



City of Huntington Beach

File #: 19-621

MEETING DATE: 6/25/2019

PLANNING COMMISSION STAFF REPORT

TO: Planning Commission
FROM: Ursula Luna-Reynosa, Community Development Director
BY: Jessica Bui, Associate Planner

SUBJECT:
ENTITLEMENT PLAN AMENDMENT NO. 19-004 (HQ GASTROPUB EXPANSION)

REQUEST:

To amend Conditional Use Permit No. 16-045 to add approximately 1,482 sq. ft. to an existing 5,431 sq. ft. eating and drinking establishment with the onsite sales, service, and consumption of alcohol (Type 47 ABC License) and to maintain the previously approved hours of operation of Sunday - Wednesday from 7:00 am - 12:00 am and Thursday - Saturday from 7:00 am - 2:00 am.

LOCATION:

155 5th Street, #183 92648 (north side of Pacific Coast Highway, between 5th Street and 6th Street)

APPLICANT:

Margaret Taylor, 11301 W. Olympic Boulevard, #700, Los Angeles, CA 90064

**PROPERTY
OWNER:**

Lance Taylor, Capref Strand, LLC, 5910 North Central Expressway, #1600, Dallas, TX 75206

STATEMENT OF ISSUE:

1. Is the project proposal consistent with the City of Huntington Beach land use regulations (i.e., General Plan land use designation, Zoning Map and Zoning Code including any specific plans and overlay districts where applicable)?
2. Does the project proposal satisfy all the findings required for approving an Entitlement Plan Amendment (EPA)?
3. Has the appropriate level of environmental analysis been determined?

RECOMMENDATION:

That the Planning Commission take the following actions:

A) Find the proposed project categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301, Class 1 - Existing Facilities.

B) Approve Entitlement Plan Amendment No. 19-004 with findings and conditions of approval (Attachment No. 1).

ALTERNATIVE ACTION(S):

A) Continue Entitlement Plan Amendment No. 19-004 and direct staff to return with findings for denial.

B) Continue Entitlement Plan Amendment No. 19-004 and direct staff accordingly.

PROJECT PROPOSAL:

Proposed Project

HB Gastropub is a restaurant that currently occupies 155 5th Street, Suite #183, a 5,431 sq. ft. tenant space located within the Downtown Specific Plan District 1 area. On April 17, 2017, the City Council approved Conditional Use Permit (CUP) No. 16-045 to allow onsite sales and consumption of alcohol. Per CUP No. 16-045 HQ Gastropub's approved hours of operation are:

- Sunday - Wednesday from 7:00 am - 12:00 am
- Thursday - Saturday from 7:00 am - 2:00 am.

HQ Gastropub submitted Entitlement Plan Amendment (EPA) No. 19-004 to amend CUP No. 16-045 to expand into the adjacent 1,482 sq. ft. suite #189 with the same sales and consumption of alcoholic beverages and hours of operation.

Background:

Downtown Alcohol and Live Entertainment

In 2010, the City Council Ad Hoc Downtown Image Committee recommended numerous new conditions of approval to address late night alcohol related problems in the downtown area. The Downtown Image Committee recommendations were adopted by the City Council as Resolution No. 2010-5, which established standardized conditions of approval for new downtown eating and drinking establishments.

In 2011, the City Council revisited the issue and a new Resolution No. 2011-16 was adopted. The new resolution maintained the original conditions of approval and added additional items.

In January 2013, the City Council directed the Chief of Police to present a report including recommendations regarding the impact of alcohol sales and consumption in the downtown area. In July 2013, the City Council adopted Resolution No. 2013-24, further modifying the City's conditions of approval as they pertain to restaurants and bars with alcohol sales and live entertainment located in District 1 of the Downtown Specific Plan. In particular, Resolution No. 2013-24 specified that the new conditions apply to new requests for eating and drinking establishments with alcohol sales or live entertainment, as well as amendments to existing conditional use permits. The resolution also stated that only the City Council may approve modifications to the conditions of approval. Therefore, the

Planning Commission reviewed proposed requests and made a recommendation to the City Council for action.

Shortly after approval of the HQ Gastropub restaurant in 2017, the City Council made further modifications to the conditions and a new Resolution No. 2017-42 was adopted. The amendments addressed processing procedures for remodels and expansions, strengthened revocation proceedings, and established that any requested deviations to the standard conditions could be approved by the regular decision making body, as opposed to only the City Council. Resolution No. 2017-42 remains in effect for the eating and drinking establishments and live entertainment operators in the Downtown District 1 today.

HQ Gastropub CUP No. 16-045

Hours of operation for new restaurants with alcohol and/or live entertainment in this location are limited to between 7:00 am and 12:00 am and intended to address public safety, as well as the growing presence of nightclubs and bars in the downtown area. HQ Gastropub was approved to operate beyond midnight and is permitted to stay open until 2:00 am Thursday through Saturday. The existing CUP was approved by the City Council since Resolution No. 2013-24 stated that only the City Council could approve requests for deviations from the standard operating conditions.

The most recent resolution, Resolution No. 2017-42, sets the same operating hours as the previous resolution and is applicable to expansion of existing alcohol uses. However, deviations can now be approved by the Planning Commission. As such, the request for the EPA, to add approximately 1,482 sq. ft. to the existing eating and drinking establishment with a Type 47 ABC License and to deviate from the established hours of operation, is subject to Planning Commission approval.

ISSUES AND ANALYSIS:

Subject Property And Surrounding General Plan Designations, Zoning And Land Uses:

LOCATION	GENERAL PLAN	ZONING	LAND USE
Subject Property:	M - sp (Mixed Use - Specific Plan)	SP 5 - CZ (Downtown Specific Plan - Coastal Zone Overlay)	Commercial
North of Subject Property:	M - sp	SP 5 - CZ	Commercial/ Residential
East and South of Subject Property:	M - sp	SP 5 - CZ	Commercial
West of Subject Property:	M - sp	SP 5 - CZ	Open Space - City Beach

General Plan Conformance:

The General Plan Land Use Map designation on the subject property is M - sp (Mixed Use - Specific Plan). The proposed project is consistent with this designation and the goals, policies, and objectives of the City's General Plan as follows:

Land-Use Element

Goal LU-11: Commercial land uses provide goods and services to meet regional and local needs.

Policy LU-11(A): Encourage a variety of commercial uses that cater to local and regional demand to create an environment that means resident needs and increases the capture of sales tax revenues.

Goal LU-12: Commercial and industrial quarters throughout the planning area are renovated and revitalized.

Policy LU-12(B): Encourage renovation of revitalization of deteriorating and struggling nonresidential areas and corridors, particularly commercial locations.

Goal LU-14: Huntington Beach continues to attract visitors and provides a variety of attractions and accommodations during their stay.

Policy LU-14(B): Encourage both coastal and inland visitor serving uses to offer a wide spectrum of opportunities for residents and visitors.

The request to amend Conditional Use Permit No. 16-045 to add approximately 1,482 sq. ft. to an existing 5,431 sq. ft. eating and drinking establishment with the onsite sales, service, and consumption of alcohol (Type 47 ABC License) and to maintain the previously approved hours of operation of Sunday - Wednesday from 7:00 am - 12:00 am and Thursday - Saturday from 7:00 am - 2:00 am is consistent with the goals and policies of the General Plan because the proposed use will provide expanded services to the community and regional area and increase sales tax revenues. The 1,482 sq. ft. addition will occupy a vacant suite which will revitalize an underutilized commercial space, and provide a visitor serving use for residents and visitors in the downtown area.

Zoning Compliance:

The proposed restaurant expansion is located within the Downtown Specific Plan (SP5) District 1 area and is subject to SP5 zoning district standards. Pursuant to SP5 Section 3.3.1.4, a conditional use permit from the Planning Commission is required for eating and drinking establishments with alcohol that operate past 11:00 pm, Monday through Thursday, and/or 12:00 am, Friday through Sunday. As noted above, the Planning Commission recommended approval and the City Council ultimately approved HQ Gastropub to operate later than the established hours prescribed by the standard conditions in effect at the time.

Pursuant to Section 241.18 of the HBZSO, a request to change conditions of approval of a conditional use permit requires an EPA. In this case, the Applicant is requesting to change Condition of Approval No. 1 to amend the approved plans to add the approximate 1,482 sq. ft. to expand the floor area and to maintain the previously approved hours of operation later than the hours established by resolution.

The proposed restaurant expansion complies with requirements for parking because the building was originally parked for 40,000 sq. ft. of restaurant use with the initial conditional use permit and coastal development permit for the 5th and PCH development (formerly known as The Strand). The total square footage of existing restaurant uses with the proposed addition is approximately 16,610 sq. ft.

The proposed project complies with all other zoning and SP 5 development standards.

Standard Conditions Deviation

As previously mentioned, this EPA application is requesting to deviate from the standard operating conditions of approval established via Resolution No. 2017-42 for hours of operation. Particularly, the deviation is to operate between the hours of Midnight and 2:00 a.m. on Thursday through Saturday. Staff is supportive of this request because HQ Gastropub has currently been operating under this deviation and has not caused negative impacts to neighboring businesses or the surrounding community. According to the Police Department, the existing business operations has only one call for service since the business has been open for an occurrence outside of the restaurant. The district that the use occupies has a record of 217 reported crimes in 2018; therefore, HQ Gastropub has not resulted in excessive calls for service or reported crime to the Police Department.

Even with additional floor area being added with the service of alcohol, characteristics of the business and operation indicate the primary use will remain restaurant. A full menu of prepared food items for on-site consumption is served during business hours. No outdoor dining area is proposed, indicating the consumption of alcohol will be contained within the building interior. Additionally, live entertainment and patron dancing is not offered on the premises. The floor layout dedicates 2,948 sq. ft. of restaurant floor area to customer dining and approximately 823 sq. ft. to bar area. The remaining restaurant floor area (1,482 sq. ft.) is dedicated to restrooms, offices, storage, and a complete kitchen with food preparation area. Therefore, it is evident the request for alcohol is ancillary to the primary restaurant use and will serve to augment the overall dining experience. The proposed use will be compatible with the surrounding uses because the project site is located within an existing commercial development with a mix of retail, office, food, service, and hotel uses. The nearest residential uses to the restaurant are approximately 300 feet away to the northwest on 6th Street. These residences are buffered from the subject commercial activity and noise impacts are not anticipated because the tenant storefront is oriented towards Pacific Coast Highway. In addition, parking is available in a parking structure that serves the building. It is anticipated patrons will park in the structure rather than on the street in front of residences. In addition, the proposed use will be compatible because as conditioned, the operator shall provide two security employees on premises Thursday through Saturday from 8:00 pm to 2:30 am to monitor and control crowds and ensure doors remain closed at all times.

Environmental Status:

The proposed project is Categorically Exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15301, Class 1 - Existing Facilities, because the project involves negligible expansion of an existing use.

Coastal Status:

The project involves minor alteration of an existing structure that is located within the non-appealable area of the Coastal Zone. The original building was approved with a Coastal Development Permit and contained up to 40,000 square feet of restaurants. The proposed façade improvement and expansion of the existing restaurant with alcohol sales is exempt from the requirements of HBZSO Chapter 245, and a Coastal Development Permit is not required.

Other Departments Concerns and Requirements:

The Police Department reviewed the request and recommended several conditions of approval for

the expanded use. The Police Department supports the request for expansion as well as allowing the later hours for the expanded restaurant space. The Departments of Community Development, Public Works, and Fire reviewed the project and identified a list of code requirements (Attachment No. 6) applicable to the project.

Public Notification:

Legal notice was published in the Huntington Beach Wave on May 30, 2019 and notices were sent to property owners of record and tenants within a 500 ft. radius of the subject property, individuals/organizations requesting notification (Planning Division's Notification Matrix), applicant, and interested parties. As of June 17, 2019 no communications supporting or opposing the request has been received.

Entitlement Plan Amendment No. 19-004 was filed on April 16, 2019 and deemed complete on May 8, 2019. The applicant is scheduled for a public hearing before the Planning Commission on June 25, 2019.

Application Processing Dates:

DATE OF COMPLETE APPLICATION:	MANDATORY PROCESSING DATE(S):
May 8, 2019	July 5, 2019

SUMMARY:

Staff recommends the Planning Commission approve Entitlement Plan Amendment No. 19-004 based on the following:

- Consistent with the M - sp (Mixed Use - Specific Plan Overlay) Land Use Designation of the General Plan and the SP 5 - CZ (Downtown Specific Plan - Coastal Zone Overlay) zoning designation;
- Consistent with approved Conditional Use Permit No. 16-045 and Resolution No. 2017-042 for Eating and Drinking Establishments with Alcohol Sales in District 1 of the Downtown Specific Plan;
- Compatibility with the surrounding neighborhood; and
- Provides expanded services to meet local and regional community needs.

ATTACHMENTS:

1. Suggested Findings and Conditions of Approval for Entitlement Plan Amendment No. 19-004
2. Vicinity Map
3. Site Plan, Floor Plans, and Elevations received and dated April 16, 2019
4. Narrative received dated May 7, 2019
5. Resolution No. 2017-42 - Downtown Eating and Drinking with Alcohol/Live Entertainment Conditions
6. Code Requirements Letter dated May 8, 2019
7. CUP No. 2016-045 Notice of Action