



# Agenda Report

**MEETING DATE:** Tuesday, December 6, 2022

**TO:** Planning Commission

**FROM:** COMMUNITY DEVELOPMENT DIRECTOR MERRIAM  
ASSOCIATE PLANNER SARAH WIKLE

**SUBJECT:** SPECIAL USE PERMIT WITH ENVIRONMENTAL REVIEW (PP2022-50), FOR THE ESTABLISHMENT OF A BREWERY AND TAPROOM (TYPE 23 ABC LICENSE) WITH LIVE ENTERTAINMENT AND FOR THE TRANSFER OF AN ON-SALE BEER AND WINE LICENSE (TYPE 41 ABC LICENSE) TO NEW OWNERSHIP FOR AN EXISTING RESTAURANT WITH BEER AND WINE SALES, LOCATED AT 410 RODRIGUEZ STREET/30 WEST BEACH STREET (APN 018-641-08), FILED BY VIDA JUICE, INC., APPLICANT, ON BEHALF OF PROPERTY OWNER, PAJARO WALL STREET INN, LLC AND FINDING PROJECT CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

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## STATEMENT OF ISSUES

The project involves the establishment of a 4,317± square-foot brewery and taproom (Type 23 ABC License) with live entertainment and transferring of an existing on-sale beer and wine license (Type 41 ABC License) to new ownership for an existing 3,580± square-foot restaurant and 1,351± square-foot patio area with beer and wine sales located in a commercial tenant space at 410 Rodriguez Street ("Project"). Project entitlements consist of a Special Use Permit with Environmental Review.

## RECOMMENDED ACTION

Staff recommends the Planning Commission adopt a Resolution:

1. Finding the Project is exempt from the California Environmental Quality Act (CEQA) as a Class 1 (Existing Facilities) project pursuant to Section 15301;
2. Approving the Special Use Permit with Environmental Review (PP2022-50) to allow the establishment of a 4,317± square-foot brewery and taproom (Type 23 ABC License) with live entertainment and to allow for the transfer of an existing on-sale beer and wine license (Type 41 ABC License) to new ownership for an existing 2,229± square-foot restaurant with 1,351± square foot patio area with beer and wine sales at 410 Rodriguez Street (APN 017-641-08).

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## BASIC PROJECT DATA

**Application No.:** PP2022-50

**Location:** 30 West Beach Street Unit B, Unit C and 410 Rodriguez Street

**APN:** 017-641-08

**Lot Size:** 13,416± square feet (0.31± acre)

**General Plan:** Central Commercial

**Zoning:** Central Commercial Core Area (CCA)

**Surrounding General Plan/Zoning:** Central Commercial in the CCA Zoning District to the north, east and south, and Public/Quasi Public in the Public Facilities (PF) Zoning District to the west.

**Existing Use:** Vacant commercial tenant spaces at 30 West Beach Street Units B and restaurant with beer and wine sales at 410 Rodriguez Street below single room occupancy (SRO) units

**Proposed Use:** Brewery and taproom with live entertainment at 30 West Beach Street and restaurant with beer and wine sales under new ownership at 410 Rodriguez Street below SRO units.

**Surrounding Uses:** various commercial uses, multi-family residential, and public parking garage

**Flood Zone:** X – 500 year flood zone

**CEQA Review:** The Project qualifies for a Class 1 Categorical Exemption from the provisions of the California Environmental Quality Act (CEQA), pursuant to section 15310 of the State CEQA Guidelines.

**Applicant:** Vida Juice Inc., 256 Potrero Drive, Santa Cruz, CA 95060

**Property Owner:** Pajaro Wall Street Inn LLC, 30 West Beach Street Ste. 105, Watsonville, CA 95076

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## BACKGROUND

According to the Santa Cruz County Assessor's records, the Wall Street Inn was designed by William Weeks and constructed in 1911 as hotel, with commercial uses on the first floor.

On August 19, 2003, the Zoning Administrator of the City of Watsonville issued a no fee Special Use Permit (PP2003-107) to operate a bar/tavern (Type 40 ABC License) for the Philippine Gardens at 26 West Beach Street (now 410 Rodriguez Street). The bar/tavern closed on January 5, 2005, and the Philippine Gardens' Type 40 ABC License expired on April 30, 2005.

On December 6, 2005, the Planning Commission of the City of Watsonville adopted Resolution No. 33-05 (PC), approving a Special Use Permit with Design Review and Environmental Review (PP2005-330) to allow for the conversion of a 50-unit apartment hotel into single room occupancy units (SROs) and increase the number of units to 74, located at 30 West Beach Street.

On December 12, 2006, the City Council of the City of Watsonville codified Ordinance No. 1209-06 (CM), adopting an uncoded ordinance placing historical designation (PP2006-448) on the Wall Street Inn, located at 30 West Beach Street.

On July 2, 2009, the Zoning Administrator of the City of Watsonville approved a Design Review Permit with Environmental Review (PP2009-182) to construct an outdoor street-facing patio area and converting a portion of the first floor of the building to a restaurant at 30 West Beach Street.

On November 29, 2012, the Zoning Administrator of the City of Watsonville approved an Administrative Use Permit (PP2012-258) to establish a restaurant with beer and wine sales for the Appleton Grill located at 30 West Beach Street (now 410 Rodriguez Street).

On September 3, 2013, the Planning Commission of the City of Watsonville adopted Resolution No. 11-13 (PC), approving a Modification (PP2013-123) to Administrative Use Permit (PP2012-258) to allow for extended weekend hours and live entertainment/special events at the Appleton Grill and Event Lounge with beer and wine sales at 30 West Beach Street (now 410 Rodriguez Street).

On February 3, 2015, the Planning Commission of the City of Watsonville adopted Resolution 02-15 (PC), approving a Modification of Administrative Use Permit (PP2013-123) to re-establish weekend hours and live entertainment for special events for Appleton Grill and Event Lounge at 410 Rodriguez Street.

On September 1, 2015, the Planning Commission of the City of Watsonville adopted Resolution No. 21-15 (PC), reviewing and approving the Modification of Administrative Use Permit (PP2013-123) to allow for the continued sale of beer and wine with limited entertainment at the Appleton Grill at 410 Rodriguez Street. The Planning Commission denied Major Variance (PP2015-152) for the addition of a Type 47 ABC License and a permanent entertainment permit for the Appleton Event Lounge at 30 West Beach Street Unit B as the request did not comply with the City of Watsonville's Alcohol Ordinance.

On March 7, 2017, the Planning Commission of the City of Watsonville adopted Resolution No. 03-17 (PC), denying a Special Use Permit (PP2016-198) to allow the establishment of a restaurant with a bar (Type 47 ABC License) for Appleton Grill and Event Lounge at 410 Rodriguez Street as a consistency finding with separation requirements could not be made.

On February 13, 2019, the Zoning Administrator of the City of Watsonville approved Administrative Use Permit (PP2018-303) to allow for the transfer of an existing on-sale beer and wine license (Type 41 ABC License) to new ownership for Los Compadres Mariscos Restaurant at 410 Rodriguez Street. The licensed premises included a 3,580 square-foot portion of the first

floor of the Wall Street Inn, formerly known as the Appleton Grill. The remaining portion of the first floor has been vacant since late 2018.

On May 16, 2022, Vida Juice, Inc., applicant (for Buena Vista Brewing Company), on behalf of Pajaro Wall Street Inn LLC, property owner, submitted an application for a Special Use Permit with Environmental Review (PP2022-50) to allow for the establishment of a brewery and taproom (Type 23 ABC License) with live entertainment at 30 West Beach Street, and transfer of an existing on-sale beer and wine license (Type 41 ABC License) to new ownership for an existing restaurant with beer and wine sales located at 410 Rodriguez Street (APN 017-641-08).

## **PROCESS**

### Special Use Permit

Pursuant to [Watsonville Municipal Code \(WMC\) Section 14-16.1002\(b\)](#), live entertainment and special events are conditionally permitted in the CCA Zoning District with issuance of a Special Use Permit.

Pursuant to [WMC Section 14-16.1002\(a\)](#) and [WMC Section 14-16.1002\(d\)](#), establishment of a Brewery and Taproom (Type 23 ABC License) and transfer of an On-Sale Beer and Wine (Type 41 ABC License) are conditionally permitted in the CCA Zoning District with issuance of an Administrative Use Permit.

The Planning Commission is authorized to approve Special Use Permits and the Zoning Administrator may refer Administrative Use Permits to the Planning Commission for processing the same as a Special Use Permit in accordance with the procedures set forth in [WMC Section 14-12.509](#) through [14-12.512](#) and [14-12.505](#) if it can make the findings required by [14-12.513](#).

### Alcohol Related Uses Application

In accordance with [WMC Section 14-25.011](#), an application to allow for an alcohol sales establishment must provide the following materials:

Location information;  
Business plan;  
Safety and security plan;  
Neighborhood compatibility plan; and  
Community benefits.

### Application Review and Scoring

Once the applicant submits a complete application, City staff (consisting of the Police Chief, Fire Chief, Community Development Director, Finance Director, City Manager, or their designees) review the application, and interview applicant(s) within 60 days. [WMC §14-25.012](#). Successful applications shall receive a score of at least 80 percent of all available points on the rubric. If an application fails, a new application for an alcohol sales permit may be submitted after 90 days of notice of rejected application. The Planning Commission shall consider each application for a Special Use Permit (and/or Administrative Use Permit if forwarded to the Planning Commission for processing) and shall approve or conditionally approve the permit upon making each of the findings required by [WMC Section 14-12.513](#) and [Section 14-25.013](#).

### Standard and Special Operational Standards and Conditions of Approval

The Planning Commission may condition the alcohol related uses with the 11 minimum operational standards of [WMC Section 14-25.021](#) and the 3 operational standards of on-sale alcohol establishments (Type 41) and breweries (Type 23) of [WMC Section 14-25.022](#).

### Environmental Review

The California Environmental Quality Act (CEQA) requires local and state governments to consider the potential environmental effects of a project before making a decision on it. CEQA's purpose is to disclose any potential impacts of a project and suggest methods to minimize identified impacts. Certain classes of projects, however, have been identified that do not have a significant effect on the environment, and are considered categorically exempt from the requirement for the preparation of environmental documents. [State CEQA Guidelines § 15300](#).

## **STANDARD OF REVIEW & APPEAL PROCESS**

The decision before the Planning Commission – Special Use Permit – is an adjudicative/quasi-judicial decision and requires findings, for denial, or as recommended, for approval that is supported by substantial evidence. *Toigo v Town of Ross* (1998) 70 Cal App 4<sup>th</sup> 309; see also *Petrovich v. City of Sacramento* (2020) 48 Cal App 5<sup>th</sup> 963. If the Planning Commission's decision is appealed, the City Council will consider whether the action taken by the Planning Commission was erroneously taken and may sustain, modify, or overrule the action.

## **DISCUSSION**

### Existing Site

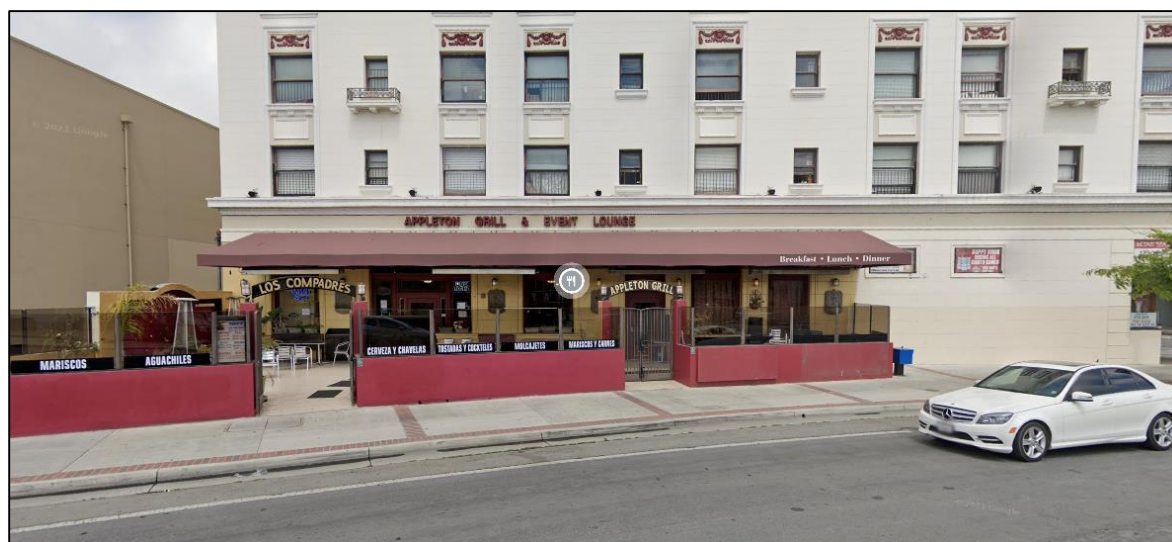
The 0.31± acre subject site is developed as a mixed-use building, with commercial spaces on the first floor with SRO units above. Commercial tenants on the first floor include a beauty shop (30 West Beach Street Unit D), a health club (30 West Beach Street Unit E), and a restaurant with beer and wine sales (410 Rodriguez Street). The remaining commercial spaces on the ground floor are currently vacant. A city owned parking garage at West Beach Street and Rodriguez Street provides public parking. Pedestrian access is provided from Rodriguez Street for the existing restaurant and the taproom. The brewery portion is accessed off West Beach Street. As shown in Figure 1, bordering the project site along Rodriguez Street and West Beach Street are various commercial uses, a public charter school, and a public parking garage. See Figure 2 for a street view of the project site.





**FIGURE 1.** Aerial View of Project Site

Source: Santa Cruz County GIS (2020, accessed November 14, 2022)



**FIGURE 2.** Street View of Project Site

Source: Google Street View (April 2021, accessed November 15, 2022)

### Floor Plan and Proposed Project

The Project includes reactivating a portion of the commercial space previously occupied by the Appleton Event Lounge with a brewery and taproom for Buena Vista Brewing Company. Buena Vista Brewing Company will also be operating the existing restaurant at 410 Rodriguez Street and transferring the existing Type 41 ABC License to new ownership.

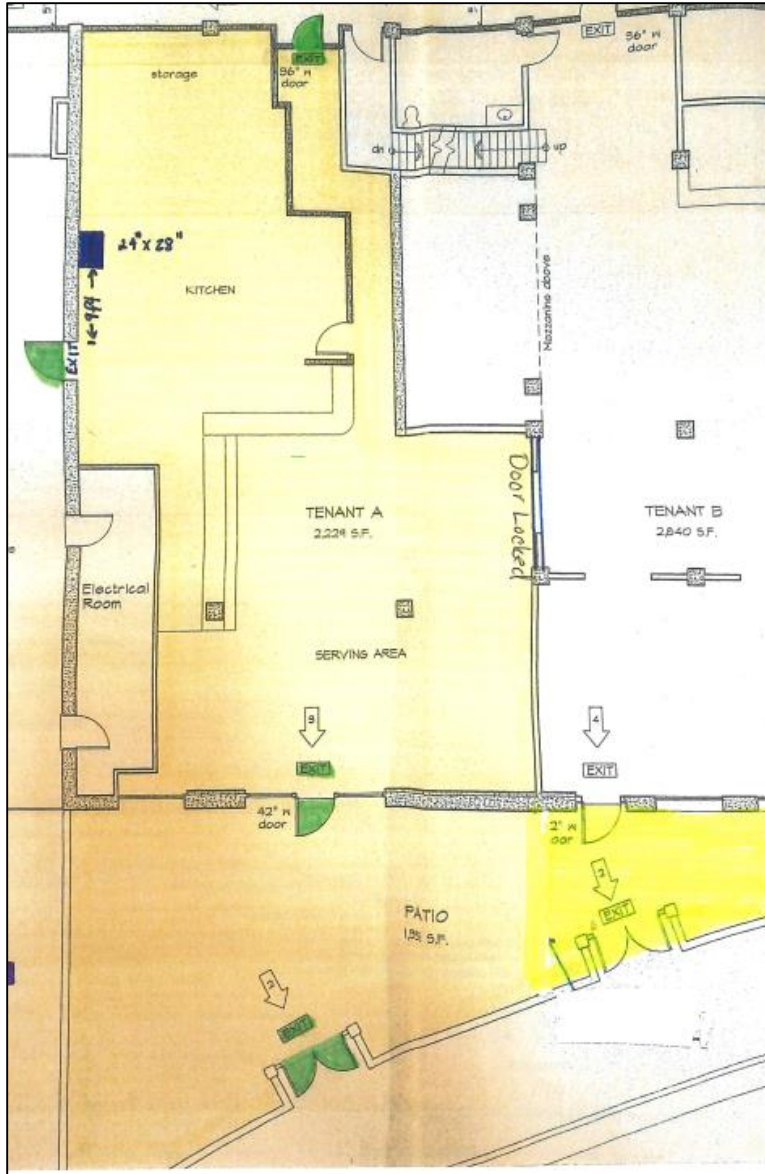
As shown in Figures 3 and 4, the commercial space fronting Rodriguez Street and West Beach Street are comprised of three main areas:

- Area A – Existing restaurant with beer and wine sales
- Area B – proposed taproom
- Area C – proposed brewery



**FIGURE 3.** Proposed Floor Plan – Taproom and Brewery

Source: Vida Juice Inc Business Plan (received May 16, 2022, revised September 7, 2022)



**FIGURE 4.** Existing/Proposed Floor Plan – Restaurant  
Source: City of Watsonville records (accessed November 15, 2022)

The brewery and taproom are accessed from two entrances along West Beach Street and Rodriguez Street. Area B will consist of open seating in the form of tables and bench seating towards the rear of the tenant space, with a live entertainment area adjacent to the entrance along Rodriguez Street. Area C will house the brewing operation, with a barrier between the brewing operation and seating area to limit access to the brewing equipment to staff only. Area A is accessed from an entrance along Rodriguez Street. Outdoor seating for the restaurant frames in the building entryway and dining area. Towards the rear of the tenant space is the kitchen and storage area. One restroom is located to the rear of area B and shared restroom facilities for the commercial spaces on the first floor are located in a hallway to the rear of the commercial spaces.



According to the Business Plan and Taproom Crowd Management Safety Guidelines, the applicant proposes to have live entertainment on Friday and Saturday evening from 6:00PM to 10:00PM. Live entertainment events will include live music, trivia nights, and other community events. Additional staff, including trained security and crowd management personnel, will be on-site during live events at entry points to ensure taproom and brewery does not exceed maximum occupancy. See Attachment 2 for the Business Plan and Taproom Crowd Management Safety Guidelines.

### General Plan

Land designated Central Commercial (CC) in the *City of Watsonville's 2005 General Plan* allows for a variety of commercial related uses, including retail sales; professional, financial and medical services; lodging; entertainment; and restaurants serving the needs of the community.

The 2005 General Plan details the following goals and policies concerning commercial land uses in downtown Watsonville:

- **Goal 4.3 Commercial Land Use** – Revitalize the central business district and provide adequate neighborhood commercial services
- **Policy 4.C. Commercial Land Use** – The City shall plan for revitalization of the central business district along with the distribution of convenient neighborhood commercial centers.
- **Implementation Measure 4.C.1. Downtown Redevelopment** – The City shall use the redevelopment process to encourage the location of retail, professional, and residential uses as well as personal services within the central business district to serve the entire Pajaro Valley

The proposed Project would establish a brewery and taproom with live entertainment in a vacant 4,317± square-foot commercial tenant space and transferring of a Type 41 ABC License to new ownership for an existing restaurant. As noted in the Business Plan (Attachment 2), the brewery, taproom, and restaurant will provide space for residents to patronize and will revitalize a vacant commercial space. As conditioned, the Project is consistent with the aforementioned goals and policies in the *2005 General Plan*.

### Downtown Land Use and Architectural Guidelines

On September 8, 1998, the City Council of the City of Watsonville adopted Resolution 243-98 (CM), adopting the *Downtown Land Use and Architectural Guidelines*. The Land Use and Architectural Guidelines are intended to provide property and business owners, developers and architects with guidance as to the types and quality of developments desired in downtown Watsonville.

The Project site is located within the Main Street Marketplace Land Use Area, which encourages a variety of retail and service related uses on the ground floor of multi-story buildings. Alcohol related uses are a conditionally permitted use in the CCA Zoning District, requiring a Special Use Permit from the Planning Commission.

### Zoning

The purpose of the Central Commercial Core Area (CCA) Zoning District is to establish an area for the development of a concentrated, pedestrian-oriented downtown center with intensive commercial, financial, administrative, professional, entertainment, cultural, and residential uses within the heart of the city. Building regulations, floor area ratios, and site plan and design review regulations shall foster an efficient, concentrated, and balanced pattern of buildings and land uses. Uses, which are detrimental to, or adversely affect, the pedestrian environment shall not be permitted within the core area. [WMC §14-16.1000](#).

The establishment of a brewery and taproom (Type 23 ABC License) with live entertainment and transferring of an On-Sale Beer and Wine license (Type 41 ABC License) to new ownership are conditionally permitted uses within the CCA Zoning District, requiring issuance of a Special Use Permit from the Planning Commission. [WMC §14-16.1002\(b\)](#).

### Tenant Improvement

A condition of approval requires the applicant to submit a tenant improvement plan for review and approval by the Building Department to allow for the installation of brewing equipment, updates to the fire suppression system (if needed), allow for the removal of a wall between areas B and C, and to fill in a doorway between areas A and B.

### Parking

The property is located in the Downtown Parking District, and pursuant to [WMC Section 14-17.106](#), no off-street parking is required for the project.

### Bicycle Parking

Pursuant to [WMC Section 14-17.113](#), when 20 or more parking spaces are required, five percent of the automobile parking must be dedicated for bicycle parking. A Condition of Approval would require the applicant to provide a minimum of four bicycle-parking stalls for customers of Buena Vista Brewing Company.

### Hours of Operation

The proposed hours of operation for Buena Vista Brewing Company's taproom and brewery are Tuesday through Saturday from 11:00AM to 10:00PM and Sunday 10:00AM to 6:00PM. The hours of operation for the restaurant with beer and wine sales are Monday through Thursday 7:00AM to 10:00PM and Friday through Sunday 7:00AM to 11:00PM. The hours have been reviewed by the Watsonville Police Department and were found to be acceptable. The applicant is required to obtain an Entertainment Permit from the Watsonville Police Department to allow for live entertainment. Last call shall be at 9:30PM, with closure of the brewery and taproom at 10:00PM. Last call for the restaurant shall be 30 minutes before closing, with a hard closure of the restaurant at 10:00PM Sunday through Thursday and 11:00PM Friday and Saturday.

### Police Department Review

The Watsonville Police Department tracks all alcohol licenses in the City and the reported crime associated with these sites. The Police Department also confirms that alcohol license holders are following ABC regulations.

A Type 23 ABC License is neither an on-sale nor off-sale but instead is a manufacturing license with retail privileges. As such, a Type 23 ABC license is not counted towards overall on-sale/off-sale license concentration.

The Project also involves the transfer of an existing Type 41 ABC License to new ownership and does not result in the establishment of a new on-sale alcohol license. 30 West Beach Street is located in an area of high crime and overconcentration of on-sale alcohol licenses per ABC regulations. The transfer of the Type 41 ABC license to new ownership does not require a letter of convenience or public necessity from the Police Department.

#### Type 23/Type 41 ABC Licenses

ABC issues various licenses for the sale of alcohol for food establishments. A Type 41 On-Sale Beer and Wine license authorizes the sale of beer and wine, in conjunction with the sale of food. Alcohol is allowed with the purchase of food and for consumption on the premises where sold. Minors are allowed on the premises.

A Type 23 Small Beer Manufacturing license is a small-scale brewery operation with a restaurant where the beer it produces is sold in draft form exclusively on its own premises. A brewpub may also sell other supplier's bottled beer, including other hand-crafted or micro-brewed beers as well as wine to patrons for consumption on its premises.

Food will be made available during hours of operation at the restaurant and the brewery.

The Project has been conditioned with standard conditions for restaurants with beer and wine sales to ensure that it will be in conformity with applicable regulations and not have any negative impacts on the surrounding neighborhood.

#### LEAD Training

A condition of approval requires all service staff, managers and owners attend Licensee Education on Alcohol and Drugs (LEAD) training within 90 days of approval of this Use Permit and/or within 90 days of employment. The applicant is required to submit verification of LEAD training attendance to the Community Development Department.

#### Compliance with Alcohol Ordinance

WMC Chapter 14-25 regulates the location and operation of alcohol establishments with the City. This chapter is intended to reduce alcohol-related environmental and social problems by regulating the use, operation, and location of establishments selling alcoholic beverages in relation to one another and their proximity to sensitive uses and facilities customarily used by children and families.

In accordance with [WMC Section 14-25.011](#), the applicant provided the following information regarding their Business Plan for Buena Vista Brewing Company:

Vida Juice, Inc. is a Craft Brewing company. [Sic] we are a business based on a more family and communal system of operation. As such, all out trainings will be frequent and all inclusive. We plan on a stepped approach to opening our business. Before any

openings or production, we will have extensive staff training. It will involve what the city and county expect of us, as well as an overall view of the ABC rules and regulations involved with opening and maintaining a Brew location.

Business owners Felipe Ornelas and Juvenal Ornelas will be managing operations, with additional staff on-boarded as needed to manage the taproom. The staffing plan includes a taproom manager, two operational managers and two barkeepers on staff at any given time, with two shifts per day.

Also, in accordance with [WMC Section 14-25.011](#), the applicant provided the following information in their Neighborhood Compatibility Plan:

All customers attempting to purchase alcohol will have their identification checked. In addition, all customers that may be intoxicated will not be served whether in our location or coming in from the street. We do not wish to cause harm to any person customer or not. If a person is deemed to intoxicated to drive or walk, we see to it that an alternative ride home is achieved. All staff will be trained to notice if a person is in peril or over intoxicated and will have measures in place to safely deal with the situation. [Sic]

Vida Juice, Inc. plans to produce high-end craft beer. This will be catered to a professional clientele or a person with more disposable income. Also, we strive to keep more of a family friendly feel to the location. This will help to keep the noise and possibility of a negative neighborhood experience. In the case of an unruly person, they will be asked to leave. If the behavior persists in or outside of the location the authorities will be informed. This location will be well-lit indoor and out. It will keep clean and orderly both in and out. We will have ample and clear signage. The building is well insulated and will keep the noise down.

Additionally, the applicant provided the following information for their Safety and Security Plan:

All staff will be trained in safety and security for both themselves and the customers. Systems will be in place to deal with any foreseen emergencies including fires, fights, power outages, etc. [Sic] The lead for this scheduling and training will be the owner Felipe and Juvenal. Any specialty training will require the use of an expert in said training to come in and give the leads the needed training. The leads will train any employees. This will be the model for most training needs.

The staff will be monitoring locations as needed. This will include the hiring of security guards or off duty police offers as needed for special events. Area C will have a capacity of 30 people depending on the amount of space needed for brewing. Area B will have around a 70 person capacity, depending on the amount of space used for entertainment and seating. On busier days, the Brewery will have access to more employees as needed. We will keep a chart to track the average amount of customers on any given day. We will adjust the number of employees as needed.

To facilitate the amount of people coming and going, we will strongly encourage the use of the local public transportation system. We may post the local bus stops schedule in the facility near the exits as needed. If the customer is being dropped off, the above chart shows a location where the vehicle can turn in and safely drop off or pick a customer without affecting traffic. In the event there is a designated drive or group driving themselves, there is ample parking across the street in the West Beach Street parking garage.

In accordance with WMC Sections 14-25.020, 14-25.021, and 14-25.022, all operational standards applicable to breweries and restaurants with beer and wine sales are incorporated as Conditions of Approval. For more information on the Alcohol Related Uses Application, see Attachment 2.

### Interview Scoring

The application was initially reviewed in May 2022 for completeness. After the application was deemed complete in September 2022, the applicant was interviewed by a selection committee consisting of the Police Chief, Fire Chief, Community Development Director, Finance Director, and City Manager or their designees. The applicant was then interviewed and scored based on four main categories: location (200 points), business plan (350 points), neighborhood compatibility plan (375 points), and a safety and security plan (450 points). There are bonus points that applicants may receive for community benefits (50 points), labor and employment (25 points), and local enterprise/qualifications of principals (75 points). The maximum possible score for an alcohol related use application for a brewery and restaurant with beer and wine sales is 1,375 points, excluding the bonus points. An applicant must receive a minimum score of points (80%) to be approved.

On November 2, 2022, Felipe Ornelas and Juvenal Ornelas, appeared for the applicant Vida Juice, Inc. (Buena Vista Brewing Company), on behalf of property owner Pajaro Wall Street Inn Inc., and were interviewed by City Staff and received a score of 1,301. With bonus points included the application received a score of 1,441 out of 1,375 points. A summary related to the interview scoring follows each interview category can be found in Attachment 3.

### Special Use Permit and Alcohol Related Uses Findings

The Planning Commission shall make the findings required in WMC Sections 14-25.013 and 14-12.513 to approve or conditionally approve the Special Use Permit allowing the operation brewery and taproom with live entertainment and an existing restaurant with beer and wine sales under new ownership. The applicant has demonstrated through their Alcohol Related Uses Application and Alcohol Related Uses Interview conformance with the City of Watsonville's Alcohol Related Uses Ordinance. As such, the Planning Commission may make required findings to approve the requested Special Use Permit.

### Environmental Review

The proposed project is eligible for a Class 1 Categorical Exemption per Section 15301 of the State CEQA Guidelines as it involves establishing a brewery and taproom (Type 23 ABC License) with live entertainment and transferring an On-Sale Beer and Wine (Type 41 ABC License) to new ownership in an existing mixed-use building. The Project involves no expansion



of the existing use because the existing space was previously occupied by the Appleton Event Lounge which provided similar food and beverage services. The project will not involve any exterior modifications nor will it expand the footprint of the facility.

## **STRATEGIC PLAN**

The purpose of the City of Watsonville's 2021-2023 Strategic Plan is to help the City prioritize its efforts, allocating both fiscal and human resources to achieve a shared vision and goals. The 2021-23 Strategic Plan identifies six goals concerning housing, fiscal health, infrastructure and environment, economic development, community engagement and well-being, public safety, and efficient/well-performing government.

The economic development goal (Goal 04) articulates the Council's priorities to "strengthen and diversify the City's economy for all, by supporting and growing existing businesses, attracting new businesses, enhancing workforce development, revitalizing downtown, and engaging the community to reinvest in the City." One of the focus areas is the completion of the Downtown Watsonville Specific Plan to help foster downtown revitalization.

The proposed project involves the establishment of a brewery and taproom with live entertainment in a vacant commercial space and transferring of a Type 41 ABC license to new ownership for an existing restaurant with beer and wine sales. The brewery, taproom, and restaurant would provide additional employment opportunities for City residents and provide sales tax revenue to the City.

## **FINANCIAL IMPACT**

The establishment of a brewery with taproom would provide sales tax revenue to the City and new employment opportunities for city residents. Establishment of a Type 41 ABC License under new ownership for an existing restaurant with beer and wine sales would continue to provide sales tax revenue to the City.

## **ALTERNATIVE ACTION**

The Planning Commission may deny the request to establish a brewery and taproom (Type 23 ABC License) with live entertainment and transferring of an existing on-sale beer and wine license (Type 41 ABC License) to new ownership for an existing restaurant with beer and wine sales, subject to making findings for denial. If the Planning Commission desires to deny the project, staff would recommend that the item be continued to a future date so that a resolution denying the project based on substantial evidence may be prepared.

## **ATTACHMENTS**

1. Site and Vicinity Map
2. Alcohol Related Uses Application (received May 16, 2022, revised September 7, 2022)
3. Alcohol Scoring Rubrics (interview conducted November 2, 2022)