2175 Cherry Avenue • Signal Hill, California 90755-3799

CITY OF SIGNAL HILL

STAFF REPORT

8/9/2022

AGENDA ITEM

TO:

HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL

FROM:

COLLEEN T. DOAN
COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT:

PUBLIC HEARING - CONDITIONAL USE PERMIT 22-01 TO OPERATE AN ALCOHOLIC BEVERAGE MANUFACTURING ESTABLISHMENT (MICROBREWERY) WITH TASTING ROOM AT 2698 ST. LOUIS AVENUE IN THE COMMERCIAL INDUSTRIAL (CI) ZONING DISTRICT

Summary:

Form of Notice: Notice was published in the Signal Tribune newspaper per Government Code Section 65091 (a)(4) on July 29, 2022; was mailed to property owners within a 300-foot radius of the subject property on July 29, 2022; and was posted in accordance with Signal Hill Municipal Code Section 1.08.010 on July 29, 2022.

The applicant, Vince Quitugua with Three Chiefs Brewing, as authorized agent on behalf of the property owner ESSEQUE LLC, is seeking approval of a conditional use permit to operate an alcoholic beverage manufacturing establishment (microbrewery) with a tasting room in a vacant building at 2698 St. Louis Avenue in the Commercial Industrial (CI) zoning district.

Recommendation:

Adopt a resolution approving Conditional Use Permit 22-01, to allow operation of an alcoholic beverage manufacturing establishment with tasting room, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT 22-01 A REQUEST TO OPERATE AN ALCOHOLIC BEVERAGE MANUFACTURING ESTABLISHMENT (MICROBREWERY) WITH TASTING ROOM AT 2698 ST. LOUIS AVENUE IN THE COMMERCIAL INDUSTRIAL (CI) ZONING DISTRICT

Fiscal Impact:

There is no fiscal impact associated with the recommended action.

powered by Legistar™

Strategic Plan Objectives:

Goal 3: Promote a strong local economic base.
Objective 3.1.2: Attract new sales tax-producing businesses to the City.

Background:

Application

On May 17, 2021, the applicant submitted an application for a conditional use permit (CUP) to operate a microbrewery with a tasting room in an existing vacant commercial building at 2698 St. Louis Avenue.

Developer Outreach

Shortly after submittal of their application, the applicant began their developer outreach efforts and reported that the neighboring businesses did not identify any immediate concerns.

Neighborhood Meeting

On April 28, 2022, a duly noticed Neighborhood Meeting was held via the Zoom teleconference platform to review the proposed project and outline the City's process. There were no members of the public in attendance and no comments were received.

Planning Commission Public Workshop

On May 17, 2022, a duly noticed Planning Commission public workshop was held. There were no comments from the public. The Commission unanimously directed the applicant to work with staff to bring the project forward to a public hearing.

Planning Commission Public Hearing

On July 19, 2022, a duly noticed Planning Commission public hearing was held (Attachment A). There were no comments from the public. The Commission unanimously adopted Resolution No. 863 -07-19 recommending City Council approval of CUP 22-01, subject to conditions. Following the public hearing, the applicant signed the recommended conditions of approval (Attachment B).

City Council Public Hearing

On July 29, 2022, notice of a City Council public hearing regarding the project was mailed to property owners within a 300-foot radius of the subject property, was published in the Signal Tribune newspaper, and was posted in accordance with the Signal Hill Municipal Code (SHMC) Section 1.08.010.

As of the date of publication of this staff report, no public comments have been received.

Analysis:

Applicant

The property owner is ESSEQUE LLC. The authorized agent is Vince Quintugua with Three Chiefs Brewing Co. Three Chiefs Brewing is a contract brewer that specializes in blending ingredients to manufacture unique alcoholic beverages.

Site Description

The site is currently developed with an existing commercial building with on-site parking and minimal landscaping. The existing zoning designations and land uses for the project site and adjacent properties are as follows:

Direction	Zoning Designation	Existing Land Use
Project Site	Commercial Industrial (CI)	Existing Commercial Building with Off-Street Parking and Landscaping
North	Commercial Industrial (CI)	Existing Office and Warehouse Building for Paintball Guns and Related Products
South	Commercial Industrial (CI)	Paved Lot Under Same Ownership as the Subject Parcel
East	Commercial Industrial (CI)	Existing Outdoor Storage Yard
West	Auto Center Specific Plan (SP-4)	Vacant City-Owned Land

Land Use

Per SHMC Section 20.20.020, a microbrewery with a tasting room is a permitted use in the CI zoning district, subject to a CUP.

PROJECT VICINITY MAP

Business Operations

The applicant is proposing to operate a microbrewery with a small tasting room. The leased tenant space is approximately 1,710 square feet (SF). The existing floorplan layout is as follows:

- 1,500 SF warehouse and manufacturing space;
- 100 SF office space; and
- 110 SF tasting room.

There is a second tenant space, Unit B warehouse (530 SF), that will not be occupied by the applicant. Future occupancy may require it to only be used for warehouse purposes since there is only one additional parking space on site, as discussed in the parking section below.

Hours of Operation

Alcoholic Beverage Manufacturing

- Monday-Friday - 6:00 a.m. to 11:00 a.m.; and
- Saturday-Sunday - No manufacturing activity.

Tasting Room

- Monday-Tuesday - Closed; and
- Wednesday-Sunday - 12:00 p.m. to 9:00 p.m.

Conditions of Approval

If the CUP application is approved, a condition of approval has been included requiring the applicant to conduct a neighborhood meeting, on the subject site, six months after the initial date of operation. This condition would serve as an opportunity for the surrounding neighbors to provide feedback on the operations of the proposed business. A progress report following the neighborhood meeting will be provide to the Planning Commission.

Off-Street Parking

Microbreweries with tasting rooms are required to provide parking for the tasting room (retail) component, the manufacturing (brewing) component, and the office component. The tasting room requires one parking space per 100 SF of gross floor area (GFA). The manufacturing area has a different standard, provided it is not used as a tasting area or open to the public. The manufacturing parking standard is one parking space per 1,000 SF of GFA. The office has a parking standard of one parking space per 250 SF of GFA. The total parking required is as follows:

- Manufacturing/Warehouse Space: 1,500 SF / 1,000 SF = 1.5 (2 spaces required);
- Office Space: 100 SF / 250 SF = 0.4 (1 space required); and
- Tasting Room: 110 SF / 100 SF = 1.1 (1 space required).

A total of four parking spaces are required for the proposed use. The proposed site plan has five designated parking spaces, which exceeds the minimum off-street parking requirement by one parking stall. Any future expansion of the tasting room or reconfiguration of the proposed floor plan would trigger additional parking requirements. Similarly, if the business does expand into the existing Unit B warehouse, or if a new co-tenant occupies Unit B, the entire property will need to provide adequate parking pursuant to SHMC Section 20.70.035.

New Condition of Approval

Since the application was considered by the Planning Commission, staff identified a slope difference located on private property along the parking stall immediately adjacent to the sidewalk, fronting on E. 27th Street. Existing conditions include a difference in slope between the asphalt on private property and the concrete sidewalk right-of-way. In order to address the slope difference, staff has included a new recommended condition of approval (Condition #15 to Exhibit A of the resolution) requiring the applicant to address the difference in slope. Examples of addressing the slope difference include, but are not limited to, installation of a curb, installation of a wall, or reconfiguring the parking lot layout. This new recommended condition of approval has been discussed with the applicant, and the applicant is in agreement to work with staff on addressing the matter if the CUP application is approved.

Multiple Parcels Under One Ownership

The building and associated off-street parking lot are on one parcel (APN: 7212-015-059). There is a vacant paved lot located to the immediate south (APN: 7212-015-058). Both parcels are under the same ownership of ESSEQUE LLC. The applicant has been informed that if the project is approved,

any future expansion (i.e., storage, seating, outdoor tasting area, special events, etc.) onto the adjacent parcel (APN: 7212-015-058) would require modification of the CUP and another public hearing before the Planning Commission. It would also require a lot merger or alternative method of combining the lots.

The applicant has considered the possibility, but describes the primary activity desired at this location as a unique type of manufacturing activity (blending, aging, and bottling), which will be the primary activity on-site, rather than the traditional brewery model which features the tasting area as a major component of the business model. In addition, the property owner does not wish to merge the lots; therefore, the CUP does not apply to the adjacent property to the south. Should the applicant wish to make use of the vacant property in the future for outdoor storage, outdoor seating, special events, operations, etc. they would have to amend their CUP, provide sufficient parking on the vacant lot, and might need to merge the lots to make use of the space. A condition of approval will specifically outline this restriction. Per the SHMC, CUP properties shall be inspected on an annual basis, or if there is reason to suspect that the signed conditions of approval are not being adhered to.

EDCO Trash Collection

Trash collection will be conducted by EDCO. As a condition of approval, the applicant is required to meet on site with EDCO to discuss the location of trash dumpsters and trash collection. Trash dumpsters cannot occupy or obstruct access to on-site parking stalls.

Public Safety

Signal Hill Police Department

The plans were routed to the Signal Hill Police Department. The Police Department did not raise any questions or concerns.

Los Angeles County Fire Department

As a condition of approval, the applicant shall submit the plans to Los Angeles County Fire Department for review through the EPIC-LA online permitting system.

Department of Alcoholic Beverage Control

As a condition of approval, the applicant shall obtain all approvals and permits from the Department of Alcoholic Beverage Control. In addition, food services are not proposed by the applicant and not required by the Department of Alcoholic Beverage Control.

Public Comments

As of the date of publication of this staff report, staff has not received any public comments.

CEQA Categorical Exemption

This project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article 19, Section 15303 Class 3 (c) for Conversion of Small Structures, of the

Guidelines for Implementation of CEQA, in that the proposed project consists of the conversion of an existing commercial building from one use to another where only minor modifications will be made. The subject site is located in an urbanized area where all necessary public services and facilities are available, and the surrounding area is not environmentally sensitive.

Approved:

_____
Joe Hoefgen

Attachments