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DECISION NO. 1791-19

A DECISION OF THE ZONING ADMINISTRATOR OF THE CITY OF GARDEN GROVE
APPROVING CONDITIONAL USE PERMIT NO. CUP-173-2019.

BE IT RESOLVED that the Zoning Administrator of the City of Garden Grove does hereby approve Conditional Use Permit No. CUP-173-2019 for a parcel of land located on the east side of Euclid Street, south of Acacia Parkway, at 12900 Euclid Street, Suite 110, Assessor's Parcel No. 090-164-37.

BE IT FURTHER RESOLVED in the matter of Conditional Use Permit No. CUP-173-2019, the Zoning Administrator of the City of Garden Grove does hereby report as follows:

1. The subject case was initiated by Wilson Creek Winery & Vineyards, Inc. (Attn: William J. Wilson).
2. 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, which is comprised of recycled and re-purposed metal shipping containers. 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.
3. The City of Garden Grove has determined that this project is exempt pursuant to Article 19, Section 15301, Existing Facilities, of the California Environmental Quality Act.
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 lot, improved with the SteelCraft food-focused multi-tenant development, located on the east side of Euclid Street, south of Acacia Parkway.
5. Existing land use, zoning, and General Plan designation of property within 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 21, 2019, and all interested persons were given an opportunity to be heard.
8. The Zoning Administrator gave due and careful consideration to the matter at its meeting on November 21, 2019, and

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

FACTS:

The subject property is currently a 1.86-acre City-owned lot, located on the east side of Euclid Street, south of Acacia Parkway. The property is currently improved with a multi-tenant food-focused development known as SteelCraft. 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 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.

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. SteelCraft includes a 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. A Conditional Use Permit was approved to allow entertainment and/or alcohol sales or 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.

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. A summary of the district is as follows:

- The subject site is located in Crime Reporting District No. 124.
- The crime count for the District is 259.
- Average crime count per district in the City is 97.
- A District is considered high when it exceeds the Citywide average by 20%.
- The subject District has a crime count of 167% above the Citywide average; therefore, it is considered a high-crime area.
- The subject site is located in Alcoholic Beverage Control (ABC) Census Report District No. 886.02.
- An ABC Type "02" (Winegrower) License authorizes the sale of wine to consumers for both on-site and off-site consumption.
- ABC Census Reporting District No. 886.02 allows for five (5) on-sale licenses within the District. Currently, there are four (4) on-sale licenses in the district. Approval of this ABC Type "02" License will increase the number of on-sale licenses in the district by one (1), thereby increasing the total number of on-sale ABC licenses in the district to five (5).
- ABC Census Reporting District No. 886.02 allows for two (2) off-sale licenses within the District. Currently, there are three (3) off-sale licenses in the district. Approval of this ABC Type "02" License will increase the number of off-sale licenses in the district by one (1), thereby increasing the total number of off-sale ABC licenses in the district to four (4).

FINDING OF PUBLIC CONVENIENCE OR NECESSITY

A finding for public convenience or necessity would have to be made in order to approve an establishment that is requesting a new original Alcoholic Beverage Control license that is located within a district with a high crime rate and/or in an area with an over-concentration of ABC licenses. California Business and Professions Code Section 23817.5 prohibits the ABC from issuing new alcoholic licenses in areas of over-concentration. Business and Professions Code Section 23958 states:

The department further shall deny an application for a license if issuance of that license would tend to create a law enforcement problem, or if issuance would result in or add to an undue concentration of licenses, except as provided in Section 23958.4.

Business and Professions Code Section 23958.4 provides the following exception:

(b) Notwithstanding Section 23958, the department may issue a license as follows:
(2) With respect to any other license, if the local governing body of the area in which the applicant premises are located, or its designated subordinate officer or body, determines within 90 days of notification of a completed application that

public convenience or necessity would be served by the issuance. The 90-day period shall commence upon receipt by the local governing body of (A) notification by the department of an application for licensure, or (B) a completed application according to local requirements, if any, whichever is later.

Although the establishment is located in a high-crime area with an even-concentration of on-sale ABC licenses and an over-concentration of off-sale ABC licenses, Staff is able to support a finding for public convenience or necessity given the potential community benefit through the addition of an ABC Type "02" License. The addition of the ABC Type "02" License would enhance the overall dining experience for patrons of the SteelCraft establishment. The use will not adversely affect the health, peace, comfort or welfare of persons residing or working in the surrounding area. The conditions of approval will minimize potential impacts to the adjoining area. Provided 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.

SteelCraft currently houses nine (9) businesses, including several local craft food and dessert eateries. An assortment of foods normally offered in restaurants is served, during all hours that SteelCraft is open. Although Wilson Creek Winery, 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 food tenants within SteelCraft.

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.

FINDINGS AND REASONS:

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

The subject site has a General Plan Land Use Designation of Civic Center Mixed Use and is zoned CC-3 (Civic Center Core). Wine-tasting establishments are conditionally permitted in this zone. This approval will allow the wine-tasting establishment to operate with an ABC Type "02" (Winegrower) License for on-sales and off-sales of wine. Provided that the conditions of approval are complied with, the use will be 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. SteelCraft currently houses nine (9) businesses, including several food and dessert eateries. An assortment of foods normally offered in restaurants is served, during all hours that SteelCraft is open. Although Wilson Creek Winery, 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 food tenants within SteelCraft.

The wine tasting establishment will operate with hours of operation that are within the allowances of the SteelCraft establishment, which are permitted between 6:00 a.m. to 12:00 a.m., seven (7) days a week. The conditions of approval will minimize potential impacts to the adjoining area. Provided 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, provided the conditions of approval are adhered to for the life of the project. 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.

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.

As a tenant of SteelCraft, Wilson Creek's customers will utilize the outdoor communal dining areas within the existing enclosed confines of the SteelCraft development. The overall SteelCraft development was approved under separate entitlements [Site Plan No. SP-044-2017 (Rev. 2019), Variance Nos. V-017-2017 and V-024-2019, and Conditional Use Permit No. CUP-116-2017] wherein at that time, the site, with the existing and proposed site improvements and modifications, was found to be of adequate size to accommodate the proposed uses, including the Wilson Creek Winery tenant, within the surrounding area. 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.

4. That the proposed site is adequately served: by highways or streets or 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.

The site is adequately served by the main public streets, Euclid Street and Acacia Parkway. The site is also adequately served by the public service facilities required such as public utilities: gas, electric, water, and sewer facilities.

INCORPORATION OF FACTS AND REASONS SET FORTH IN STAFF REPORT

In addition to the foregoing, the Zoning Administrator incorporates herein by this reference, the facts and reasons set forth in the staff report.

BE IT FURTHER RESOLVED that the Zoning Administrator does conclude:

1. Conditional Use Permit No. CUP-173-2019 does possess characteristics that would indicate justification of the request in accordance with Municipal Code Sections 9.32.030 (Conditional Use Permits) and 9.16.020.080 (Alcoholic Beverage Sales).
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 Conditional Use Permit No. CUP-173-2019.

Dated: November 21, 2019



ALLISON WILSON
ZONING ADMINISTRATOR