berkeley Honda’s proposal does not contemplate any significant modifications of the façade or the building exterior. The revised

proposal contemplates enlarging the existing opening on the north section of the Shattuck façade to allow for vehicle entry and exit, as well as to create an adequate queuing space inside the building.

Preservation Architecture has analyzed the potential impact of this alteration to the façade and concluded that this may be done without significant irreversible impact on the building.

Environmental History:

Our preliminary review of documents at the City's Toxics Management Division reveal no known environmental conditions at either property. Enclosed please find a letter from Department of Toxic Substances Control dated March 25, 2015 stating: "After thorough review of our files, we have found no such records exist at this office pertaining to the sites referenced above." Mr. Nabil Al-Hadithy, HazMat Manager, has determined that a Phase I ESA for this proposed project is not necessary. Please see email dated May 11, 2015.

Historical Impact Analysis:

At the recommendation of the City of Berkeley's Landmark Preservation Ordinance to prepare an impact analysis, the team commissioned the firm Preservation Architecture who has researched the history and historic significance of the building, and the potential impact of the enlarged opening on the Shattuck façade. The original report and its update are enclosed.

Use Permit Modifications:

As part of this application, Berkeley Honda requests to 'transfer' the 8 existing parking spaces for Kirala Restaurant from the surface parking at 2747 Adeline to the existing parking lot behind Kirala on Ward Street, with the remaining three spaces to be located on Stuart Street parking lot. All owners of the Kirala, Sconehege and the property have agreed to the proposed changes.

Hours of Operation:

Berkeley Honda has operated with the following hours of operations at 2598-2600 Shattuck:

Current Hours of Operation:

Monday through Saturday:	7:00 AM – 8:00 PM
Sunday:	10:00 AM – 7:00 PM

Berkeley Honda is requesting to extend their closing time to 10 PM for Monday – Saturday and to have the option to open and close at 7 AM – 10 PM on Sundays.

Proposed Hours of Operation:

Monday through Sunday: 7:00 AM – 10:00 PM

Berkeley Honda is requesting the expansion of its hours of operation for the following reasons:

1. ***Space Reduction/limitations:***

Berkeley Honda operated a full service dealership of 60,000 square-feet in Berkeley for over 40 years at 2598-2600 Shattuck. Modern-day infill dealerships can maintain their level of service and profitability in smaller spaces if they adapt to the busy schedules of their urban customers. Berkeley Honda will strive to maintain its excellent level of services in both sales and service in the space nearly half their former location, if they are able to offer customers to drop off/pick up vehicles during non-peak hours. Berkeley Honda strives to reduce its carbon footprint by half and provide the same level of service/sales in the Berkeley community. By allowing Berkeley Honda to offer this service to the local customers as well as reducing any potential circulation impact on the local neighbors, it can make up for the significant reduction in its physical space.

2. ***Traffic Mitigation***

Most people are used to drop off/pick up of vehicles during peak traffic flow hours. This business model is changing and Berkeley Honda's experience shows that their customers prefer to drop off vehicles the night before after peak hours and to pick up their vehicles during non-peak times. Allowing Berkeley Honda to stay open till 10 PM, will lower the potential trips to its dealership during peak traffic flow hours.

3. ***Competition***

Most urban dealerships offer extended hours for their customers' convenience. For example, City of Albany granted a use permit to Albany Subaru Ford to stay open 6:30 AM – 12:00 AM (mid-night). El Cerrito Honda is open seven days a week from 9 AM to 9 PM, Oakland Honda similarly is open seven days a week from 9 AM to 8 PM. To maintain its level of service to its customers and a competitive business, Berkeley Honda must be able to offer extended hours of operations.

Opportunities:

The proposed project offers significant benefits to the City of Berkeley: it retains one of the highest producers of business license fees and sales tax to the City of Berkeley (the City receives both an annual business license fee and 1% of all sales taxes collected and paid to the State), it maintains a thriving union shop in Berkeley and it protects an existing Berkeley business from moving to Brentwood (Honda USA offered Berkeley Honda a new franchise license for Brentwood).

For over 40 years, Berkeley Honda has been a good neighbor just two blocks north of this site. It has made ongoing contributions to community organizations and sponsored many events for Berkeley High School. Berkeley Honda does business with many local small, minority-owned businesses. Berkeley Honda's employees will continue to use AC transit and BART to commute to work, as well as Berkeley Honda's inventory cars for their commuting. Additionally, Berkeley Honda has always provided a shuttle service for its customers and will continue that service at the new location.

Timing:

Berkeley Honda is requesting that the City put this application on a fast track as it is currently operating out of two temporary facilities in Berkeley. Berkeley Honda risks losing customers and market-share if this inconvenience to its customers is too long, which will impact its gross receipts and thus reduce income to the City of Berkeley.

Background:

This stretch of Shattuck Avenue was an auto row for decades before the City's rezoning in the 1970s changed the underlying development capacities of the parcels on Shattuck. Berkeley's dynamic economic growth, coupled with regional re-vitalization of Emeryville and Oakland brought significant economic pressures on small businesses, such as Berkeley Honda. Their dealership at 2600 Shattuck could not sustain the rents that were required by the owners of the property in 2008, and thus Berkeley Honda was forced to relocate.

The State franchise laws prohibit a dealership to locate within a 10 mile radius of an existing dealership. However, Berkeley Honda has existed within 5 and 4 miles of El Cerrito and Oakland Honda dealerships, respectively, and thus "grand-fathered" in. Any relocation of Berkeley Honda, has thus become limited to within a one-mile radius of their historic location at 2600 Shattuck Avenue.

After operating a full-service auto dealership with service and parts departments at 2598-2600 Shattuck Avenue in a 44,000 square foot building and a 16,000 square foot lot, for over 40 years, Berkeley Honda lost its lease and was forced to vacate their building in November 2014. Between 2008 and 2014, Berkeley Honda diligently looked for a future home in Berkeley, and in April 2014 entered into an agreement to move its dealership to 1500 San Pablo Avenue. Unfortunately, due to circumstances out of their control, Berkeley Honda lost that site to a multi-national developer.

During their eight-year search for a new permanent location, Berkeley Honda came close to leasing and/or acquiring several sites in West Berkeley near I-80. However, franchise encroachment

agreements were used by El Cerrito Honda for sites in North West Berkeley, and by Oakland Honda, for sites in South West Berkeley that prevented Berkeley Honda from relocating to West Berkeley.

Determined to find a permanent home in Berkeley, Berkeley Honda entered into a short-term lease with Mr. Valiyee for a temporary relocation at 2627 Shattuck, while they continued their search for a permanent location in Berkeley. They are currently providing maintenance and repair services at temporary locations at 1500 San Pablo and sales at 2627 Shattuck Avenue, Berkeley, both on short-term leases.

Fortunately, Berkeley Honda was able to secure a long-term lease for 2777 Shattuck Ave; 2747 Adeline Street, both owned by Mr. Glenn Yasuda, and further, they were able to convince Honda USA to approve this “inferior” urban site, despite its small size and distance from the freeway. The new location includes a 16,720 square foot building and an 11,619 square foot lot- a major downsizing from their historical operations.

Project Introduction:

Berkeley Honda proposes to convert the existing structure at 2777 Shattuck Avenue and the northern parking lot on Ward Street, formerly occupied by Any Mountain, a building that is on the State Historic Resources Inventory, to its full service dealership with sales, service and parts inventory. Additionally, Berkeley Honda will re-stripe and install site improvements to the existing parking lot at 2747 Adeline Street for its auto display, inventory and parking.

2777 Shattuck Ave

The approximately 19,120 square-foot building was occupied by Any Mountain sporting goods which closed on May 31, 2015, (16,720) and Sconehege bakery and café (2,400 square feet). The building was originally constructed more than 40 years ago as a bowling alley and is on the list of State Historic Resources Inventory. Berkeley Bowl grocery store operated out of this space from 1976, and in 1999, the building was upgraded and renovated for use as a sporting retail for Any Mountain sporting goods. The property has two parking lots on north and south with access/egress on Ward and Street, respectively. The revised proposed project does not include the parking lot on Stuart Street, as it will continue to serve the needs of Sconehege and Kirala.

2747 Adeline Street

Berkeley Honda has leased this unimproved parking lot to use for its dealership uses including parking, car display and inventory. The lot is approximately 11,619 square-foot surface parking and currently accommodates 30 parking spaces, including disabled accessible parking. Berkeley Honda

plans no excavation, or installation of improvements other than signage, re-sealing and re-striping the existing parking lot.