

COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT PLANNING STAFF REPORT

AGENDA ITEM NO.: 1.b.	SITE LOCATION: East side of Euclid Street, south of Acacia Parkway, at 12900 Euclid Street (C-110 & C-115)
HEARING DATE: November 15, 2018	GENERAL PLAN: Civic Center Mixed Use
CASE NO.: Conditional Use Permit No. CUP-145-2018	ZONE: CC-3 (Civic Center Core)
APPLICANT: Beachwood Blendery, LLC (Attn: Gabe Gordon)	CEQA DETERMINATION: Exempt
PROPERTY OWNER: City of Garden Grove GROUND LESSEE: SteelCraft Garden Grove, LP (Attn: Steve Phillips)	APN: 090-164-37

REQUEST:

A request for Conditional Use Permit (CUP) approval to operate a new brew pub/wine-tasting establishment, Beachwood Brewing, located at 12900 Euclid Street, C-110 and C-115 (Assessor's Parcel No. 090-164-37), within a food-focused multi-tenant development, known as SteelCraft, which is comprised of recycled and re-purposed metal shipping containers. Beachwood Brewing will operate with a new State Alcoholic Beverage Control (ABC) Type "23" (Brew Pub/Micro-Brewery) License, which allows for on-sales and off-sales of beer and wine.

BACKGROUND:

The subject property is currently a 1.86-acre vacant City-owned 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.

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, Black Angus Steakhouse, until it closed its business in 2002, and remained vacant following its closure. In 2014, a demolition

permit was obtained and all existing improvements were removed from the property. The property has remained vacant ever since.

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 a food-focused multi-tenant project, known as SteelCraft, which 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. Additionally, 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. And finally, a Conditional Use Permit was approved to allow entertainment and/or alcohol sales or consumption within the communal dining areas of the SteelCraft development. SteelCraft will house approximately fourteen (14) businesses including local craft food and dessert eateries, a coffee shop, communal outdoor dining areas, along with a brew pub/micro-brewery, and a wine-tasting establishment/craft wine vendor (Beachwood Brewing).

At this time, the SteelCraft development (shell) is currently under construction, which includes approximately twenty (20) shipping containers ranging between 20 foot to 40 foot in length, and at 8-foot widths, along with various other site improvements (i.e., landscaping, parking lot, lighting, etc.). Additionally, the tenant improvement plans for the containers are currently in plan check with the City, and permit issuances are anticipated in the near future.

DISCUSSION:

Beachwood Brewery ("Beachwood"), a tenant of SteelCraft, will occupy Container Nos. C-110 and C-115, located on the 1st floor, which will use a combination of an 8-foot by 20-foot (160 square feet) container and a connected 8-foot by 40-foot (320 square feet) container. Beachwood will operate with a new original State Alcoholic Beverage Control (ABC) Type "23" (Brew Pub/Micro-Brewery) License, which allows for on-sales and off-sales of beer and 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 C-115 (an 8-foot by 40-foot container), Beachwood will serve various craft beers for on-site (within the enclosed confines of the SteelCraft development) and off-site consumption to customers. To accommodate the serving of the different types of craft beer, and at different/appropriate temperatures, Beachwood will utilize up to eighteen (18) different kinds of glassware. For off-site consumption, Beachwood will also sell packaged cans, bottles, and growlers along with various Beachwood branded merchandise (i.e., t-shirts and hats). In Container C-110 (an 8-foot by 20-foot container), Beachwood will serve craft wine for on-site consumption only. All beer will be brewed off-site at Beachwood's headquarters, and the wine taproom will obtain its wine from Beachwood's off-site

facilities/wineries. Therefore, no brewing will be conducted, or wine made, on-site. Although Beachwood Brewing, under an ABC Type "23" 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 food tenants within SteelCraft.

As a tenant of SteelCraft, Beachwood's customers will utilize the outdoor communal dining areas within the enclosed 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-145-2018) will apply to the Beachwood Brewery operation.

Beachwood will demonstrate to the Police Department, on an ongoing and as needed basis, that all members of the business 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. Beachwood will have hours of operation within those allowances, and anticipates operation from 6:00 a.m. to 11:00 p.m., Sunday through Thursday, and 6:00 a.m. to 12:00 a.m., Friday and Saturday. 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 under-concentration of Alcoholic Beverage Control (ABC) on-sale Licenses, and an even-concentration of ABC off-sale Licenses. It should be noted that an ABC Type "23" (Brew Pub/Micro-Brewery) License authorizes the same privileges and restrictions as an ABC Type "01" License, which, in part, allows for the sale of beer to consumers for on- or off-site consumption. 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. 1775-18 for Conditional Use Permit No. CUP-145-2018.

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 "23" (Brew Pub/Micro-Brewery) License will apply.

RECOMMENDATION:

Staff recommends that the Zoning Administrator take the following action:

1. Approve Conditional Use Permit No. CUP-145-2018, subject to the recommended conditions of approval.



Lee Marino
Planning Services Manager



By: Chris Chung
Urban Planner