

## **PROJECT DESCRIPTION**

**APPLICANT:** ZIXTA ENTERPRISES, INC.  
DBA: VALLARTA SUPERMARKET #58

**LOCATION:** 1702 FREEDOM BLVD.  
WATSONVILLE, CA 95019

**REQUEST:** ALCOHOL USE PERMIT TO ALLOW THE SALE OF A FULL LINE OF ALCOHOL FOR OFF-SITE CONSUMPTION AND ON-SITE CONSUMPTION WITHIN AN ON-SITE RESTAURANT IN CONJUNCTION WITH THE OPERATION OF A NEW VALLARTA SUPERMARKET. DETERMINATION OF PUBLIC CONVENIENCE OR NECESSITY TO ALLOW THE SALE OF A FULL LINE OF ALCOHOL FOR OFF-SITE CONSUMPTION.

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Pursuant to City of Watsonville Municipal Code, the applicant Zixta Enterprises, Inc. (DBA Vallarta Supermarket) is requesting an Alcohol Use Permit to allow the sale of a full line of alcohol for off-site consumption in conjunction with a new Vallarta Supermarket, as well as a full line of alcohol for on-site consumption at a restaurant located at the Vallarta Supermarket. The applicant is also requesting a Determination of Public Convenience or Necessity (PCN) to allow the issuance of an ABC Type 21 license allowing the sale of a full line of alcohol for off-site consumption in conjunction with the operation of a new supermarket.

## **PROJECT DESCRIPTION**

The new Vallarta Supermarket (Vallarta #58) will be located at 1702 Freedom Blvd., Watsonville, CA 95019. The supermarket will occupy a portion of an existing commercial building located within a multi tenant retail shopping center. The site is located within the CNS - Neighborhood Shopping Center zone. Adjacent properties along Freedom Blvd. are commercially zoned and include a large variety of retail, commercial and service uses. Properties to the north and east of the site include residential uses. Vallarta Supermarket will take over a portion of a building previously occupied by a Kmart retail store and totals approximately 94,967 sf. Vallarta Supermarket will occupy the western 60,719 sf of the building. This area will include a 41,156 sf retail sales floor area, 15,724 sf of back of house operations area and 3,839 sf for the Sayulita on-site restaurant. Per uses at the retail center, 213 on-site parking spaces are required. The site offers abundant on-site parking with 330 spaces, 117 spaces over the requirement.

Vallarta Supermarkets are truly a one stop shopping experience. The store will include a large produce section, a full service butcher counter, on-site bakery and tortilleria, and the usual selection of sundries, cleansers and pre-packaged items, as well as a prepared foods area. These items are available to take home or can be enjoyed on-site in a small seating area adjacent to the prepared foods counter. No alcohol consumption is ever permitted in these areas. In addition to the other daily staples offered at the market, Vallarta will also offer a selection of beer, wine and distilled spirits which are to be enjoyed "off-site." The beer and wine will be kept in a designated area near the middle of the store. As is the standard at all Vallarata

supermarkets, distilled spirits are stored in a secure and vigilant manner. All distilled spirits are kept in a locked cabinet near the front of the store, adjacent to both the cashiers and the managers station. Vallarta also has an established protocol for the actual sale of the spirits. When a customer wishes to purchase a distilled spirit, they must first approach the cashier and provide proper identification establishing they are 21 years or older. At this point the cashier calls the manager and the manager unlocks the cabinet and pulls the requested item. The manager then locks the cabinet and delivers the item to the cashier. The cashier will then ring the product and the customer may leave with the purchased item. Managers are the only individuals that have keys to the locked spirits cabinet. This standard process is in addition to other security measures including age verification prompts at the POS, extensive security camera systems, and a well organized Loss Prevention Department.

This new Vallarta Supermarket location will also include a "Sayulita" on-site restaurant. Many of the latest Vallarta Supermarkets have included this added feature of a full service sit down restaurant operation attached to a Vallarta Supermarket. The restaurant will occupy a 3,839 sf area, and offer a 2,510 sf dining area. It will offer 138 interior seats including 15 at the bar, a full menu of food items will be available at the bar. No patio or outdoor seating is proposed. The restaurant will offer a menu of central american favorites which will be freshly prepared in the restaurant's full commercial kitchen. As is common with many full service restaurants, Sayulita will offer a selection of beer, wine and spirits to be enjoyed on-site with a meal. The Sayulita restaurants operate with an ABC Type 47 license allowing the sale of a full line of alcohol for on-site consumption in conjunction with the operation of a bona fide eating establishment.

## **THE APPLICANT**

Vallarta Supermarkets (Carniceria Vallarta) was founded in 1985 by Enrique Gonzalez Sr., who was later joined in the business by his four brothers, his son and a nephew. Their family roots and humble origins began in a very small town named Jalostotitlán, Jalisco, Mexico where meals from the four basic food groups (dairy, meat, grains, and vegetables) were not common to the Gonzalez family. The five brothers were raised on a meager farm the majority of their impressionable years. The parents instilled into their children at very young ages a strong work ethic which enabled them to overcome any obstacles that came their way. Subsistence farming was a normal way of life in this part of the world; everyone had to contribute to the daily activities to make ends meet for the household. When the opportunity arose to immigrate to the United States in the 1960's, the Gonzalez family was thankful to stake their claim in the "land of opportunity", the United States of America. The five brothers' strong work ethic was immediately put to use by accepting jobs in restaurants, either as short order cooks or bussing tables. Even though some of the brothers were younger and still going to school, they all were working for wages to help the family make ends meet.

In 1985 Enrique Gonzalez Sr. began his journey into the grocery business when he opened the first Vallarta Supermarket (Carniceria Vallarta) in a comfortable 1,000 square foot market in Van Nuys, CA. With weekly sales of \$3,500 - \$5,000 and 5 employees, it was difficult to maintain. With the opening of the second store in Van Nuys, the other Gonzalez brothers began to get involved in the business. Vallarta Supermarkets embarked on an arduous, but successful adventure to build a reputation of service and excellence. The key to Vallarta's success was the dedication of the ownership to focus on customer service with a smile, and to offer only the highest quality products to their customers. The Gonzalez family capitalized on serving the

Hispanic community, a niche that was not addressed by the big chain stores. Vallarta Supermarkets offered a wide variety of Latin foods and products which could only be found at its store: meat cut to order Latin style (ranchera, diesmillo, lomo de res), spices, hot foods ready to eat, sweet breads made daily, and fresh produce in addition to everything else you would expect from a traditional grocery store.

Since then, Vallarta Supermarkets has grown to a total of 50 stores throughout California (Ventura, Los Angeles, San Bernardino, Kern, San Diego, Santa Barbara, Tulare, Orange and Fresno counties). The company employs approximately 8,000 employees. Vallarta Supermarkets intends to positively impact 100 communities by the year 2030. That means opening new stores at a rate of 3 locations per year. As the business has grown, great customer service and providing the highest quality products at great prices has remained their constant goal. The Gonzalez family has adhered to their strong work ethic and has made it part of their company culture ensuring that all their employees strive for excellence. For over 25 years Vallarta Supermarkets has maintained an image characterized by family values, service, cleanliness, beautiful decor, a pleasant shopping ambiance and a large variety of products in all departments. Vallarta Supermarkets offers its clientele exceptional quality, outstanding service and great prices that keep them coming back to the stores. The Gonzalez partners meet weekly to discuss business strategies and how to continue improving customer service.

## **BUSINESS PLAN**

The proposed operation is a new Vallarta Supermarket with Sayulita restaurant. Vallarta Supermarkets began in 1985 and now operate nearly 60 supermarkets throughout the state. They remain a family owned business and take great pride in their operations. The new Vallarta Supermarket will employ approximately 50 people. Each employee will undergo Vallarta's own corporate training specific to their particular employment responsibilities. The proposed hours of operation for the market are 7am to 11pm daily. The proposed hours for the Sayulita restaurant are 10am to 10:30pm Monday through Thursday; 10am to 11pm Friday; 9am to 11pm Saturday; 9am to 10:30pm Sunday.

## **PROPOSED LOCATION**

The new Vallarta Supermarket (Vallarta #58) will be located at 1702 Freedom Blvd., Watsonville, CA 95019. The new store will occupy a portion of an existing commercial building located within a multi tenant retail shopping center. The site is located within the CNS - Neighborhood Shopping Center zone. Adjacent properties along Freedom Blvd. are also commercially zoned and include a large variety of retail, commercial and service uses. Properties to the north and east of the site include residential uses. Per current uses at the retail center, 213 on-site parking spaces are required. The site offers abundant on-site parking with 330 spaces, 117 spaces over the requirement. Vehicle access to the site is available directly onto Freedom Blvd. The site is also located along an established commercial thoroughfare with access to public transportation

The nearest park is Arista Park at 52 Arista Ct., approximately 1,400 ft away.

The nearest church is Church of God at 48 Atkinson Ln., approximately 1,260 ft away

There are no schools in the vicinity of the project site.

The site is located in Census Tract #1105.04. Per the Dept. of ABC, four on-site licenses and two off-site licenses are allocated to this census tract. There currently exists one on-site license; Type 41 for Taqueria Mi Tierra. There currently exist two off-site licenses; Type 20 for Freedom Shell and Type 20 for Walgreens. Therefore the new type 21 license for Vallarta Supermarket will result in the number of off-site licensed establishments surpassing the number of off-site licenses automatically allocated based on population in the census tract.

ABC license concentration can be undue when the addition of a license will negatively impact a neighborhood. Concentration is not undue when the approval of a license benefits the public welfare and convenience. The new supermarket will serve the surrounding community by offering a large selection of a shopper's daily needs. There are a limited number of supermarkets in the immediate area, and the new Vallarta Supermarket will help serve those residing and employed in the area. A properly and professionally operated supermarket which includes the sale of alcoholic beverages are not normally considered problematic operations, as the sale of alcoholic beverages is a small part of the overall business operations. Vallarta Supermarkets are a proven and established ABC license holder, and are capable of operating a safe and responsible operation. Should the subject request be granted, the new supermarket and restaurant will be operated in a professional and responsible manner and the applicants will abide by all operating conditions placed on the operation by the City of Watsonville and the Dept of ABC.

#### **SAFETY AND SECURITY PLAN**

Vallarta Supermarkets operate almost 60 stores throughout the state. They have become experienced in the responsible operation of their supermarkets and in maintaining a safe environment for their patrons, employees and the surrounding area. All Vallarta employees undergo a corporate training program, aspects of which are based on the responsibilities of their employment position. This training will include how to conduct the safe and responsible sale of alcohol for both cashiers and managers.

Within the new supermarket, the beer and wine will be kept in a designated area near the middle of the store. As in all Vallarata supermarkets, distilled spirits are stored in a secure and vigilant manner. All distilled spirits are kept in a locked cabinet near the front of the store, adjacent to both the cashiers and the managers station. Vallarta also has an established protocol for the actual sale of the spirits. When a customer wishes to purchase a distilled spirit, they must first approach the cashier and provide proper identification establishing they are 21 years or older. At this point the cashier calls the manager and the manager unlocks the cabinet and pulls the requested item. The manager then locks the cabinet and delivers the item to the cashier. The cashier will then ring the product and the customer may leave with the purchased item. Managers are the only individuals that have keys to the locked spirits cabinet. This standard process is in addition to other security measures including age verification prompts at the POS, extensive security camera systems, and a well organized Loss Prevention Department.

## **NEIGHBORHOOD COMPATIBILITY PLAN**

The proposed Vallarta Supermarket will be occupying a portion of an existing commercial building within a multi tenant retail center. The site is appropriate in that it is located in the CNS - Neighborhood Shopping Center zone. The site is located along an established commercial thoroughfare, with a variety of commercial, retail and service uses on the adjacent properties along Freedom Blvd. Residential uses are located to the north and east of the retail center. The buildings on the site are situated in such a way that the main operations, patron entrances and parking areas are away from the residents and the buildings act as buffers to any noise or commotion. The site offers an abundance of on-site parking so that patrons of the new supermarket will not need to park on nearby neighborhood streets. The proposed operations have reasonable hours of operation so that there are no concerns with late night operations disrupting the surrounding neighborhoods.

## **COMMUNITY BENEFITS**

The new Vallarta Supermarket will be assuming a portion of an existing commercial building which was previously occupied by a Kmart retail store that has been closed for some time. As Kmart was the anchor tenant for the shopping center, its closure has raised concerns for the long term viability of the center. The new Vallarta Supermarket will help reinvigorate the site, thereby supporting the economic livelihood of all the center's tenants as well as avoiding unnecessary blight in the area. The new market will bring approximately 50 new jobs to the area. This is in addition to the new Vallarta Supermarket addressing the need of additional shopping options in the vicinity. The new store will provide a useful service to those residing and employed in the area by offering a majority of a shopper's daily needs in a single convenient location.

Vallarta Supermarket is aware of the responsibility involved with the sale of alcoholic beverages for both off-site consumption at the supermarket, and on-site consumption at the restaurant. They hold ABC licenses in each of their stores (approaching 60 locations), and have an excellent record of compliance with the Dept of ABC. That same attention to the operation will be utilized at this new location as well. The Applicants agree to abide by all conditions placed on the operation by the City of Watsonville, the Watsonville Police Dept and the Dept of ABC. Vallarta Supermarkets is looking forward to becoming a member of the Watsonville community and would appreciate your support of the subject request.