

# COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT PLANNING STAFF REPORT

|  |  |
|--|--|
| <b>AGENDA ITEM NO.:</b> 1.a.   | <b>SITE LOCATION:</b> East side of Euclid Street, south of Acacia Parkway, at 12900 Euclid Street, Suite 110 |
| <b>HEARING DATE:</b> November 21, 2019   | <b>GENERAL PLAN:</b> Civic Center Mixed Use  |
| <b>CASE NO.:</b> Conditional Use Permit No. CUP-173-2019   | <b>ZONE:</b> CC-3 (Civic Center Core)  |
| <b>APPLICANT:</b> Wilson Creek Winery & Vineyards, Inc. (Attn: William J. Wilson)                | <b>CEQA DETERMINATION:</b> Exempt  |
| <b>PROPERTY OWNER:</b> City of Garden Grove<br><b>GROUND LESSEE:</b> SteelCraft Garden Grove, LP | <b>APN:</b> 090-164-37   |

## **REQUEST:**

A request for Conditional Use Permit (CUP) approval to operate a new wine-tasting establishment, Wilson Creek Winery, located at 12900 Euclid Street, Suite 110 (Assessor's Parcel No. 090-164-37), within a food-focused multi-tenant development, known as SteelCraft. Wilson Creek Winery will operate with a new original State Alcoholic Beverage Control (ABC) Type "02" (Winegrower) License, which allows for on-sales and off-sales of wine.

## **BACKGROUND:**

The subject property is a 1.86-acre City-owned lot, located on the east side of Euclid Street, just south of Acacia Parkway, improved with the SteelCraft food-focused multi-tenant development. 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 near the Community Center Park, the Garden Grove Police Department, the Orange County Fire Authority, City Hall, and various office buildings. The property is adjacent to 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.

In 1977, the Garden Grove Planning Commission approved Site Plan No. SP-188-77, to allow the construction of an approximately 10,940 square foot restaurant pad building on the subject property. In 1978, the newly constructed building was occupied by a restaurant until its closure in 2002. The restaurant

space remained vacant following its closure. In 2014, a demolition permit was obtained and all existing improvements were removed from the property.

In November of 2017, the City of Garden Grove approved Site Plan No. SP-044-2017, Variance No. V-017-2017, and Conditional Use Permit No. CUP-116-2017, which allowed the development of a food-focused multi-tenant project, known as SteelCraft. This included 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. A variance was approved to allow a deviation from the maximum setback requirement along the Euclid Street frontage, and from the minimum ground floor height requirement for commercial ground floor spaces. A Conditional Use Permit was approved to allow entertainment and/or alcohol sales and consumption within the communal dining areas of the SteelCraft development.

In September of 2019, the City of Garden Grove approved modifications to Site Plan No. SP-044-2017, and another variance to allow for retail uses in the front setback along Euclid Street, and to allow for eight-foot tall perimeter fencing.

SteelCraft currently houses nine (9) businesses, including: local craft food and dessert eateries, a coffee shop, and a brew pub/micro-brewery.

### **DISCUSSION:**

Wilson Creek Winery ("Wilson Creek"), a tenant of SteelCraft, will occupy Container/Suite No. 110, located on the 1<sup>st</sup> floor. The floor area will use an 8-foot by 20-foot (160 square feet) repurposed shipping container. Wilson Creek will operate with a new original State Alcoholic Beverage Control (ABC) Type "02" (Winegrower) License, which allows for on-sales and off-sales of wine. Title 9 of the Municipal Code requires the approval a new Conditional Use Permit when there is an application for a new original ABC license.

In Container or Suite 110 (an 8-foot by 20-foot container), Wilson Creek will serve craft wine and wine slushies by the glass for on-site consumption, as well as related souvenir merchandise. All wine will be produced off-site at Wilson Creek's headquarters, from where the wine tasting establishment will obtain its wine. Therefore, no winemaking will be conducted on-site. Although Wilson Creek, under an ABC Type "02" License, is not required to serve food or operate as a bona-fide public eating place (i.e., restaurant), it is anticipated that the sale of alcohol from its operation will be incidental to, and accompany the sale and consumption of, food sold from other tenants within SteelCraft.

As a tenant of SteelCraft, Wilson Creek's customers will utilize the outdoor communal dining areas within the confines of the SteelCraft development. All applicable requirements under the approval of the Conditional Use Permit for the overall SteelCraft development (Conditional Use Permit No. CUP-116-2017),

including any additional Conditions of Approval as part of this Conditional Use Permit (CUP-173-2019), will apply to the Wilson Creek Winery operation.

Wilson Creek will demonstrate to the Police Department, on an ongoing and as needed basis, that all members of the staff have completed the LEAD training (Licensee Education on Alcohol and Drugs) through the Department of Alcoholic Beverage Control (ABC), or an ABC approved "Responsible Beverage Service (RBS) Training" program to ensure the responsible serving of alcoholic beverages to customers.

The hours of operation of SteelCraft are permitted between 6:00 a.m. to 12:00 a.m., seven (7) days a week. Wilson Creek will have hours of operation within those allowances, and anticipates operation from 11:00 a.m. to 9:00 p.m., Monday through Thursday, and 11:00 a.m. to 11:00 p.m., Friday through Sunday. In the event problems arise concerning the operation of this business, the hours of operation may be reduced by order of the Chief of the Police Department.

The establishment is located in a high-crime district, in an area with an even-concentration of Alcoholic Beverage Control (ABC) on-sale Licenses, and an over-concentration of ABC off-sale Licenses. In order to approve the request, a Finding of Public Convenience or Necessity is required. A summary of the district and the findings of public convenience or necessity can be found in Decision No. 1791-19 for Conditional Use Permit No. CUP-173-2019.

The Community and Economic Development Department and the Police Department have reviewed the request and are in support of the proposal. All recommended conditions of approval for an ABC Type "02" (Winegrower) License will apply.

**RECOMMENDATION:**

Staff recommends that the Zoning Administrator take the following action:

1. Approve Conditional Use Permit No. CUP-173-2019, subject to the recommended conditions of approval.



Lee Marino  
Planning Services Manager



By: Priit Kaskla  
Assistant Planner





