RESOLUTION NO. - 20 (PC)

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE. CALIFORNIA. APPROVING A SPECIAL USE PERMIT (APPLICATION NO. 66) TO ALLOW THE ESTABLISHMENT OF AN ON-SALE GENERAL - RESTRICTIVE SERVICE ABC LICENSE FOR A PROPOSED HOTEL WITH ALCOHOL SALES (HAMPTON INN AND SUITES) LOCATED AT 75 LEE ROAD, WATSONVILLE, CALIFORNIA (APN 018-302-05)

Project: Elite Hospitality Group LLC for Hampton Inn and Suites APN: 018-302-05

WHEREAS, on May 11, 2020, an application for a Special Use Permit (Application No. 66) to allow the establishment of a Type 70 ABC License to sell beer, wine and distilled spirits for on-site consumption at a proposed four story, 112 room hotel at 75 Lee Road, Watsonville, California, was filed by Elite Hospitality Group LLC, applicant and property owner; and

WHEREAS, the project site is designated General Commercial (GC) on the General Plan Land Use Diagram and is within the Visitor Commercial (CV) Zoning District; and

WHEREAS, the project qualifies for a Class 1 Categorical Exemption from the provisions of the California Environmental Quality Act (CEQA), pursuant to Section 15301 of the CEQA Guidelines; and

WHEREAS, on September 1, 2015, the Planning Commission of the City of Watsonville adopted Resolution No. 19-15 (PC), approving a Special Use and Design Review Permit with Environmental Review (PP2015-184) to allow construction of a 3,673± square-foot service station (foot mart) with 12 pumps and four restaurant pads with a drive-through lane totaling 6,326± square-feet for the project site located at 1715 West Beach Street (APN 018-302-03).; and

WHEREAS, On April 5, 2016, the Planning Commission of the City of Watsonville adopted Resolution No. 07-16 (PC), recommending that the City Council approved a General Plan Map Amendment for the site from Industrial (I) to General Commercial (GC) and associated rezoning from General Industrial (IG) to Visitor Commercial (CV) including a policy modification deleting hotel/motel from the Ag buffer requirements of Resolution No. 274-04 (CM); and recommending approval of a Special Use Permit with Design Review and Environmental Review (PP2015-74) to allow construction of two four-story hotel buildings totaling 192 rooms and three additional store pads totaling 5,000± squarefeet and three additional restaurant pads totaling 12,850± square-feet.; and

WHEREAS, on April 26, 2016, the City Council of the City of Watsonville adopted Resolution No. 57-16 (CM), approving the Mitigated Negative Declaration and Mitigation Monitoring Plan in compliance with California Environmental Quality Act (CEQA) for environmental review for the construction of a four-story, 112 room hotel; a four-story, 80 room hotel; three restaurant pads totaling 12,850± square-feet; and three store pads totaling 5,000± square feet on a 7.3± acre project site located at 1715 West Beach Street (APN 018-302-03); and

WHEREAS, also on April 26, 2016, the City Council of the City of Watsonville adopted Resolution No. 58-16 (CM), approving the 20th Amendment to the Watsonville 2005 General Plan to re-designate the project site at Assessor's Parcel Number 018-302-03 located at 1715 West Beach Street, Watsonville, California, from (I) Industrial to (GC) General Commercial to allow the construction of a four-story, 112 room hotel (Hampton Inn); a future four-story, 80 room hotel; 5,000± square-foot retail space; and 12,850± square-foot space for three restaurant pads on a7.3± acre project site, and directing

changes to be made on the General Plan Land Use Diagram of the City of Watsonville: and

WHEREAS, also on April 26, 2016, the City Council of the City of Watsonville introduced an uncodified ordinance approving the rezoning of the project site at Assessor's Parcel Number 018-203-03 located at 1715 West Beach Street, Watsonville, California, from IG (General Industrial) to CV (Visitor Commercial) and directing changes to be made on the Zoning Map of the City of Watsonville. At the next regularly scheduled City Council meeting of May 10, 2016, the City Council of the City of Watsonville adopted Ordinance No. 1329-16 (CM), approving the rezoning of the subject site; and

WHEREAS, also on April 26, 2016, the City Council of the City of Watsonville adopted Resolution No. 59-16 (CM), approving application No. PP2015-74 for a Special Use Permit with Design Review, to allow construction of a four-story, 112 room hotel; a four-story, 80 room hotel; three restaurant pads totaling 12,850± square-feet; and three store pads totaling 5,000± square-feet on a 7.3± project site located at 1715 West Beach Street (APN 018-302-03); and

WHEREAS, On August 2, 2016, the Zoning Administrator approved a Minor Modification (PP2016-134) to Special Use Permit with Design Review (PP2015-74/PP2015-184) for the construction of a service station with food mart and three restaurant pads (including a previously approved drive through) at the subject project site; and

WHEREAS, On March 15, 2017, the Community Development Director approved a Certificate of Compliance (PP2014-205) to recognize three parcels which comprise the subject site (APN 018-302-03); and

WHEREAS, on May 15, 2017, the Minor Land Division Committee approved Boundary Line Adjustment (PP2017-93) to modify the boundary lines between three lots located at 69-79 Lee Road (formerly 1715 West Beach Street); and

WHEREAS, on April 20, 2020, the Minor Land Division Committee approved the Minor Land Division (Tentative Parcel Map) Application (PP2020-27) to allow creation of two parcels at 69-79 Lee Road (APN 018-302-06); and

WHEREAS, on April 30, 2020, the Zoning Administrator approved a Minor Modification (PP2020-90) to Special Use Permit with Design Review and Environmental Review (PP2015-74/PP2015-184) to allow color changes to be consistent with Hampton Inn color palettes for an approved 4-story, 112 room hotel; and

WHEREAS, notice of time and place of the hearing to consider Special Use Permit (Application No. 66) was given at the time and in the manner prescribed by the Zoning Ordinance of the City of Watsonville. The matter called for hearing evidence both oral and documentary introduced and received, and the matter submitted for decision; and

WHEREAS, the Planning Commission has considered all written and verbal evidence regarding this application at the public hearing and has made Findings, attached hereto and marked as Exhibit "A," in support of the Special Use Permit (Application No. 66) to allow the establishment of an on-sale general – restrictive service beer, wine, and distilled spirits license at a proposed hotel with alcohol sales located at 75 Lee Road (APN 018-302-05).

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Watsonville, California, as follows:

Good cause appearing, therefore, the Planning Commission of the City of Watsonville does hereby grant approval of Special Use Permit (Application No. 66), attached hereto and marked as Exhibit "C," subject to the Conditions attached hereto and

marked as Exhibit "B," to allow the establishment of an on-sale general - restrictive service beer, wine and distilled spirits license at a proposed hotel with alcohol sales located at 75 Lee Road, Watsonville, CA (APN 018-302-05).

I HEREBY CERTIFY that the foregoing Resolution was introduced at a regular meeting of the Planning Commission of the City of Watsonville, California, held on the 14th day of July, 2020, by Commissioner_____, who moved its adoption, which motion being duly seconded by Commissioner_____, was upon roll call, carried and the resolution adopted by the following vote: Ayes: Commissioners: Noes: Commissioners: Absent: Commissioners: Suzi Merriam, Secretary Mathew H. Jones, Chairperson

Planning Commission

Planning Commission

CITY OF WATSONVILLE PLANNING COMMISSION

EXHIBIT "A"

Application No: 66 APN: 019-302-05

Applicant: Elite Hospitality Group LLC

Hearing Date: July 14, 2020

SPECIAL USE PERMIT FINDINGS (WMC § 14-12.513)

The purpose of the Special Use Permit is to allow the establishment of a convenience store with beer, wine, and distilled spirit sales under new ownership, pursuant to WMC Chapter 14-16.

1. The proposed use at the specified location is consistent with the policies embodied in the adopted General Plan and the general purpose and intent of the applicable district regulations.

Supportive Evidence

As hotels are intended to serve a variety of retail and service needs of the community, they are an allowed use on land designated General Commercial in the City's General Plan. A hotel with on sale general – restrictive service beer, wine and distilled spirits sales are allowed as a conditional use in commercial zones with approval of a Special Use Permit. The proposed hotel is located in the CV Zoning District. The requested Special Use Permit for the establishment of onsale general – restrictive service beer, wine, and distilled spirits at a proposed hotel has been conditioned to conform to all applicable requirements of Chapter 14-25 (Alcohol Related Uses) of Title 14 (Zoning).

2. The proposed use is compatible with and preserves the character and integrity of adjacent development and neighborhoods and includes improvements or modifications either on-site or within the public rights-ofway to mitigate development related adverse impacts such as traffic, noise, odors, visual nuisances, or other similar adverse effects to adjacent development and neighborhoods.

Supportive Evidence

Pursuant to WMC Section 14-16.1603(b) and WMC Chapter 14-25, establishing an on-sale general beer, wine, and distilled spirits license is allowed via issuance of a Special Use Permit. Standard conditions have been placed on the hotel with alcohol sales to ensure adverse impacts do not occur related to alcohol sales, in accordance with WMC Sections 14-25.021 and 14-25.022. These conditions ensure the convenience store will be compatible with the neighborhood.

3. The proposed use will not generate pedestrian or vehicular traffic which will be hazardous or conflict with the existing and anticipated traffic in the neighborhood.

Supportive Evidence

The proposed project is an approved hotel that is part of a larger approved commercial retail development. The Special Use Permit to establish on-sale general - restrictive service of beer, wine and distilled spirit sales in a proposed hotel will not generate additional pedestrian or vehicular traffic that will be hazardous or conflicting with the existing and anticipated traffic in the neighborhood.

4. The proposed use incorporates roadway improvements, traffic control devices or mechanisms, or access restrictions to control traffic flow or divert traffic as needed to reduce or eliminate development impacts on surrounding neighborhood streets.

Supportive Evidence

No alterations to building layout or location are proposed as part of this Use Permit, and no additional traffic impacts are anticipated to occur as a result of establishing on-sale general - restrictive services of beer, wine, and distilled spirit sales at a proposed hotel. As such, no additional onsite or roadway improvements or modifications are required as part of this Use Permit.

5. The proposed use incorporates features to minimize adverse effects, including visual impacts and noise, of the proposed special use on adjacent properties.

Supportive Evidence

As stated previously, standard conditions have been placed on the convenience store with off sale beer, wine and distilled spirit sales to ensure adverse impacts do not occur related to alcohol sales, in accordance with WMC Sections 14-25.021 and 14-25.022. These conditions ensure the proposed hotel will continue to be compatible with the neighborhood.

The applicant has stated that there will be no live entertainment on-site. If they were to have live entertainment, the applicant must first obtain a permit from the Watsonville Police Department before holding any entertainment, amplified music and/or specific event and then comply with any conditions pertaining to said permit. As conditioned, establishing a Type 70 ABC license at a proposed hotel will not result in additional noise impacts.

6. The proposed special use complies with all additional standards imposed on it by the particular provisions of this chapter and all other requirements of this title applicable to the proposed special use and uses within the applicable base zoning district.

Supportive Evidence

As stated previously, the proposed use is required to comply with standard operational conditions for a hotel with on-sale general – restrictive service of beer, wine and distilled spirit sales, which limit the hours of operation, and prohibit the drive-through service of alcohol. The convenience store has been conditioned to require that all managers and employees attend LEAD training within 90 days of approval of this Use Permit and/or employment at the convenience store.

7. The proposed special use will not be materially detrimental to the public health, safety, convenience and welfare, and will not result in material damage or prejudice to other property in the vicinity.

Supportive Evidence

The proposed hotel with on-sale general - restrictive service beer, wine, and distilled spirit sales complements the proposed commercial uses in the vicinity of the project site. As conditioned, the hotel with alcohol sales will be required to comply with all requirements of an establishment with on-sale beer, wine, and distilled spirit sales. As conditioned, the establishment of a hotel with alcohol sales will not be detrimental to the public health, safety, convenience and welfare, and will not result in material damage or prejudice to other property in the vicinity.

In addition, the project site is within a developed area that is currently served by municipal services, including water, sewer, police and fire, and therefore would not cause serious a public health or safety problem to future patrons of the hotel and adjacent commercial businesses.

ALCOHOL-RELATED USE FINDINGS (WMC § 14-25.013)

1. The proposed use received the minimum score necessary to issue a conditional use permit.

Supportive Evidence

The application received a passing score of 1,300, exceeding the minimum score of 1,100 points.

2. The proposed use will not cause adverse noise, liter, crowd control, or parking impacts.

Supportive Evidence

The subject site is a proposed hotel within the Visitor Commercial (CV) zone where adequate parking exists to the front, rear, and sides of the hotel. The applicant has indicated that signage will be posted both inside and outside the existing business, altering patrons to keep noise to a minimum while on the premises. The applicant has plans to update lighting in and around the business area and has installed new security cameras. As conditioned, the proposed use will not cause adverse noise, litter, crowd control, or parking impacts for the surrounding development.

3. The proposed use will not create objectionable conditions that constitute a nuisance, as defined in California Business and Professions Code Section 24200(f)(2).

Supportive Evidence

The proposed use, as conditioned with minimum operation standards for alcohol related uses pursuant to WMC Sections 14-25.021, 14-25.022, and 14-25.030, will not create objectionable conditions that constitute a nuisance, as defined in California Business and Professions Code Section 24200(f)(2).

4. The proposed use will maintain all levels of service, including but not limited to the provision of security, maintenance of premises, LEAD training, and professional management as identified in the original application.

Supportive Evidence

The proposed use, as conditioned with minimum operation standards for alcohol related uses, will maintain all levels of services, including but not limited to provisions of security cameras, maintenance of premises, LEAD training, and professional management as identified in the original application.

CITY OF WATSONVILLE PLANNING COMMISSION

EXHIBIT B

Application No: 66 APNs: 018-302-05

Applicant: Elite Hospitality Group LLC

Hearing Date: July 14, 2020

SPECIAL USE PERMIT CONDITIONS OF APPROVAL

General Conditions:

- 1. **Approval.** This approval applies to the application submitted on May 5, 2020 by Elite Hospitality Group LLC, and identified as "Special Use Permit" for the establishment of on-sale general restrictive service beer, wine, and distilled spirits license at a proposed hotel with alcohol sales, received by the Community Development Department on May 11, 2020. (CDD-P)
- 2. Conditional Approval Timeframe. This Special Use Permit (Application No. 66) shall be null and void if not acted upon within 24 months from the effective date of the approval thereof. Time extensions may be considered upon receipt of written request submitted no less than forty-five (45) days prior to expiration and in accordance with the provisions of Section 14-10.1201 of the Watsonville Municipal Code (WMC). (CDD-P)
- 3. **Modifications.** Modifications to the project or conditions imposed may be considered in accordance with WMC Section 14-10.1305. (CDD-P)
- 4. Compliance. The proposed use shall be in compliance with Use Permit Conditions of Approval, all local codes and ordinances, appropriate development standards, and current City policies. Any deviation will be grounds for review by the City and may possibly result in revocation of the Use Permit, pursuant to Part 13 of WMC Chapter 14-10. (CDD-P)
- 5. Grounds for Review. The project shall be in compliance with the conditions of approval, all local codes and ordinances, appropriate development standards, and current City policies. Any deviation will be grounds for review by the City and may possibly result in revocation of the Special Use Permit, pursuant to Part 13 of WMC Chapter 14-10, or other code enforcement actions, pursuant to WMC Chapter 14-14. (CDD-P)
- 6. **Appeal Period/Effective Date.** This Special Use Permit shall not be effective until **14 days** after approval by the decision-making body or following final action on any appeal. (CDD-P)

Ongoing Conditions:

- 7. **ABC Conditions.** Any and all conditions of the Department of Alcohol and Beverage Control (ABC) are incorporated by reference as conditions of approval for this Use Permit. (CDD-P)
- 8. **Neighborhood Compatibility Plan.** The applicant shall implement their Neighborhood Compatibility Plan to ensure the convenience store with beer, wine, and distilled spirit sales will not create objectionable conditions that constitute a nuisance and will be compatible with existing and potential uses within the general area. Specific measures include:
 - Hampton Inn and Suites commits to becoming a proactive and responsible neighborhood partner. To support this commitment, we have a multi-layered plan in place that will focus on identifying and de-escalating issues before they arise, including extensive associate training, and providing 24/7 facilities monitoring. To accomplish this, we will implement safety and neighborhood responsibility training for every associate. This training will include responsible alcohol sales and usage, mandatory ID checks on every sale, identifying and reporting crime, and monitoring both the hotel and surrounding premises. Our hotel will be staffed 24/7 and will always have an associate at the front desk managing the interior and exterior. Cameras will be installed and monitored at the front desk to ensure guest safety and neighborhood accountability.
 - In regards to safety of the hotel grounds, the indoor of the hotel will be fully illuminated. Outdoor lighting will be staggered across the parking lot and will include sidewalks, Signage will be posted throughout the hotel and includes safety signage for the pool, alcohol signage in the pantry, clearly marked exits, and possible hazards such as stairways and wet floors.
 - Hotel management and a houseman will be present seven days a week to ensure safety, promote a clean and litter-free environment, monitor noise and outdoor usage, and immediately address any issues that arise. Specific consideration and vigilance to minimize and eliminate public nuisances such as public intoxication, violence, public urination, solicitation, illegal drug use, drug dealing, loitering, and graffiti will be taken. Restrooms will frequently be checked to ensure no inappropriate drug or other use. Guest alcohol sales will be restricted to adults over the age of 21 who do not appear intoxicated. ID's will be checked with every sale to strictly adhere to prohibitions of sales to minors. Violence will not be tolerated, and will be swiftly dealt with by on-site housemen and the public parking lots will be walked multiple times throughout the day and night to discourage and prevent drug sales loitering, public urination, and other nuisances. (CDD-P)
- 9. **Drive-through Service.** Drive-through service of alcohol is prohibited. (CDD-P, WPD)

- 10. **Exterior Pay Phones.** No exterior pay phones may be placed on the premises. (CDD-P, WPD)
- 11. **Interior Pay Phones.** Interior pay phones shall not allow incoming calls. (CDD-P, WPD)
- 12. **Entertainment Permit.** The permittee shall (a) obtain a permit from the Watsonville Police Department before holding any entertainment, amplified music and/or specific event and (b) comply with any conditions pertaining to said permit in accordance with WMC Section 14-25.021(4) and WMC Chapter 5-9 (CDD-P, WPD)
- 13. **Hours of Operation.** Permitted hours of operation for the "Treats Shop" shall be 24 hours daily, with alcohol sales limited to 6:00AM to 11:00PM daily (CDD-P, WPD)
- 14. **Premise Monitoring.** Business owner shall regularly police the areas under their control, including but not limited to: parking lots, restrooms, alleys, and sidewalks, to prevent the loitering of persons about the premises. (CDD-P, WPD)
- 15. Window Obstructions. Except as may be specifically allowed by the Municipal Code, no portion of the ground floor windows shall be obscured by paint, walls, window tinting, or other masking device. This requirement is intended to facilitate views of the interior from the exterior for public safety and does not prohibit neon signs, minimal window borders, or other signs or decorations that are consistent with the City's sign regulations and do not obscure views. (CDD-P)
- 16. **Minors.** The premises shall remain accessible to minors during all hours of operation. (CDD-P)
- 17. **Exterior Security Lighting.** Exterior security lighting shall be provided. All security lighting shall be shielded and down cast to ensure it does not create a glare nuisance to adjacent properties.
- 18. **Malt Beverage Container Sizes**. Malt beverage and fortified wine shall not be sold in containers with a volume exceeding sixteen (16) ounces. (CDD-P)
- 19. **Malt Beverage Sales**. The sale of individual containers of malt beverage or fortified wine is prohibited. Malt beverage shall mean any malt beverage product, labeled or, marketed as a malt beverage with an alcohol content greater than five (5%) percent by volume is subject to this Code, except those beverages labeled and accepted in the market place as pilsners, lager beer, ales (all styles), porters, stouts and/or micro brewed products. WMC §14-18.532. Fortified wine shall mean any wine to which wine spirits have been added and with an alcohol content in excess of thirteen point five (13.5%) percent and less than twenty-four (24%) percent, except dessert wines commonly referred to and accepted in the marketplace such as vermouth, port, or sherry. WMC §14-18.364.

- 20. **Trash Receptacles.** Permanent litter and trash receptacles shall be located at convenient locations inside and outside establishments, and operators of such establishments shall remove litter and debris on a daily basis. (CDD-P)
- 21. **Required Signs.** The following signs may be required to be prominently posted in a readily visible manner in English, Spanish, and the predominant language of the patrons:
 - "California State Law prohibits the sale of alcoholic beverages to persons under twenty-one (21) years of age."
 - A copy of these performance conditions, any applicable ABC or City operating conditions, and any training requirements shall be posted in at least one (1) prominent place within the interior of the establishment where it will be readily visible and legible to the employees and patrons of the establishment.
- 22. **Employee Age.** Employees shall be at least twenty-one (21) years of age to sell and serve alcohol. (CDD-P, WPD)
- 23. **Lingering Patrons.** The business shall be required to clear the storefront and the adjacent parking lots in the immediate vicinity of the establishment of any lingering patrons immediately after closing. (CDD-P, WPD)
- 24. **Conditions of Approval Display.** A copy of the Use Permit Conditions of Approval shall be kept conspicuously on the premises of the business and made available to any member of the public or enforcement officer wishing to review them. (CDD-P)
- 25. **LEAD Training.** All owners, managers and service staff shall follow responsible beverage service (RBS) practices and procedures. Owner(s), manager(s) and service staff shall attend ABC's Licensee Education on Alcohol and Drugs (LEAD) training within ninety (90) days from the date of approval of this Use Permit and/or employment at the gas station with convenience store, and each five (5) years thereafter. Upon completion of the training, the applicant shall submit a card verifying full attendance of the three and one-half (3.5) hour training to the Community Development Department. Failure to attend training and/or retain records on file shall be reported to the Planning Commission and may be grounds for imposing additional or different use restrictions or revocation of the alcohol sales establishment use permit. (CDD-P, WPD)
- 26. **Security Cameras Instillation.** Security camera monitoring system shall be maintained in good working order and shall not be recorded over within thirty (30) days after initial recording. The system shall support slow motion and high speed playback with zoom capability. A security camera shall be installed that covers the "Treat Shop" area prior to the commencement of alcohol sales (WPD)
- 27. **Permit Term.** The Use Permit shall be valid for **20 years** after the effective date of this Use Permit unless there is a change of ownership or other substantial

- change in mode or character of operation, at which time a new Use Permit shall be required. (CDD-P)
- 28. **Accessibility.** The project shall conform with accessibility requirements to buildings and facilities by individuals with disabilities under the American Disabilities Act. (CDD-B)

Future Sign Permit:

29. **Sign Permit.** Any new or proposed changes in the exterior signage for the premises shall require Sign and Building Permits through the Community Development Department. (CDD-P-B)

Indemnity Provision:

30. **Indemnity Provision.** The applicant shall sign a defense and indemnity contract agreeing to defend, indemnify, and hold harmless the City of Watsonville, its elected and appointed officials, officers, employees, and agents arising out Special Use Permit with Environmental Review (PP2019-346), including but not limited to any approval or condition of approval of the City of Watsonville Planning Commission or City Council. The City shall promptly notify the applicant of any claim, action, or proceeding concerning this permit and the applicant and City shall cooperate fully in the defense of the matter. The City reserves the right to select counsel in the defense of the matter. (CA)

Key to Department Responsibility

CDD-B – Community Development Department (Building)
 CDD-P – Community Development Department (Planning)
 CDD-E – Community Development Department (Engineering)

PW – Public Works Department WFD – Watsonville Fire Department

CA – City Attorney

CITY OF WATSONVILLE PLANNING COMMISSION

EXHIBIT C

Application No: 66 APNs: 018-302-05

Applicant: Elite Hospitality Group LLC

Hearing Date: July 14, 2020

Applicant: Elite Hospitality Group LLC

Address: 144 West Lake Avenue, Watsonville, CA 95076

Project: Special Use Permit

Location: 75 Lee Road, Watsonville, CA 95076

Purpose: Allow a proposed hotel to establish an on-sale general – restrictive

service ABC license

Property Owner: Elite Hospitality Group LLC

Address: 144 West Lake Avenue, Watsonville, CA 95076

A Special Use Permit (Application No. 66) to allow the establishment of an on-sale general – restrictive service license at a proposed hotel located at 75 Lee Road, Watsonville (APN 018-302-05), was reviewed by the Planning Commission at a public hearing on July 14, 2020, and was conditionally approved by adoption of Planning Commission Resolution No._____ (PC) together with findings and conditions of approval attached hereto and made a part of this permit.

CITY OF WATSONVILLE
Planning Commission

Suzi Merriam
Community Development Director