

RESOLUTION NO. 5905-17

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF GARDEN GROVE APPROVING SITE PLAN NO. SP-044-2017, VARIANCE NO. V-017-2017, AND CONDITIONAL USE PERMIT NO. CUP-116-2017, FOR A PROPERTY LOCATED ON THE EAST SIDE OF EUCLID STREET, SOUTH OF ACACIA PARKWAY, AT 12900 EUCLID STREET, ASSESSOR'S PARCEL NO. 090-164-37.

BE IT RESOLVED that the Planning Commission of the City of Garden Grove does hereby approve Site Plan No. SP-044-2017, Variance No. V-017-2017, and Conditional Use Permit No. CUP-116-2017, for the development a food-focused multi-tenant project, known as SteelCraft, which includes a proposal to construct a new 9,532 square foot two-story building, consisting primarily of recycled and re-purposed metal shipping containers, along with other associated site improvements, (the "Project") for property located on the east side of Euclid Street, south of Acacia Parkway, at 12900 Euclid Street, Assessor's Parcel No. 090-164-37. Additionally, a request for Variance approval to deviate from the maximum setback requirement, along the Euclid Street frontage, and from the minimum ground floor height requirement for commercial ground floor spaces. Also included, is a request for Conditional Use Permit approval to allow entertainment and/or alcohol sales or consumption within the communal dining areas of the SteelCraft development.

BE IT FURTHER RESOLVED in the matter of Site Plan No. SP-044-2017, Variance No. V-017-2017, and Conditional Use Permit No. CUP-116-2017, the Planning Commission of the City of Garden Grove does hereby report as follows:

1. The subject case was initiated by Steelcraft Long Beach L.P.
2. The applicant is requesting Site Plan approval to develop a food-focused multi-tenant project, known as SteelCraft, which includes a proposal to construct a new 9,532 square foot two-story building, consisting primarily of recycled and re-purposed metal shipping containers, along with other associated site improvements. Additionally, a request for Variance approval to deviate from the maximum setback requirement, along the Euclid Street frontage, and from the minimum ground floor height requirement for commercial ground floor spaces. Also included, is a request for Conditional Use Permit approval to allow entertainment and/or alcohol sales or consumption within the communal dining areas of the SteelCraft development.
3. Pursuant to the California Environmental Quality Act ("CEQA"), the proposed project is categorically exempt from the CEQA pursuant to Section 15303(c) (New Construction or Conversion of Small Structures) of the CEQA Guidelines (14 Cal. Code Regs., Section 15303).
4. The property has a General Plan Land Use designation of Civic Center Mixed Use, and is zoned CC-3 (Civic Center Core). The subject property is currently

a 1.86-acre vacant lot, located on the east side of Euclid Street, south of Acacia Parkway.

5. Existing land use, zoning, and General Plan designation of property in the vicinity of the subject property have been reviewed.
6. Report submitted by City staff was reviewed.
7. Pursuant to a legal notice, a public hearing was held on November 16, 2017, and all interested persons were given an opportunity to be heard.
8. The Planning Commission gave due and careful consideration to the matter during its meeting of November 16, 2017, and

BE IT FURTHER RESOLVED, FOUND AND DETERMINED that the facts and reasons supporting the conclusion of the Planning Commission, as required under Municipal Code Section 9.32.030 are as follows:

FACTS:

The subject property is currently a 1.86-acre vacant lot, located on the east side of Euclid Street, south of Acacia Parkway. The property has a General Plan Land Use Designation of Civic Center Mixed Use and is zoned CC-3 (Civic Center Core). The property is adjacent to the Community Center Park, the Garden Grove Fire and Police Departments, City Hall, and various office buildings with CC-3 zoned properties to the east, south, and to the west, across Euclid Street, and CC-OS (Civic Center – Open Space) zoned properties to the north, across Acacia Parkway.

The applicant proposes to construct a new 9,532 square foot two-story building consisting primarily of recycled and re-purposed metal shipping containers, along with other associated site improvements. The containers will be connected to each other creating a single cohesive two-story structure, and generally laid out in an "O" shape. At the center of the development will be a 4,252 square foot outdoor communal dining area covered by a metal roof structure. The development will consist of 8,572 square feet of first floor spaces which include: covered outdoor communal dining area, ancillary/commercial kitchen areas, an arcade, an office area, storage/janitor areas, and men's and women's restrooms. The second floor will be 960 square feet in area and consist of office areas and an additional outdoor communal dining area. The front area of the proposed development will include a 1,588 square foot garden area, and a 1,742 square foot convertible outdoor dining area/event space. 115 parking spaces will be provided on-site.

In order for the proposed Project to move forward, the applicant is requesting consideration for the approval of two (2) Variances:

(i) A Variance from sub-section A, Required Setbacks, as set forth in Figure 9.18-8, under Section 9.18.090.030, Civic Center Zone Development Standards, of Title 9 of the Municipal Code, for a deviation to the maximum 20'-0" setback requirement along the Euclid Street frontage, in order to allow a 52'-9" setback to the proposed building; and

(ii) A Variance from subsection A.2., Minimum Ground Floor Height, under Section 9.18.110.020, Development Standards for Commercial Uses within All Mixed Use Zones, of Title 9 of the Municipal Code, for a deviation to the minimum height of commercial ground floor spaces, which is 18'-0" for the elevation facing Euclid Street. The Project proposes elevations with varying heights ranging from 9'-0" to 30'-0".

The applicant is also requesting approval of a Conditional Use Permit to allow entertainment, the consumption of alcohol, and other similar incidental activities within the communal dining area. On November 2, 2017, the Planning Commission considered and adopted a resolution recommending the City Council adopt an Ordinance to approve Amendment No. A-021-2017, which would expressly permit communal dining areas serving more than one business in which entertainment and/or other similar activities incidental to the primary activity of dining are provided or conducted and/or where alcohol is served and/or consumed in the CC-1 (Civic Center East) and CC-3 (Civic Center Core) Mixed Use zoning districts, subject to specified development standards and the approval of a conditional use permit. If the City Council adopts an Ordinance approving Amendment No. A-021-2017, the requested use will be conditionally permitted. The approval of Conditional Use Permit No. CUP-116-2017 is contingent on the City Council adoption of an Ordinance approving Amendment No. A-021-2017.

Based on the applicant's business proposal, SteelCraft is expected to house approximately fourteen (14) businesses, which will include local craft food and dessert eateries, a coffee shop, a craft micro-brewery and taproom, a craft wine vendor, incubator/office space, and communal dining areas. In the main covered communal outdoor dining area, within the center of the development, will be a 16'-0" wide stage to provide space for entertainment (e.g., live music). There may also be other similar incidental events or activities provided or conducted secondary to the primary activity of dining. All such entertainment, alcohol sales or consumption, or other incidental activities, will take place within the confines of the SteelCraft development. Furthermore, as stipulated in the special operating conditions and standards established under A-021-2017, the conditional use permit process will ensure that all entertainment and/or alcohol sales or consumption activity will be provide sufficient buffering and protection to existing surrounding uses in the immediate vicinity.

The Project has been designed to provide sufficient sound attenuation to surrounding properties and uses through elements such as setbacks to property lines and landscape buffering.

Communal dining areas are located in three (3) main areas of the development: (i) in the center on the first floor; (ii) at the front area facing the Euclid Street frontage; and (iii) in the communal outdoor dining area on the 2nd floor. Outdoor communal dining areas, where alcohol may be served and/or consumed, are located in a controlled area or group of areas with monitored entrances and exits and enclosed by a perimeter barrier. The applicant will be responsible for monitoring, managing, and controlling the outdoor communal dining areas for the life of the project.

FINDINGS AND REASONS:

SITE PLAN:

1. The Site Plan complies with the spirit and intent of the provisions, conditions and requirements of the Municipal Code and other applicable ordinances.

The project has a General Plan land use designation of Civic Center Mixed Use and is zoned CC-3 (Civic Center Core). The project complies with the General Plan land use designation and will comply with all zoning requirements for the property, provided the concurrent Variance request is approved. With the exception of the Variance request to deviate from the maximum setback requirement, along the Euclid Street frontage, and the minimum height for commercial ground floor spaces, the proposed project has been designed within the parameters of the CC-3 zone of Title 9 of the Municipal Code. The placements of the structure, the site design, the parking lot layout, the number of on-site parking spaces, and the landscape areas are consistent with the spirit and intent of the requirements of the Municipal Code.

2. The proposed development does not adversely affect essential on-site facilities such as off-street parking, loading and unloading areas, traffic circulation and points of vehicular and pedestrian access.

The subject site is currently improved with, and will utilize, the two (2) existing driveway approaches off of Euclid Street. The driveway approach, at the southwest corner of the property, will provide vehicular access to the primary parking lot areas, which are located along the southerly property line and toward the rear of the property (to the east). The driveway approach, at the northwest corner of the property, will provide vehicular access to a secondary parking lot area, along the northerly property line. There is also reciprocal access available, for vehicular and pedestrian ingress and egress,

to the properties to the northeast (APN: 090-164-42) and to the south (APN: 090-164-41).

The site plan has been designed to provide sufficient drive aisle widths, parking stall sizes, and required pedestrian pathways throughout the development. Additionally, an adequate number trash enclosures/bins will be provided, and in an optimal location toward the rear of the property. As such, the proposed development will not adversely affect essential on-site facilities such as off-street parking, loading and unloading areas, traffic circulation and points of vehicular and pedestrian access.

Furthermore, the City's Traffic Engineering Division and the Fire Department have also reviewed the plans, and all appropriate conditions of approval will eliminate any adverse impacts to surrounding streets.

3. The development, as proposed, will not adversely affect essential public facilities such as streets and alleys, utilities and drainage channels.

The streets in the area will be adequate to accommodate the development once the developer provides the necessary improvements for the project. Utilities and drainage channels in the area are existing and adequate to accommodate the development. The property is not located in a sewer deficiency area. The Public Works Department has incorporated conditions of approval to mitigate potential impacts to the sewer system.

The proposed development will also provide landscaping and proper grading of the site in order to improve drainage in the area. The Public Works Engineering and Water Services Division have reviewed the plans, and all appropriate conditions of approval will eliminate any adverse impacts to the streets and alleys, utilities and drainage channels.

4. The development does have a reasonable degree of physical, functional, and visual compatibility with neighboring uses and desirable neighborhood characteristics.

The project is located in an area with both commercial and residential uses. The proposed project is consistent with the surrounding area and compatible with the existing uses on the properties. The design of the proposed development will ensure a reasonable degree of compatibility with adjacent developments.

5. Through the planning and design of buildings and building placement, the provision of open space landscaping and other site amenities will attain an attractive environment for the occupants of the property.

The project has been designed to consider building appearance, building placement, landscaping, and other amenities in order to create an attractive and pedestrian-oriented environment. All landscaped areas are required to adhere to the landscaping requirements of Title 9 of the Municipal Code. Through the conditions of approval for the project, the necessary agreements for the protection and maintenance of all landscaping will be achieved.

VARIANCE:

1. There are exceptional or extraordinary circumstances or conditions applicable to the property or to the intended use that do not apply generally to other property or classes of use in the same vicinity or zone.

The development standards of the CC-3 zone specify a minimum setback of 15'-0" and a maximum setback of 20'-0", along the Euclid Street frontage (the westerly property line). The intent of the specified setbacks, along with other development standards of the CC-3 zone, are to encourage the development of uses that create walkable and lively environments that are pedestrian-oriented. The proposed building provides a 52'-9" setback to the Euclid Street frontage, which exceeds the minimum setback (15'-0"), but exceeds the maximum setback (20'-0") by 32'-9". The building has been set back 52'-9", beyond the maximum 20'-0" setback, due to several (6) public utility easements, which run north and south along the westerly property line and lie within the first 50'-0" of the property. There are multiple easements that overlap each other, in this front area of the property, that range from 6'-0" and up to 30'-0" in width. The presence of the utility easements present an exceptional or extraordinary circumstance or condition applicable to the property involved or to the intended use of the development of the property that does not apply generally to other property in the same zone or neighborhood. The majority of properties in the same Civic Center zones, and/or within the same vicinity of the property, do not typically have a utility easement(s) that occupies the entirety, or even a portion of, the front setback areas of the property. The developer of SteelCraft is restricted from placing any structures over and across any of the existing easements, thereby rendering the front 50'-0" of the property as undevelopable. As such, the proposed building maintains its required clearance from the utility easements and is setback 2'-9" from the edge of the innermost easement.

Traditionally, and prior to the establishment of the Mixed Use zones in 2012, commercial development in the City typically provided for a 15'-0" front landscaped planter, a large parking lot at the front of the property, and the commercial building(s) located toward the rear of the property set back a significant distance away from any public right-of-way. Today, development standards of the Mixed Use Code foster the development of pedestrian-scaled environments with buildings that provide exciting access, well-designed

landscaping, and pedestrian amenities that foster interaction. Along the Euclid Street frontage, the minimum building setback is 15'-0", and the maximum building setback is 20'-0". In other areas of the Civic Center zones, the minimum and maximum setbacks are as low as 0'-0" and 5'-0", respectively. These established thresholds are in place to ensure that any future commercial buildings/structures maintain close proximity to public sidewalks and public rights-of-ways, which would allow for more effective pedestrian-oriented developments. This is further achieved through other typical requirements in the Mixed Use Code, which include, but are not limited to, provisions for plaza areas, pedestrian pathways connections, public amenities, outdoor vending kiosks, enhanced site improvements (e.g., directional signage, landscaping, vegetation), and a minimum height requirement for commercial ground floor spaces. The intent of the minimum height requirement of 18'-0" for commercial ground floor spaces is to take advantage of the typical close proximity of buildings to public rights-of-ways (i.e., public sidewalks) and to connect the commercial ground floor space with the pedestrian environment, and thereby activating both spaces to foster interaction. This consideration is less pertinent when buildings are set back further from the street. The Project proposes a front building setback of 52'-9" along the Euclid Street frontage, and is therefore, not in close proximity to the public right-of-way. As mentioned prior, the building has been set back 52'-9" due to several (6) public utility easements, which run north and south along the westerly property line and lie within the first 50'-0" of the property. The developer of SteelCraft is restricted from placing any structures over and across any of the existing easements, thereby rendering the front 50'-0" of the property as undevelopable. Because the buildings cannot be located within close proximity to the street, due to the utility easements, imposing the minimum height requirement would not result in the intended effect of this development standard. It should be noted that the primary source of construction material for the Project is comprised of recycled and re-purposed metal shipping containers, which are typically a fixed size of 8'-0" (wide) by 20'-0" (length) with a 9'-0" height. The construction method for SteelCraft is atypical and not similar to a standard brick and mortar design, which would be more conducive to strictly meeting the 18'-0" commercial ground floor height requirement. The applicant has worked within the constraints of the fixed size of the shipping containers and has proposed a design for the Project that meets the intent of the minimum commercial ground floor height requirement by providing varying heights along the Euclid Street elevation, ranging from 9'-0" to up to 30'-0" to the top of the tower element. Furthermore, the applicant has also incorporated pedestrian friendly elements at the front of the development, along Euclid Street, such as a garden, convertible outdoor communal dining areas/event space, and enhanced pedestrian linkages to the public right-of-way. The presence of the utility easements present an exceptional or extraordinary circumstance or condition applicable to the property involved or to the

intended use of the development of the property that does not apply generally to other property in the same zone or neighborhood. The majority of properties in the same Civic Center zones, and/or within the same vicinity of the property, do not typically have a utility easement(s) that occupies the entirety, or even a portion of, the front setback areas of the property. Besides the requested deviation to the maximum setback and the commercial ground floor height requirement, the proposed Project complies with all other development standards of the Mixed Use Code.

2. The Variance is necessary for the preservation and enjoyment of a substantial property right possessed by other property in the same vicinity and zone, but which is denied to the property in question.

There are other similar properties in the immediate vicinity, within the same zone, or other similar zoned properties throughout the City, that have existing structures, which do not comply with the maximum 20'-0" setback along the Euclid Street frontage or the 18'-0" minimum ground floor height requirement as required by the Municipal Code. Approval of the proposed Variance will not set a precedent and will allow the applicant to enjoy a substantial property right possessed by other property owners located on other similar properties in the immediate vicinity, within the same zone, and other similarly zoned properties throughout the City. With exception to the requested Variance to deviate from the minimum rear setback requirement and associated minimum ground-floor height requirement, the proposed project complies with all other development standards of the zone.

3. The Variance will not be materially detrimental to the public welfare or injurious to the property or improvements in such vicinity and zone in which the property is located.

Site constraints resulting from existing utility easements prevent development of the Site in a manner that fulfills the intent of the maximum setback and minimum height requirements for which the Variances are requested. Approval of the requested Variances will allow the site, which has been vacant since 2002, to be improved and developed and provide an additional amenity to the community as a pedestrian friendly and oriented outdoor urban eatery. Provided the project complies with the Conditions of Approval, the approval of the Variances will not create an adverse effect on the public welfare or to properties or improvements in such vicinity and zone in which the property is located. With the exception of the two (2) requested Variances, the project has been designed to meet all development standards of the CC-3 (Civic Center Core) zone including design components such as, but not limited to: minimum parking requirements, minimum landscaping requirements, compliance with all ADA (Americans with Disabilities Act) requirements, fire safety, and the provisions for on-site long- and short-term

bicycle storage. The proposed Variances will not be materially detrimental to the public welfare or injurious to the property or improvements in such zone or neighborhood in which the property is located.

4. The granting of the Variance will not adversely affect the General Plan.

The proposed uses are consistent with the intent of the General Plan and the zoning classification as multi-tenant commercial developments with restaurants, office uses, and entertainment and/or alcohol sales or consumption are permitted and conditionally permitted in the CC-3 (Civic Center Core) zone. The proposed Variance request will not cause an adverse effect on the City's General Plan since the Municipal Code is a tool used to implement the goals of the General Plan. The proposed Project, SteelCraft, will improve the vacant lot, will complement neighboring uses, and will further Goal LU-6 of the General Plan to develop underutilized properties with a suitable development.

5. Approval of the Variance is subject to such conditions as will assure that it does not constitute a grant of special privileges inconsistent with the limitations upon other properties in the vicinity and zone in which the subject property is situated.

Provided the Conditions of Approval are adhered to for the life of the project, approval of the subject Variances will not grant a special privilege that is inconsistent with the limitations upon other properties located within the vicinity or zone in which the subject property is situated. In addition, pursuant to Condition of Approval No. 2, the rights granted to the applicant pursuant to Variance No. V-017-2017, shall continue in effect for only so long as the improvements authorized and contemplated by Site Plan No. SP-044-2017 and the Conditions of Approval continue to exist on the Site. In the event these improvements are not constructed or are demolished and not re-established, Variance No. V-017-2017 shall cease to be effective or to grant the applicant any rights to construct other improvements inconsistent with the then-currently applicable development standards. Any future use or development on the Site different from that described in the Site Plan approved concurrently with the Variance will be required to comply with all applicable standards of the Garden Grove Municipal Code, and the applicant may not rely on this Variance as a basis for an approval to deviate from the maximum setback, along the Euclid Street frontage, or to deviate from the minimum height for commercial ground floor spaces, with such future use or development.

CONDITIONAL USE PERMIT:

1. That the proposed use will be consistent with the City's adopted General Plan and redevelopment plan.

The site has a General Plan Land Use Designation of Civic Center Mixed Use and is zoned CC-3 (Civic Center Core). Subject to the effectiveness of Amendment No. A-021-2017, "Communal Dining with Entertainment and/or Alcohol" will be a conditionally permitted use in the CC-3 zone. The Conditional Use Permit will not take effect if a City Council Ordinance approving Amendment No. A-021-2017 to conditionally permit "Communal Dining with Entertainment and/or Alcohol" is not adopted and/or does not take effect. Provided that the conditions of approval are complied with, the use is consistent with the General Plan.

2. That the requested use at the location proposed will not: adversely affect the health, peace, comfort, or welfare of the persons residing or working in the surrounding area, or unreasonably interfere with the use, enjoyment, or valuation of the property of other persons located in the vicinity of the site, or jeopardize, endanger, or otherwise constitute a menace to public health, safety, or general welfare.

The use will not adversely affect the health, peace, comfort or welfare of persons residing or working in the surrounding area. The property is adjacent to the Community Center Park, the Garden Grove Fire and Police Departments, City Hall, and various office buildings with CC-3 zoned properties to the east, south, and to the west, across Euclid Street, and CC-OS (Civic Center - Open Space) zoned properties to the north, across Acacia Parkway. The proposed "Communal Dining with Entertainment and/or Alcohol" use will be consistent and compatible with the existing uses in the area. Provided the requirements of the Municipal Code are complied with and the conditions of approval are adhered to for the life of the project, the use will be harmonious with the persons who work and live in the area.

The use will not unreasonably interfere with the use, enjoyment or valuation of the property of other persons located within the vicinity of the site. The proposed development will be similar to the existing uses in the vicinity of the site. With the exception of the Variance request to deviate from the maximum setback requirement, along the Euclid Street frontage, and the minimum height for commercial ground floor spaces, the proposed project has been designed within the parameters of the CC-3 zone of Title 9 of the Municipal Code. The placements of the structure, the site design, the parking lot layout, the number of on-site parking spaces, and the landscape areas are consistent with the spirit and intent of the requirements of the Municipal Code. Provided that the project adheres to the conditions of approval, the

project will not unreasonably interfere with the use, enjoyment or valuation of the property of other persons located within the vicinity of the site.

The use will not jeopardize, endanger, or otherwise constitute a menace to public health, safety, or general welfare. With the exception of the Variance request to deviate from the maximum setback requirement, along the Euclid Street frontage, and the minimum height for commercial ground floor spaces, the proposed project has been designed within the parameters of the CC-3 zone of Title 9 of the Municipal Code. The City's Departments have reviewed the plan, and all appropriate conditions of approval have been incorporated. The conditions of approval will ensure the public health, safety, and welfare.

3. That the proposed site is adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and other development features prescribed in this title or as is otherwise required in order to integrate such use with the uses in the surrounding area.

The subject site is 1.86 acres in size and rectangular in shape. The proposed site is adequate in size and shape to accommodate the required yards, walls, loading facilities, landscaping and other development standards required by the Municipal Code.

4. That the proposed site is adequately served: by highways or streets of sufficient width and improved as necessary to carry the kind and quantity of traffic such as to be generated, and by other public or private service facilities as required.

Adequate parking and vehicular access are available for the subject site in accordance with the requirements of Title 9. The proposal has been reviewed by City Departments responsible for traffic, water services, environmental services, and safety. These Departments have determined that the site for the proposed SteelCraft development will be adequately served by existing infrastructure, circulation, and other facilities to allow its operation.

INCORPORATION OF FACTS AND FINDINGS SET FORTH IN STAFF REPORT

In addition to the foregoing, the Commission incorporates herein by this reference, the facts and findings set forth in the staff report.

BE IT FURTHER RESOLVED that the Planning Commission does conclude:

1. The Site Plan, Variance, and Conditional Use Permit possess characteristics that would indicate justification of the request in accordance with Municipal Code Section 9.32.030.

- 2. In order to fulfill the purpose and intent of the Municipal Code, and, thereby, promote the health, safety, and general welfare, the following conditions of approval, attached as "Exhibit A," shall apply to Site Plan No. SP-044-2017, Variance No. V-017-2017, and Conditional Use Permit No. CUP-116-2017.
- 3. This approval of Conditional Use Permit No. CUP-116-2017 shall be contingent upon the effectiveness of an Ordinance adopted by the Garden Grove City Council approving Amendment No. A-021-2017.

Adopted this 16th day of November, 2017

ATTEST: /s/ ANDREW KANZLER
CHAIR

/s/ JUDITH MOORE
RECORDING SECRETARY

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS:
CITY OF GARDEN GROVE)

I, JUDITH MOORE, Secretary of the City of Garden Grove Planning Commission, do hereby certify that the foregoing Resolution was duly adopted by the Planning Commission of the City of Garden Grove, California, at a meeting held on November 16, 2017, by the following vote:

AYES:	COMMISSIONERS:	(6)	BRIETIGAM, KANZLER, LAZENBY, NGUYEN, SALAZAR, TRUONG
NOES:	COMMISSIONERS:	(0)	NONE
ABSENT:	COMMISSIONERS:	(1)	LEHMAN

/s/ JUDITH MOORE
RECORDING SECRETARY

PLEASE NOTE: Any request for court review of this decision must be filed within 90 days of the date this decision was final (See Code of Civil Procedure Section 1094.6).

A decision becomes final if it is not timely appealed to the City Council. Appeal deadline is December 7, 2017.