



FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Donald C. Kendig, CPA, Retirement Administrator

BOARD AGENDA LETTER

DATE: April 19, 2017

TO: Board of Retirement

FROM: Donald C. Kendig
Retirement Administrator

SUBJECT: **Consideration of FCERA Realty Group LLC's Acceptable Use Policy (First Reading) –
APPROPRIATE ACTION**

Recommended Action(s)

1. Conceptually approve the attached policy as presented, or amended by the Board, for use by FCERA Realty Group LLC in screening potential tenants, and,
2. Schedule as second Reading for adoption on May 3, 2017.

Fiscal and Financial Impacts

None directly anticipated; however, reducing the pool of prospective tenants could limit FCERA's opportunity set.

Discussion

Staff brought questions to the Board on April 5, 2017 regarding the acceptable uses for 7766 N Palm Avenue, Fresno, CA 93711 and the Board directed staff to return with a policy on acceptable uses for tenant screening purposes.

Fresno City lists the property as IL (Light Industrial)

The IL district is intended to provide areas, as identified by the General Plan, for a diverse range of light industrial uses, including limited manufacturing and processing, research and development, fabrication, utility equipment and service yards, wholesaling, warehousing, and distribution activities. Small-scale retail and ancillary office uses are also permitted. Light Industrial areas may serve as buffers between Heavy Industrial Districts and other land uses and otherwise are generally located in areas with good transportation access, such as along railroads and freeways.

Many uses are permitted, some conditionally, as listed in the attached City of Fresno, Article 13 – Employment Districts of the Citywide Development Code. Staff's proposed policy recommends only the uses that are permitted, without any additional conditions, except for Restaurants with Alcohol Sales, that staff feels would best coincide with the FCERA office operations and the Conditions, Covenants & Restrictions (CC&R's).

The CC&R's for the Palm Bluffs Corporate Center states the intended use is for business, light industrial, office and commercial. It incorporates properties from Nees to the south, Herndon to the north, and Ingram to the west, and North Palm Bluffs Avenue (one block west of Palm Ave) to the east. More specifically, for our development, the CC&R's for Three Points at Palm Bluffs indicate it is intended that each of the parcels will be developed so that the development will appear and function as a single integrated complex of mercantile, business and professional establishments and related facilities. Staff could not find any leasing restrictions in the CC&R's.

Consideration of FCERA Realty Group LLC's Acceptable Use Policy (First Reading)

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Attachment(s)

1. Proposed Acceptable Use Policy for FCERA Realty Group LLC
2. City of Fresno, Article 13 – Employment Districts, Citywide Development Code

Background

FCERA formed FCERA Realty Group LLC as a single member company to hold real estate on behalf of FCERA as an investment. FCERA Realty Group LLC (FCERA Realty) currently holds three office buildings located at 7766, 7772, and 7778 N Palm Ave, Fresno, CA 93711.

**FCERA REALTY GROUP LLC
ACCEPTABLE USE POLICY**

I. Purpose

- 1) The Board of Retirement (“Board”) of Fresno County Employees' Retirement Association (“FCERA”) formed a real estate holding company, FCERA Realty Group LLC (“FCERA Realty”), to invest in three offices in the City of Fresno. FCERA will be occupying two of the three buildings and the Board wishes to provide policy direction to FCERA Realty on acceptable uses for the third building.
- 2) The acceptable uses intend to provide tenants that will mesh well with the staff and members of FCERA and augment the value of the location.

II. Guidelines

- 1) The following provides a list of acceptable uses for any vacant office space in FCERA Realty’s holdings.
 - a) Public and Semi-Public Use
 - i. Colleges and Trade Schools, Public or Private
 - ii. Community and Religious Assembly (less than 2,000 square feet)
 - iii. Government Offices
 - iv. Instructional Services
 - v. Park and Recreation Facilities, Public
 - vi. Public Safety Facilities
 - vii. Schools, Public or Private
 - b) Commercial Use Classifications
 - i. Aircraft Sales
 - ii. Veterinary Services
 - iii. Artist’s Studio
 - iv. Automobile Sales and Leasing
 - v. Banks and Credit Unions
 - vi. Business Services
 - vii. Restaurant without Alcohol Sales (or conditionally with Alcohol Sales)
 - viii. Motorcycle/Riding Club
 - ix. Farmer’s Market
 - x. General Market
 - xi. Healthy Food Grocer
 - xii. Food Preparation
 - xiii. Business and Professional Offices
 - xiv. Medical and Dental Offices
 - xv. Walk-in Clientele Offices
 - xvi. General Personal Services

b) Commercial Use Classifications (cont'd)

- xvii. Research and Development
 - xviii. Indoor Warehousing and Storage
 - xix. Personal Storage
 - xx. Wholesaling and Distribution
- 2) The Board reserves the right to consider or recommend additional uses on a case-by-case basis that fall within applicable Fresno City land use regulations and CC&R's.

III. Agent's Certificate

I, Donald Kendig, the duly appointed Agent of the FCERA Realty Group LLC, hereby certify the adoption of this Policy.

May 3, 2017

Date of Action:

[insert signature]

By: Agent

Article 13 Employment Districts (E)

Sections:

15-1301	Purpose
15-1302	Use Regulations
15-1303	Intensity and Massing Development Standards
15-1304	Site Design Development Standards
15-1305	Façade Design Development Standards

15-1301 Purpose

The purposes of the Employment Districts are to:

- A. Designate adequate land for industrial, office, research and development, and flexible commercial uses to strengthen the city's economic base and provide a range of employment opportunities for the current and future population of the city and region.
- B. Provide for the appropriate location of businesses that may have the potential to generate off-site impacts, while providing to ensure compatibility in use and form with existing and planned land uses.
- C. Provide appropriate buffers between employment centers and residential uses.
- D. Implement and provide appropriate regulations for General Plan classifications of "Office," "Business Park," "Regional Business Park," "Light Industrial," and "Heavy Industrial."

Additional purposes of each Employment District are as follows:

O Office. The O district is intended to provide sites for administrative, financial, business, professional, medical, and public offices, as identified by the General Plan. Retail uses would be limited to business services and food service and convenience goods for those who work in the area. This district is intended for locations where the noise or traffic generated by retail sales, restaurants, and service commercial may be incompatible with surrounding residential neighborhoods.

BP Business Park. The BP district is intended to provide a campus-type office professional environment that is well suited for large offices or multi-tenant buildings on sites identified by the General Plan. This district is intended to accommodate and allow for the expansion of small businesses with limited outdoor storage screened with landscaping proximate to residential uses. Typical land uses include research and development, laboratories, administrative and general offices, medical offices and clinics, and professional offices. Small-scale retail and service uses serving local employees and visitors are permitted as secondary uses.

RBP Regional Business Park. The RBP district is intended for large or campus-like office and technology development that includes office, research and development, manufacturing, and other large-scale, professional uses with limited and properly screened outdoor storage. Permitted uses include incubator-research facilities, prototype manufacturing, testing, repairing, packaging, and printing as

well as offices and research facilities, on sites identified by the General Plan. Small-scale retail and service uses serving local employees and visitors are permitted as secondary uses.

IL Light Industrial. The IL district is intended to provide areas, as identified by the General Plan, for a diverse range of light industrial uses, including limited manufacturing and processing, research and development, fabrication, utility equipment and service yards, wholesaling, warehousing, and distribution activities. Small-scale retail and ancillary office uses are also permitted. Light Industrial areas may serve as buffers between Heavy Industrial Districts and other land uses and otherwise are generally located in areas with good transportation access, such as along railroads and freeways.

IH Heavy Industrial. The IH district is intended to accommodate the broadest range of industrial uses on sites identified in the General Plan. It includes manufacturing, assembly, wholesaling, distribution, and storage activities that are essential to the development of a balanced economic base. Small-scale commercial services and ancillary office uses are also permitted.

15-1302 Use Regulations

- A. Table 15-1302 below prescribes the proposed land use regulations for Employment Districts. The regulations for the district are established by letter designations listed below. These designations apply strictly to the permissibility of land uses; applications for buildings or structures may require discretionary review.
- “P” designates permitted uses.
 - “C” designates uses that are permitted after review and approval of a Conditional Use Permit.
 - “(#)” numbers in parentheses refer to specific limitations listed at the end of the table.
 - “-” designates uses that are not permitted.
- B. Land uses are defined in Article 67, Use Classifications.
- C. In cases where a specific land use or activity is not defined, the Director shall assign the land use or activity to a classification that is substantially similar in character per Section 15-5020, Director’s Determination.
- D. All permitted uses are allowed either alone or in combination with other permitted uses unless otherwise stated in this Code.
- E. Use classifications and subclassifications not listed in the table or not found to be substantially similar to the uses below are not permitted.
- F. The table also notes additional regulations that apply to various uses. Section numbers in the right hand column refer to other sections of this Code.

TABLE 15-1302: LAND USE REGULATIONS—EMPLOYMENT DISTRICTS						
<i>Use Classifications</i>	<i>O</i>	<i>BP</i>	<i>RBP</i>	<i>IL</i>	<i>IH</i>	<i>Additional Regulations</i>
Residential Use Classifications						
Caretaker Residence	-	-	-	P(2)	P(2)	
Public and Semi-Public Use Classifications						
Colleges and Trade Schools, Public or Private	P(3)	P(3)	P(3)	P	P	
Community and Religious Assembly (less than 2,000 square feet)	P	P	P	P	-	§15-2719, Community and Religious Assembly Facilities
Community and Religious Assembly (2,000 square feet or more)	P	P (14)	P (14)	P (14)	-	
Community Garden	P	P	P	P	P	§15-2720, Community Gardens / Urban Farms
Conference/Convention Facility	C	C	C	-	-	
Cultural Institutions	P	P	P	-	-	
Day Care Centers	P	P	P	P (15)		§15-2725, Day Care Centers and Family Child Care Homes
Emergency Shelter	-	-	P	P	-	§15-2729, Emergency Shelters
Government Offices	P	P	P	P	P	
Hospitals and Clinics						
<i>Hospital</i>	C(11)	C(11)	C(11)	C(11)	C(11)	
<i>Clinic</i>	P	P	P	C	-	
<i>Substance Abuse Treatment Clinic</i>	C(13)	C(13)	C(13)	C(13)	-	
Instructional Services	P	P	P	P	P	
Park and Recreation Facilities, Public	P	P	P	P	P	
Parking, Public or Private	P	P	P	P	P	
Public Safety Facilities	P	P	P	P	P	
Schools, Public or Private	P	P	P	P	-	
Social Service Facilities	C	C	C	C	-	
Commercial Use Classifications						
Adult-Oriented Business	-	-	-	C	C	§15-2705, Adult-Oriented Businesses; §9-2001, Picture and Live Arcades
Aircraft Sales, Services, and Storage	-	P	P	P	P	
Animal Care, Sales and Services						
<i>Kennels</i>	-	-	-	P	P	
<i>Veterinary Services</i>	C	P	P	P	P	
Artist's Studio	P	P	-	P	-	
Automobile/Vehicle Sales and Services						
<i>Automobile Rentals</i>	P	P	P	P	P	§15-2709, Automobile and Motorcycle Retail Sales and Leasing
<i>Automobile/Vehicle Sales and Leasing</i>	-	P	P	P	-	§15-2709, Automobile and Motorcycle Retail Sales and Leasing
<i>Automobile/Vehicle Repair, Major</i>	P	P	P	P	P	§15-2710, Automobile/Vehicle Service and Repair, Major and Minor
<i>Automobile/Vehicle Service and Repair, Minor</i>	P	P	P	P	P	
<i>Large Vehicle and Equipment Sales,</i>	P	P	P	P	P	

TABLE 15-1302: LAND USE REGULATIONS—EMPLOYMENT DISTRICTS						
Use Classifications	O	BP	RBP	IL	IH	Additional Regulations
<i>Service and Rental</i>						
<i>Service Station</i>	P	P	P	P	P	§15-2755, Service Stations
<i>Towing and Impound</i>	-	-	-	C	C	§15-2765, Vehicle Impound Yard (Tow Yard) and Transit Storage
<i>Washing</i>	P	P	P	P	P	§15-2711, Automobile/Vehicle Washing
Banks and Financial Institutions						
<i>Banks and Credit Unions</i>	P	P	P	P	-	
<i>Check Cashing Businesses and Payday Lenders</i>	-	-	-	-	-	§15-2715, Check Cashing Businesses, Payday Lenders, and Similar Financial Services
<i>Business Services</i>	P	P	P(6)	P	P	
<i>Banquet Hall</i>	C	C	C	C	-	§15-2712, Banquet Hall
Eating and Drinking Establishments						
<i>Restaurant with Alcohol Sales</i>	C	C	C	C	C	§15-2751, Restaurants with Alcohol Sales, Bars, Nightclubs, and Lounges; §15-2744, Outdoor Dining and Patio Areas
<i>Restaurant without Alcohol Sales</i>	P	P	P	P	P	
Entertainment and Recreation						
<i>Motorcycle/Riding Club</i>	-	-	-	P	P	§15-2742, Motorcycle/Riding Clubs
<i>Shooting/Archery Range</i>	-	-	-	P	P	§15-2756, Shooting Ranges / Archery Ranges
<i>Small-Scale</i>	-	C	C	C	-	§15-2708, Arcades, Video Games, and Family Entertainment Centers, §9-1801, Billiard Rooms
Food and Beverage Sales						
<i>Farmer's Market</i>	P	P	P	P	-	
<i>General Market</i>	P	P	P	P	-	§15-2744, Outdoor Dining and Patio Areas; §15-2745, Outdoor Retail Sales
<i>Healthy Food Grocer</i>	-	P	P	P	-	
<i>Food Preparation</i>	-	P	P	P	P	
<i>Funeral Parlors and Internment Services</i>	-	P	P	P	-	§15-2714, Body Preparation and Funeral Services
<i>Live/Work</i>	-	-	-	P	-	
Lodging						
<i>Hotels and Motels</i>	P	P	P	P	-	
Maintenance and Repair Services						
<i>Maintenance and Repair Services</i>	-	P	P	P	P	
Offices						
<i>Business and Professional</i>	P	P	P	P	P	
<i>Medical and Dental</i>	P	P	P	P	-	
<i>Walk-In Clientele</i>	P	P	P	P	-	
Personal Services						
<i>General Personal Services</i>	P	P	P	P	-	
<i>Tattoo or Body Modification Parlor</i>	-	-	-	P	-	§15-2758, Tattoo or Body Modification Parlor

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Retail Sales						
<i>Building Materials and Services</i>	-	-	-	P	P	§15-2745, Outdoor Retail Sales
<i>Convenience Retail</i>	P(4)	P(4)	P(4)	P(4)	P(4)	§15-2745, Outdoor Retail Sales; 15-2761 Tobacco and Vapor Shops
<i>General Retail</i>	P(4)	P(4)	P(4)	P(4)	P(4)	§15-2733, Hobby Stores; §15-2745, Outdoor Retail Sales
<i>Large-Format Retail</i>	-	P(8)	P(8)	P(8)	P(8)	§15-2737, Large-Format Retail; §15-2745, Outdoor Retail Sales
<i>Nurseries and Garden Centers</i>	-	-	-	C	-	§15-2745, Outdoor Retail Sales
<i>Swap Meet / Flea Market</i>	-	-	-	C	-	§15-2731, Flea Markets
Industrial Use Classifications						
Construction and Material Yards	-	P(16)	P(16)	P(16)	P(16)	§15-2721, Concrete Batch Plants, Storage Yards, and Similar Uses
Custom Manufacturing	-	P(8)	P(8)	P	P	
Limited Industrial	-	P(8)	P(8)	P	P	
General Industrial	-	C	C	P	P	
Intensive Industrial	-	-	-	-	C	§15-2732, Hazardous Waste Management Facilities
Recycling Facility						
<i>Reverse Vending Machine</i>	P	P	P	P	P	§15-2750, Recycling Facilities
<i>CRV Recycling Center</i>	-	-	-	C	C	
<i>Recycling Processing Facility</i>	-	-	-	C	C	
Research and Development	P	P	P	P	P	
Salvage and Wrecking	-	-	-	-	C	§15-2768, Wrecking Yards and Auto Dismantling
Warehousing, Storage, and Distribution						
<i>Chemical and Mineral Storage</i>	-	-	-	C	C	§15-2732, Hazardous Waste Management Facilities
<i>Indoor Warehousing and Storage</i>	-	P	P	P	P	
<i>Outdoor Storage</i>	-	P(8) (16)	P(8) (16)	P(16)	P(16)	§15-2721, Concrete Batch Plants, Storage Yards, and Similar Uses
<i>Personal Storage</i>	C	P	P	P	P	§2747, Personal (Mini) Storage
<i>Wholesaling and Distribution</i>	-	P	P	P	P	
Transportation, Communication, and Utilities Use Classifications						
Airports and Heliports	-	C(9)	C(9)	C	C	
Communication Facilities						
<i>Antenna and Transmission Towers</i>	§15-2759, Telecommunications and Wireless Facilities					
<i>Facilities within Buildings</i>	P	P	P	P	P	
Freight/Truck Terminals and Warehouses	-	P	P	P	P	
Light Fleet-Based Services	C	P	P	P	P	
Utilities, Major	-	-	C	P	P	
Utilities, Minor	P	P	P	P	P	
Waste Transfer Facility	-	-	-	C	C	§15-2732, Hazardous Waste Management Facilities

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Agricultural and Extractive Use Classifications						
Agricultural Processing	–	C	C	P	P	§15-2732, Hazardous Waste Management Facilities
Agricultural Support Services	–	C	P	P	P	
Animal Raising	–	–	–	–	–	
Crop Cultivation	–	–	–	P	P	§15-2716, Crop Cultivation
Dairy	–	–	–	–	–	
Mining and Quarrying	–	–	–	–	C	
Rendering	–	–	–	–	C	
Sales Lot, Feed Lot, Stockyard	–	–	–	C	P	
Slaughterhouse	–	–	–	–	C	
Tasting Room	–	C	C	C	C	
Other Applicable Types						
Accessory Uses and Structures	§15-2703, Accessory Uses					
Home Gardens	§15-2734, Home Gardens and Edible Landscaping					
Animal Keeping	§15-2707, Animal Keeping					
Drive-In and Drive-Through Facilities	C	C	C	C	C	§15-2728, Drive-In and Drive-Through Facilities
Walk-Up Facilities	§15-2766, Walk-Up Facilities					
Non-Conforming Use	Article 4, Non-Conforming Uses, Structures, Site Features, and Lots					
Temporary Use	§15-2760, Temporary Uses					
Specific Limitations:						
<ol style="list-style-type: none"> 1. Permitted if existing, no new units are allowed. 2. One caretaker dwelling is allowed where having a caretaker living on the site is necessary for the conduct of the on-site business. 3. Not to include industrial training such as welding or automotive repair involving the use of tools and materials appropriate to an industrial use area. 4. Limited to establishments with a gross floor area of 6,000 square feet or less. 5. Not allowed on the ground floor. 6. Permitted only as an accessory use that supports business and office parks, corporate offices, and industrial uses. 7. Limited to membership club retailers and located on an arterial or higher classifications street. 8. Outdoor storage shall be incidental to a primary use and screened from public view. 9. Limited to heliports used as accessory to a hospital. 10. Limited to upper stories unless at least 50 percent of ground floor street frontage is occupied by food service use. 11. Building heights for hospitals shall not exceed 150 ft. There is no maximum Floor Area Ratio for hospitals. 12. Must be closed between the hours of 10 p.m. and 6 a.m. 13. Must include an indoor waiting area. 14. When located within 300 of an Intensive Industrial use a Conditional Use Permit shall be required. 15. Shall be required to comply with Master Environmental Impact Report mitigation measures MM AIR-2, MM AIR-3, and MM AIR-4 if applicable. 16. A courtesy notice will be provided to all properties within 1,000 feet of these uses when approved. 						