AGENDA
CAPITOLA PLANNING COMMISSION
Thursday, December 5, 2019 – 7:00 PM

Chairperson  TJ Welch
Commissioners  Courtney Christiansen
                  Ed Newman
                  Mick Routh
                  Peter Wilk

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

2. ORAL COMMUNICATIONS
   A. Additions and Deletions to Agenda
   B. Public Comments
      Short communications from the public concerning matters not on the Agenda. All speakers are requested to print their name on the sign-in sheet located at the podium so that their name may be accurately recorded in the Minutes.
   C. Commission Comments
   D. Staff Comments

3. APPROVAL OF MINUTES
   1. Planning Commission - Regular Meeting - Nov 7, 2019 7:00 PM

4. CONSENT CALENDAR
   All matters listed under “Consent Calendar” are considered by the Planning Commission to be routine and will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Planning Commission votes on the action unless members of the public or the Planning Commission request specific items to be discussed for separate review. Items pulled for separate discussion will be considered in the order listed on the Agenda.

   A. 706 Gilroy Drive #19-0330 APN: 035-063-12
      Design Permit for demolition of an existing one-story single-family residence and construction of a new two-story single-family residence located within the R-1 (Single-Family Residential) zoning district. This project is in the Coastal Zone and requires a Coastal Development Permit which is not appealable to the California Coastal Commission after all possible appeals are exhausted through the City. Environmental Determination: Categorical Exemption Property Owner: Carol Ostergren Representative: John McKelvey, Architect, Filed: 07.16.2019
5. PUBLIC HEARINGS

Public Hearings are intended to provide an opportunity for public discussion of each item listed as a Public Hearing. The following procedure is as follows: 1) Staff Presentation; 2) Public Discussion; 3) Planning Commission Comments; 4) Close public portion of the Hearing; 5) Planning Commission Discussion; and 6) Decision.

A. 1008 Chittenden Lane  
   APN: 036-041-30
   Appeal of Notice of Violation issued by Public Works Department  
   Environmental Determination: Exempt  
   Property Owner: Vieira Enterprises, Inc.  
   Representative: Hart King  
   Appeal Filed: 10.02.2019

B. 1591 Prospect Avenue #19-0576  
   APN: 034-044-12  
   Fence Permit with a location exception and Major Revocable Encroachment Permit for a wall in the public right of way located within the R-1 (Single-Family Residential) zoning district.  
   This project is in the Coastal Zone but does not require a Coastal Development Permit.  
   Environmental Determination: Categorical Exemption  
   Property Owner: Eva Carpenter Trust, Attn: Nancy Yu  
   Representative: Pedro Rosado, Filed: 10.24.19

C. 4170 Gross Road #19-0573  
   APN: 034-141-24  
   Conditional Use Permit for a new retail cannabis establishment (The Hook) and a Sign Permit for a new wall sign with a Variance for a second sign on an existing monument sign located within an existing commercial space in the C-R (Regional Commercial) zoning district.  
   This project is not in the Coastal Zone and does not require a Coastal Development Permit.  
   Environmental Determination: Categorical Exemption  
   Property Owner: Robert Lockwood (Lockwood Family Trust)  
   Representative: William Fisher Architecture, Filed: 10.24.19

D. 111 Capitola Avenue #19-0581  
   APN: 035-241-04  
   Conditional Use Permit for alcohol sales with a tasting room for a commercial structure located within the C-V (Central Village) zoning district.  
   This project is in the Coastal Zone but does not require a Coastal Development Permit.  
   Environmental Determination: Categorical Exemption  
   Property Owner: John Kettmann  
   Representative: English Ales Brewery, Filed: 10.28.2019

6. DIRECTOR’S REPORT

7. COMMISSION COMMUNICATIONS

8. ADJOURNMENT
APPEALS: The following decisions of the Planning Commission can be appealed to the City Council within the (10) calendar days following the date of the Commission action: Conditional Use Permit, Variance, and Coastal Permit. The decision of the Planning Commission pertaining to an Architectural and Site Review Design Permit can be appealed to the City Council within the (10) working days following the date of the Commission action. If the tenth day falls on a weekend or holiday, the appeal period is extended to the next business day.

All appeals must be in writing, setting forth the nature of the action and the basis upon which the action is considered to be in error, and addressed to the City Council in care of the City Clerk. An appeal must be accompanied by a five hundred dollar ($500) filing fee, unless the item involves a Coastal Permit that is appealable to the Coastal Commission, in which case there is no fee. If you challenge a decision of the Planning Commission in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this agenda, or in written correspondence delivered to the City at, or prior to, the public hearing.

Notice regarding Planning Commission meetings: The Planning Commission meets regularly on the 1st Thursday of each month at 7 p.m. in the City Hall Council Chambers located at 420 Capitola Avenue, Capitola.

Agenda and Agenda Packet Materials: The Planning Commission Agenda and complete Agenda Packet are available on the Internet at the City's website: www.cityofcapitola.org. Need more information? Contact the Community Development Department at (831) 475-7300.

Agenda Materials Distributed after Distribution of the Agenda Packet: Materials that are a public record under Government Code § 54957.5(A) and that relate to an agenda item of a regular meeting of the Planning Commission that are distributed to a majority of all the members of the Planning Commission more than 72 hours prior to that meeting shall be available for public inspection at City Hall located at 420 Capitola Avenue, Capitola, during normal business hours.

Americans with Disabilities Act: Disability-related aids or services are available to enable persons with a disability to participate in this meeting consistent with the Federal Americans with Disabilities Act of 1990. Assisted listening devices are available for individuals with hearing impairments at the meeting in the City Council Chambers. Should you require special accommodations to participate in the meeting due to a disability, please contact the Community Development Department at least 24 hours in advance of the meeting at (831) 475-7300. In an effort to accommodate individuals with environmental sensitivities, attendees are requested to refrain from wearing perfumes and other scented products.

Televised Meetings: Planning Commission meetings are cablecast "Live" on Charter Communications Cable TV Channel 8 and are recorded to be replayed on the following Monday and Friday at 1:00 p.m. on Charter Channel 71 and Comcast Channel 25. Meetings can also be viewed from the City's website: www.cityofcapitola.org.
1. ROLL CALL AND PLEDGE OF ALLEGIANCE
Commissioners Christiansen, Newman, Routh, Wilk and Chair Welch were all present.

2. ORAL COMMUNICATIONS
   A. Additions and Deletions to Agenda
      Clerk Woodmansee indicated that there were 16 public comment emails regarding item 4.A. at the
meeting for the public’s view.
   B. Public Comments – none
   C. Commission Comments – none
   D. Staff Comments
      Director Herlihy introduced Eric Phillips, a representative of the City Attorney’s office; Matt Ottoson
and Scott Martin, representatives RRM Design Group; and John Schwarz, of JHS Consulting.

3. APPROVAL OF MINUTES
   A. Planning Commission - Regular Meeting - Oct 3, 2019 7:00 PM
      RESULT: APPROVED [UNANIMOUS]
      MOVER: Ed Newman
      SECONDER: Peter Wilk
      AYES: Newman, Welch, Wilk, Routh, Christiansen

   B. Planning Commission - Special Meeting - Oct 17, 2019 7:00 PM
      RESULT: APPROVED [UNANIMOUS]
      MOVER: Mick Routh
      SECONDER: Courtney Christiansen
      AYES: Newman, Welch, Wilk, Routh, Christiansen

4. PUBLIC HEARINGS
   A. 1855 41st Avenue 19-0240
      APNs: 034-261-07,-37,-38,-40, and -52 (034-261-39 Leased)
      Conceptual review for a future redevelopment of the Capitola Mall, in the Regional
Commercial zoning district. The concept includes a new open-air design with a main
commercial street, 339,131 square feet of new commercial space including a theater,
and 637 residential units. The total square footage of the proposed development is
1,123,205 square feet and ranges in height from a single story up to 85 feet.
This project is not in the Coastal Zone.
Environmental Determination: CEQA not applicable for conceptual review.
Property Owner: Merlone Geier Management, LLC
Representative: David Geiser, Filed: 08.30.2019

John Schwarz presented the staff report and highlighted five areas in which Commission guidance is requested: 1) architectural design, massing, and articulations; 2) site layout, circulation within site, and connectivity to adjacent properties; 3) proposed land uses; 4) desired public benefits; and 5) affordable housing.

Stephen Logan and David Geiser, representatives of Merlone Geier Partners, presented the concept for the new development at the Capitola Mall, tentatively titled Capitola Town Square.

Matt Ottoson and Scott Martin of RRM Design Group presented their design review of Merlone Geier’s proposal and pointed out areas that could be improved to better fit the wants and needs outlined in City of Capitola’s General Plan.

11 members of the public spoke about ideas and concerns regarding the development:

Anne Marie Weiss proposed a hotel on the site and said that she’d prefer a style closer to the Capitola Venetians rather than the contemporary style suggested.

Elizabeth Conlay, 47th Avenue, spoke in strong support of the project and implored officials to move quickly so that the proposed housing is available soon.

Jessica Evans, resident of Santa Cruz, said that she typically rides her bike into Capitola. She reminded the Commission that the Monterey Bay Sanctuary Scenic Trail will be a protected bike path that should be integrated into this development in order to connect the entire County.

Tina Andreatta, former Capitola resident, asked that pedestrian and bike friendly paths be considered.

Erin Bernall, Capitola resident and member of the General Plan committee, highlighted that the 85-foot height request is a stark contrast to the rest of the City.

Andrew Goldenkranz, representative of Communities Organized for Relational Power in Action (COPA), said that this nonprofit’s core value is affordable housing. He urged the Commission to look at this development as an opportunity to create true affordable housing options, not just market driven real estate.

Ken Thomas, COPA leader, encouraged the Commission to oversee a project that could benefit the most vulnerable in society by providing housing to those who make 80% or less than the median income.

Cherrie McCoy, 21-year resident of Capitola, implored the Commission to preserve the historical character of Capitola and asked that they say ‘no’ to the project.

Roy Johnson, 40-year resident of Capitola Road, spoke in favor of the project and recommended that the redevelopment attempt to unite 41st Avenue with the rest of Capitola. Mr. Johnson asked that the Capitola Art and Cultural Commission be involved in the public art aspect of this project and suggested the possible name ‘West Village’.

Ron Burke, former Planning Commissioner, supported the project because overall, it fits the General Plan Update which he helped draft. He pointed out concerns regarding scale and massing, which could use tiered setbacks and more building articulation, and explained that the urban feel of the buildings does not fit well with Capitola.
Laurie Hill suggested that because the Mall sits on what was once Begonia fields, the Begonia Festival should be represented in the development’s public art. She also said that she is seeking a rotating gallery space, which may be a positive addition to this project.

The Planning Commission asked questions of the applicant:

Commissioner Wilk confirmed that 637 units are proposed because that is the maximum allowed with the 20 units per acre ratio. He also asked for Merlone Geier to comment on the Kosmont financial report.

Commissioner Routh asked the developers about the viability of a movie theater as an income generator. Mr. Geiser said that in recent years theaters have proven to do well and that experience driven lifestyle centers have been the successful developments. Commissioner Routh also commented that the streets should be wide enough to accommodate outdoor dining. He confirmed that the parking garages will be for both residents and customers. Lastly, he asked about the construction timeline. Mr. Geiser answered that Target, Khol’s, and Macy’s will stay open during the entire redevelopment; demolition and main street construction will take place first, with early redevelopment of parking and the relocation of the metro station as part of Phase 1. Then, residential and further commercial construction will take place.

Commissioner Christiansen asked why the proposed housing units are all in one area rather than spread across the development, above some of the existing buildings. Mr. Geiser answered that the existing buildings cannot be built upon because Merlone Geier does not own them. Commissioner Christiansen emphasized that seven and eight story buildings are uncommon within Santa Cruz County and nonexistent in Capitola; the massing will need to be considered and further articulated for the community to feel comfortable with such change. She also asked if further sustainable features such as car charging stations and accessibility for pedestrians and bikes will be included in the formal application.

The Planning Commission provided the following comments:

Commissioner Newman
- Terrific response to revisioning property. Great Start.
- Will lean on our design experts RRM regarding design revisions.
- Name should be reconsidered. We are a village not a town.
- Affordable housing is needed here. Rental product is better than ownership. Be creative in the breakdown of the affordable housing. Look to Capitola Villas as an example.
- Public spaces to be considered. Height not an issue.

Commissioner Wilk
- Kosmont economic analysis is disturbing. The project cannot result in no economic gain for mall redevelopment. Financial viability of the development should be a top consideration.
- Concentrate 12% population increase in one area.
- Town square way has emphasis on the public realm. This should be distributed throughout the project. Concern with proposed development along 38th Avenue and 40th Avenue.
- Need to have eyes on the sidewalks like author Jane Jacobs explains in her book *Death and Life of Great American Cities*. The concept of an activated first floor to keep eyes on the street. Inward facing buildings are a concern and lack connectivity to surroundings. Also activate through multiple uses, multiple ages, and multiple incomes.
- Visited San Antonio Place in Mountain View. Dog Park there is great. Housing there was thriving. Interviewed residents and they feel safe in the development but the connections to get across the street are scary. Should have planned safer sidewalk crossings.
- Agree with RRM massing concerns along Capitola Road. Did not agree with all points in RRM analysis.

Commissioner Christiansen
- Appreciate and agree with RRM design feedback on the project.
• Is there an opportunity to move some of the massing toward the Kohl’s building?
• Have you considered decreasing/setting back/articulating upper stories of the tallest buildings?
• Would like to see a hotel considered on the site.
• Circulation for pedestrians and bicycles to adjacent uses/neighborhood properties should be improved.
• Increase aesthetic experience in the design approach to the signs.
• Do not like the signs as proposed.

Commissioner Routh
• Agreed with RRM Design Group on findings.
• Mall needs to remain an economic driver for the city. Find a way to make the economics work, consider decreasing amount of residential and adding a hotel.
• We do not want too much open space as it can be problematic.
• Concern with massing on Capitola Road
• Concern with increase in traffic for a development of the proposed size.
• Concern with overall height.
• Concern with moving the entrance off 41st closer to the 41st Avenue/Capitola Road intersection. That light currently functions well and moving the entrance closer could have impacts.
• Remove barriers on 40th Avenue in the county. Staff and Merlone Geier should work with Santa Cruz County to open 40th and create another through street to the development and improve traffic flow.

TJ Welch
• Appreciate work done by RRM
• Consider having the ability to close off 38th Avenue to allow pedestrians/cyclists only areas with no cars.
• Town Square name does not fit.
• Consider size of open space. Not too big as it can attract homeless and become problem.
• Could support height if it is articulated well.
• Would like to see more of an internal focus for the site. Think about incorporating a water feature into the site. Example of restaurant with outdoor seating that overlooks water fountains.
• Capitola enjoys the outdoors. We need more outdoor gathering areas. High demand for restaurants with outdoor seating.
• The new development should have an emphasis on pedestrians and bicycles. Create a connection to the future rail trail from the site through 38th Avenue.

Chair Welch concluded by reminding the public that Merlone Geier and RRM Design Group will present the same conceptual review to Capitola City Council at their regular meeting on Thursday, November 14.

RESULT: REVIEWED PROJECT CONCEPT, PROVIDED DIRECTION

5. DIRECTOR'S REPORT – NONE

6. COMMISSION COMMUNICATIONS

Commissioner Wilk thanked Merlone Geier, RRM Design Group, and John Schwarz for their time and dedication to this project.

7. ADJOURNMENT

The meeting was adjourned at 9:30 PM to the next regular meeting of the Planning Commission on December 5, 2019.
TO: PLANNING COMMISSION
FROM: COMMUNITY DEVELOPMENT
DATE: DECEMBER 5, 2019
SUBJECT: 706 Gilroy Drive #19-0330 APN: 035-063-12

Design Permit for demolition of an existing one-story single-family residence and construction of a new two-story single-family residence located within the R-1 (Single-Family Residential) zoning district. This project is in the Coastal Zone and requires a Coastal Development Permit which is not appealable to the California Coastal Commission after all possible appeals are exhausted through the City.

Environmental Determination: Categorical Exemption
Property Owner: Carol Ostergren
Representative: John McKelvey, Architect, Filed: 07.16.2019

APPLICANT PROPOSAL
The applicant is proposing to demolish an existing single-family residence and construct a new 1,760-square-foot single-family residence located at 706 Gilroy Drive within the R-1 (Single-Family Residential) zoning district. The application complies with all development standards of the R-1 zone.

BACKGROUND
The Architectural and Site Review Committee reviewed the application on November 13, 2019, and provided the applicant with the following direction:

Public Works, Kailash Mozumder: Informed the applicant that the full sidewalk along the front of the property will have to be replaced by the applicant. Public Works staff recommended that the applicant use a depressed driveway curb cut design, for which the City has example specifications. He also recommended that utilities be put underground early in the project. He recommended making a grading the site slightly towards the street. Public Works staff stated that no material storage may be in the public right of way.

Building Official, Robin Woodman: Informed the applicant that the deadline for a building permit application to be reviewed under the current building code is December 20, 2019.

Local Architect, Frank Phanton: Supported the design overall and suggested the home will be a nice addition to the neighborhood. Mr. Phanton did not find any privacy issues with the proposal and recommended the project be placed on the consent calendar.
City Planner, Sean Sesanto: Informed the applicant they will need to submit a minor revocable encroachment permit application prior to Planning Commission.

Following the Architectural and Site review meeting, the applicant submitted a revocable encroachment permit application. Conditions #13 and #15 address Public Works comments regarding material storage and sidewalk replacement.

ZONING SUMMARY
The following table outlines the zoning code requirements for development in the R-1 Zoning District. The new single-family home complies with all development standards of the R-1 Single Family Residential zone.

<table>
<thead>
<tr>
<th>R-1 (Single-Family Residential) Zoning District</th>
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</thead>
<tbody>
<tr>
<td><strong>Development Standards</strong></td>
</tr>
<tr>
<td><strong>Building Height</strong></td>
</tr>
<tr>
<td>R-1 Regulation</td>
</tr>
<tr>
<td>25 ft.</td>
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<tr>
<td><strong>Floor Area Ratio (FAR)</strong></td>
</tr>
<tr>
<td>Lot Size</td>
</tr>
<tr>
<td>3,096 sq. ft.</td>
</tr>
<tr>
<td>Max. Floor Area Ratio</td>
</tr>
<tr>
<td>1st Story Floor Area</td>
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<tr>
<td>2nd Story Floor Area</td>
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<tr>
<td>TOTAL FAR</td>
</tr>
<tr>
<td><strong>Yards</strong> (setbacks are measured from the edge of the public right-of-way)</td>
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<tr>
<td>Corner lot? If yes, update regulations for corner lots</td>
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<tr>
<td>R-1 Regulation</td>
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<tr>
<td>Front Yard 1st Story</td>
</tr>
<tr>
<td>Front Yard 2nd Story &amp; Garage</td>
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<tr>
<td>Side Yard 1st Story (North)</td>
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<tr>
<td>Side Yard 1st Story (South)</td>
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<tr>
<td>Side Yard 2nd Story (North)</td>
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<tr>
<td>Side Yard 2nd Story (South)</td>
</tr>
<tr>
<td>Rear Yard</td>
</tr>
<tr>
<td>14 ft. min.</td>
</tr>
<tr>
<td><strong>Encroachments</strong> (list all)</td>
</tr>
<tr>
<td>Main entry porch – 4 ft.</td>
</tr>
<tr>
<td>Living &amp; dining room bay windows – 1 ft.</td>
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<tr>
<td>1st &amp; 2nd story bedroom bay windows – 1 ft.</td>
</tr>
<tr>
<td>Parking</td>
</tr>
<tr>
<td>----------------------------------------------</td>
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<tr>
<td>Residential (from 1,501 up to 2,000 sq. ft.)</td>
</tr>
<tr>
<td>Garage and Accessory Bldg.</td>
</tr>
<tr>
<td>Garage</td>
</tr>
<tr>
<td>Underground Utilities: required with 25% increase in area</td>
</tr>
</tbody>
</table>

**DISCUSSION**

The existing residence at 706 Gilroy Drive is a single-story single-family residence. The applicant is proposing to demolish the existing residence and construct a new two-story single-family residence. The lot is surrounded by one- and two-story single-family homes within the Riverview Terrace neighborhood. The proposed residence is characterized by light-toned stucco and corrugated aluminum siding on the first story and dark green panel-and-batten siding on the second story. The residence has a modern design with many large windows and sliding glass doors, metal garage door and siding, and composite shingle roof.

The proposed 1,764-square-foot residence is required to have two on-site parking spaces, one of which must be covered. The proposal includes two full-size parking spaces: one in the garage and a second in the driveway. The yard encroachments for the entry porch and bay windows identified in the table above comply with R-1 yard encroachments. The proposal complies with all development standards of the R-1 zoning district.

**Revocable Encroachment Permit**

The application includes a proposal for a 42-inch tall fence in addition to a concrete driveway and walkway within the public right of way along Gilroy Drive. Pursuant to Section 12.56.060(A), the City may issue permits for private improvements in the public right of way, to be installed and maintained by the applicant. Minor encroachment permits may also be approved by the Planning Commission in conjunction with other development applications. The proposed fence encroaches four feet into the city right of way. The fence complies with the 42 inches height limitation. The concrete walkway and driveway will be at-grade, meeting the requirements of a minor encroachment permit.

**Tree Removals**

The applicant is proposing to remove four trees on the property, one of which is a fruit tree. The applicant is proposing to replant five ceanothus “Ray Hartman” trees, as indicated on the landscape plan. Five trees will secure the goal of fifteen percent canopy coverage for new residential construction projects, pursuant to CMC Section 12.12.190(C).

**CEQA**

Section 15303(a) of the CEQA Guidelines exempts one single family residence, or a second dwelling unit in a residential zone. No adverse environmental impacts were discovered during review of the proposed project.

**RECOMMENDATION**

Staff recommends the Planning Commission review the application and approve project #19-0330 based on the following Conditions of Approval and Findings.
CONDITIONS OF APPROVAL

1. The project approval consists of construction of a new 1,760 square-foot single-family residence. The maximum Floor Area Ratio for the 3,096 square foot property is 57% (1,765 square feet). The total FAR of the project is 57% with a total of 1,760 square feet, compliant with the maximum FAR within the zone. The proposed project is approved as indicated on the final plans reviewed and approved by the Planning Commission on December 5, 2019, except as modified through conditions imposed by the Planning Commission during the hearing.

2. Prior to construction, a building permit shall be secured for any new construction or modifications to structures authorized by this permit. Final building plans shall be consistent with the plans approved by the Planning Commission. All construction and site improvements shall be completed according to the approved plans.

3. At time of submittal for building permit review, the Conditions of Approval must be printed in full on the cover sheet of the construction plans.

4. At time of submittal for building permit review, Public Works Standard Detail SMP STRM shall be printed in full and incorporated as a sheet into the construction plans. All construction shall be done in accordance with the Public Works Standard Detail BMP STRM.

5. Prior to making any changes to approved plans, modifications must be specifically requested and submitted in writing to the Community Development Department. Any significant changes to the size or exterior appearance of the structure shall require Planning Commission approval.

6. Prior to issuance of building permit, a landscape plan shall be submitted and approved by the Community Development Department. The landscape plan can be produced by the property owner, landscape professional, or landscape architect. Landscape plans shall reflect the Planning Commission approval and shall identify type, size, and location of species and details of any proposed (but not required) irrigation systems.

7. Prior to issuance of building permit, all Planning fees associated with permit #19-0330 shall be paid in full.

8. Prior to issuance of building permit, the developer shall pay Affordable housing in-lieu fees as required to assure compliance with the City of Capitola Affordable (Inclusionary) Housing Ordinance.

9. Prior to issuance of a building permit, the applicant must provide documentation of plan approval by the following entities: Santa Cruz County Sanitation Department, Soquel Creek Water District, and Central Fire Protection District.

10. Prior to issuance of building permits, a drainage plan, grading, sediment and erosion control plan, shall be submitted to the City and approved by Public Works. The plans shall be in compliance with the requirements specified in Capitola Municipal Code Chapter 13.16 Storm Water Pollution Prevention and Protection.

11. Prior to issuance of building permits, the applicant shall submit a stormwater management plan to the satisfaction of the Director of Public Works which implements
all applicable Post Construction Requirements (PCRs) and Public Works Standard Details, including all standards relating to low impact development (LID).

12. Prior to any land disturbance, a pre-site inspection must be conducted by the grading official to verify compliance with the approved erosion and sediment control plan.

13. Prior to any work in the City road right of way, an encroachment permit shall be acquired by the contractor performing the work. No material or equipment storage may be placed in the road right-of-way.

14. During construction, any construction activity shall be subject to a construction noise curfew, except when otherwise specified in the building permit issued by the City. Construction noise shall be prohibited between the hours of nine p.m. and seven-thirty a.m. on weekdays. Construction noise shall be prohibited on weekends with the exception of Saturday work between nine a.m. and four p.m. or emergency work approved by the building official. §9.12.010B

15. Prior to a project final, all cracked or broken driveway approaches, curb, gutter, or sidewalk shall be replaced per the Public Works Standard Details and to the satisfaction of the Public Works Department. All replaced driveway approaches, curb, gutter or sidewalk shall meet current Accessibility Standards.

16. Trees approved for removal within this development application may not be removed prior to issuance of a building permit.

17. Prior to issuance of a Certificate of Occupancy, the applicant shall demonstrate compliance with the tree removal permit authorized by this permit for 3 trees to be removed from the property. Five replacement trees shall be planted. Required replacement trees shall be of the same size, species and planted on the site as shown on the approved plans.

18. Prior to issuance of a Certificate of Occupancy, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Community Development Director. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.

19. This permit shall expire 24 months from the date of issuance. The applicant shall have an approved building permit and construction underway before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Municipal Code section 17.81.160.

20. The planning and infrastructure review and approval are transferable with the title to the underlying property so that an approved project may be conveyed or assigned by the applicant to others without losing the approval. The permit cannot be transferred off the site on which the approval was granted.

21. Upon receipt of certificate of occupancy, garbage and recycling containers shall be placed out of public view on non-collection days.
22. Prior to issuance of building permits, the building plans must show that the existing overhead utility lines will be underground to the nearest utility pole.

23. Prior to demolition of the existing structure, a pest control company shall resolve any pest issue and document that all pest issues have been mitigated. Documentation shall be submitted to the city at time of demolition permit application.

FINDINGS

A. **The project, subject to the conditions imposed, secures the purposes of the Zoning Ordinance, General Plan, and Local Coastal Plan.**

Community Development Staff, the Architectural and Site Review Committee, and the Planning Commission have all reviewed the project. The proposed single-family residence complies with the development standards of the Single-Family Residential District. Specifically, all of the requirements of Capitola Municipal Code §17.99.050 have been met. The project secures the purpose of the Zoning Ordinance, General Plan, and Local Coastal Plan.

B. **The project will maintain the character and integrity of the neighborhood.**

Community Development Staff, the Architectural and Site Review Committee, and the Planning Commission have all reviewed the application for the new single-family residence. The design of the home with first-story stucco and metal siding, second-story panel-and-batten siding, and covered front entry will fit in nicely with the existing neighborhood. The project will maintain the character and integrity of the neighborhood.

C. **This project is categorically exempt under Section 15303(a) of the California Environmental Quality Act and is subject to Section 753.5 of Title 14 of the California Code of Regulations.**

Section 15303(a) of the CEQA Guidelines exempts the construction of one single family residence. This project involves a new single family home within the R-1 (Single-Family Residential) zoning district. No adverse environmental impacts were discovered during review of the proposed project.

COASTAL FINDINGS

D. **Findings Required.**

1. A coastal permit shall be granted only upon adoption of specific written factual findings supporting the conclusion that the proposed development conforms to the certified Local Coastal Program, including, but not limited to:
   a. A statement of the individual and cumulative burdens imposed on public access and recreation opportunities based on applicable factors identified pursuant to subsection (D)(2) of this section. The type of affected public access and recreation opportunities shall be clearly described;
   b. An analysis based on applicable factors identified in subsection (D)(2) of this section of the necessity for requiring public access conditions to find the project consistent with the public access provisions of the Coastal Act;
   c. A description of the legitimate governmental interest furthered by any access conditioned required;
   d. An explanation of how imposition of an access dedication requirement alleviates the access burdens identified.
The proposed development conforms to the City’s certified Local Coastal Plan (LCP). The specific, factual findings, as per CMC Section 17.46.090(D) are as follows:

2. Require Project-Specific Findings. In determining any requirement for public access, including the type of access and character of use, the city shall evaluate and document in written findings the factors identified in subsections (D)(2)(a) through (e), to the extent applicable. The findings shall explain the basis for the conclusions and decisions of the city and shall be supported by substantial evidence in the record. If an access dedication is required as a condition of approval, the findings shall explain how the adverse effects which have been identified will be alleviated or mitigated by the dedication. As used in this section, “cumulative effect” means the effect of the individual project in combination with the effects of past projects, other current projects, and probable future projects, including development allowed under applicable planning and zoning.

   a. Project Effects on Demand for Access and Recreation. Identification of existing and open public access and coastal recreation areas and facilities in the regional and local vicinity of the development. Analysis of the project’s effects upon existing public access and recreation opportunities. Analysis of the project’s cumulative effects upon the use and capacity of the identified access and recreation opportunities, including public tidelands and beach resources, and upon the capacity of major coastal roads from subdivision, intensification or cumulative buildout. Projection for the anticipated demand and need for increased coastal access and recreation opportunities for the public. Analysis of the contribution of the project’s cumulative effects to any such projected increase. Description of the physical characteristics of the site and its proximity to the sea, tideland viewing points, upland recreation areas, and trail linkages to tidelands or recreation areas. Analysis of the importance and potential of the site, because of its location or other characteristics, for creating, preserving or enhancing public access to tidelands or public recreation opportunities;

   b. Shoreline Processes. Description of the existing shoreline conditions, including beach profile, accessibility and usability of the beach, history of erosion or accretion, character and sources of sand, wave and sand movement, presence of shoreline protective structures, location of the line of mean high tide during the season when the beach is at its narrowest (generally during the late winter) and the proximity of that line to existing structures, and any other factors which substantially characterize or affect the shoreline processes at the site. Identification of anticipated changes to shoreline processes at the site. Identification of anticipated changes to shoreline processes and beach profile unrelated to the proposed development. Description and analysis of any reasonably likely changes, attributable to the primary and cumulative effects of the project, to: wave and sand movement affecting beaches in the vicinity of the project; the profile of the beach; the character, extent, accessibility and usability of the beach; and any other factors which characterize or affect beaches in the vicinity. Analysis of the effect of any identified changes of the project, alone or in combination with other anticipated changes, will have upon the ability of the public to use public tidelands and shoreline recreation areas;

• The proposed project is located at 706 Gilroy Drive. The home is not located in an area with coastal access. The home will not have an effect on public trails or beach access.
• The proposed project is located along 706 Gilroy Drive. No portion of the project is located along the shoreline or beach.

c. Historic Public Use. Evidence of use of the site by members of the general public for a continuous five-year period (such use may be seasonal). Evidence of the type and character of use made by the public (vertical, lateral, blufftop, etc., and for passive and/or active recreational use, etc.). Identification of any agency (or person) who has maintained and/or improved the area subject to historic public use and the nature of the maintenance performed and improvements made. Identification of the record owner of the area historically used by the public and any attempts by the owner to prohibit public use of the area, including the success or failure of those attempts. Description of the potential for adverse impact on public use of the area from the proposed development (including but not limited to, creation of physical or psychological impediments to public use);

• There is not a history of public use on the subject lot.

d. Physical Obstructions. Description of any physical aspects of the development which block or impede the ability of the public to get to or along the tidelands, public recreation areas, or other public coastal resources or to see the shoreline;

• The proposed project is located on private property on 706 Gilroy Drive. The project will not block or impede the ability of the public to get to or along the tidelands, public recreation areas, or views to the shoreline.

e. Other Adverse Impacts on Access and Recreation. Description of the development’s physical proximity and relationship to the shoreline and any public recreation area. Analysis of the extent of which buildings, walls, signs, streets or other aspects of the development, individually or cumulatively, are likely to diminish the public’s use of tidelands or lands committed to public recreation. Description of any alteration of the aesthetic, visual or recreational value of public use areas, and of any diminution of the quality or amount of recreational use of public lands which may be attributable to the individual or cumulative effects of the development.

• The proposed project is located on private property that will not impact access and recreation. The project does not diminish the public’s use of tidelands or lands committed to public recreation nor alter the aesthetic, visual, or recreational value of public use areas.

3. Required Findings for Public Access Exceptions. Any determination that one of the exceptions of subsection (F)(2) applies to a development shall be supported by written findings of fact, analysis and conclusions which address all of the following:
   a. The type of access potentially applicable to the site involved (vertical, lateral, bluff top, etc.) and its location in relation to the fragile coastal resource to be protected, the agricultural use, the public safety concern, or the military facility which is the basis for the exception, as applicable;
   b. Unavailability of any mitigating measures to manage the type, character, intensity, hours, season or location of such use so that agricultural resources, fragile coastal resources, public safety, or military security, as applicable, are protected;
   c. Ability of the public, through another reasonable means, to reach the same area of public tidelands as would be made accessible by an accessway on the subject land.
4. **Findings for Management Plan Conditions.** Written findings in support of a condition requiring a management plan for regulating the time and manner or character of public access use must address the following factors, as applicable:
   a. Identification and protection of specific habitat values including the reasons supporting the conclusions that such values must be protected by limiting the hours, seasons, or character of public use;
   - The project is located in a residential area without sensitive habitat areas.
   b. Topographic constraints of the development site;
   - The project is located on a flat lot.
   c. Recreational needs of the public;
   - The project does not impact the recreational needs of the public.
   d. Rights of privacy of the landowner which could not be mitigated by setting the project back from the access way or otherwise conditioning the development;
   e. The requirements of the possible accepting agency, if an offer of dedication is the mechanism for securing public access;
   f. Feasibility of adequate setbacks, fencing, landscaping, and other methods as part of a management plan to regulate public use.

5. **Project complies with public access requirements, including submittal of appropriate legal documents to ensure the right of public access whenever, and as, required by the certified land use plan and Section 17.46.010 (coastal access requirements);**
   - No legal documents to ensure public access rights are required for the proposed project.

6. **Project complies with visitor-serving and recreational use policies;**

   **SEC. 30222**
   The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.
   - The project involves a 706 Gilroy Drive on a residential lot of record.

   **SEC. 30223**
   Upland areas necessary to support coastal recreational uses shall be reserved for such uses, where feasible.
   - The project involves a new single family home on a residential lot of record.
c) Visitor-serving facilities that cannot be feasibly located in existing developed areas shall be located in existing isolated developments or at selected points of attraction for visitors.

- The project involves a new single family home on a residential lot of record.

7. Project complies with applicable standards and requirements for provision of public and private parking, pedestrian access, alternate means of transportation and/or traffic improvements;

- The project involves the construction of a single family home. The project complies with applicable standards and requirements for provision for parking, pedestrian access, alternate means of transportation, and/or traffic improvements.

8. Review of project design, site plan, signing, lighting, landscaping, etc., by the city’s architectural and site review committee, and compliance with adopted design guidelines and standards, and review committee recommendations;

- The project complies with the design guidelines and standards established by the Municipal Code.

9. Project complies with LCP policies regarding protection of public landmarks, protection or provision of public views; and shall not block or detract from public views to and along Capitola’s shoreline;

- The project will not negatively impact public landmarks and/or public views. The project will not block or detract from public views to and along Capitola’s shoreline.

10. Demonstrated availability and adequacy of water and sewer services;

- The project is located on a legal lot of record with available water and sewer services.

11. Provisions of minimum water flow rates and fire response times;

- The project is located within close proximity of the Central Fire Protection District Capitola Station. Water is available at the location.

12. Project complies with water and energy conservation standards;

- The project is for a single family home. The GHG emissions for the project are projected at less than significant impact. All water fixtures must comply with the low-flow standards of the Soquel Creek Water District.

13. Provision of park dedication, school impact, and other fees as may be required;

- The project will be required to pay appropriate fees prior to building permit issuance.

14. Project complies with coastal housing policies, and applicable ordinances including condominium conversion and mobile home ordinances;
• The project does not involve a condo conversion or mobile homes.

15. **Project complies with natural resource, habitat, and archaeological protection policies;**
   
   • Conditions of approval have been included to ensure compliance with established policies.

16. **Project complies with Monarch butterfly habitat protection policies;**
   
   • The project is outside of any identified sensitive habitats, specifically areas where Monarch Butterflies have been encountered, identified and documented.

17. **Project provides drainage and erosion and control measures to protect marine, stream, and wetland water quality from urban runoff and erosion;**
   
   • Conditions of approval have been included to ensure compliance with applicable erosion control measures.

18. **Geologic/engineering reports have been prepared by qualified professional for projects in seismic areas, geologically unstable areas, or coastal bluffs, and project complies with hazard protection policies including provision of appropriate setbacks and mitigation measures;**
   
   • Geologic/engineering reports have been prepared by qualified professionals for this project. Conditions of approval have been included to ensure the project applicant shall comply with all applicable requirements of the most recent version of the California Building Standards Code.

19. **All other geological, flood and fire hazards are accounted for and mitigated in the project design;**
   
   • Conditions of approval have been included to ensure the project complies with geological, flood, and fire hazards and are accounted for and will be mitigated in the project design.

20. **Project complies with shoreline structure policies;**
   
   • The proposed project is not located along a shoreline.

21. **The uses proposed are consistent with the permitted or conditional uses of the zoning district in which the project is located;**
   
   • This use is an allowed use consistent with the Single Family Residential zoning district.

22. **Conformance to requirements of all other city ordinances, zoning requirements, and project review procedures; and**
   
   • The project conforms to the requirements of all city ordinances, zoning requirements, and project development review and development procedures.
23. Project complies with the Capitola parking permit program as follows:
   a. The village area preferential parking program areas and conditions as established in Resolution No. 2596 and no permit parking of any kind shall be allowed on Capitola Avenue.
   b. The neighborhood preferential parking program areas are as established in Resolution Numbers 2433 and 2510.
   c. The village area preferential parking program shall be limited to three hundred fifty permits.
   d. Neighborhood permit areas are only in force when the shuttle bus is operating except that:
      i. The Fanmar area (Resolution No. 2436) program may operate year-round, twenty-four hours a day on weekends,
      ii. The Burlingame, Cliff Avenue/Grand Avenue area (Resolution No. 2435) have year-round, twenty-four hour per day “no public parking.”
   e. Except as specifically allowed under the village parking program, no preferential residential parking may be allowed in the Cliff Drive parking areas.
   f. Six Depot Hill twenty-four minute “Vista” parking spaces (Resolution No. 2510) shall be provided as corrected in Exhibit A attached to the ordinance codified in this section and found on file in the office of the city clerk.
   g. A limit of fifty permits for the Pacific Cove parking lot may be issued to village permit holders and transient occupancy permit holders.
   h. No additional development in the village that intensifies use and requires additional parking shall be permitted. Changes in use that do not result in additional parking demand can be allowed and exceptions for onsite parking as allowed in the land use plan can be made.

   • The project site is not located within the area of the Capitola parking permit program.

ATTACHMENTS:

1. 706 Gilroy Drive - Plan Set

Prepared By: Sean Sesanto
GENERAL NOTES:

1. ALL WORK SHALL BE PERFORMED IN CONFORMANCE WITH ALL LOCAL, COUNTY, STATE AND FEDERAL CODES, LAWS, ORDINANCES AND REGULATIONS APPLICABLE AS FOLLOWS:

   - 2016 CALIFORNIA BUILDING CODE
   - 2016 CALIFORNIA RESIDENTIAL CODE
   - 2016 CALIFORNIA ELECTRICAL CODE
   - 2016 CALIFORNIA FIRE CODE AS ADOPTED BY THE STATE OF CALIFORNIA
   - IN THE VICINITY MAP, PROJECT SCOPE, STREET VIEW, SITE PLAN, SHEET INDEX, GENERAL NOTES

2. ALL WORK SHALL BE PERFORMED IN CONFORMANCE WITH ALL LOCAL, COUNTY, STATE AND FEDERAL CODES, LAWS, ORDINANCES AND REGULATIONS APPLICABLE AS FOLLOWS:

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NOTHING IN THE CONSTRUCTION CONTRACTS (i.e., TO BE CONFORMED TO) SHALL NOT CONFORM TO THESE CODES, LAWS, ORDINANCES AND REGULATIONS.

3. CONTRACTOR SHALL VERIFY USING SITE COORDINATES PRIOR TO COORDINATING WITH CODE OFFICIALS.

4. ALL DIMENSIONS AND SURFACE AREAS SHALL BE CLEAR ACCURATE AND VISIBLE ON THE CONTRACTOR'S PLANS AND WITHIN REASONABLE TOLERANCES.

5. CONTRACTOR SHALL COMPLY WITH ALL MANDATORY AND ADVISORY CODES.

6. CODEWAIVER:

   - ALL CODEWAIVER REQUESTS WILL BE SUBMITTED WITH THE AUDIT SUBMISSIONS IN THE VICINITY MAP, PROJECT SCOPE, STREET VIEW, SITE PLAN, SHEET INDEX, GENERAL NOTES.

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CONTACTS:

ORDER

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1500 BAYSHORE BLVD

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SANTA CRUZ, CA 95060

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FAX: (831) 423-2724

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CONTRACTOR

JERRY GATIS

EROSION AND DRAINAGE CONSULTANT

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LANDSCAPE NOTES

1. Tree planting to be completed by the 6th day of May.
2. Site grading must be performed by the 10th day of May.
3. Planting of small trees and shrubs to be completed by the 15th day of May.
4. Drip irrigation to be installed by the 20th day of May.
5. Paving to be completed by the 25th day of May.
6. All planting areas to be raked and mulched by the 30th day of May.

PLANT PALETTE

<table>
<thead>
<tr>
<th>Plant Type</th>
<th>Common Name</th>
<th>Scientific Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flower</td>
<td>Ceanothus 'Ray Hartman'</td>
<td>Ceanothus</td>
</tr>
<tr>
<td>Ground Cover</td>
<td>Cistus salvifolius</td>
<td>Cistus salvifolius</td>
</tr>
<tr>
<td>Shrub</td>
<td>Lavandula Munstead</td>
<td>Lavandula Munstead</td>
</tr>
<tr>
<td>Tree</td>
<td>Ceanothus 'Ray Hartman'</td>
<td>Ceanothus</td>
</tr>
</tbody>
</table>

IRRIGATION NOTES

1. All plants to be drip-irrigated.
2. Drip lines to be installed after the grading and planting of plants.
3. All plants to be watered for the first 2 weeks after planting.
4. All plants to be watered for the first 3 weeks after planting.
5. All plants to be watered for the first 4 weeks after planting.
6. All plants to be watered for the first 5 weeks after planting.

IRRIGATION LEGEND

- Manual: Manual control
- Drip: Automatic control
- Valve: Valves
- Pressure: Pressure control
- Flow: Flow control
- Water Use: Water use control
- Shade: Shade control

IRRIGATION HYDROZONE KEY

- Drip Irrigation - Low Water Use
- Drip Irrigation - Medium Water Use
- Drip Irrigation - High Water Use

TREE PLANTING

- Tree planting to be completed by the 6th day of May.
- Site grading must be performed by the 10th day of May.
- Planting of small trees and shrubs to be completed by the 15th day of May.
- Drip irrigation to be installed by the 20th day of May.
- Paving to be completed by the 25th day of May.
- All planting areas to be raked and mulched by the 30th day of May.

SHRUB PLANTING

- Shrub planting to be completed by the 6th day of May.
- Site grading must be performed by the 10th day of May.
- Planting of small trees and shrubs to be completed by the 15th day of May.
- Drip irrigation to be installed by the 20th day of May.
- Paving to be completed by the 25th day of May.
- All planting areas to be raked and mulched by the 30th day of May.

TRENCHES/LINES

- Trenches and lines to be completed by the 6th day of May.
- Site grading must be performed by the 10th day of May.
- Planting of small trees and shrubs to be completed by the 15th day of May.
- Drip irrigation to be installed by the 20th day of May.
- Paving to be completed by the 25th day of May.
- All planting areas to be raked and mulched by the 30th day of May.
BACKGROUND
On September 24, 2019, the City of Capitola issued a Notice of Violation to the property owner of 1008 Chittenden Lane for a violation of Capitola Municipal Code ("CMC") section 15.28.030 [General Provisions of the Chapter 28 Excavation and Grading]. CMC section 15.28.030 prohibits any person to cause or allow to persist, accelerated erosion. A complete copy of the Notice of Violation is included as Attachment 1. This notice includes the notice itself, photographs, and a complete copy of Capitola Municipal Code Chapter 15.28 Excavation and Grading.

On October 2, 2019, Robert G. Williamson of the law of the of Hart King notified the City that the firm represents the property owner Vieira Drywall & Taping Company ("Property Owner"), and that the Property Owner is appealing the Notice of Violation. The Property Owner also submitted appeal fees. A copy of the appeal letter is included as Attachment 2.

CMC section 4.20.010, which outlines Administrative Enforcement Appeals, states that appeal hearings involving real property be conducted, at the Planning Commission’s discretion, by the full commission or a commission subcommittee.

As the rainy season has begun, staff originally intended to hold the appeal hearing at the December 5, 2019, Planning Commission hearing; however, the appellant indicated they were unable to attend this hearing. Therefore, staff recommends establishing a subcommittee comprised of two commissioners who can hold an appeal hearing prior to the scheduled January 16, 2020, planning commission hearing.

RECOMMENDATION
Staff recommends that the Planning Commission appoint a subcommittee of two commissioners to hear the appeal of the Notice of Violation for 1008 Chittenden Lane.
STAFF REPORT

TO: PLANNING COMMISSION
FROM: COMMUNITY DEVELOPMENT
DATE: DECEMBER 5, 2019
SUBJECT: 1591 Prospect Avenue #19-0576 APN: 034-044-12

Fence Permit with a location exception and Major Revocable Encroachment Permit for a wall in the public right of way located within the R-1 (Single-Family Residential) zoning district.
This project is in the Coastal Zone but does not require a Coastal Development Permit.
Environmental Determination: Categorical Exemption
Property Owner: Eva Carpenter Trust, Attn: Nancy Yu
Representative: Pedro Rosado, Filed: 10.24.19

APPLICANT PROPOSAL
The applicant is proposing to construct a wall and privacy screens located at 1591 Prospect Avenue within the R-1 (Single-Family Residential) zoning district. The application includes a Major Revocable Encroachment Permit and exception to fence location requirements.

BACKGROUND
The existing single-family residence at 1591 Prospect Avenue has a white picket fence, approximately 36 inches in height, along the front of the property facing Prospect Avenue, with a portion extending around the property line facing Lincoln Avenue. The public right of way area proposed for private improvements is currently an eleven-foot-wide dirt path with two plum trees and one large oak.

DISCUSSION
The applicant is proposing to replace the fence with a new plaster and concrete-block wall and three wooden horizontal board privacy screens. The new wall and two of the three privacy screens would encroach into the public right of way along Lincoln Avenue.

Fence Height
The proposed wall and privacy screens comply with the height requirements of the code. The proposed wall along Prospect Avenue and Lincoln Avenue is 30 to 42 inches in height. The proposed privacy screens along Lincoln Avenue are five feet, six inches in height and located behind the front line of the principal building. The property is located on a corner lot and is subject to line of sight requirements (Attachment 2). The proposed wall is located outside the required 20 foot clearance area from the intersection corner and decreases to 30 inches in height within 15 feet of the residence’s driveway to comply with the line of sight requirements for corner lots.
Fence Location Exception
A portion of wall and one privacy screen, both considered fences under the zoning code, cross the property line along Lincoln Avenue and extend into the right of way. Capitola Municipal Code §17.54.020(A)(3) requires corner lot fences to be set back at least five feet from the property line on that side of the lot which has the greatest length along the street. Pursuant to CMC §17.54.020(B), the Planning Commission may approve alternative locations, heights, and materials for fences. The applicant is requesting a fence location exception to allow the fence in the side yard setback and public right of way.

Major Revocable Encroachment Permit
The application includes a major revocable encroachment permit for improvements in the public right of way. The encroachments include a wall along Prospect Avenue and a wall and three wooden privacy screens along Lincoln Avenue.

Pursuant to §12.56.060, the City may issue permits to allow certain improvements to be installed and maintained on public property by the adjacent private property owner. The Public Works director may approve minor improvements, such as fences under 42 inches in height, landscaping, and at-grade walkways, under a minor revocable encroachment permit. For improvements beyond those listed under the discretion of the Public Works Director, such as the proposed wall, a major revocable encroachment permit may be issued by the Planning Commission.

The Planning Commission must evaluate the following considerations when deciding whether or not to issue a major revocable encroachment permit:

1. The expense and difficulty that will be entailed in removing the improvement in the event of street widening;
   Staff analysis: Within the revocable/hold harmless agreement, the owner must agree that the removal of the wall, when so ordered by the City, shall be at the owner’s expense and not at the expense of the City.

2. Whether the proposed improvements are in conformity with the size, scale, and aesthetics of the surrounding neighborhood;
   Staff analysis: The proposed wall uses similar materials and style to adjacent properties and is of similar size and scale within the surrounding neighborhood.

3. Preservation of views;
   Staff analysis: The proposed wall and privacy screens are not expected to have a negative impact on the views to the public or neighboring properties.

4. Whether granting the permit would tend to result in the granting of a special privilege, in the sense that granting this permit would tend to preclude granting similar permits to neighboring property. If the benefit to the applicant and community is determined to exceed the detriment to the community, the permit shall be approved. The planning commission may, by providing reasonable notice to neighboring property owners, develop standards or criteria applicable to the entire block within which the property is located.
   Staff analysis: The adjacent property at 1590 Lincoln Avenue has a wall that encroaches the public right-of-way to approximately the same distance from the road. The proposed encroachments do not extend into the right of way in front of adjacent properties. The proposal would not preclude granting a similar permit to neighboring properties.
Tree Removals
The applicant is proposing to remove two flowering plum trees within the public right of way in order to install the wall along Lincoln Avenue. Pursuant to 12.12.160(A), as part of any development application considered by it, the planning commission, may approve the removal of a non-heritage tree. With the removal of the two trees the property will retain 30 percent canopy coverage, meeting the post-removal tree canopy coverage goal of the Community Tree and Forest Management ordinance.

Public Works staff recommended that special consideration be given to the large oak tree when trenching for the wall. They recommended alternatives to using a backhoe near the tree, such as hand tools or an air spade. Small roots that will need to be removed must be sheared cleanly. If large roots are found in the excavation area an arborist should observe the work to prevent significant harm to the tree and root system.

After discussing Public Works concerns, the applicant did not have objections to staff including conditions requiring special management for the oak tree. A condition has been added to protect the health of the oak tree.

CEQA
Section 15303(e) of the CEQA Guidelines exempts new accessory structures. No adverse environmental impacts were discovered during review of the proposed project.

RECOMMENDATION
Staff recommends the Planning Commission review the application and approve project #19-0576 based on the following Conditions of Approval and Findings.

CONDITIONS OF APPROVAL
1. The project approval consists of a fence permit for the construction of a new wall and three privacy screens with a fence location exception for a fence in the required side setback area, a major revocable encroachment permit for the portions of the wall and privacy screens located within the public right of way, and the removal of two flowering plum trees in the public right of way. The proposed project is approved as indicated on the final plans reviewed and approved by the Planning Commission on December 5, 2019, except as modified through conditions imposed by the Planning Commission during the hearing.

2. Prior to construction, a building permit shall be secured for any new construction or modifications to structures authorized by this permit. Final building plans shall be consistent with the plans approved by the Planning Commission. All construction and site improvements shall be completed according to the approved plans.

3. At time of submittal for building permit review, the Conditions of Approval must be printed in full on the cover sheet of the construction plans.

4. At time of submittal for building permit review, Public Works Standard Detail SMP STRM shall be printed in full and incorporated as a sheet into the construction plans. All construction shall be done in accordance with the Public Works Standard Detail BMP STRM.

5. Prior to making any changes to approved plans, modifications must be specifically requested and submitted in writing to the Community Development Department. Any
significant changes to the size or exterior appearance of the structure shall require Planning Commission approval.

6. Prior to issuance of building permit, a landscape plan shall be submitted and approved by the Community Development Department. The landscape plan can be produced by the property owner, landscape professional, or landscape architect. Landscape plans shall reflect the Planning Commission approval and shall identify type, size, and location of species and details of any proposed (but not required) irrigation systems.

7. Prior to issuance of building permit, all Planning fees associated with permit #19-0567 shall be paid in full.

8. Prior to issuance of building permits, a drainage plan, grading, sediment and erosion control plan, shall be submitted to the City and approved by Public Works. The plans shall be in compliance with the requirements specified in Capitola Municipal Code Chapter 13.16 Storm Water Pollution Prevention and Protection.

9. Prior to issuance of building permits, the applicant shall submit a stormwater management plan to the satisfaction of the Director of Public Works which implements all applicable Post Construction Requirements (PCRs) and Public Works Standard Details, including all standards relating to low impact development (LID).

10. Prior to any land disturbance, a pre-site inspection must be conducted by the grading official to verify compliance with the approved erosion and sediment control plan.

11. Prior to any work in the City road right of way, an encroachment permit shall be acquired by the contractor performing the work. No material or equipment storage may be placed in the road right-of-way.

12. During construction, any construction activity shall be subject to a construction noise curfew, except when otherwise specified in the building permit issued by the City. Construction noise shall be prohibited between the hours of nine p.m. and seven-thirty a.m. on weekdays. Construction noise shall be prohibited on weekends with the exception of Saturday work between nine a.m. and four p.m. or emergency work approved by the building official. §9.12.010B

13. Prior to a project final, all cracked or broken driveway approaches, curb, gutter, or sidewalk shall be replaced per the Public Works Standard Details and to the satisfaction of the Public Works Department. All replaced driveway approaches, curb, gutter or sidewalk shall meet current Accessibility Standards.

14. Preconstruction root exploration is necessary prior to trenching adjacent to the oak tree and its root zone. This shall be done using non-invasive procedures, such as with a probe, by hand, using small tools or an air spade. If encountered roots should be handled in the following methods:
   a. Roots less than two inches in diameter, they can be pruned cleanly with hand-pruners, loppers, or saws. The severed ends shall be covered with moist burlap or similar material.
   b. Roots larger than two inches in diameter shall be preserved, protected, and bridged.
15. Prior to project final, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Community Development Director. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.

16. This permit shall expire 24 months from the date of issuance. The applicant shall have an approved building permit and construction underway before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Municipal Code section 17.81.160.

17. The planning and infrastructure review and approval are transferable with the title to the underlying property so that an approved project may be conveyed or assigned by the applicant to others without losing the approval. The permit cannot be transferred off the site on which the approval was granted.

FINDINGS
A. The project, subject to the conditions imposed, secures the purposes of the Zoning Ordinance, General Plan, and Local Coastal Plan. Community Development Staff and the Planning Commission have reviewed the project. The proposed wall and privacy screens comply with the development standards of the R-1 District with Planning Commission approval. The project secures the purpose of the Zoning Ordinance, General Plan, and Local Coastal Plan.

B. The project will maintain the character and integrity of the neighborhood. Community Development Staff and the Planning Commission have reviewed the application for an encroaching wall and privacy screens. The design of the new structures, with wood and stucco material, will fit in nicely with the existing neighborhood. The project will maintain the character and integrity of the neighborhood.

C. This project is categorically exempt under Section 15301(e) of the California Environmental Quality Act and is subject to Section 753.5 of Title 14 of the California Code of Regulations. Section 15303(e) of the CEQA Guidelines exempts new accessory structures including garages, carports, patios, swimming pools, and fences. No adverse environmental impacts were discovered during review of the proposed project.

ATTACHMENTS:
1. 1591 Prospect Avenue - Plan Set
2. Design Standards - Intersection Site Distance

Prepared By: Sean Sesanto
NOTES:


2. DRIVEWAY SHALL BE LOCATED AS FAR AS PRACTICAL FROM INTERSECTION.

3. SITE DISTANCE TRIANGLE TYPICAL EACH SIDE OF DRIVEWAY.

4. ALTERNATIVE ANALYSIS ALLOWED PER TOPIC 405 CALTRANS HIGHWAY DESIGN MANUAL 4TH EDITION.
TO: PLANNING COMMISSION
FROM: COMMUNITY DEVELOPMENT
DATE: DECEMBER 5, 2019
SUBJECT: 4170 Gross Road #19-0573 APN: 034-141-24

Conditional Use Permit for a new retail cannabis establishment (The Hook) and a Sign Permit for a new wall sign with a Variance for a second sign on an existing monument sign located within an existing commercial space in the C-R (Regional Commercial) zoning district. This project is not in the Coastal Zone and does not require a Coastal Development Permit.

Environmental Determination: Categorical Exemption
Property Owner: Robert Lockwood (Lockwood Family Trust)

APPLICANT PROPOSAL
The applicant is proposing to convert 722 square feet of commercial space into a retail cannabis establishment within the C-R (Regional Commercial) zoning district. The project includes a conditional use permit (CUP) for the change of use, sign permit for a new sign, and a variance request for a second sign within an existing monument sign.

DISCUSSION
The existing structure at 4170 Gross Road is a one-story commercial building with four tenant spaces off of Auto Plaza Drive approximately 200 feet from 41st Avenue. The lot is adjacent to a storage business to the east, a residential neighborhood to the south, Pizza My Heart to the west, and an automobile sales business across the street to the north.

Retail Cannabis License
Capitola Municipal Code (CMC) Chapter 5.36 titled Retail Cannabis Licenses contains the licensing requirements for retail cannabis businesses. Chapter 5.36 sets the maximum number of retail licenses at two and outlines specific instructions for application preparation and filing, the competitive merit-based license review conducted by the Capitola Police Department (CPD), the selection process, and other requirements and limitations. The CPD review includes consideration of the applicant’s background, experience in retail sales and legal cannabis sales, residency, site plan, operations plan, and security plan. All retail cannabis licenses are required to be renewed annually for full compliance. A condition has been added to the conditional use permit requiring full compliance with the retail cannabis license.

On May 28, 2019, the proposed retail cannabis business, The Hook, was one of two businesses selected as a potential retail cannabis license holders. Potential retail cannabis license holders
have six months to obtain a conditional use permit from the Planning Commission for a specific location and appropriate state licenses. If the potential retail cannabis license holder is unable to obtain either of those requirements, the selection will expire immediately, and the retail cannabis license will be made available and publicly noticed. Once the business has an approved conditional use permit and appropriate state licenses for retail sales of cannabis, the retail cannabis license will be issued.

The awarding of the two retail cannabis licenses was appealed by a third party. The appeal was denied by the City Council on July 25, 2019, so the start date for the six-month timeline to attain a conditional use permit from the Planning Commission was changed to August 2, 2019 (Attachment 3). The six-month period will end on February 2, 2020.

**Conditional Use Permit**

Under Capitola Municipal Code (CMC) §17.24.020(D)(1)(b), Retail Cannabis in the C-R Zoning District requires a conditional use permit. In order for the Planning Commission to approve a conditional use permit application for a retail cannabis establishment, the project must meet the following standards:

1. **Distance from Schools and Churches.** Retail cannabis establishments are not permitted within a path of travel of one thousand feet from any schools and churches. The path of travel shall be measured following the shortest path of travel along a public right-of-way from the property line of the proposed retail cannabis establishment parcel to the church or school.

   **Staff Analysis:** 4170 Gross Road is not within a path of travel of one thousand feet from any schools or churches.

2. **Distance between Retail Cannabis Establishments.** A retail cannabis establishment shall not be located within a path of travel of five hundred feet of another retail cannabis establishment. Path of travel is measured from the retail establishment suite on a multi-tenant property or the structure for a single-tenant property.

   **Staff Analysis:** 4170 Gross Road is approximately 1,450 feet from the other permitted retail cannabis establishment at 1850 41st Avenue.

3. **Independent Access.** A retail cannabis establishment shall have an independent exterior entrance that is not shared with any other business or residence.

   **Staff Analysis:** 4170 Gross Road has an independent exterior entrance that is not shared with any other business or residence.

4. **Signs.** Notwithstanding other sections of the code for signs, a retail cannabis establishment shall be limited to one exterior building sign per business location to identify the business as a retail cannabis establishment in compliance with the following standards:

   A. Sign may include only the name of business and one green cross.
   B. Sign area maximum of twenty square feet, or one square foot per linear frontage of the business; whichever is less.
   C. Sign may not have any reference, through symbols or language, to cannabis with the exception of one green cross.
   D. Sign shall not be directly illuminated except during operating hours.
   E. Sign shall otherwise be subject to planning commission review through a sign permit application in accordance with Chapter 17.132.
Staff Analysis: The proposed wall sign at 4170 Gross Road complies with the standards above. See analysis in sign permit section below for details. Due to the low visibility of the location, however, the applicant is requesting a variance to allow one additional sign, a nameplate on the existing monument sign.

With a variance for the second sign, the proposed retail cannabis business will meet all the required standards.

Parking
The 6,970-square-foot commercial building at 4170 Gross Road has four commercial spaces. With the addition of the retail cannabis business, the four commercial uses occupying the structure are required to have 23 on-site parking spaces. There are 24 parking spaces provided on the site.

<table>
<thead>
<tr>
<th>Use</th>
<th>Floor Area</th>
<th>Parking Requirement</th>
<th>Required Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Cannabis</td>
<td>722 sq. ft.</td>
<td>1 space / 300 feet</td>
<td>2.4</td>
</tr>
<tr>
<td>Supreme Lending</td>
<td>2,302 sq. ft.</td>
<td>1 space / 300 feet</td>
<td>7.6</td>
</tr>
<tr>
<td>Coast Auto Insurance</td>
<td>2,170 sq. ft.</td>
<td>1 space / 300 feet</td>
<td>7.2</td>
</tr>
<tr>
<td>People’s Integrative Medicine</td>
<td>1,776 sq. ft.</td>
<td>1 space / 300 feet</td>
<td>5.9</td>
</tr>
<tr>
<td><strong>Total Required</strong></td>
<td></td>
<td></td>
<td><strong>23.1</strong></td>
</tr>
</tbody>
</table>

Sign Permit
The multi-tenant commercial site has two uniform signs for each tenant space including one wall sign within a light box suspended from the roof overhang in front of each suite and one tenant nameplate within the monument sign. The applicant is proposing one 15-square-foot wall sign with the words “THE HOOK” and one green cross within the existing light box. The wall sign is oriented toward the parking lot (Attachment 2). The proposed sign is ten feet wide by one foot six inches high, with black lettering over a yellow to orange gradient and a green cross in a black box. The applicant is requesting approval of a variance for a second sign to allow the name of the business to be added to the tenant nameplate within the existing monument sign.

Sign standards for retail cannabis establishments are listed under CMC §17.24.020(D)(1)(b)(iv) as follows:

iv. Signs. Notwithstanding other sections of the code for signs, a retail cannabis establishment shall be limited to one exterior building sign per business location to identify the business as a retail cannabis establishment in compliance with the following standards:

A. Sign may include only the name of business and one green cross.

   Staff Analysis: The proposed sign contains the name of the business (“The Hook”) and one green cross.

B. Sign area maximum of twenty square feet, or one square foot per linear frontage of the business; whichever is less.

   Staff Analysis: The building frontage is fifteen feet two inches, so the maximum sign area is 15 square feet. The proposed sign is 15 square feet.
C. Sign may not have any reference, through symbols or language, to cannabis with the exception of one green cross.

Staff Analysis: The proposed sign has no reference to cannabis other than one green cross.

D. Sign shall not be directly illuminated except during operating hours.

Staff Analysis: This restriction has been included in the conditions of approval (Condition #18).

E. Sign shall otherwise be subject to planning commission review through a sign permit application in accordance with Chapter 17.132.

Staff Analysis: The sign permit has been included in this application for Planning Commission review.

Variance
The applicant is requesting a variance to the limitation of one exterior sign for retail cannabis establishments to allow a second sign within the existing monument sign for the commercial plaza (Attachment 1).

To approve a variance, the Planning Commission must make the following findings:

A. That because of special circumstances applicable to subject property, including size, shape, topography, location or surroundings, the strict application of this title is found to deprive subject property of privileges enjoyed by other properties in the vicinity and under identical zone classification;

B. That the grant of a variance permit would not constitute a grant of special privilege inconsistent with the limitations upon other properties in the vicinity and zone in which subject property is situated.

The special circumstance related to the property is the low visibility of the commercial property, such that one wall sign in the proposed location would not easily be visible from the street or sidewalk due to the orientation of the building on the property. The property is one of two properties located on Gross Road with very limited traffic and visibility on the dead-end street. The building is oriented into the site toward the parking area and does not face Gross Road. The main thoroughfare, 41st Avenue, is over 200 feet from the property.

The grant of a variance permit would not constitute a grant of special privilege inconsistent with limitation upon other properties in the vicinity and zone in which the subject property is located because every other non-retail cannabis commercial space in the Regional Commercial zoning district is allowed to have a nameplate on a monument sign in addition to a wall sign if the property has three or more businesses (CMC §17.80.080(C)(9)). In addition, every other tenant in the commercial plaza at 4170 Gross Road currently has a nameplate on the existing monument sign.

CEQA
This project is categorically exempt under Section 15301 of the California Environmental Quality Act and is not subject to Section 753.5 of Title 14 of the California Code of Regulations. The proposed project involves a retail use occupying an existing commercial space previously occupied by The College of Botanical Healing Arts. The project includes no additional floor area
or changes to the exterior of the structure. No adverse environmental impacts were discovered during project review by Planning Staff or the Planning Commission.

RECOMMENDATION
Staff recommends the Planning Commission approve application #19-0573, subject to the following conditions and based upon the following findings:

CONDITIONS OF APPROVAL
1. The project approval consists of a conditional use permit for a new retail cannabis establishment (The Hook) and a sign permit for a new wall sign with a variance for a second sign on an existing monument sign. The proposed project is approved as indicated on the final plans reviewed and approved by the Planning Commission on December 5, 2019, except as modified through conditions imposed by the Planning Commission during the hearing.

2. Prior to construction, a building permit shall be secured for any new construction or modifications to structures authorized by this permit. Final building plans shall be consistent with the plans approved by the Planning Commission. All construction and site improvements shall be completed according to the approved plans.

3. At time of submittal for building permit review, the Conditions of Approval must be printed in full on the cover sheet of the construction plans.

4. At time of submittal for building permit review, Public Works Standard Detail SMP STRM shall be printed in full and incorporated as a sheet into the construction plans. All construction shall be done in accordance with the Public Works Standard Detail BMP STRM.

5. Prior to making any changes to approved plans, modifications must be specifically requested and submitted in writing to the Community Development Department. Any significant changes to the size or exterior appearance of the structure shall require Planning Commission approval.

6. Prior to issuance of building permit, all Planning fees associated with permit #19-0573 shall be paid in full.

7. Prior to issuance of a building permit, the applicant must provide documentation of plan approval by the following entities: Santa Cruz County Sanitation Department, Santa Cruz Water District, and Central Fire Protection District.

8. Prior to issuance of building permits, a drainage plan, grading, sediment and erosion control plan, shall be submitted to the City and approved by Public Works. The plans shall be in compliance with the requirements specified in Capitola Municipal Code Chapter 13.16 Storm Water Pollution Prevention and Protection.

9. Prior to issuance of building permits, the applicant shall submit a stormwater management plan to the satisfaction of the Director of Public Works which implements all applicable Post Construction Requirements (PCRs) and Public Works Standard Details, including all standards relating to low impact development (LID).

10. Prior to any land disturbance, a pre-site inspection must be conducted by the grading official to verify compliance with the approved erosion and sediment control plan.
11. Prior to any work in the City road right of way, an encroachment permit shall be acquired by the contractor performing the work. No material or equipment storage may be placed in the road right-of-way.

12. During construction, any construction activity shall be subject to a construction noise curfew, except when otherwise specified in the building permit issued by the City. Construction noise shall be prohibited between the hours of nine p.m. and seven-thirty a.m. on weekdays. Construction noise shall be prohibited on weekends with the exception of Saturday work between nine a.m. and four p.m. or emergency work approved by the building official. §9.12.010B

13. Prior to a project final, all cracked or broken driveway approaches, curb, gutter, or sidewalk shall be replaced per the Public Works Standard Details and to the satisfaction of the Public Works Department. All replaced driveway approaches, curb, gutter or sidewalk shall meet current Accessibility Standards.

14. Prior to issuance of a Certificate of Occupancy, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Community Development Director and Chief of Police. Upon evidence of non-compliance with conditions of approval of the Conditional Use permit and/or the retail cannabis license, or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director and Chief of Police. Failure to remedy a non-compliance in a timely manner may result in conditional use permit revocation and retail cannabis license revocation.

15. This permit shall expire on February 2, 2020, if the applicant has not obtained the appropriate state license(s) for retail sales of cannabis as required under Capitola Municipal Code §5.36.030(A)(7)(e). The applicant shall have an approved building permit and construction underway within 24 months of the Conditional Use approval date to prevent permit expiration.

16. The Cannabis License is subject to the Capitola Municipal Code Section 5.36.030(A)(9) License Transfer to New Owner.

17. Upon receipt of certificate of occupancy, garbage and recycling containers shall be placed out of public view on non-collection days.

18. Sign shall not be directly illuminated except during operating hours.

19. Conditional Use Permit shall only be valid as long as the commercial space is occupied by a business possessing a valid Retail Cannabis License from the City of Capitola.

FINDINGS

A. The proposed project is consistent with the general plan, local coastal program, and any applicable specific plan, area plan, or other design policies and regulations adopted by the city council. Community Development Staff, the Architectural and Site Review Committee, and the Planning Commission have all reviewed the project. The proposed conditional use permit for a new retail cannabis business and sign permit for a new wall sign with a variance for a second sign on an existing monument sign comply with the development
standards of the C-R zoning district. The project secures the purpose of the General Plan and design policies and regulations adopted by the City Council.

B. The proposed project complies with all applicable provisions of the zoning code and municipal code.
Community Development Staff, the Architectural and Site Review Committee, and the Planning Commission have all reviewed the application for a conditional use permit for a new retail cannabis business and sign permit for a new wall sign with a variance for a second sign on an existing monument sign. With a variance for the second sign, the project complies with all applicable provisions of the zoning code and municipal code.

C. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).
This project is categorically exempt under Section 15301 of the California Environmental Quality Act and is not subject to Section 753.5 of Title 14 of the California Code of Regulations. The proposed project involves a retail use occupying an existing commercial space previously occupied by a medical school. The project includes no additional floor area. No adverse environmental impacts were discovered during project review by Planning Staff or the Planning Commission.

D. The proposed development will not be detrimental to the public health, safety, or welfare or materially injurious to the properties or improvements in the vicinity.
Community Development Staff, the Architectural and Site Review Committee, and the Planning Commission have all reviewed the project. The proposed conditional use permit for a new retail cannabis business and sign permit for a new wall sign with a variance for a second sign on an existing monument sign will not be detrimental to the public health, safety, or welfare or materially injurious to the properties or improvements in the vicinity.

E. The proposed signs are consistent with the general plan, local coastal program, zoning code, and any applicable specific plan or area plan adopted by the city council.
Community Development Staff and the Planning Commission have reviewed the sign permit application. The proposed wall sign with a variance for a second sign on an existing monument sign are consistent with the general plan and zoning code.

F. The proposed signs comply with all applicable standards in Chapter 17.80 (Signs).
Community Development Staff and the Planning Commission have reviewed the sign permit application. The proposed wall sign complies with all applicable standards in Chapter 17.80 (Signs) and with a variance the nameplate on the existing monument sign complies as well.

G. The proposed sign will not adversely impact the public health, safety, or general welfare.
Community Development Staff and the Planning Commission have reviewed the sign permit application. The proposed wall sign and nameplate on the existing monument sign will not adversely impact the public health, safety, or general welfare.

H. The number, size, placement, design, and material of the proposed signs are compatible with the architectural design of buildings on the site.
Community Development Staff and the Planning Commission have reviewed the sign permit application. The number, size, placement, design, and material of the proposed
wall sign and nameplate on the monument sign, with a variance for the second sign on the existing monument sign, are compatible with the architectural design of the buildings on the site.

I. **The proposed signs are restrained in character and no larger than necessary for adequate identification.**
Community Development Staff and the Planning Commission have reviewed the sign permit application. The proposed wall sign and nameplate on the existing monument sign are restrained in character and no larger than necessary for adequate identification.

**ATTACHMENTS:**
1. 4170 Gross Road - Full Plan Set - 11.14.2019
2. 4170 Gross Road - Sign Plan - The Hook
3. Treehouse CPD Timeline Letter

Prepared By: Matt Orbach
Associate Planner
**Title 24 Lighting**

4170 Gross Rd.
Capitola, Ca 95010

**A Plus Green Energy Services**

41C Hangar Way
Watsonville, CA 95076
408-310-0081
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NR 08-10-3719

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**Attachment: 4170 Gross Road - Full Plan Set - 11.14.2019** (4170 Gross Road)
Supplemental Sign Plan The Hook

Berryessa Holdings LLC DBA The Hook
4170 Gross Road STE: 5
Capitola CA, 95010
APN: 034-14-124

Lighted Sign Box: 1’-6” x 10’-0”

Sign Text:
CMYK: 100K (BLACK)
Font: Bosche “THE”
Font: Bosche With Custom Adjustments “HOOK”
Background: Gradient, Yellow Through Orange

Cross:
CMYK: C 58.43, M 0, Y 100, K 0

Background
CMYK: 100K (BLACK)
August 2, 2019

Bryce Berryessa – CEO/Owner
Treehouse Capitola
309 Bay Street
Santa Cruz, California 95060

RE: Capitola Retail Cannabis License

Dear Mr. Berryessa:

On July 25, 2019, that Capitola City Council voted unanimously to uphold staff’s decision to award two retail cannabis licenses, based on a competitive, merit-based selection process.

As the recipient of one of these licenses, Treehouse Capitola, has now been identified as a potential retail cannabis license holder pursuant to Capitola Municipal Code 5.36.030(6). Accordingly, in conformance with the Capitola Municipal Code, your business has six months from the date of this letter to obtain the appropriate land use permits and state license.

Congratulations, and we wish you every success. If I can be of any assistance, do not hesitate to call me.

Sincerely,

Andrew Dally – Police Captain
STAFF REPORT

TO: PLANNING COMMISSION
FROM: COMMUNITY DEVELOPMENT
DATE: DECEMBER 5, 2019
SUBJECT: 111 Capitola Avenue #19-0581 APN: 035-241-04

Conditional Use Permit for alcohol sales with a tasting room for a commercial structure located within the C-V (Central Village) zoning district.
This project is in the Coastal Zone but does not require a Coastal Development Permit.
Environmental Determination: Categorical Exemption
Property Owner: John Kettmann
Representative: English Ales Brewery, Filed: 10.28.2019

APPLICANT PROPOSAL

The applicant submitted a request for a Conditional Use Permit (CUP) for alcohol sales for a commercial structure located at 111 Capitola Avenue in the CV (Central Village) zoning district. The proposed use is consistent with the General Plan, Local Coastal Program, and Zoning Ordinance with the issuance of a Conditional Use Permit.

BACKGROUND

The property is located in the Central Village zoning district along Capitola Avenue between Capitola Seashells and Capitola Reef. Capitola Avenue contains one- and two-story structures with retail uses on the first story. 111 Capitola Avenue was originally a single-family home, then it became a mixed-use space with commercial in the front and residential in the rear, before becoming an entirely commercial retail use when the nonconforming residential use was discontinued for more than 90 days sometime prior to 2011.

DISCUSSION

The applicant is requesting approval of a conditional use permit (CUP) for alcohol sales with onsite beer tasting. The business would be operated by English Ales Brewery, which is based in Marina, California. The small 775-square-foot building is proposed to include 341 square feet of retail space for the sale of to-go beer and beer related items and 158 square feet of space for a tasting room. The remaining 276 square feet of space will be utilized as storage space. The proposed hours of operation would be from 11 a.m. to 8 p.m. Sunday through Thursday and 11 a.m. to 10 p.m. Friday and Saturday. Within the operation plan the owners explain the business would provide three main functions: introducing English Ales craft beers to the local populace and visitors, developing their wholesale business within Santa Cruz and Santa Clara Counties by providing prospective accounts with a facility in which they can taste the products, and
establishing a retail outlet for beer and beer related items, such as glassware, mugs, growlers, shirts, and more (Attachment 2).

The applicant is requesting a duplicate Type 23 alcohol license (Attachment 3). A Type 23 Small Beer Manufacturer license from the Department of Alcoholic Beverage Control (ABC) authorizes the sale of beer to any person holding a license authorizing the sale of beer, and to consumers for consumption on or off the manufacturer’s licensed premises. They may also conduct beer tastings under specified conditions (no restaurant or beer production on the site). Minors are allowed on the premises.

Conditional Use Permit
The proposed use is retail to sell English Ale Brewery beer and beer related items in conjunction with a tasting room. Under Capitola Municipal Code §17.21.060(D), business establishments that sell or dispense alcoholic beverages are listed as a conditional use, therefore a conditional use permit is required for this project.

In considering an application for a conditional use, the Planning Commission shall give due regard to the nature and condition of all adjacent uses and structures. In issuing a conditional use permit, the commission may impose requirements and conditions with respect to location, design, siting, maintenance and operation of the use in addition to those expressly provided in CMC Chapter 17.60 for the particular use, as may be necessary for the protection of the adjacent properties and in the public interest.

In approving a use permit, the commission may include such conditions as the commission deems reasonable and necessary under the circumstances to preserve the integrity and character of the district and to secure the general purposes of CMC Chapter 17.60, the general plan, and the local coastal program. Such conditions, without limiting the discretion and authority of the commission, may include time limitations, further architectural and site review, street dedication, and street and drainage improvements.

Alcohol tasting rooms are not defined within the zoning ordinance. As a result, staff analyzed comparable existing businesses within the CV (Central Village) zoning district to see how they have been treated.

In 2002, the Planning Commission approved a conditional use permit for the retail sale of alcohol (wine) and wine tasting for Armida Winery at 103 Stockton Avenue. The conditional use permit did not specify a maximum number of seats or limit the hours of operation, but because of the small size of the space, the tasting room was designed with only a bar counter with no seats.

The Planning Commission has also approved several applications for alcohol within takeout eating establishments that provide six seats or less, including Manicomio (in the restaurant space in the Mercantile that is now Caruso’s) in 1998, Pizzeria La Bufala in 2019 (six seats or less), and The Daily Grind in 2019 (six seats or less).

Staff directed the applicant for 111 Capitola Avenue to limit the area open to customers for alcohol consumption to 160 square feet and limit the seating in the combined retail and tasting room area to six seats or less. This would ensure the retail use is not intensified to a bar, and no additional parking will be required. The applicant has provided a floor plan showing that the alcohol consumption area is less than 160 square feet and indicating where the six seats will be located (Attachment 1). Staff included condition of approval #2 to limit the consumption area to 160 square feet and six seats.
The Planning Commission could also continue or deny the application and direct staff to amend the code to include a definition for ‘tasting room’ and specific review criteria.

Chief of Police Terry McManus has reviewed the application, conducted a site visit, and made findings that support the approval of the CUP for a Type 23 alcohol license at 111 Capitola Avenue. Chief McManus also provided a letter of necessity and convenience for the project, which is required by the ABC for a location in a high crime area and/or a census tract with an overconcentration of alcohol outlets (Attachment 4).

Parking
The proposed retail establishment with alcohol sales and a tasting room will not intensify the parking requirements for the site, so no additional parking is required.

As mentioned prior, a “tasting room” is not specifically defined within the code, but has been interpreted to fit within a retail use with a conditional use permit for sale of alcohol. The Planning Commission may not agree with this interpretation and could deny the application due to the use not being specifically listed as a land use within the CV zoning district. Tasting rooms could be further analyzed during future zoning code updates.

CEQA
The project is categorically exempt under Section 15301 of the California Environmental Quality Act and is not subject to Section 753.5 of Title 14 of the California Code of Regulations. The proposed project involves approval of a commercial use in an existing commercial space and the sale of alcohol for on-site consumption in an existing commercial space. No adverse environmental impacts were discovered during project review by either Planning Department Staff or the Planning Commission.

RECOMMENDATION
Staff recommends the Planning Commission consider the application and staff’s interpretation of beer retail sales with a tasting room. The Planning Commission may approve project application #19-0581 based on the following Conditions and Findings for Approval or deny the application.

CONDITIONS OF APPROVAL
1. The project approval consists of a Conditional Use Permit for alcohol sales (English Ales Brewery) and a 158-square-foot tasting room within a 775-square-foot commercial structure. The proposed project is approved as indicated on the final plans reviewed and approved by the Planning Commission on December 5, 2019, except as modified through conditions imposed by the Planning Commission during the hearing.

2. The primary use on the site is retail related to English Ales Brewery and includes the sale of beer for offsite consumption. The tasting room is limited to a maximum of 160 square feet of area open to customers for tasting with a maximum of 6 seats.

3. A copy of the approved Department of Alcoholic Beverage Control (ABC) Permit must be filed with the Community Development Department prior to initiating on-site beer and wine sales. The Conditional Use Permit is limited to a duplicate Type 23 license through the ABC. A proposed change in the type of liquor licensed issued by ABC will necessitate approval of an amendment to the Conditional Use Permit.

4. The applicant shall receive permission from ABC prior to December 5, 2021. The
conditional use permit will expire in the case where the conditionally permitted use has not been exercised within two years after the date of granting thereof. Any interruption or cessation beyond the control of the property owner shall be deemed to have been "used" when actual substantial, continuous activity has taken place upon the land pursuant to the permit. Applications for extension may be submitted by the applicant prior to permit expiration, pursuant to Municipal Code section 17.81.160.

5. Compliance with all conditions of approval and the ABC license requirements and conditions shall be demonstrated to the satisfaction of the Community Development Director. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance issue in a timely manner may result in permit revocation.

6. There shall be no amplified audible entertainment inside the business that can be audible outside of the business.

7. Prior to construction, a building permit shall be secured for any new construction or modifications to structures authorized by this permit. Final building plans shall be consistent with the plans approved by the Planning Commission. All construction and site improvements shall be completed according to the approved plans.

8. At time of submittal for building permit review, the Conditions of Approval must be printed in full on the cover sheet of the construction plans.

9. At time of submittal for building permit review, Public Works Standard Detail SMP STRM shall be printed in full and incorporated as a sheet into the construction plans. All construction shall be done in accordance with the Public Works Standard Detail BMP STRM.

10. Prior to making any changes to approved plans, modifications must be specifically requested and submitted in writing to the Community Development Department. Any significant changes to the size or exterior appearance of the structure shall require Planning Commission approval.

11. Prior to issuance of building permit, all Planning fees associated with permit #19-0581 shall be paid in full.

12. Prior to any work in the City road right of way, an encroachment permit shall be acquired by the contractor performing the work. No material or equipment storage may be placed in the road right-of-way.

13. During construction, any construction activity shall be subject to a construction noise curfew, except when otherwise specified in the building permit issued by the City. Construction noise shall be prohibited between the hours of nine p.m. and seven-thirty a.m. on weekdays. Construction noise shall be prohibited on weekends with the exception of Saturday work between nine a.m. and four p.m. or emergency work approved by the building official. §9.12.010B

14. Prior to issuance of a Certificate of Occupancy, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Community Development
Director. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.

15. This permit shall expire 24 months from the date of issuance. The applicant shall have an approved building permit and construction underway before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Municipal Code section 17.81.160.

16. The planning and infrastructure review and approval are transferable with the title to the underlying property so that an approved project may be conveyed or assigned by the applicant to others without losing the approval. The permit cannot be transferred off the site on which the approval was granted.

FINDINGS

A. The project, subject to the conditions imposed, secure the purposes of the Zoning Ordinance, General Plan, and Local Coastal Plan.
Community Development Staff and the Planning Commission have reviewed the project. The proposed retail space with alcohol sales and a tasting room with six seats or less with a duplicate Type 23 alcohol license complies with the development standards of the C-V District. The project secures the purpose of the Zoning Ordinance, General Plan, and Local Coastal Plan.

B. The project will maintain the character and integrity of the neighborhood.
Community Development Staff and the Planning Commission have reviewed the application for the retail space with alcohol sales and a tasting room with six seats or less with a duplicate Type 23 alcohol license. The use will fit with the surrounding commercial uses. The project will maintain the character and integrity of the neighborhood.

C. This project is categorically exempt under Section 15301 of the California Environmental Quality Act and is subject to Section 753.5 of Title 14 of the California Code of Regulations.
Section 15301 of the CEQA Guidelines exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination. This project involves a retail space with alcohol sales and a tasting room with six seats or less with a duplicate Type 23 alcohol license for the sale of beer and wine for on-site consumption within the C-V (Central Village) zoning district. No adverse environmental impacts were discovered during review of the proposed project.

ATTACHMENTS:

1. 111 Capitola Avenue - Full Plan Set - 11.04.2019
2. 111 Capitola Avenue - English Ales Brewery - Business Plan
3. ABC License Type List - 2019
4. PCN Letter to ABC - English Ales Brewery

Prepared By: Matt Orbach
Associate Planner
Dear Matthew,

Pursuant to your request, the following is a brief synopsis of our business plan.

English Ales Brewery is a small beer manufacturer, established in 2000, in Marina, California. We are family owned and operated and while our principle business is the manufacture of craft beers for the hospitality industry, we also operate a small café, adjacent to the brewhouse.

Throughout the past 20 years, we have established a solid customer base, mostly throughout Monterey County and we would like to broaden our horizons somewhat. With that in mind, our vision for the Capitola facility is threefold, the first of which is to introduce our craft beers to the local populace and visitor’s alike.

Second, we wish to develop our wholesale business within Santa Cruz and Santa Clara Counties, by providing our prospective accounts with a facility in which they can taste our products.

Our third objective is to establish a retail outlet for beer and beer related items such as glassware, mugs, growlers, shirts etc. Cased and kegged beers to go, as well as supplies for home brewers.

The building interior will be decorated in the style of an Olde World English Cottage.

Beer will be served in the areas designated by the tables and chairs which are shown on the floor plan. All alcohol sales will be served by professional servers who have completed the Alcoholic Beverage Control “Lead” program.

Sincerely,

Peter Blackwell.
<table>
<thead>
<tr>
<th>LICENSE TYPE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>BEER MANUFACTURER - (Large Brewery) Authorizes the sale of beer to any person holding a license authorizing the sale of beer, and to consumers for consumption on or off the manufacturer’s licensed premises. Without any additional licenses, may sell beer and wine, regardless of source, to consumers for consumption at a bona fide public eating place on the manufacturer’s licensed premises or at a bona fide eating place contiguous to the manufacturer’s licensed premises. May conduct beer tastings under specified conditions (Section 23357.3). Minors are allowed on the premises.</td>
</tr>
<tr>
<td>02</td>
<td>WINEGROWER - (Winery) Authorizes the sale of wine and brandy to any person holding a license authorizing the sale of wine and brandy, and to consumers for consumption off the premises where sold. Authorizes the sale of all wines and brandies, regardless of source, to consumers for consumption on the premises in a bona fide eating place that is located on the licensed premises or on premises owned by the licensee that are contiguous to the licensed premises and operated by and for the licensee. May possess wine and brandy for use in the preparation of food and beverage to be consumed at the bona fide eating place. May conduct winetastings under prescribed conditions (Section 23356.1; Rule 53). Minors are allowed on the premises.</td>
</tr>
<tr>
<td>20</td>
<td>OFF SALE BEER &amp; WINE - (Package Store) Authorizes the sale of beer and wine for consumption off the premises where sold. Minors are allowed on the premises.</td>
</tr>
<tr>
<td>21</td>
<td>OFF SALE GENERAL - (Package Store) Authorizes the sale of beer, wine and distilled spirits for consumption off the premises where sold. Minors are allowed on the premises.</td>
</tr>
<tr>
<td>23</td>
<td>SMALL BEER MANUFACTURER - (Brew Pub or Micro-brewery) Authorizes the same privileges and restrictions as a Type 01. A brewpub is typically a very small brewery with a restaurant. A micro-brewery is a small-scale brewery operation that typically is dedicated solely to the production of specialty beers, although some do have a restaurant or pub on their manufacturing plant.</td>
</tr>
<tr>
<td>40</td>
<td>ON SALE BEER - (Bar, Tavern) Authorizes the sale of beer for consumption on or off the premises where sold. No wine or distilled spirits may be on the premises. Full meals are not required; however, sandwiches or snacks must be available. Minors are allowed on the premises.</td>
</tr>
<tr>
<td>41</td>
<td>ON SALE BEER &amp; WINE – EATING PLACE - (Restaurant) Authorizes the sale of beer and wine for consumption on or off the premises where sold. Distilled spirits may not be on the premises (except brandy, rum, or liqueurs for use solely for cooking purposes). Must operate and maintain the licensed premises as a bona fide eating place. Must maintain suitable kitchen facilities, and must make actual and substantial sales of meals for consumption on the premises. Minors are allowed on the premises.</td>
</tr>
<tr>
<td>42</td>
<td>ON SALE BEER &amp; WINE – PUBLIC PREMISES - (Bar, Tavern) Authorizes the sale of beer and wine for consumption on or off the premises where sold. No distilled spirits may be on the premises. Minors are not allowed to enter and remain (see Section 25663.5 for exception, musicians). Food service is not required.</td>
</tr>
<tr>
<td>47</td>
<td>ON SALE GENERAL – EATING PLACE - (Restaurant) Authorizes the sale of beer, wine and distilled spirits for consumption on the licensed premises. Authorizes the sale of beer and wine for consumption on the licenses premises. Must operate and maintain the licensed premises as a bona fide eating place. Must maintain suitable kitchen facilities, and must make actual and substantial sales of meals for consumption on the premises. Minors are allowed on the premises.</td>
</tr>
<tr>
<td>48</td>
<td>ON SALE GENERAL – PUBLIC PREMISES - (Bar, Night Club) Authorizes the sale of beer, wine and distilled spirits for consumption on the premises where sold. Authorizes the sale of beer and wine for consumption off the premises where sold. Minors are not allowed to enter and remain (see Section 25663.5 for exception, musicians). Food service is not required.</td>
</tr>
<tr>
<td>49</td>
<td>ON SALE GENERAL – SEASONAL - Authorizes the same privileges and restrictions as provided for a Type 47 license except it is issued for a specific season. Inclusive dates of operation are listed on the license certificate.</td>
</tr>
<tr>
<td>LICENSE TYPE</td>
<td>DESCRIPTION</td>
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<tr>
<td>51</td>
<td>CLUB - Authorizes the sale of beer, wine and distilled spirits, to members and guests only, for consumption on the premises where sold. No off-sale privileges. Food service is not required. Minors are allowed on the premises.</td>
</tr>
<tr>
<td>52</td>
<td>VETERAN’S CLUB - Authorizes the sale of beer, wine and distilled spirits, to members and guests only, for consumption on the premises where sold. Authorizes the sale of beer and wine, to members and guest only, for consumption off the licensed premises. Food service is not required. Minors are allowed on the premises.</td>
</tr>
<tr>
<td>57</td>
<td>SPECIAL ON SALE GENERAL - Generally issued to certain organizations who cannot qualify for club licenses. Authorizes the sale of beer, wine and distilled spirits, to members and guests only, for consumption on the premises where sold. Authorizes the sale of beer and wine, to members and guests only, for consumption off the licensed premises. Food service is not required. Minors are allowed on the premises.</td>
</tr>
<tr>
<td>59</td>
<td>ON SALE BEER AND WINE – SEASONAL - Authorizes the same privileges as a Type 41. Issued for a specific season. Inclusive dates of operation are listed on the license certificate.</td>
</tr>
<tr>
<td>60</td>
<td>ON SALE BEER – SEASONAL - Authorizes the sale of beer only for consumption on or off the premises where sold. Issued for a specific season. Inclusive dates of operation are listed on the license certificate. Wine or distilled spirits may not be on the premises. Minors are allowed on the premises.</td>
</tr>
<tr>
<td>61</td>
<td>ON SALE BEER – PUBLIC PREMISES - (Bar, Tavern) Authorizes the sale of beer only for consumption on or off the licensed premises. Wine or distilled spirits may not be on the premises. Minors are not allowed to enter and remain (warning signs required). Food service is not required.</td>
</tr>
<tr>
<td>67</td>
<td>BED AND BREAKFAST INN - Authorizes the sale of wine purchased from a licensed winegrower or wine wholesaler only to registered guests of the establishment for consumption on the premises. No beer or distilled spirits may be on the premises. Wine shall not be given away to guests, but the price of the wine shall be included in the price of the overnight transient occupancy accommodation. Removal of wine from the grounds is not permitted. Minors are allowed on the premises.</td>
</tr>
<tr>
<td>70</td>
<td>ON SALE GENERAL – RESTRICTIVE SERVICE - Authorizes the sale or furnishing of beer, wine and distilled spirits for consumption on the premises to the establishment’s overnight transient occupancy guests or their invitees. This license is normally issued to “suite-type” hotels and motels, which exercise the license privileges for guests’ “complimentary” happy hour. Minors are allowed on the premises.</td>
</tr>
<tr>
<td>75</td>
<td>ON SALE GENERAL – BREWPUB - (Restaurant) Authorizes the sale of beer, wine and distilled spirits for consumption on a bona fide eating place plus a limited amount of brewing of beer. This license does not authorize the sale of alcoholic beverages for consumption off the premises where sold. Minors are allowed on the premises.</td>
</tr>
<tr>
<td>80</td>
<td>BED AND BREAKFAST INN – GENERAL - Authorizes the sale of beer, wine and distilled spirits purchased from a licensed wholesaler or winegrower only to registered guests of the establishment for consumption on the premises. Alcoholic beverages shall not be given away to guests, but the price of the alcoholic beverage shall be included in the price of the overnight transient occupancy accommodation. Removal of alcoholic beverages from the grounds is not permitted. Minors are allowed on the premises.</td>
</tr>
<tr>
<td>86</td>
<td>INSTRUCTIONAL TASTING LICENSE – Issued to the holder of and premises of a Type 20 or Type 21 licensee, authorizes the tasting of alcoholic beverages as authorized to be sold from the off-sale premises, on a limited basis. Requires physical separation from the off-sale premises while tasting is taking place and generally requires the participation of a specifically-authorized manufacturer or wholesaler licensee.</td>
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</table>
SPECIAL EVENTS

The Department also issues licenses and authorizations for the retail sale of beer, wine and distilled spirits on a temporary basis for special events. The most common are listed below. Other less common ones are found in Business and Professions Code Section 24045.2, et seq.

SPECIAL DAILY BEER AND/OR WINE LICENSE - (Form ABC-221) Authorizes the sale of beer and/or wine for consumption on the premises where sold. No off-sale privileges. Minors are allowed on the premises. May be revoked summarily by the Department if, in the opinion of the Department and/or the local law enforcement agency, it is necessary to protect the safety, welfare, health, peace and morals of the people of the State. In some instances, the local ABC office may require the applicant to obtain prior written approval of the local law enforcement agency. Issued to non-profit organizations. (Rule 59, California Code of Regulations)

DAILY ON SALE GENERAL LICENSE - (Form ABC-221) Authorizes the sale of beer, wine and distilled spirits for consumption on the premises where sold. No off-sale privileges. Minors are allowed on the premises. May be revoked summarily by the Department if, in the opinion of the Department and/or the local law enforcement agency, it is necessary to protect the safety, welfare, health, peace and morals of the people of the State. In some instances, the local ABC office may require the applicant to obtain prior written approval of the local law enforcement agency. Issued to political parties or affiliates supporting a candidate for public office or a ballot measure or charitable, civic, fraternal or religious organizations. (Section 24045.1 and Rule 59.5 California Code of Regulations)

CATERING AUTHORIZATION - (Form ABC-218) Authorizes Type 47, 48, 51, 52, 57, 75 and 78 licensees (and catering businesses that qualify under Section 24045.12) to sell beer, wine and distilled spirits for consumption at conventions, sporting events, trade exhibits, picnics, social gatherings, or similar events. Type 47, 48 and 57 licensees may cater alcoholic beverages at any ABC-approved location in the State. Type 51 and 52 licensees may only cater alcoholic beverages at their licensed premises. All licensees wishing to cater alcoholic beverages must obtain prior written authorization from the Department for each event. At all approved events, the licensee may exercise only those privileges authorized by the licensee’s license and shall comply with all provisions of the ABC Act pertaining to the conduct of on-sale premises and violation of those provisions may be grounds for suspension or revocation of the licensee’s license or permit, or both, as though the violation occurred on the licensed premises. (Section 23399 and Rule 60.5 California Code of Regulations)

EVENT AUTHORIZATION - (Form ABC-218) Authorizes Types 41, 42, 47, 48, 49, 57, 75 and 78 licensees to sell beer, wine and distilled spirits for consumption on property adjacent to the licensed premises and owned or under the control of the licensee. This property shall be secured and controlled by the licensee and not visible to the general public. The licensee shall obtain prior approval of the local law enforcement agency. At all approved events, the licensee may exercise only those privileges authorized by the licensee’s license and shall comply with all provisions of the ABC Act pertaining to the conduct of on-sale premises (including any license conditions) and violations of those provisions may be grounds for suspension or revocation of the licensee’s license or permit, or both, as though the violation occurred on the licensed premises. (Section 23399)

WINE SALES EVENT PERMIT - (Form ABC-239) Authorizes Type 02 licensees to sell bottled wine produced by the winegrower for consumption off the premises where sold and only at fairs, festivals or cultural events sponsored by designated tax exempt organizations. The licensee must notify the city and/or county where the event is being held and obtain approval from ABC for each event (Form ABC-222). The licensee must also comply with all restrictions listed in Business and Professions Code Section 23399.6.

Note:

1. “Minor” means any person under 21 years of age.
2. Consult Section 25663(b) regarding age of employees in off-sale premises; consult Sections 25663(a) and 25663.5 regarding age of employees in on-sale premises.
3. In certain situations, ABC may place reasonable conditions upon a license, such as restrictions as to hours of sale, employment of designated persons, display of signs, restrictions on entertainment or dancing, etc. If a license has been conditioned, it will be endorsed as such on the face of the license. (Conditional licenses, Sections 23800-23805.)

ABC-616 (01-15)
4. Licensees whose license allows minors on the premises may have a “house policy” restricting minors from entering certain areas of the premises or prohibiting minors in the premises during certain hours.

5. This handout contains only abbreviated information. Contact your local ABC office for full information before doing anything which may jeopardize your license. Also available from the ABC: Quick Summary of Selected ABC Laws (form ABC-608); Alcoholic Beverage Control Act (complete laws); Rules & Regulations; and P-90 (describes privileges of non-retail licenses).
November 4, 2019

District Administrator
California Department of Alcoholic Beverage Control
1137 Westridge Parkway
Salinas, CA 93907

Reference: English Ales Brewery
111 Capitola Avenue, Capitola, CA 95010 (Proposed location)
Type 23- Tasting Room

Dear Administrator:

The applicant, English Ales Brewery, applied to the City of Capitola on October 28, 2019, for a use permit to conduct business at 111 Capitola Avenue, Capitola, California. Their letter indicates English Ales Brewery will be offering beer for tasting and retail sale under a Type 23 alcohol beverage license.

The proposed business is located in police responsibility area 4401 and U.S. census tract number 1218.00. The site is in a high crime area and the census tract is over-concentrated (8 licenses authorized and 28 currently existing) thus requiring a letter of necessity and convenience.

The Local Governing Body has determined, pursuant to §23958.4 of the Business and Professions Code, that the applicant serves the public convenience (§23958.4 b(2) B & P) and California Department of Alcoholic Beverage Control (A.B.C.) should approve an alcohol license Type 23 Beer Tasting Room, to the above captioned applicant.

This letter is being issued with the understanding that conditions placed by the City of Capitola on the businesses' special use permit, be incorporated in the license issued by ABC.

In 1994, the California legislature provided amendments to the law that allowed for local control of some alcohol licenses. The purpose of this legislation is to help fight blighted and crime-impacted areas. The City Council appointed the Chief of Police as
the local governing body in decisions related to public convenience or necessity in the issuance of certain alcohol licenses as required by section §23958.4 B. & P.

In the several years that we have been working with these new laws, we have applied the law of undue concentration and high crime areas as defined by the legislation. As part of our review, we look at all the circumstances that could be negative or positive about the determination of convenience or necessity.

We also weigh both sides as it applies to specific location in the City and the specific applicant. Does the proposed establishment fit the goals of the city? Does the proposed establishment promote rather than detract from economic goals, plans, or redevelopment of the city? Does the proposed establishment pose a law enforcement or public health problem? Does the establishment help alleviate blight or a crime affected area?

In making the decision of public convenience or necessity in the aforementioned application, the following facts were considered and weighed;

1. The business has committed to operating in a successful relationship with the City of Capitola and staff to avoid any police related issues.

2. The business has agreed to participate in an employee training program, with curriculum that includes not only business-related activities but also a section on ABC Laws. The business is committed to training people and has agreed to take part in future ABC LEADS (Licensee Education on Alcohol and Drugs) workshops.

3. The Capitola Police Department along with the Capitola Community Development Department has conducted a site visit of the proposed location and found it to be a professional looking, clean, well-run business, which fits with the types of businesses the City supports in our community.

In summary, English Ales Brewery has the potential to become a successful business in the Village area of the City of Capitola and will most likely enjoy success and provide positive economic vitality to the City with very few public safety concerns.

Sincerely,

Terry McManus
Chief of Police