

**RESOLUTION NO. \_\_\_\_-24 (PC)**

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE, CALIFORNIA, APPROVING A SPECIAL USE PERMIT (PP2024-88) TO ALLOW ESTABLISHMENT OF AN ABC TYPE 21 OFF-SALE LICENSE FOR VALLARTA SUPERMARKET AND AN ABC TYPE 47 ON-SALE LICENSE FOR SAYULITA TAP ROOM LOCATED AT 1702 FREEDOM BOULEVARD, FREEDOM, CALIFORNIA (APN: 019-282-15); AND FINDING THAT THE PROJECT IS EXEMPT FROM THE PROVISIONS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO SECTION 15301 OF THE CEQA GUIDELINES (CLASS 1, EXISTING FACILITIES)**

**Project: Vallarta Supermarket and Sayulita Tap Room  
APN: 019-282-15**

**WHEREAS**, on March 7, 2024, an application for a Special Use Permit (PP2024-88) to allow the establishment of an ABC Type 21 off-sale license for Vallarta Supermarket and an ABC Type 47 on-sale license for Sayulita Tap Room located at 1702 Freedom Boulevard, Watsonville, California, was filed by Zixta Enterprises, Inc., owners of Vallarta Supermarket and Sayulita Tap Room, on behalf of John C. Adams, property owner ("Project"); and

**WHEREAS**, the project site is designated General Commercial (GC) on the General Plan Land Use Diagram and is within the Neighborhood Shopping Center (CNS) Zoning District; and

**WHEREAS**, on March 21, 2024, Zixta Enterprises, Inc. on behalf of Vallarta Supermarket and Sayulita Tap Room, submitted an application to the Department of Alcohol and Beverage Control (ABC) requesting an ABC Type 21 License for Vallarta Supermarket and an ABC Type 47 License for Sayulita Tap Room located at 1702 Freedom Boulevard; and

**WHEREAS**, the establishment of an ABC Type 21 off-sale license for Vallarta Supermarket and an ABC Type 47 on-sale license for Sayulita Tap Room located at 1702 Freedom Blvd meets the separation requirements provided in WMC § 14-25.050; and

**WHEREAS**, notice of time and place of the hearing to consider Special Use Permit (PP2024-88) was given at the time and in the manner where appropriate public noticing procedures has been followed and a public hearing was held on May 7, 2024, pursuant to Section 14-10.900 of the Watsonville Municipal Code; and

**NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:**

1) The Project is exempt pursuant to a Class 1 (Existing Facilities) Categorical Exemption from the provisions of the California Environmental Quality Act (CEQA), pursuant to Section 15301 of the State CEQA Guidelines. It has also been determined that approval of a Special Use Permit for Alcohol constitutes a negligible expansion of the existing use; and

2) The Planning Commission has considered all evidence both oral and documentary introduced and received, and the matter submitted for decision and hereby makes the findings attached hereto and incorporated herein as Exhibit “A”, and does hereby grant approval of Special Use Permit (PP2024-88), attached hereto and marked as Exhibit “C,” subject to the Conditions of Approval attached hereto and marked as Exhibit “B,” to allow the establishment of an ABC Type 21 off-sale license for Vallarta Supermarket and an ABC Type 47 on-sale license for Sayulita Tap Room located at 1702 Freedom Boulevard (APN: 019-282-15).

**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 7th

day of May, 2024, 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  
Planning Commission

---

Ed Acosta, Chair  
Planning Commission

**CITY OF WATSONVILLE  
PLANNING COMMISSION**

**EXHIBIT “A”**

**Application No:** PP2024-88

**APN:** 019-282-15

**Applicant:** Zixta Enterprises, Inc.

**Hearing Date:** May 7, 2024

**SPECIAL USE PERMIT FINDINGS (WMC § 14-12.513)**

The purpose of the Special Use Permit is to allow the establishment of a ABC Type 21 off-sale license for Vallarta Supermarket (a retail supermarket) and an ABC Type 47 on-sale license for Sayulita Tap Room (a restaurant that sells beer, wine and distilled spirits) (“Project”), pursuant to Chapter 14-16 of the Watsonville Municipal Code (WMC).

- 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**

Land designated General Commercial in the City’s General Plan is intended to serve a variety of retail and service needs of the community. A grocery store with an ABC Type 21 off-sale license and a restaurant with an ABC Type 47 on-sale license is allowed conditionally within the CNS zoning district with the approval of a Special Use Permit. The grocery store and restaurant are in an existing commercial building within the CNS Zoning District. The requested Special Use Permit for the establishment of a grocery store with ABC Type 21 off-sale license and a restaurant with an ABC Type 47 on-sale license has been conditioned to conform to all applicable requirements of WMC 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-of-way 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 14-16.1403(b) and WMC Chapter 14-25, establishing a grocery store with an ABC Type 21 off-sale license and a restaurant with an ABC Type 47 on-sale license is permitted with approval of a Special Use Permit. Standard conditions have been placed on the supermarket and restaurant to ensure adverse impacts do not occur related to alcohol sales, in accordance with WMC Sections 14-25.021 and 14-25.023. These conditions ensure that all alcohol related uses 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 commercial building is located in a shopping center where all necessary public services and utilities are readily available. The Special Use Permit to establish a grocery store with an ABC Type 21 off-sale license and a restaurant with an ABC Type 47 on-sale license will not generate additional pedestrian or vehicular traffic that will be hazardous or conflicting with the existing and anticipated traffic in the shopping center and surrounding 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**

The project site is developed as a shopping center providing the necessary public services and utilities for the proposed project. As the project only includes approval of a Special Use Permit for Alcohol, no additional roadway improvements or traffic control devices are required.

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**

All alcohol related uses are approved with standard conditions relating to the sale of beer, wine and distilled spirits ensuring adverse impacts do not occur, in accordance with WMC Sections 14-25.021 and 14-25.023. These conditions ensure all alcohol related uses will continue to be compatible with the surrounding neighborhood.

With the required conditions of approval, establishment of a grocery store with an ABC Type 21 off-sale license and a restaurant with an ABC Type 47 on-sale license within an existing commercial building 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**

All alcohol related uses are required to comply with standard operational conditions relating to the sale of beer, wine and distilled spirits ensuring impacts do not occur, in accordance with WMC Section 14-23.021. For instance, grocery stores are

prohibited from selling malt beverage or fortified wines exceeding 16 ounces. The alcohol related use has been conditioned to require that all managers and employees attend LEAD training within 90 days of approval of this Special Use Permit and/or employment at the grocery store and restaurant.

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 Special Use Permit to allow a grocery store with an ABC Type 21 off-sale license and a restaurant with an ABC Type 47 on-sale license is being accommodated within an existing commercial building. The commercial building is also located within a shopping center where the sales of alcohol will continue to complement adjacent commercial uses. As conditioned, the alcohol related uses are required to comply with all requirements of an establishment with alcohol sales as outlined in WMC Chapter 14-25.

The applicant will be required to implement a neighborhood compatibility plan to mitigate adverse impacts associated with alcohol related use and comply with operational standards for an alcohol establishment with off/on-sale general sales. As conditioned, the alcohol related uses 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.

## **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 1,370, exceeding the minimum score of 1,100 points.

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

### **Supportive Evidence**

The subject site is developed as a shopping center inhabited by an array of commercial uses. A parking lot that has access from Freedom Boulevard provides adequate parking for the grocery store, restaurant, and surrounding commercial uses. The applicant has indicated that signage will be posted both inside and outside the grocery store and restaurant, alerting patrons to keep noise to a minimum while on the premises. The location of exterior lighting and required security cameras provides adequate security for alcohol related uses. 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, 14-25.023, 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:** PP2024-88

**APN:** 019-282-15

**Applicant:** Zixta Enterprises, Inc.

**Hearing Date:** May 7, 2024

**SPECIAL USE PERMIT  
CONDITIONS OF APPROVAL**

**General Conditions:**

1. **Approval.** This approval applies to the application submitted on March 7, 2024, by Zixta Enterprises, Inc., and identified as “Special Use Permit” for the establishment of a grocery store with ABC Type 21 off-sale license and a restaurant with ABC Type 47 License, received by the Community Development Department on March 7, 2024. (CDD-P)
2. **Conditional Approval Timeframe.** This Special Use Permit (Application No. 615) 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 calendar days** after approval by the decision-making body or following final action on any appeal. (CDD-P)



7. Prior to Staff approval of the required ABC Zoning Affidavit (Form ABC-255) for the Type 47 On-Sale License for Sayulita Tap Room, applicant shall obtain a Zoning Clearance and building permit for Sayulita Tap Room and provide a Safety and Security Plan.

**Ongoing Conditions:**

8. **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)
9. **Neighborhood Compatibility Plan.** The applicant shall implement their Neighborhood Compatibility Plan to ensure all alcohol sales will not create objectionable conditions that constitute a nuisance and will be compatible with existing and potential uses within the general area. (CDD-P)
10. **Drive-through Service.** Drive-through service of alcohol is prohibited. (CDD-P, WPD)
11. **Exterior Pay Phones.** No exterior pay phones may be placed on the premises. (CDD-P, WPD)
12. **Interior Pay Phones.** Interior pay phones shall not allow incoming calls. (CDD-P, WPD)
13. **Hours of Operation.** Permitted hours of operations are as follows:
  - Vallarta Supermarket: 7 days a week 6:00 am – 11:00 pm
  - Sayulita Tap Room:
    - Monday – Thursday: 10:00 am – 10:30 pm, last call at 10:00 pm
    - Friday – Saturday: 10:00 am – 11:00 pm, last call at 10:30 pm
    - Sunday: 9:00 am – 10:30 pm, last call at 10:00 pm
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. **Malt Beverage Container Sizes.** Malt beverage and fortified wine shall not be sold in containers with a volume exceeding sixteen (16) ounces. (CDD-P)
18. **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.
19. **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)
20. **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.
21. **Employee Age.** Employees shall be at least twenty-one (21) years of age to sell and serve alcohol. (CDD-P, WPD)
22. **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)
23. **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)
24. **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 liquor 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)

25. **Security Cameras Installation.** 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. (WPD)
26. **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. Unless renewed, this Use Permit shall expire on **May 7, 2044**. (CDD-P)
27. **Accessibility.** The project shall conform with accessibility requirements to buildings and facilities by individuals with disabilities under the American Disabilities Act. (CDD-B)

#### **Operational Standards for On-sale Alcohol Sales**

28. **Entertainment Permit.** All proposed live entertainment for the restaurant with an ABC Type 47 License is subject to an Entertainment Permit Application approved by the Watsonville Police Department. An application for an Entertainment Permit must be obtained from WPD 60 days prior to any proposed live entertainment. All application proposed Live Entertainment must submit an application to Angelica Jauregui who can be contacted at 831-768-3386 or angelica.jauregui@watsonville.gov. (CDD-P, WPD)
29. **Food.** Food must be available at all hours that the establishment is open for business. (CDD-P)
30. **Change in Ownership.** A change in ownership for an existing ABC License is required to obtain a new Use Permit in accordance with WMC Section 14-25.030. (CDD-P)

#### **Future Sign Permit:**

31. **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:**

32. **Indemnity Provision .** If any Legal Challenge against the Project approvals is submitted to the City or filed in a court of law, Applicant will promptly honor and

comply with its obligations under the Reimbursement Agreement executed by the Applicant, including but not limited to the “Indemnity” obligations in section 7, which requires the Applicant, to the greatest extent authorized by law, defend (with counsel approved by City, which approval shall not be unreasonably withheld), indemnify, and hold harmless the City, its officials, employees, volunteers and agents from and against any and all loss, liability, expenses, claims, costs (including reasonable attorneys’ fees), suits and damages of every kind nature, and description, directly or indirectly arising from any third party legal challenge to the Project approvals, or the implementation of the Reimbursement Agreement.

**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:** PP2024-88  
**APNs:** 019-282-15  
**Applicant:** Zixta Enterprises, Inc.  
**Hearing Date:** May 7, 2024

**Applicant:** Zixta Enterprises, Inc.  
**Address:** 1702 Freedom Boulevard, Freedom, CA 95019  
**Project:** Special Use Permit  
**Location:** 1702 Freedom Blvd, Watsonville, CA 95076  
**Purpose:** Allow the establishment of Vallarta Supermarket with an ABC Type 21 off-sale license and Sayulita Tap Room with an ABC Type 47 on-sale license.  
**Property Owner:** John C. Adams  
**Address:** P.O. Box 1478, Aptos, CA 95001

A Special Use Permit (PP2024-88) to allow the establishment of Vallarta Supermarket with an ABC Type 21 off-sale license and Sayulita Tap Room with an ABC Type 47 on-sale license located at 1702 Freedom Boulevard, Freedom, CA 95076 (APN 019-282-15), was reviewed by the Planning Commission at a public hearing on May 7, 2024, 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

**NOTICE OF EXEMPTION****EXHIBIT "D"**

**TO:**    ☒ Office of Planning and Research  
P.O. Box 3044, Room 113  
Sacramento, CA 95812-3044  
Email: state.clearinghouse@opr.ca.gov

**FROM:** City of Watsonville  
Community Development Dept.  
250 Main Street  
Watsonville, CA 95076

☒ Clerk of the Board  
Santa Cruz County  
701 Ocean Street, Room 520  
Santa Cruz, CA 95060

**FILE NO.:** PP2024-88

---

**Project Title:** Vallarta Supermarket and Sayulita**Project Location - Specific:** 1702 Freedom Blvd**Project Location - City:** Watsonville**Project Location - County:** Santa Cruz

**Description of Nature, Purpose and Beneficiaries of Project:** The project proposes a 56,880 SF Vallarta Supermarket with an ABC Type 21 off-sale license and a 2,510 SF Sayulita Restaurant with an ABC Type 47 on-sale license.

**Name of Public Agency Approving Project:** City of Watsonville

**Name of Person or Agency Carrying Out Project:** Sandie Nunez, on behalf of Zixta Enterprises, Inc. (Vallarta Supermarket and Sayulita), 10147 San Fernando Rd. Pacoima, CA 91331

**Exempt Status (check one):**

- ☐ Ministerial (Sec. 21080(b)(1); 15268);  
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));  
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));  
☒ Categorical Exemption. State type and section number: Class 1, Section 15301  
☐ Statutory Exemptions. State code number: \_\_\_\_\_

**Reasons why project is exempt:** The proposed project is eligible for a Class 1 Categorical Exemption per Section 15301 of the State CEQA Guidelines as it involves establishing two alcohol licenses (ABC Type 21 and ABC Type 47) for Vallarta Supermarket and Sayulita Tap Room. The project includes approval of a Special Use Permit for Alcohol for an existing commercial use and an existing restaurant use, which constitutes a negligible expansion of the existing uses.

**Lead Agency Contact Person:** Matt Orbach**Telephone:** 831-768-3074**If filed by applicant:**

1. Attach certified document of exemption finding.  
2. Has a Notice of Exemption been filed by the public agency approving the project? ☐  
Ye ☐ No

**Signature:** \_\_\_\_\_ **Date:** May 7, 2024 **Title:** Principal Planner

☒ Signed by Lead Agency      ☐ Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code. Date Received for filing at OPR: \_  
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code