

**HUNTINGTON BEACH
OFFICE OF THE ZONING ADMINISTRATOR
EXECUTIVE SUMMARY**

TO: Zoning Administrator
FROM: Joanna Cortez, Acting Associate Planner
DATE: April 4, 2018
SUBJECT: **CONDITIONAL USE PERMIT NO. 18-005 (SURF CITY STILLWORKS)**
LOCATION: 7242 Heil Avenue, 92647 (south side of Heil Ave., between Goldenwest St. and Gothard St.)

Applicant: Joshua Kornoff, 18582 Pueblo Circle, Huntington Beach, CA 92646

Property Owner: Robert Drake, 19021 Goldenwest St., Huntington Beach, CA 92648

Request: To permit an approximately 424 sq. ft. tasting room (type 74 ABC License) within an approximately 1,474 sq. ft. craft spirits/liquor distillery.

Environmental Status: This request is covered by Categorical Exemption, Section 15301, Class 1, California Environmental Quality Act.

General Plan: RT (Research and Technology)

Zone: IG (Industrial General)

Existing Use: Manufacturing industrial space

RECOMMENDATION: Staff recommends approval of the proposed project based upon the following findings:

SUGGESTED FINDINGS FOR PROJECTS EXEMPT FROM CEQA:

The Zoning Administrator finds that the project will not have any significant effect on the environment and is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to section 15301 of the CEQA Guidelines, because the project consists of negligible or no expansion of an existing structure.

SUGGESTED FINDINGS FOR APPROVAL - CONDITIONAL USE PERMIT NO. 18-005:

1. Conditional Use Permit No. 18-005 to permit an approximately 424 sq. ft. tasting room (type 74 ABC License) within an approximately 1,474 sq. ft. craft spirits/liquor distillery will not be detrimental to the general welfare of persons working or residing in the vicinity or detrimental to the value of the property and improvements in the neighborhood. The proposed 424 sq. ft. tasting room within the existing industrial space is not anticipated to generate noise, traffic, parking, or other impacts detrimental to surrounding properties and is consistent with the subject property's industrial zoning. The proposed use will have sufficient parking to accommodate the alcohol tasting room and the distillery/industrial use. The consumption of alcoholic beverages will be contained within the delineated tasting area inside the microbrewery/industrial business. Additionally, the site is entirely surrounded by industrial uses to the north, south, and east. The nearest residential use is approximately 180 ft. to the west. The residential uses are buffered by an existing flood control channel and the proposed use is not anticipated to generate impacts to those residences.
2. The conditional use permit to permit an approximately 424 sq. ft. tasting room (type 74 ABC License) within an approximately 1,474 sq. ft. craft spirits/liquor distillery will be compatible with surrounding uses because the proposed use is surrounded by similar industrial uses and the tasting area will be limited to a small portion of the existing distillery. Additionally, the nearest residential use is approximately 180 ft. to the west, across an existing flood control channel, and any potential impacts to residential uses within the vicinity are not anticipated.
3. The proposed conditional use permit will comply with the provisions of the base district and other applicable provisions in Titles 20-25 of the Huntington Beach Zoning and Subdivision Ordinance. The request to permit an approximately 424 sq. ft. tasting room (type 74 ABC License) within an approximately 1,474 sq. ft. craft spirits/liquor distillery conforms to applicable site development requirements including minimum onsite parking. The alcohol tasting room within an approximately 1,474 sq. ft. distillery/manufacturing use is permitted within the IG (Industrial General) zoning district with the approval of a conditional use permit.
4. The granting of the conditional use permit will not adversely affect the General Plan. It is consistent with the Land Use Element designation of Research and Technology on the subject property. In addition, the request to permit an approximately 424 sq. ft. tasting room (type 74 ABC License) within an approximately 1,474 sq. ft. craft spirits/liquor distillery is consistent with the following goals and policies of the General Plan:

A. Land Use Element

Goal LU-5: Industrial businesses provide employment opportunities for residents, supporting the local economy.

Policy LU-5 A: Support and attract new businesses in the City's industrial areas.

Policy LU-5 D: Explore opportunities to optimize use of underutilized or underperforming industrial land that is sensitive to surrounding uses, and to introduce new industrial uses that create jobs.

Goal LU-13: The City provides opportunities for new businesses and employees to ensure a high quality of life and thriving industry.

Policy LU-5 A: Encourage expansion of the range of goods and services provided to accommodate the needs of all residents and the market area.

The approximately 424 sq. ft. tasting room (type 74 ABC License) within an approximately 1,474 sq. ft. craft spirits/liquor distillery will provide the City with a new business within an industrial area and additional employment opportunities. The proposed use will expand on the range of goods and services for the community and surrounding area. Furthermore, the use is compatible with the surrounding industrial uses. As conditioned, all operations will occur indoors unless otherwise approved by the Community Development Department. The nearest residential uses are approximately 180 ft. to the west and are buffered by an existing flood control channel therefore, no impacts to the residences are anticipated.

SUGGESTED CONDITIONS OF APPROVAL - CONDITIONAL USE PERMIT NO. 18-005:

1. The site plan, floor plans, and elevations received and dated February 12, 2018 shall be the conceptually approved design.
2. The use shall comply with the following:
 - a. The onsite service and consumption of alcoholic beverages shall be limited to the following hours:
 - B. Monday through Thursday from 4:00 PM – 9:00 PM
 - C. Friday through Sunday from 12:00 PM – 9:00 PM
 - b. Tastings shall only be open for customers while an employee is designated to work and monitor the area.
 - c. The alcohol tasting room, the distillery/manufacturing operations, and all activities shall occur entirely indoors unless approval is obtained by the Community Development Department.
 - d. Prior to sales, service, or consumption of alcoholic beverages, the business shall obtain an Alcohol Beverage Control (ABC) license authorizing alcohol use. The business shall be limited to a Type 74 (Craft Distiller) ABC license.
 - e. The onsite service and consumption of alcoholic beverages shall be limited to the designated tasting area indicated on the submitted plans received and dated February 12, 2018.
 - f. Dancing and live entertainment is prohibited without the approval of an Entertainment Permit as defined by the Huntington Beach Municipal Code. **(PD)**
 - g. All persons serving alcohol shall have previously attended LEADS alcohol safety training through the Alcohol Beverage Control (ABC) or course approved by ABC. **(PD)**
 - h. A clearly legible sign shall be affixed inside the tasting area entrance stating “No open alcoholic beverages will be permitted outside the tasting area”. **(PD)**
 - i. Only samples provided by the business shall be allowed. **(PD)**
 - j. All owners, employees, representatives, and agents shall obey all state, local, and municipal laws, conditions of the Conditional Use Permit, and any other regulations, provision, or restrictions prescribed at all times. **(PD)**

- k. No reduced price promotions of alcoholic beverage shall be allowed after 7:00 PM.
(PD)
3. CUP No. 18-005 shall become null and void unless exercised within two years of the date of final approval or such extension of time as may be granted by the Director pursuant to a written request submitted to the Community Development Department a minimum 30 days prior to the expiration date.
 4. The Development Services Departments and divisions (Building & Safety, Fire, Planning and Public Works) shall be responsible for ensuring compliance with all applicable code requirements and conditions of approval. The Director of Community Development may approve minor amendments to plans and/or conditions of approval as appropriate based on changed circumstances, new information or other relevant factors. Any proposed plan/project revisions shall be called out on the plan sets submitted for building permits. Permits shall not be issued until the Development Services Departments have reviewed and approved the proposed changes for conformance with the intent of the Zoning Administrator's action. If the proposed changes are of a substantial nature, an amendment to the original entitlement reviewed by the Zoning Administrator may be required pursuant to the provisions of HBZSO Section 241.18.
 5. Incorporating sustainable or "green" building practices into the design of the proposed structures and associated site improvements is highly encouraged. Sustainable building practices may include (but are not limited to) those recommended by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) Program certification (<http://www.usgbc.org/DisplayPage.aspx?CategoryID=19>) or Build It Green's Green Building Guidelines and Rating Systems (<http://www.builditgreen.org/green-building-guidelines-rating>).

INDEMNIFICATION AND HOLD HARMLESS CONDITION:

The owner of the property which is the subject of this project and the project applicant if different from the property owner, and each of their heirs, successors and assigns, shall defend, indemnify and hold harmless the City of Huntington Beach and its agents, officers, and employees from any claim, action or proceedings, liability cost, including attorney's fees and costs against the City or its agents, officers or employees, to attack, set aside, void or annul any approval of the City, including but not limited to any approval granted by the City Council, Planning Commission, or Design Review Board concerning this project. The City shall promptly notify the applicant of any claim, action or proceeding and should cooperate fully in the defense thereof.