

CITY OF SAN FERNANDO COUNCIL CHAMBERS PLANNING AND PRESERVATION COMMISSION AGENDA FEBRUARY 4, 2014

1. **CALL TO ORDER** 7:00 P.M.

2. PLEDGE OF ALLEGIANCE

3. **ROLL CALL**

Chairperson Theale Haupt, Vice-chair Alvin Durham, Commissioners, Kevin Beaulieu, Yvonne G. Mejia, and Rodolfo Salinas, Jr.

4. **APPROVAL OF AGENDA** February 4, 2014

5. **PUBLIC STATEMENTS**

There will be a three (3) minute limitation per each member of the audience who wishes to make comments in order to provide a full opportunity to every person who wishes to address the Commission on community planning matters <u>not</u> pertaining to items on this agenda.

6. CONSENT CALENDAR

Items on the consent calendar are considered routine and may be acted on by a single motion to adopt the staff recommendation or report. If the Commission wishes to discuss any item, it should first be removed from the consent calendar.

- Planning and Preservation Commission minutes of the special meeting on November 19, 2013; and
- Planning and Preservation Commission minutes of the regular meeting on January 7, 2014

7. **NEW BUSINESS**

Α

\:	Subject:	Conditional Use Permit 2013-11 (CUP 2013-11)
	Location:	425 Park Avenue, San Fernando CA 91340
	Applicant:	Kelly Rodger, Street sign Brewery Company, 845 Atchison Street, Pasadena, CA 91104
	Proposal:	The proposed project is a request for approval of a Conditional Use Permit (CUP) to allow for the operation of Street Sign Brewing Company, a small beer manufacturer/micro-brewery at 425 Park Avenue.
	Recommendation:	Staff recommends that the Planning and Preservation Commission approve Conditional Use Permit 2013-11, to allow for the manufacturing, distribution, wholesale, and retail sale of

beer for on-site and off-site consumption associated with the

Planning and Preservation Commission Agenda February 4, 2014 Page 2

> operation of Street Sign Brewery, a small beer manufacturer/micro-brewery at 425 Park Avenue, pursuant to Planning and Preservation Commission Resolution 2014-03 and the conditions of approval attached as Exhibit "A" to the resolution (Attachment 1).

If, in the future, you wish to challenge the items listed above in Court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Planning Commission at, or prior to, the public hearing. Decisions of Planning and Preservation Commission may be appealed to the City Council within 10 days following the final action.

8. **STAFF COMMUNICATIONS**

9. COMMISSION COMMENTS

10. ADJOURNMENT

March 4, 2014

Any public writings distributed to the Planning and Preservation Commission regarding any item on this regular meeting agenda will also be made available at the Community Development Department public counter at City Hall located at 117 Macneil Street, San Fernando, CA, 91340 during normal business hours. In addition, the City may also post such documents on the City's Web Site at www.sfcity.org.

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services please call the Community Development Department office at (818) 898-1227 at least 48 hours prior to the meeting.



CITY OF SAN FERNANDO PLANNING AND PRESERVATION COMMISSION

DRAFT MINUTES OF THE NOVEMBER 19, 2013 SPECIAL MEETING CITY HALL COUNCIL CHAMBER

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE PLANNING COMMISSION. AUDIO OF THE ACTUAL MEETING ARE AVAILABLE FOR LISTENING IN THE COMMUNITY DEVELOPMENT DEPARTMENT.

CALL TO ORDER

The meeting was called to order by Chairperson Theale Haupt at 7:00 P.M.

PLEDGE OF ALLEGIANCE

Led by Chairperson Theale Haupt

ROLL CALL

The following persons were recorded as present:

PRESENT:

Chairperson Theale Haupt, Vice-chair Alvin Durham, Commissioners Kevin Beaulieu, and Yvonne Mejia

ABSENT

Commissioner Rudy Salinas

ALSO PRESENT

Community Development Director Fred Ramirez and Community Development Secretary Michelle De Santiago

APPROVAL OF AGENDA

Vice-chair A. Durham moved to approve the agenda of November 19, 2013. Seconded by Commissioner Y. Mejia, the motion carried with the following vote:

AYES:	A. Durham, Y. Mejia, K. Beaulieu, and T. Haupt
NOES:	None
ABSENT:	R. Salinas
ABSTAIN:	None

CONSENT CALENDAR No Items

UNFINISHED BUSINESS None

PUBLIC HEARING 7A:

Variance 2013-01 (Modification of Variance 2010-03) – 131-133 Park Avenue, San Fernando, Ca 91340 – Aszkenazy Development, Inc., 601 S. Brand Blvd., 3rd Floor, San Fernando, CA – The proposed project involves modification of a previously approved variance in order to deviate from the City's fence and wall requirements, landscape standards, and building setback requirements for the San Fernando Community Housing Project at 131-133 Park Avenue. The subject property is an approximate 30,576-

Planning Commission Minutes of the Special Meeting of November 19, 2013 Page 2 of 3

square foot through lot with street frontages along Jessie Street and Park Avenue. The subject property is located along the southerly portion of the 100 block of Jessie Street and the northerly portion of the 100 block of Park Avenue, within the R-3 (Multiple Family) zone. The request variances would allow a perimeter block wall and wrought iron style fence structures to be constructed within the requirement front yard setback area along Jessie Street that exceeds the City's fence and wall regulation as it pertain to the 3-foot maximum height and amount of solid surface area coverage that is permitted for walls and fences within the city's residential zones. The proposed maximum height of the block wall is an approximate 7.3 feet. The additional variance request within the front setback along Jessie Street includes the installation of artificial turn in lieu of live landscaping. Along the Park Avenue front setback, the project includes a request to allow the building structure to encroach into the previously approved 2-foot and 5-foot front setback by an additional 7.2 inches and 3 inches respectively.

STAFF PRESENTATION

Community Development Director Fred Ramirez gave the staff report recommending that the Planning and Preservation Commission approve the Variance 2013-01, modification of a previously approved Variance 2010-03 in order to deviate from the City's fence and wall requirements, landscape standards and building setback requirements for the San Fernando Community Housing Project at 131-133 Park Avenue, pursuant to Planning and Preservation Resolution 2013-15 and conditions of approval attached as Exhibit "A" to the resolution (Attachment 1).

COMMISSION DISCUSSION

K. Beaulieu suggested that the City of San Fernando use a form similar to the City of Los Angeles' form (e.g., building-elevation location certification form) to put the responsibility on the developer or the owner with regards to identifying the project boundaries and elevation survey. Additionally, he added that developer provide the City with verification from the manufacturer to ensure that the proposed artificial turf material has proper drainage and adhesive products used with said turf material are resistant bacterium such as that associated with staph infections.

F. Ramirez indicated that the artificial turf product has also been installed in the interior courtyard and it does have proper drainage.

T. Haupt indicated that this area that is being proposed for artificial turf is not intended to be accessible to tenants and that it is designed more for enhanced visual aesthetics to the property.

I. Fitzsimmons informed the Commission that they have contacted the metal fabricator to address the height of the post along the Jessie Street frontage so that they do not exceed the 6 feet maximum height and to ensure that the metal awnings located along the Park Avenue street frontage is modified and does not encroach into the public-right-of-way. Additionally, he invited the Commission to do a walk-through of the project site at Park Avenue in anticipation of the ground breaking at the Harding Avenue property (another proposed affordable housing site).

F. Ramirez mentioned that the portion of the building's façade at the northwest corner of the subject property facing Jessie Street, which includes a large ventilation duct for the existing subterranean parking structure will either be screened with similar building material to match the rest of the building and/or the vent itself will be modified to comply with applicable City code requirements that similar type of equipment be screened from public view. He also noted that City staff would confirm that the proper screening was installed prior to the project receiving a final inspection for the associated Variance approval

Planning Commission Minutes of the Special Meeting of November 19, 2013 Page 3 of 3

PUBLIC TESTIMONY

Jessie Avila – 319 N. Workman- Mr. Avila also noted his concern with possible moisture building from standing water on the proposed artificial turf material and asked staff to monitor the situation.

Subsequent to discussion, Chairperson T. Haupt moved to approve Variance 2013-01 (modification of Variance 2010-03). Seconded by Commissioner K. Beaulieu, the motion carried with the following vote:

AYES:T. Haupt, K. Beaulieu, A. Durham, and Y. MejiaNOES:NoneABSENT:R. SalinasABSTAIN:None

STAFF COMMUNICATIONS

F. Ramirez informed the Commission that there are a couple of request for conditional use permits for restaurants that were being evaluated by City planning staff and that it was anticipated that these conditional use permit requests would be coming before the Commission in the new calendar year. Additionally, he stated that the City's Housing Element update would be presented to the Commission for their final review before it is presented to the City Council in January of 2014.

COMMISSION COMMENTS

None.

PUBLIC STATEMENTS

None.

ADJOURNMENT

Vice-chair A. Durham moved to adjourn to December 3, 2013. Second by Commissioner K. Beaulieu, the motion carried with the following vote:

AYES:	A. Durham, K. Beaulieu, T. Haupt, and Y. Mejia
NOES:	None
ABSENT:	R. Salinas
ABSTAIN:	None

7:38 P.M. Fred Ramirez Planning Commission Secretary Page Left Blank to Facilitate Double-Sided Printing



CITY OF SAN FERNANDO PLANNING AND PRESERVATION COMMISSION

DRAFT MINUTES OF THE JANUARY 7, 2014 MEETING CITY HALL COUNCIL CHAMBER

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE PLANNING COMMISSION. AUDIO OF THE ACTUAL MEETING ARE AVAILABLE FOR LISTENING IN THE COMMUNITY DEVELOPMENT DEPARTMENT.

CALL TO ORDER

The meeting was called to order by Chairperson Theale Haupt at 7:00 P.M.

PLEDGE OF ALLEGIANCE

Led by Chairperson Theale Haupt

ROLL CALL

PRESENT:

Chairperson Theale Haupt, Vice-chair Alvin Durham, Commissioners Kevin Beaulieu, and Rudy Salinas

ABSENT

Commissioner Yvonne Mejia

ALSO PRESENT

Community Development Director Fred Ramirez, Assistant Planner Edgar Arroyo, City Consultant Jessica Suimanjaya, and Community Development Secretary Michelle De Santiago

APPROVAL OF AGENDA

Vice-chairperson A. Durham moved to approve the agenda January 7, 2014 meeting. Seconded by Chairperson T. Haupt, the motion carried with the following vote:

AYES:	A. Durham, T, Haupt, K. Beaulieu, and R. Salinas,
NOES:	None
ABSENT:	Y. Mejia
ABSTAIN:	None

CONSENT CALENDAR

Vice-chair A. Durham moved to approve the minutes of the October 15, 2013 Planning and Preservation Commission's meeting. Seconded by Commissioner R. Salinas, the motion carried with the following vote:

AYES:A. Durham, R. Salinas, K. Beaulieu, and T. HauptNOES:NoneABSENT:Y. MejiaABSTAIN:None

UNFINISHED BUSINESS None

Planning Commission Minutes of the January 7, 2014 Meeting Page 2 of 3

PUBLIC HEARING 7A:

General Plan Amendment 2013-01 (GPA 2013-01) and 2013-2021 General Plan Housing Element – Citywide – City of San Fernando, Community Development, 117 Macneil Street, San Fernando, CA – The proposed project is a city-initiated amendment of the General Plan (General Plan Amendment 2013-01) for the required updates to the Housing Element pursuant to State law.

STAFF PRESENTATION

Community Development Director Fred Ramirez explained that the draft document was sent to the State Department of Housing and Community Development (HCD) and was deemed by HCD to be in compliance with State housing laws. He also noted that once reviewed and adopted by the City Council the final Housing Element would need to be submitted to HCD no later than February 12, 2014.

Jessica Suimanjaya from Veronica Tam and Associates gave the powerpoint presentation.

COMMISSION DISCUSSION

T. Haupt asked if staff would provide clarification on the identified potential housing sites noted in the powerpoint presentation and asked what information HCD requested from the city.

F. Ramirez indicated that the lots identified in the powerpoint presentation were lots that could potentially facilitate housing development in the future. He also informed the commission that HCD asked that the city identify milestone dates for the various housing programs identified in the draft document.

Assistant Planner Edgar Arroyo indicated the pages in the document where the changes were made. Additionally, he recommended that the Planning and Preservation Commission recommend to the City Council adoption of the Draft Initial Study and Negative Declaration for the General Plan Amendment 2013-01 and the 2013-2021 Housing Element, determining that the proposed Housing Element updates will not have a significant adverse impact on the environment; and,

He also recommend that the Planning and Preservation Commission recommend approval and adoption of General Plan Amendment 2013-01 and the 2013-2021 Housing Element, in compliance with State law.

F. Ramirez recommended that the Commission have two votes; one per Resolution.

PUBLIC TESTIMONY

Jessie Avila (Councilmember/resident) – 319 N. Workman Street – Mr. Avila thanked the Commission for all their work and recommendations on the Draft Housing Element. He informed them that the recommendations have provided to the City Council were greatly appreciated and has made it possible for the draft document to be in conformance with the State housing requirements.

Subsequent to discussion, Vice-chair A. Durham moved to recommend to the City Council adoption of the Draft Initial Study and Negative Declaration for the General Plan Amendment 2013-01 and the 2013-2021 Housing Element, determining that the proposed Housing Element updates will not have a significant adverse impact on the environment. Seconded by Commissioner K. Beaulieu, the motion carried with the following vote:

AYES:	A. Durham, K. Beaulieu, T. Haupt, and R. Salinas
NOES:	None

Planning Commission Minutes of the January 7, 2014 Meeting Page 3 of 3

ABSENT: Y. Mejia ABSTAIN: None

STAFF COMMUNICATIONS

F. Ramirez provided the commission with an update of recent projects and their status:

- Walgreens and Smart and Final Express;
- Secured tenants at 1100 Truman Street; and,
- 1500 Glenoaks Blvd.

COMMISSION COMMENTS

None.

PUBLIC STATEMENTS

None.

ADJOURNMENT

Chairperson T. Haupt moved to adjourn to February 4, 2014. Second by Commissioner K. Beaulieu, the motion carried with the following vote:

AYES:	T. Haupt, K. Beaulieu, A. Durham, and R. Salinas
NOES:	None
ABSENT:	Y. Mejia
ABSTAIN:	None

7:58 P.M. Fred Ramirez Planning Commission Secretary Page Left Blank to Facilitate Double-Sided Printing

MEETING DATE: February 4, 2014

PUBLIC HEARING:

- 1. CHAIRPERSON TO OPEN THE ITEM AND REQUEST STAFF REPORT
- 2. STAFF PRESENTS REPORT
- 3. COMMISSION QUESTIONS ON STAFF REPORT
- 4. OPEN FOR PUBLIC HEARING
- 5. CLOSE PUBLIC HEARING
- 6. PLANNING AND PRESERVATION COMMISSION DISCUSSION
- 7. RECOMMENDED ACTION:

(a) **To Approve:**

"I move to approve Conditional Use Permit 2013-11, to allow for the manufacturing, distribution, wholesale, and retail sale of beer for on-site and off-site consumption associated with the operation of Street Sign Brewery, a small beer manufacturer/micro-brewery at 425 Park Avenue, pursuant to Planning and Preservation Commission Resolution 2014-03 and the conditions of approval attached as Exhibit "A" to the resolution (Attachment 1).

(b) **To Deny:**

"I move to deny Conditional Use Permit 2013-11, based on the following ..." (Roll Call Vote)

(c) **To Continue:**

"I move to continue consideration Conditional Use Permit 2013-11 to a specific date..." (Roll Call Vote)

PUBLIC HEARING:

To Approve ()

To Deny ()

To Continue ()

Moved by: _____

Seconded by: _____

Roll Call: _____

Item 7A: Conditional Use Permit 2013-11 (CUP 2013-11) Page Left Blank to Facilitate Double-Sided Printing



PLANNING AND PRESERVATION COMMISSION STAFF REPORT

DATE: February 4, 2014

- TO: SAN FERNANDO PLANNING AND PRESERVATION COMMISSION
- FROM: Fred Ramirez, Interim City Manager/Community Development Director
- SUBJECT:Conditional Use Permit 2013-11425 Park Avenue, San Fernando, CA 91340(Los Angeles County Assessor's Parcel No.: 2519-021-030)
- PROPOSAL: The proposed project is a request for approval of a Conditional Use Permit (CUP) to allow for the operation of Street Sign Brewing Company, a small beer manufacturer/micro-brewery at 425 Park Avenue.
- APPLICANT: Kelly Rogers, Street Sign Brewing Company, 845 Atchison Street, Pasadena, CA 91104

RECOMMENDATION:

Staff recommends that the Planning and Preservation Commission approve Conditional Use Permit 2013-11, to allow for the manufacturing, distribution, wholesale, and retail sale of beer for on-site and off-site consumption associated with the operation of Street Sign Brewery, a small beer manufacturer/micro-brewery at 425 Park Avenue, pursuant to Planning and Preservation Commission Resolution 2014-03 and the conditions of approval attached as Exhibit "A" to the resolution (Attachment 1).

PROJECT OVERVIEW:

On December 18, 2013, Kelly Rogers, the applicant for the project, submitted a Conditional Use Permit (CUP) application to allow for the operation of Street Sign Brewing Company, a small beer manufacturer/micro-brewery at the subject property located at 425 Park Avenue. The requested CUP would allow for the manufacturing, distribution, and sale of beer (retail and wholesale) with ancillary tasting facilities within a 5,700-square-foot unit in of an existing 12,384-square-foot industrial building at the subject property. The subject property is an approximate 21,432-square-foot lot located along the northerly portion of the 400 block of Park Avenue, between Fourth Street and Fifth Street, within the M-1 (Limited Industrial) zone.

If the requested CUP is approved, the applicant intends to apply for a Type 23 (Small Beer Manufacturer) License with the California Department of Alcoholic Beverage Control (ABC). A

small beer manufacturer or micro-brewery is a small-scale brewery operation that typically is dedicated to the production of specialty beers. Pursuant to Business and Professions Code Section 23320(a)(1)(a), a licensed small beer manufacturer with a Type 23 alcohol license is permitted to produce a maximum of 60,000 barrels of beer per year (approximately 1,890,000 gallons of beer). One (1) barrel of beer is equivalent to approximately 31.5 gallons of beer. In addition, pursuant to Business and Professions Code Section 23357, a Type 23 license also authorizes small beer manufacturers to sell the beer they produce at wholesale to persons licensed with ABC to resell alcohol (e.g., supermarkets, neighborhood markets, restaurants, and similar establishments with active alcohol licenses) and at retail to consumers for consumption on or off of the premises.

In discussion with the applicant regarding the anticipated production capacity of the microbrewery, production is anticipated to be approximately 500 barrels of beer per year within the first year of operation of the facility, with the anticipation of producing approximately 2,000 barrels of beer per year after about two years of operation. The applicant notes the current capacity of the proposed system would not exceed 20,000 barrels per year without significant upgrades to the brewing equipment and potential expansion into other areas of the building. Therefore, the proposed facility is not anticipated to exceed the 60,000 barrel per year maximum production threshold allowed by State law, unless significant upgrades to the facility are undertaken.

As part proposed operation of Street Sign Brewing Company, the applicant is requesting approval to allow for the production of beer in compliance with all applicable Federal, State, and local laws governing the manufacturing of beer. Furthermore, the applicant's request includes the wholesale and retail sale of the beer that the micro-brewery produces for on-site consumption within the confines of the building (i.e., within a "tap-room") and for off-site consumption off of the premises. The micro-brewery's tap-room would facilitate beer tastings to licensed resellers and to the public. Transactions resulting in the sale of beer to resellers and the public, as well as participation in the instructional beer tastings hosted by the micro-brewery, would only be permitted for persons over the age of 21 possessing valid identification.

The applicant's proposed hours of operation of the micro-brewery would be from 10:00 A.M. to 10:00 P.M. on Mondays through Sundays for beer manufacturing. The hours of operation for the ancillary tasting room and the sale of beer to licensed resellers and to the public would be from 10:00 A.M. to 10:00 P.M. on Sundays through Thursdays and from 10:00 A.M. to 12:00 A.M. on Fridays and Saturdays.

Generally, wholesale and manufacturing uses are principally permitted uses within the City's M-1 (Limited Industrial) zone, pursuant to City Code Section 106-582(2). However, pursuant to the City's provisions regulation the issuance of alcohol permits, any uses that involve the sale, serving, and consumption of alcoholic beverages shall require the Commission to make the findings in City Code Section 106-178(a) in the affirmative, as part of a Conditional Use Permit process. Additionally, the distribution of product from the micro-brewery would require the review and approval Conditional Use Permit pursuant to City Code Section 106-583(14).

February 4, 2014 Conditional Use Permit 2013-11 – Street Sign Brewing Company 425 Park Avenue Page 3

Lastly, the applicant is also requesting that the Commission allow live music and entertainment one night a week to showcase local talent and as part of special events that the company plans on hosting for promotional and taste events. Staff's assessment of the applicant's request as part of this CUP is provided in Analysis Section of this report.

BACKGROUND:

1. <u>General Plan Land Use and Zoning Designation.</u>

The subject property at 425 Park Avenue is located within the M-1 (Limited Industrial) zone (Attachment 3) and maintains an Industrial (IND) land use designation in the General Plan Land Use Element.

2. <u>Site Location and Description.</u>

The subject property is an approximate 21,432-square-foot lot (Los Angeles County Assessor Parcel No.: 2519-021-030) along the northerly portion of the 400 block of Park Avenue, between Fourth Street and Fifth Street, within the M-1 (Limited Industrial) zone. The property abuts similarly zoned property within the M-1 zone to the north, south, and east, and is within the vicinity of the R-1 (Single-Family Residential) zone to the west.

3. Environmental Review.

This project has been reviewed for compliance with the California Environmental Quality Act (CEQA). It is staff's assessment that this project proposal qualifies for a Categorical Exemption under Class 1 (Existing Facilities) of San Fernando's CEQA Guidelines. If the Planning and Preservation Commission concurs with staff's determination, no further environmental assessment is necessary.

4. Legal Notification.

On January 23, 2014, the public hearing notice was posted at two City Hall bulletins and at the project site. A notice was also published in the January 25, 2014, print and online legal advertisement section of the *Los Angeles Daily News*. In addition, notices of this hearing were mailed to all property owners of record within 500 feet of the subject site.

5. <u>Public Comments.</u>

As of the date of preparation of this staff report, no comments were received from the public regarding this conditional use permit request. Any comments received after the distribution of this report shall be read into the record at the public hearing.

ANALYSIS:

1. <u>General Plan Consistency.</u>

The requested CUP to allow for the manufacturing of beer associated with the operation of a small beer manufacturer/micro-brewery, along with the ancillary wholesale and retail sale of the beer the company produces, is consistent with the following goals and objectives of the San Fernando General Plan Land Use Element by:

- ✓ Promoting economic viability of commercial areas; and,
- ✓ Attracting new commercial activities. (San Fernando General Plan Land Use Element Goals I-IV, Pg. IV-6)

The subject property at 425 Park Avenue is located within the City's Industrial (IND) General Plan land use area. The intent of the IND land use area is to provide for the operation of light manufacturing uses and related services (San Fernando General Plan Land Use Element, Chart IV-1, Page IV-9). The proposed micro-brewery would provide for the manufacturing of beer, in keeping with the intent of the IND land use area by establishing new commercial activities within a vacant unit in the City's M-1 (Limited Industrial) zone. Additionally, the proposed wholesale and retail of the beer, along with beer manufacturing would provide for new commercial activities within the M-1 zone, promoting the continued economic viability of City's industrial zones.

2. Zoning Consistency.

Within the City's M-1 (Limited Industrial) zone, wholesale and manufacturing uses are generally principally permitted uses. However, pursuant to the City's zoning regulations the issuance of alcohol permits, any uses that involve the sale, serving, and consumption of alcoholic beverages shall require the Commission to make the findings in City Code Section 106-178(a) in the affirmative, as part of a Conditional Use Permit process. Additionally, the distribution of product from the micro-brewery would require the review and approval Conditional Use Permit pursuant to City Code Section 106-583(14).

Approval of the requested CUP to allow for the proposed micro-brewery at the subject property would be compatible with other permitted and conditionally permitted manufacturing, wholesaling, and distribution uses envisioned for the City's M-1 zone and consistent with the zone's purpose of providing for the location and operation of light manufacturing and related services and uses (City Code Section 106-581).

3. <u>Type 23 Alcohol License Provisions.</u>

The State's Alcoholic Beverage Control Act, codified as Division 9 of the Business and Professions Code, establishes the provisions for the issuance of licenses to manufacture alcoholic beverages, including beer, wine, and distilled spirits. The issuance of a license to manufacture alcohol in the State is administered by the California Department of Alcoholic Beverage Control (ABC).

In California, a small beer manufacturer/micro-brewery is required to apply for a Type 23 (Small Beer Manufacturer) license to produce and sell beer. A Type 23 license allows a small beer manufacturer to produce a maximum of 60,000 barrels of beer (approximately 1,890,000 gallons) a year and permits the sale of the beer the manufacturer produces to licensed resellers, distributors, and directly to the public for on-site or off-site consumption (Business and Professions Code Sections 23320(a)(1)(a) and 23357). When the sale of beer is strictly ancillary to the manufacturing of beer, a separate Type 20 (Off Sale Beer and Wine) license is not required. A Type 20 license would apply to establishments that sell beer and wine for off-site consumption and do not engage in the production of beer or wine (e.g., supermarkets, convenience stores, liquor stores, and similar establishments).

Furthermore, instructional beer tastings are also permitted with a Type 23 license as part of an event sponsored by a nonprofit organization (Business and Professions Code Section 23357.3).

The operation of Street Sign Brewing Company, the proposed micro-brewery, would incorporate those aspects of the business permitted with a Type 23 license. The applicant for the project is proposing to manufacture beer up to the quantities permitted by the State, provide for the sale of beer the company produces to licensed resellers, provide for the sale of beer that the company produces to the general public for on-site of off-site consumption, and provide instructional tasting as permitted pursuant to applicable State law.

4. Sale of Beer to the General Public.

As discussed in the previous section, the applicant intends to provide for the sale of the beer the company produces to the general public for on-site and off-site consumption. State law permits micro-breweries to provide for the direct sale of the beer they produce to consumers and provide areas for on-site consumption of the beer at their licensed premises. Additionally, consumers may frequent the micro-brewery to purchase beer to take home with them through the purchase of pre-filled bottles (as typically purchased through a supermarket), by the keg, or by bringing their own empty container or "growler" to the brewery to be filled, sealed, labeled, and taken home.

The United States Alcohol and Tobacco Tax and Trade Bureau (TBB), the Federal agency overseeing the production of alcohol nationally, classifies a growler as a bottle that a brewer fills with beer that is generally a ¹/₂ gallon in size or smaller. Generally, pre-bottled beer is required to be properly labeled by the brewery in compliance with Federal and State law prior to the sale of the product. The labeling requirements mandate that a brewery, whether small or large, provide the following information on a bottle of beer:

- \checkmark Brewer Name or Trade Name \checkmark Net Contents within the Bottle
- \checkmark Place of Production

- \checkmark **Governmental Warning Information**

The requirement extends to bottles or "growlers" that are brought in by consumers for the brewery to fill. The growler is required to be property labeled prior to the sale of the beer by the brewery.

State law allows direct consumer sale of beer for micro-breweries and similar small beer manufactures to create a market in the State for these types of establishments to be viable in, in particular with competition from much larger national and global beer purveyors. Large beer manufactures that produce in excess of 60,000 barrels of beer a year and sell nationally are generally restricted to sell their product to distributors, which then resell the product to retail outlets. Self-distribution by a micro-brewery promotes the economic viability of these small enterprises and facilitates additional employment opportunities in the State.

As required by the State, the purchase of beer would be restricted to adults over the age of 21 who possess valid identification. Employees of the brewery will be required to verify the age of each consumer, be it for on-site or off-site consumption, prior to the sale of beer to an individual. Failure for the applicant to comply with this provision may lead to revocation of the license by ABC, administrative fines and penalties, and potential revocation of this CUP by the Commission, if approved.

5. <u>Hours of Operation – Sale of Beer to the General Public.</u>

The proposed hours of operation of the micro-brewery would be from 10:00 A.M. to 10:00 P.M. on Mondays through Sundays for beer manufacturing. The hours of operation for the ancillary tasting room and the sale of beer to licensed resellers and to the public would be from 10:00 A.M. to 10:00 P.M. on Sundays through Thursdays and from 10:00 A.M. to 12:00 A.M. on Fridays and Saturdays. During the proposed hours of operation, the micro-brewery would engage in all permitted business activity authorized by a Type 23 license.

In evaluating the proposed hours of operation for the micro-brewery, staff evaluated potential impacts to neighboring residential uses to the west of the subject property at 425 Park Avenue. It is staff's assessment that due to the close proximity of the subject property to residentially-zoned property within the R-1 (Single Family Residential) zone, that the proposed hours of operation be amended to mitigate potential adverse affects to neighboring residential property. It is staff's recommendation that the hours of operation for the brewery, including the manufacturing and sale of beer and the ancillary tap room, be limited to 10:00 A.M. to 9:00 P.M. from Monday to Thursday, 10:00 A.M. to 10:00 P.M. on Friday and Saturday, and 10:00 A.M. to 8:00 P.M. on Sunday. Furthermore, it is staff's recommendation that sale of beer to the general public (persons other than licensed resellers) for on-site or off-site consumption commence no earlier than 12:00 P.M. daily. Sale of beer to licensed resellers may occur during the normal business hours of the brewery. The sale of beer for on-site and off-site consumption shall strictly remain an ancillary use to the manufacturing of beer at the subject property.

The recommended hours of operation are intended to mitigate impacts associated with noise and public alcohol intoxication that negatively impact the quality of life in the surrounding residential area to the west of the subject property. In addition, the recommended hours of operation are intended to safeguard that the proposed use does not become a bar or general off-sale liquor establishment.

6. List of Similar Micro-Brewery Establishments in Southern California.

In evaluating the requested CUP for Street Sign Brewing Company, City planning staff researched similar micro-breweries established and in operation within the County of Los Angeles. By utilizing the License Query System available on ABC's website (<u>http://www.abc.ca.gov/datport/SubscrMenu.asp</u>), staff was able find out that there are currently 25 active Type 23 (Small Beer Manufacturer) licenses in Los Angeles County. Furthermore, there are a total of 371 active licenses for Small Beer Manufacturers statewide. Of the 25 in the County, City staff has provided information for six (6) similar small beer manufacturers currently in operation, including the hours of operation for the tap

rooms of these micro-breweries. These micro-breweries provide similar business operations to Street Sign Brewing Company, the proposed applicant at 425 Park Avenue.

<u>Strand Brewing Company</u> Address: Tap Room Hours of Operation:

ABC License No./Type:

<u>Monkish Brewing Company</u> Address: Tap Room Hours of Operation:

ABC License No./Type:

<u>Angel City Brewery</u> Address: Tap Room Hours of Operation:

ABC License No./Type:

Eagle Rock Brewery Address: Tap Room Hours of Operation:

ABC License No./Type:

Smog City Brewing Company Address: Tap Room Hours of Operation:

ABC License No./Type:

<u>Timeless Pints Brewing Company</u> Address: Tap Room Hours of Operation:

ABC License No./Type:

http://www.strandbrewing.com/home 23520 Telo Ave #1, Torrance, CA 90505 Thursday and Friday: 4:00 P.M. to 9:00 P.M. Saturday: 12:00 P.M. to 8:00 P.M. Sunday: 12:00 P.M. to 6:00 P.M. License No. 507582 – Type 23

http://www.monkishbrewing.com/home 20311 S. Western Ave. Torrance, CA 90501 Thursday and Friday: 4:00 P.M. to 9:00 P.M. Saturday: 3:00 P.M. to 8:00 P.M. Sunday: 1:00 P.M. to 6:00 P.M. License No. 510135 – Type 23

http://angelcitybrewery.com

216 South Alameda St., Los Angeles, CA 90012 Monday – Thursday: 4:00 P.M. to 10:00 P.M. Friday: 4:00 P.M. to 12:00 A.M. Saturday: 12:00 P.M. to 12:00 A.M. Sunday: 12:00 P.M. to 10:00 P.M. License No. 540324 – Type 23

http://eaglerockbrewery.com

3056 Roswell Street, Los Angeles CA 90065 Wednesday – Saturday: 4:00 P.M. to 10:00 P.M. Sunday: 12:00 P.M. to 6:00 P.M. License No. 478818 – Type 23

http://www.smogcitybrewing.com

1901 Del Amo Blvd., Ste B, Torrance, CA 90501 Thursday and Friday: 4:00 P.M. to 9:00 P.M. Saturday: 12:00 P.M. to 8:00 P.M. Sunday: 12:00 P.M. to 6:00 P.M. License No. 527201 – Type 23

http://www.timelesspints.com/home.html

3671 Industry Avenue, Lakewood, CA 90712 Thursday and Friday: 2:00 P.M. to 8:00 P.M. Saturday: 1:00 P.M. to 8:00 P.M. Sunday: 1:00 P.M. to 6:00 P.M. License No. 522315 – Type 23

7. Special Events and Live Entertainment.

As part of the project, the applicant is also requesting that the Commission allow live music and entertainment one night a week to showcase local talent and as part of special events that the company plans on hosting for promotional and tasting events. It is staff's assessment that the proposed live music and entertainment component of the microbrewery has the potential to create adverse impacts to residentially-zoned property in close proximity to the subject property at 425 Park Avenue, if implemented on a weekly basis with the proposed business hours of operation.

In addition to adjusted hours of operation recommended by staff, as noted in Section 5 of the Analysis and provided for in the Conditions of Approval for the project, staff is recommending that live music and entertainment be prohibited for this use due to the close proximity to the residentially-zoned property to the west of the subject property, except for special events. In regards to live music and entertainment for special events, these events shall be limited to occur no more than four (4) times a year, on a quarterly basis. All live music and entertainment shall occur within the confines of the building, only during normal business hours, and comply with the City's noise ordinance. Recorded music maybe played in the establishment through a stereo system or similar at all times during normal business hours and shall also be required to adhere to the City's noise ordinance.

8. <u>Distance Separation Requirements.</u>

Pursuant to City Code Section 106-179(c)(3), businesses manufacturing or wholesaling alcoholic beverages, including beer, are exempt from the distance separation requirements from residential uses, churches, places of worship, schools, public parks, and other establishments that sell alcoholic beverages (on-sale and off-sale). As such, the proposed use would be in compliance with the applicable regulations governing the City's issuance of alcohol permits.

9. <u>Conditional Use Permit Findings.</u>

As the name implies, a Conditional Use Permit (CUP) allows the city the ability to consider specified uses that might not otherwise be allowed as a principally permitted use, provided the landowner or applicant meets certain conditions of approval. The basic goal of the CUP is to allow the full range of land uses required for the community to function, while still giving the community some control over individual situations that could result in land use conflicts and/or negative environmental impacts. CUPs are important to land use planning because it allows the Commission to review the potential impacts associated with the discretionary review of the proposed development.

A CUP is subject to discretionary review by the Commission. Discretionary review is a process that permits the Commission to review individual cases for proposed uses of the land and approve a project subject to specific conditions or deny the CUP request. Conditions of project approval imposed on the applicant through the discretionary review process may call for any measures that are reasonably related to preventing potential adverse land use and/or environmental impacts that might be associated with the project.

The approval or denial of a CUP is based on the Commission's ability to be reasonably satisfied with the project and that it possesses certain characteristics that are identified in the form of 10 findings of fact, as required per City Code Section 106-145. All findings must be justified and upheld in the affirmative for approval of the CUP; a negative determination on any single finding is grounds for a denial of the CUP.

It is staff's assessment that the findings for approval of the CUP can be made in this instance based on the aforementioned discussion, and as explained below for each of the required findings of fact.

a) The proposed use is one conditionally permitted within the subject zone and complies with all applicable sections of the zoning ordinance.

Generally, pursuant to City Code Section 106-582(2), wholesale and manufacturing uses are principally permitted uses within the City's M-1 (Limited Industrial) zone. However, pursuant to City's regulation regarding the issuance of alcohol permits, any uses that involve the sale, serving, and consumption of alcoholic beverages shall require the Commission to make the findings noted in City Code Section 106-178(a) in the affirmative, as part of a Conditional Use Permit process. Additionally, the distribution of product from the micro-brewery would require the review and approval of a Conditional Use Permit pursuant to City Code Section 106-583(14). Therefore, it is staff's assessment that the requested CUP to allow for the manufacturing, distribution, wholesale, and retail sale of beer for on-site and off-site consumption associated with the operation of Street Sign Brewery, a small beer manufacturer/micro-brewery at 425 Park Avenue, is a use that is conditionally permitted within City's M-1 zone and complies with all applicable sections of the City zoning ordinance. Thus, it is staff's assessment that this finding can be made in this case.

b) The proposed use would not impair the integrity and character of the zone in which it is to be located.

The proposed micro-brewery, with the implementation of the recommended conditions of approval for the project, would not impair the integrity and character of the M-1 (Limited Industrial) zone and the adjacent, residential zoned neighborhood. The proposed beer manufacturing facility would be complementary to similar manufacturing, warehousing, and distribution uses that currently existing within the City's industrial zones. The proposed use would fill a currently vacant industrial space in the M-1 zone and provide additional commercial activities along within this industrially zoned corridor. Thus, it is staff's assessment that this finding <u>can</u> be made.

c) The subject site is physically suitable for the type of land use being proposed.

The subject property at 425 Park Avenue is an approximate 21,432-square-foot lot that is currently improved with an existing 12,384-square-foot industrial building. The site

would comply with the City's applicable parking requirements by providing a total of 22 parking spaces on-site. As proposed, the micro-brewery would be operating its facility from a 5,700-square-foot unit within the existing industrial building at the subject property. The subject property is currently suitable for the proposed manufacturing use and would allow for the proposed project to comply with applicable development standards for similarly zoned industrial property. The new occupancy of the site by the proposed micro-brewery would provide new tenant improvements to the interior of the existing facilities. Any necessary utility upgrades to support the new use would be developed as part of the tenant improvement work for the micro-brewery. Thus, it is staff's assessment that this finding <u>can</u> be made.

d) The proposed use is compatible with land uses presently on the subject property.

The subject property at 425 Park Avenue is currently improved with an approximate 12,384-square-foot industrial building with two (2) separate tenant spaces. With the exception of the empty tenant space that Street Sign Brewing Company is attempting to secure, Electric Gate Store (ECS), a fence hardware supply wholesaler, is currently operating in the neighboring unit at the subject property. The proposed micro-brewery use, which includes a wholesale component, along with the manufacturing and distribution of beer, would be compatible with the existing permitted industrial use currently established at the subject property and future manufacturing, wholesaling, and distribution uses permitted and conditionally permitted within the M-1 (Limited Industrial) zone. Thus, it is staff's assessment that this finding <u>can</u> be made.

e) The proposed use would be compatible with the existing and future land uses within the zone and the general area in which the proposed use is to be located.

Within the City's M-1 (Limited Industrial) zone, manufacturing uses, along with wholesaling and distribution uses are permitted or conditionally permitted within the zone. Furthermore, the General Plan Land Use Element designates this property within the City's Industrial (IND) land use area, where future uses that are envisioned for the area include the operation of light manufacturing uses and related services. The operation of the proposed micro-brewery would introduce new a manufacturing, wholesaling, and distribution use at the subject property that is compatible with currently permitted uses in the zone and future potential uses envisioned for the IND land use area. Thus, it is staff's assessment that this finding <u>can</u> be made

f) There would be adequate provisions for water, sanitation, and public utilities and services to ensure that the proposed use would not be detrimental to public health and safety.

The proposed micro-brewery at the subject property would be served by existing water, sanitation and public utilities that are currently in use for the current tenant of the industrial commercial building. While no infrastructure and utility upgrades are

necessary at this time for the new tenant to conduct business activity at the subject property, any future improvements would be required to be developed in compliance with the requirements of the City's building codes, including any requirements from the Public Works Department. Thus, it is staff's assessment that this finding <u>can</u> be made.

g) There would be adequate provisions for public access to serve the subject proposal.

The subject property is currently improved with two (2) existing 24-foot driveways along Park Avenue that provide vehicular ingress and egress to the parking area of the proposed micro-brewery to the public. These driveway areas would provide sufficient, safe access to site by police and fire personal in the event of an emergency. Thus, it is staff's assessment that this finding <u>can</u> be made in this case.

h) The proposed use would be appropriate in light of an established need for the use at the proposed location.

The proposed micro-brewery use at the subject property would introduce a new manufacturing, wholesaling, and distribution use within a vacant tenant space located in the City's M-1 (Limited Industrial) zone. The proposed use is an appropriate use that is compatible with the industrial land uses permitted and conditionally permitted within the zone and within the general plan's Industrial land use area. The need for new industrial uses within the M-1 zone is evident through vacancies that exist in the City's goal of reducing vacancies that have the potential to create public nuisance issues by facilitating new commercial activities by private entrepreneurs venturing into the micro-brewery business that promote the economic viability of the City's manufacturing core. Thus, it is staff's assessment that this finding <u>can</u> be made in this case.

i) The proposed use is consistent with the objectives, policies, general land uses and programs of the City's general plan.

The subject property is located within the City's Industrial (IND) General Plan land use area. Within the City's IND land use area, the General Plan Land Use Element envisions the introduction and operation of light manufacturing uses and related services. The proposed micro-brewery would introduce new manufacturing, wholesaling, and distribution uses at the subject property that are consistent with the general land uses envisioned for the IND land use area in the City's General Plan. In addition, the new industrial use at the subject property would fill an existing vacancy within the Park Avenue industrial corridor and provide for a new commercial activity that works towards promoting small business development and improving the economic viability of M-1 (Limited Industrial) zone. Thus, it is staff's assessment that this finding <u>can</u> be made in this case.

j) The proposed use would not be detrimental to the public interest, health, safety, convenience or welfare.

The proposed use of the subject property to establish the proposed micro-brewery would not be detrimental to the public interest, health, safety, convenience, or welfare to neighboring industrial or residential uses in the area, with the implementation of the recommended conditions of approval for the project. The recommended hours of operation for the micro-brewery, which are from 10:00 A.M. to 9:00 P.M. from Monday to Thursday, 10:00 A.M. to 10:00 P.M. on Friday and Saturday, and 10:00 A.M. to 8:00 P.M. on Sunday would assist in mitigating potential adverse impacts to neighboring residential property. In addition, the recommended conditions limiting live music and entertainment to only special events four (4) time a year, would provide safeguards to prevent the proposed use from being turned into a bar or general off-sale liquor establishment and having impacts relating to public intoxication and potential violations of the City's noise ordinance. Thus, it is staff's assessment that this finding can be made in this case.

10. <u>Supplemental Findings for CUPs Including Alcohol Sales.</u> In addition to those findings set forth in City Code Section 106-145, as discussed in Section 5 of this report, applications for conditional use permits involving any use that involves the sale, serving, and/or consumption of alcoholic beverages shall require the Planning and Preservation Commission to make the following findings:

a) That the existing or proposed use does not or will not encourage or intensify crime within the reporting district that it is located;

The proposed micro-brewery, with the implementation of the recommended conditions of approval for the project, is not anticipated to encourage or intensify crime within the vicinity of the project. The recommended conditions of approval reducing the hours of operation of the proposed micro-brewery and limiting the use of live music and entertainment provides safeguards to mitigate the potential impacts to neighboring industrial and residential used within the vicinity of the subject property at 425 Park Avenue. Furthermore, any non-compliance with the conditions of approval for the project and violation of any applicable local ordinance would result in nuisance abatement enforcement action by the City, leading up to potential criminal prosecution and revocation of the CUP. Thus, it is staff's assessment that this finding <u>can</u> be made.

b) That the existing or proposed use does not or will not adversely impact any residential use, church, hospital, educational institution, day care facility, park, or library within the surrounding area.

The proposed micro-brewery, with the implementation of the recommended conditions of approval for the project, is not anticipated to have potential adverse impacts to neighboring residential uses in the vicinity of the subject property, nor to any church, hospital, school, day care, park, or library use in the City, with the implementation of the recommended conditions of approval for the project. The proposed micro-brewery, which will provide manufacturing, wholesaling, and distribution uses that are compatible to permitted and conditionally permitted uses within M-1 (Limited Industrial) zone, would be required to implement reduced hours of operation and limit the use of live music and entertainment to provide safeguards to mitigate the potential impacts to neighboring industrial and residential uses within the vicinity of the subject. Furthermore, non-compliance with the conditions of approval for the project and violation of any applicable local ordinance would result in nuisance abatement enforcement action by the City, leading up to potential criminal prosecution and revocation of the CUP. Thus, it is staff's assessment that this finding <u>can</u> be made.

c) That the distance separation requirements in section 106-179 are met.

Pursuant to City Code Section 106-179(c)(3), business manufacturing or wholesaling alcoholic beverages are exempt from distance separation requirements that would otherwise apply to other types businesses seeking a CUP for the general sale of alcoholic beverages for on-site or off-site consumption. Street Sign Brewing Company, the proposed micro-brewery at the subject property, would qualify for the exemption in distance separation provided in the City Code. Thus, it is staff's assessment that this finding can be made in this case.

d) If required by City Code Section 106-180, that the existing or proposed use will serve a public convenience or necessity, as defined in section 106-180.

The State Alcoholic Beverage Control Act does not required business manufacturing, wholesaling, or distributing alcoholic beverages, including micro-breweries with ancillary tasting facilities, to provide a finding for public convenience or necessity. These findings would be applicable to stand-alone establishments that are licensed to sell alcohol for on-site or off-site consumption without manufacturing facilities. Therefore, it is staff's assessment that findings of public convenience and necessity, pursuant to City Code Section 106-180, are <u>not required</u> in this case.

CONCLUSION:

In light of the forgoing analysis, it is staff's recommendation that the Commission approve of the requested Conditional Use Permit 2013-11 to allow for the manufacturing, distribution, wholesale, and retail sale of beer for on-site and off-site consumption associated with the operation of Street Sign Brewing Company, a small beer manufacturer/micro-brewery at 425 Park Avenue, subject to Planning and Preservation Commission Resolution 2014-03 and the recommended conditions of approval attached as Exhibit "A" to the resolution (Attachment 1). It is staff's assessment that the Commission's approval of the requested CUP 2013-11 would facilitate new commercial activities within in the City's M-1 (Limited Industrial) zone that have the potential to positively impact the neighboring industrially-zoned corridors, while providing safeguards through the recommended conditions of approval that are provided to ensure ongoing

operation of the business as originally approved by the Commission while also preserving the quality of life for neighboring residential properties.

ATTACHMENTS (5):

- 1. Planning and Preservation Commission Resolution 2014-03 and Exhibit "A": Conditions of Approval
- 2. Vicinity Map
- 3. Zoning Map
- 4. January 28, 2014, Letter from Street Sign Brewing Company
- 5. Site Plan, Floor Plan, and Property Photos

ATTACHMENT 1:

Planning and Preservation Commission Resolution 2014-03 and Exhibit "A": Conditions of Approval Page Left Blank to Facilitate Double-Sided Printing

RESOLUTION NO. 2014-03

A RESOLUTION OF THE PLANNING AND PRESERVATION COMMISSION OF THE CITY OF SAN FERNANDO APPROVING CONDITIONAL USE PERMIT 2013-11 TO ALLOW FOR THE OPERATION OF A SMALL BEER MANUFACTURER/MICRO-BREWERY AT THE SUBJECT PROPERTY LOCATED AT 425 PARK AVENUE.

WHEREAS, an application has been filed by Kelly Rogers of Street Sign Brewing Company (the "Applicant") requesting the review and approval of a conditional use permit (CUP) pursuant to City Code Sections 106-178(a) and 106-583(14) to allow for the operation of a small beer manufacturer/micro-brewery at the subject property located at 425 Park Avenue (the "Project"). The proposed use would provide for the manufacturing, distribution, wholesale, and retail sale of beer for on-site and off-site consumption within an approximate 5,700-square-foot tenant space of an existing 12,384-square-foot industrial building at the subject property. The site is an approximate 21,432-square-foot lot located along the northerly portion of the 400 block of Park Avenue, between Fourth Street and Fifth Street, within the M-1 (Limited Industrial) zone;

WHEREAS, the Applicant desires to submit an application for and acquire a Type 23 (Small Beer Manufacturers) alcohol license with the California Department of Alcoholic Beverage Control (ABC) and acquire all necessary permits from the United States Alcohol and Tobacco Tax and Trade Bureau (TTB) to allow for the operation of the proposed micro-brewery;

WHEREAS, the Planning and Preservation Commission has considered all of the evidence presented in connection with the Project, written and oral at the public hearing held on the 4th day of February 2014.

NOW, THEREFORE, BE IT RESOLVED that the Planning and Preservation Commission finds as follows:

<u>SECTION 1:</u> This Project has been reviewed by the City for compliance with the California Environmental Quality Act (CEQA). Based on the City's environmental assessment, it is the Planning and Preservation Commission's assessment that this Project qualifies for a Categorical Exemption under Class 1 (Existing Facilities) of San Fernando's CEQA Guidelines;

<u>SECTION 2:</u> The Project is consistent with the objectives, policies, and general land uses and programs provided in the City's General Plan and the applicable development standards for industrially zoned property within the M-1 zone; and

<u>SECTION 3:</u> Pursuant to City Code Section 106-145, the Planning and Preservation Commission finds that the following findings for Conditional Use Permit 2013-11 have been justified and upheld in the affirmative because of the recommended conditions of approval regarding operation of the proposed micro-brewery. The Planning and Preservation Commission findings are as followed:

1. The proposed use is one conditionally permitted within the subject zone and complies with all applicable sections of the zoning ordinance.

Generally, pursuant to City Code Section 106-582(2), wholesale and manufacturing uses are principally permitted uses within the City's M-1 (Limited Industrial) zone. However, pursuant to City's regulation regarding the issuance of alcohol permits, any uses that involve the sale, serving, and consumption of alcoholic beverages shall require the Commission to make the findings noted in City Code Section 106-178(a) in the affirmative, as part of a Conditional Use Permit process. Additionally, the distribution of product from the microbrewery would require the review and approval of a Conditional Use Permit pursuant to City Code Section 106-583(14). Therefore, it is the Commission's determination that the requested CUP to allow for the manufacturing, distribution, wholesale, and retail sale of beer for on-site and off-site consumption associated with the operation of Street Sign Brewery, a small beer manufacturer/micro-brewery at 425 Park Avenue, is a use that is conditionally permitted within City's M-1 zone and complies with all applicable sections of the City zoning ordinance. Thus, it is the Commission's determination that this finding <u>can</u> be made in this case.

2. The proposed use would not impair the integrity and character of the zone in which it is to be located.

The proposed micro-brewery, with the implementation of the recommended conditions of approval for the project, would not impair the integrity and character of the M-1 (Limited Industrial) zone and the adjacent, residential zoned neighborhood. The proposed beer manufacturing facility would be complementary to similar manufacturing, warehousing, and distribution uses that currently existing within the City's industrial zones. The proposed use would fill a currently vacant industrial space in the M-1 zone and provide additional commercial activities along within this industrially zoned corridor. Thus, it is the Commission's determination that this finding <u>can</u> be made in this case.

3. The subject site is physically suitable for the type of land use being proposed.

The subject property at 425 Park Avenue is an approximate 21,432-square-foot lot that is currently improved with an existing 12,384-square-foot industrial building. The site would comply with the City's applicable parking requirements by providing a total of 22 parking spaces on-site. As proposed, the micro-brewery would be operating its facility from a 5,700-square-foot unit within the existing industrial building at the subject property. The subject property is currently suitable for the proposed manufacturing use and would allow for the proposed project to comply with applicable development standards for similarly zoned industrial property. The new occupancy of the site by the proposed micro-brewery would provide new tenant improvements to the interior of the existing tenant space to facilitate the manufacturing and sale of beer, with ancillary tasting facilities. Any necessary utility upgrades to support the new use would be developed as part of the tenant improvement work for the micro-brewery. Thus, it is the Commission's determination that this finding <u>can</u> be made in this case.

4. The proposed use is compatible with land uses presently on the subject property.

The subject property at 425 Park Avenue is currently improved with an approximate 12,384square-foot industrial building with two (2) separate tenant spaces. With the exception of the empty tenant space that Street Sign Brewing Company is attempting to secure, Electric Gate Store (ECS), a fence hardware supply wholesaler, is currently operating in the neighboring unit at the subject property. The proposed micro-brewery use, which includes a wholesale component, along with the manufacturing and distribution of beer, would be compatible with the existing permitted industrial use currently established at the subject property and future manufacturing, wholesaling, and distribution uses permitted and conditionally permitted within the M-1 (Limited Industrial) zone. Thus, it is the Commission's determination that this finding <u>can</u> be made in this case.

5. The proposed use would be compatible with the existing future land uses within the zone and the general area in which the proposed use is to be located.

Within the City's M-1 (Limited Industrial) zone, manufacturing uses, along with wholesaling and distribution uses are permitted or conditionally permitted within the zone. Furthermore, the General Plan Land Use Element designates this property within the City's Industrial (IND) land use area, where future uses that are envisioned for the area include the operation of light manufacturing uses and related services. The operation of the proposed microbrewery would introduce new a manufacturing, wholesaling, and distribution use at the subject property that is compatible with currently permitted uses in the zone and future potential uses envisioned for the IND land use area. Thus, it is the Commission's determination that this finding can be made in this case.

6. There would be adequate provisions for water, sanitation, and public utilities and services to ensure that the proposed use would not be detrimental to public health and safety.

The proposed micro-brewery at the subject property would be served by existing water, sanitation and public utilities that are currently in use for the current tenant of the industrial commercial building. While no infrastructure and utility upgrades are necessary at this time for the new tenant to conduct business activity at the subject property, any future improvements would be required to be developed in compliance with the requirements of the City's building codes, including any requirements from the Public Works Department. Thus, it is the commission's determination that this finding <u>can</u> be made in this case.

7. There would be adequate provisions for public access to serve the subject proposal.

The subject property is currently improved with two (2) existing 24-foot driveways along Park Avenue that provide vehicular ingress and egress to the parking area of the proposed micro-brewery to the public. These driveway areas would provide sufficient, safe access to site by police and fire personnel in the event of an emergency. Thus, it is the Commission's determination that this finding <u>can</u> be made in this case.

8. The proposed use would be appropriate in light of an established need for the use at the proposed location.

The proposed micro-brewery use at the subject property would introduce a new manufacturing, wholesaling, and distribution use within a vacant tenant space located in the City's M-1 (Limited Industrial) zone. The proposed use is an appropriate use that is compatible with the industrial land uses permitted and conditionally permitted within the zone and within the general plan's Industrial land use area. The need for new industrial uses within the M-1 zone is evident through vacancies that exist in the City's industrially-zoned corridors. The proposed use would aid in achieving the City's goal of reducing vacancies that have the potential to create public nuisance issues by facilitating new commercial activities by private entrepreneurs venturing into the micro-brewery business that promote the economic viability of the City's manufacturing core. Thus, it is the Commission's determination that this finding can be made in this case.

9. The proposed use is consistent with the objectives, policies, general land uses and programs of the City's general plan.

The subject property is located within the City's Industrial (IND) General Plan land use area. Within the City's IND land use area, the General Plan Land Use Element envisions the introduction and operation of light manufacturing uses and related services. The proposed micro-brewery would introduce new manufacturing, wholesaling, and distribution uses at the subject property that are consistent with the general land uses envisioned for the IND land use area in the City's General Plan. In addition, the new industrial use at the subject property would fill an existing vacancy within the Park Avenue industrial corridor and provide for a new commercial activity that works towards promoting small business development and improving the economic viability of M-1 (Limited Industrial) zone. Thus, it is the Commission's determination that this finding can be made in this case.

10. The proposed use would not be detrimental to the public interest, health, safety, convenience or welfare.

The proposed use of the subject property to establish the proposed micro-brewery would not be detrimental to the public interest, health, safety, convenience, or welfare to neighboring industrial or residential uses in the area, with the implementation of the recommended conditions of approval for the project. The recommended hours of operation for the micro-brewery, which are from 10:00 A.M. to 9:00 P.M. from Monday to Thursday, 10:00 A.M. to 10:00 P.M. on Friday and Saturday, and 10:00 A.M. to 8:00 P.M. on Sunday would assist in mitigating potential adverse impacts to neighboring residential property. In addition, the recommended conditions limiting live music and entertainment to only special events four (4) time a year, would provide safeguards to prevent the proposed use from being turned into a bar or general off-sale liquor establishment and having impacts relating to public intoxication and potential violations of the City's noise ordinance. Thus, it is the Commission's determination that this finding <u>can</u> be made in this case.

City of San Fernando Planning and Preservation Commission Resolution No. 2014-03 Page 5

<u>SECTION 4:</u> In addition to those findings set forth in City Code Section 106-145, applications for conditional use permits involving any use that involves the sale, serving, and/or consumption of alcoholic beverages shall require the Planning and Preservation Commission to make the following findings, pursuant to City Code Section 106-178(a)(1-4):

1. That the existing or proposed use does not or will not encourage or intensify crime within the reporting district that it is located.

The proposed micro-brewery, with the implementation of the recommended conditions of approval for the project, is not anticipated to encourage or intensify crime within the vicinity of the project. The recommended conditions of approval reducing the hours of operation of the proposed micro-brewery and limiting the use of live music and entertainment provides safeguards to mitigate the potential impacts to neighboring industrial and residential used within the vicinity of the subject property at 425 Park Avenue. Furthermore, any non-compliance with the conditions of approval for the project and violation of any applicable local ordinance would result in nuisance abatement enforcement action by the City, leading up to potential criminal prosecution and revocation of the CUP. Thus, it is the Commission's determination that this finding <u>can</u> be made in this case.

2. That the existing or proposed use does not or will not adversely impact any residential use, church, hospital, educational institution, day care facility, park, or library within the surrounding area.

The proposed micro-brewery, with the implementation of the recommended conditions of approval for the project, is not anticipated to have potential adverse impacts to neighboring residential uses in the vicinity of the subject property, nor to any church, hospital, school, day care, park, or library use in the City, with the implementation of the recommended conditions of approval for the project. The proposed micro-brewery, which will provide manufacturing, wholesaling, and distribution uses that are compatible to permitted and conditionally permitted uses within M-1 (Limited Industrial) zone, would be required to implement reduced hours of operation and limit the use of live music and entertainment to provide safeguards to mitigate the potential impacts to neighboring industrial and residential uses within the vicinity of the subject. Furthermore, non-compliance with the conditions of approval for the project and violation of any applicable local ordinance would result in nuisance abatement enforcement action by the City, leading up to potential criminal prosecution and revocation of the CUP. Thus, it is the Commission's determination that this finding <u>can</u> be made in this case.

3. That the distance separation requirements in section 106-179 are met.

Pursuant to City Code Section 106-179(c)(3), business manufacturing or wholesaling alcoholic beverages are exempt from distance separation requirements that would otherwise apply to other types businesses seeking a CUP for the general sale of alcoholic beverages for on-site or off-site consumption. Street Sign Brewing Company, the proposed micro-brewery at the subject property, would qualify for the exemption in distance separation provided in the

City Code. Thus, it is the Commission's determination that this finding <u>can</u> be made in this case.

4. If required by City Code Section 106-180, that the existing or proposed use will serve a public convenience or necessity, as defined in section 106-180.

The State Alcoholic Beverage Control Act does not required business manufacturing, wholesaling, or distributing alcoholic beverages, including micro-breweries with ancillary tasting facilities, to provide a finding for public convenience or necessity. These findings would be applicable to stand-alone establishments that are licensed to sell alcohol for on-site or off-site consumption without manufacturing facilities. Therefore, it is the Commission's determination that findings of public convenience and necessity, pursuant to City Code Section 106-180, are not required in this case.

BE IT FURTHER RESOLVED that based upon the foregoing, the Planning and Preservation Commission hereby approves Conditional Use Permit 2013-11, subject to the conditions of approval attached as Exhibit "A".

PASSED, APPROVED AND ADOPTED this 4th day of February 2014.

THEALE E. HAUPT, CHAIRPERSON

ATTEST:

FRED RAMIREZ, SECRETARY TO THE PLANNING AND PRESERVATION COMMISSION

STATE OF CALIFORNIA)COUNTY OF LOS ANGELES) ssCITY OF SAN FERNANDO)

I, FRED RAMIREZ, Secretary to the Planning and Preservation Commission of the City of San Fernando, do hereby certify that the foregoing Resolution was duly adopted by the Planning and Preservation Commission and signed by the Chairperson of said City at a meeting held on the 4th day of February 2014; and that the same was passed by the following vote, to wit:

City of San Fernando Planning and Preservation Commission Resolution No. 2014-03 Page 7

AYES:

NOES:

ABSENT:

ABSTAIN:

FRED RAMIREZ, SECRETARY TO THE PLANNING AND PRESERVATION COMMISSION

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EXHIBIT "A" CONDITIONS OF APPROVAL

PROJECT NO.	:	Conditional Use Permit 2013-11
PROJECT ADDRESS	:	425 Park Avenue, San Fernando, CA 91340 (Los Angeles County Assessor's Parcel No.: 2519-021-030)
PROJECT DESCRIPTION	:	The proposed project is a request for approval of a Conditional Use Permit (CUP) to allow for the operation of Street Sign Brewing Company, a small beer manufacturer/micro-brewery at 425 Park Avenue.

- 1. <u>Conditional Use Permit Entitlement</u>. The conditional use permit is granted for the land described in this application and any attachments thereto, as reviewed by the Planning and Preservation Commission on February 4, 2014, except as herein modified to comply with these Conditions of Approval.
- 2. <u>Indemnification</u>. The property owner and developer shall indemnify, protect, hold harmless and defend the City and any agency or instrumentality thereof, and/or any of its officers, employees and agents from any and all claims, actions, or proceedings against the City to attack, set aside, void, annul, seek monetary damages resulting from an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board or legislative body including actions approved by the voter of the City, concerning the entitlement application. City shall promptly notify both the property owner and developer of any claim, action, or proceeding to which this condition is applicable and shall further cooperate fully in the defense of the City and its citizens in regard to such defense. The property owner and developer shall defend, indemnify and hold harmless the City for all costs and fees incurred in additional investigation or study of, or for supplementing, redrafting, revising, or amending, any document (such as an environmental impact report or related environmental assessment) if made necessary through the initiation of the project.
- 3. <u>Licensing</u>. The Planning and Preservation Commission's approval of this conditional use permit shall permit the applicant to apply for a Type 23 (Small Beer Manufacturer) license with the California Department of Alcoholic Beverage Control (ABC). In addition, the applicant shall be required to secure any required permits from the United States Alcohol and Tobacco Tax and Trade Bureau (TTB). Copies of all secured licenses and permits issued by ABC and TTB shall be submitted to the Community Development Department.
- 4. <u>General Conditions</u>. In addition to those conditions of approval, which the Planning and Preservation Commission may otherwise impose, the operation of the micro-brewery shall be subject to the following general conditions:
 - a. No display or sale of alcoholic beverages shall be made from an ice tub. An "ice tub" is a vessel filed with ice that displays single servings of alcoholic beverages for customer self-service.
 - b. No sale of alcoholic beverages shall be made from a walk-up or drive-in window.

- c. Alcoholic beverages and non-alcoholic beverages shall be stocked and displayed separately.
- d. Beverages sold "to-go" (for off-site consumption) shall not be allowed to be consumed on the premises.
- e. There shall be no "happy hour" for selling discounted alcoholic drinks.
- f. No one under 21 shall be allowed to enter the premises and remain. Warning signs stating such shall be posted on the premises in locations approved by the Community Development Department.
- g. The following signs shall be conspicuously posted onsite:
 - a. Exterior signs referencing Penal Code § 602.1. Such signs shall be clearly visible from the establishment's parking area and shall include the police department's phone number.
 - b. An interior sign in English and Spanish stating: "We ID everyone under 26 years of age for alcohol sales" with minimum dimensions of eight inches by 11 inches.
- h. Exterior public telephones that permit incoming calls shall not be located on the premises.
- i. Electronic games, including video games, shall not be located on the premises.
- j. Exterior lighting of the parking area shall provide adequate lighting for patrons while not producing glare or light spillover disturbing surrounding residential or commercial areas.
- k. Special security measures such as security guards, door monitors, and burglar alarms systems may be required as a condition of approval with final determination made by the chief of police and the chief planning official on a case-by-case basis.
- 1. Litter and trash receptacles shall be located at convenient locations both inside and outside the establishment, and trash and debris shall be removed on a daily basis.
- m. The exterior of the establishment, including all signs, accessory buildings and structures shall be maintained free of litter and graffiti at all times. All graffiti shall be removed from the premises within 24 hours of its discovery.
- n. Violation of, or noncompliance with, any of the conditions shall constitute grounds for revocation of the CUP.
- o. Expansion or enlargement of the business premises over the life of the structure or the use shall be subject to the CUP approval process.
- 5. <u>Permitted Hours of Operation</u>. The business hours of the micro-brewery shall adhere to the approved hours of operation adopted by the Planning and Preservation Commission as part of this conditional use permit. The approved hours of operation are as follow:

- ✓ Monday to Thursday -10:00 A.M. to 9:00 P.M.
- \checkmark Friday and Saturday 10:00 A.M. to 10:00 P.M.
- ✓ Sunday 10:00 A.M. to 8:00 P.M.

Furthermore, the sale of beer to the general public (persons other than licensed resellers) for on-site or off-site consumption shall commence no earlier than 12:00 P.M. daily. Sale of beer to licensed resellers may occur during the normal business hours of the brewery. The sale of beer for on-site and off-site consumption shall strictly remain an ancillary use to the manufacturing of beer at the subject property. Modification of the approved hours of operation shall require the review and approval of the Planning and Preservation Commission.

- 6. <u>Special Events and Live Entertainment</u>. Live music and entertainment shall be permitted to occur only in conjunction with a special event. Special events shall be permitted a maximum of four (4) times in one (1) calendar year, on a quarterly basis. Live music and entertainment shall not be permitted during normal business hours when not associated with an active special event.
- 7. <u>Compliance with Federal, State, and Local Regulations</u>. The applicant and any future successors shall comply with all applicable Federal, State, and local regulations pertaining to the manufacturing, sale (retail and wholesale), and distribution of beer.
- 8. <u>Signage</u>. Any future proposed signage shall comply with the City's applicable sign regulation and shall require the submittal, review, and approval of a sign permit application prior to the placement or any signage on the property.
- 9. <u>Surveillance</u>. A security camera system shall be installed on the premises and shall be maintained in proper working order at all times. The security camera system shall be subject to inspection by the police department in the event of incident at or near the subject property. The system must be capable of producing retrievable images on film or tape that can be enlarged through projection or other means. The video or digital recordings generated by the system shall be maintained for a period of 30 days. Special security measures such as security guards, door monitors, and burglar alarms systems may be required as a condition of approval with final determination made by the chief of police and the chief planning official on a case-by-case basis.
- 10. <u>Revocation</u>. Violation of, or noncompliance with, any of these conditions of approval may constitute grounds for revocation this conditional use permit, as provided below:
 - a. Upon the issuance of, and conviction for, three zoning violation citations;
 - b. Upon the revocation of the alcoholic license by ABC;
 - c. Upon any two disciplinary actions by ABC in the form of a fine or suspension of the alcoholic license, during the term of the CUP; or
 - d. Where conditions and activities associated with the operation of the micro-brewery, as defined herein, interfere with the quiet enjoyment of life and property in the neighborhood, or are or tend to be, injurious to health and safety of persons in the neighborhood. These include, but are not

limited to the following:

- i. Excessive noise, noxious smells or fumes, loitering, littering, curfew violations, disturbing the peace, illegal drug activity, public drunkenness, drinking in public, public urination, public vandalism, graffiti, lewd conduct, gambling, harassment of passersby, prostitution, sale of stolen merchandise, illegal parking, traffic violations, theft, assaults, batteries;
- ii. Illegal sale, manufacture, storing, possession, distribution of alcoholic beverages; or,
- iii. Police detention, citation, and/or arrests for these or any other unlawful activity attributed to the sale and/or consumption of alcoholic beverages declared by the City to be a public nuisance.

This conditional use permit may also be revoked as provided in City Code Sections 106-148 and 106-183. If at any time the operation of the business and/or the sale of alcoholic beverages in conjunction therewith becomes a nuisance, is detrimental to the public health, safety, or welfare, or results in undesirable activities creating an increased demand for law enforcement activities including an above normal rate of calls for service to the police department, the Planning and Preservation Commission, after a public hearing, as hereinafter provided, may revoke the conditional use permit herein granted or may modify and amend the same in such manner as it may determine necessary to abate the nuisance or preclude the undesirable activities or behaviors, which have generated the increased demand for law enforcement services.

- 11. <u>Lighting.</u> Adequate lighting shall be provided within the parking lot of the subject property. All exterior lighting shall be decorative cut-off fixtures (where no light is emitted above the horizontal plane) with the light source fully shielded or recessed to preclude light trespass or pollution up into the night sky. Also, any building-mounted luminaries shall be attached to walls or soffits, and the top of the fixture shall not exceed the height of the roof. All proposed light fixtures shall be designed in a manner that is consistent with the overall design of the building and shall not disturb or create glare towards neighboring properties. In addition, any decorative uplighting, such as those that illuminate building facades or landscaping, shall be operated on timers that turn off illumination no later than 12 midnight, nightly. The Community Development Department shall review and approve all light fixtures prior to installation. In addition, all lighting shall also comply with the following requirements:
 - a) The equivalent of one foot-candle of illumination shall be provided throughout the parking area;
 - b) All lighting shall be on a time-clock or photo-sensor system;
 - c) All lighting shall be designed to confine direct rays to the premises. No spillover beyond the property line shall be permitted; and,
 - d) All lighting shall consist of metal halide type lighting or similar. Illumination shall not include low or high pressure sodium lighting.
- 12. <u>Trash Enclosure</u>. The applicant shall construct a new trash enclosure on the subject property and ensure that all trash bins are kept free of trash overflow and maintained in a clean manner at all times.

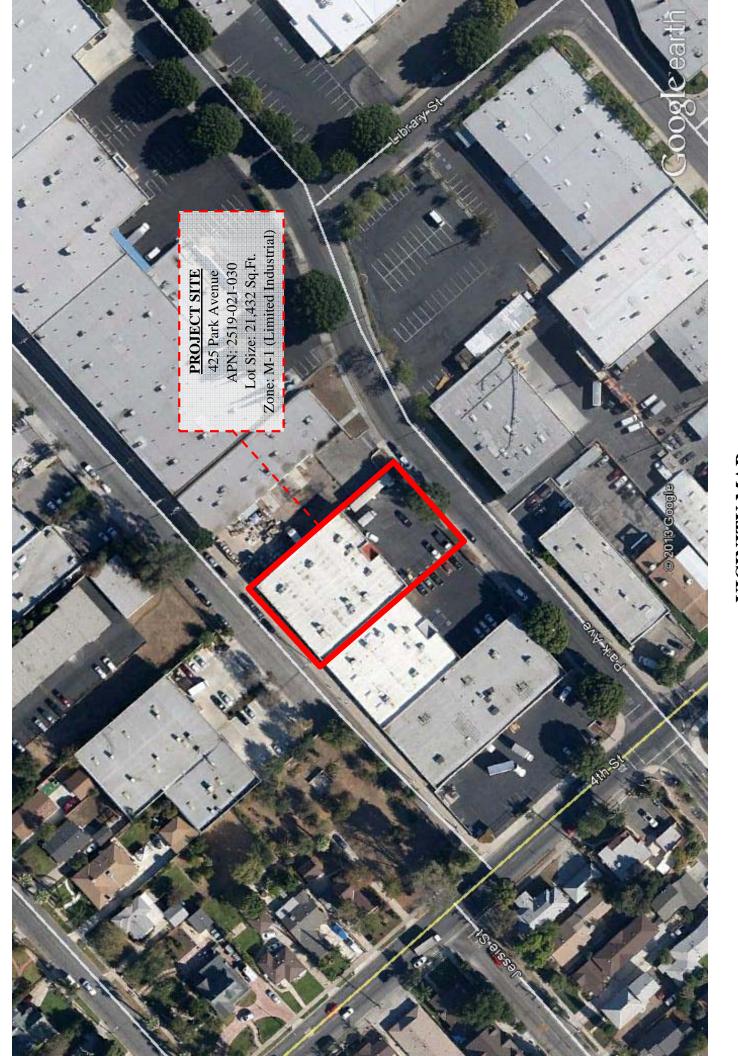
Litter and trash receptacles shall be located at convenient locations both inside and outside the establishment, and trash and debris shall be removed on a daily basis.

- 13. <u>Property Maintenance</u>. The subject site and its immediate surrounding area shall be maintained in a clean, neat and orderly manner at all times and shall comply with the property maintenance standards as set forth in the San Fernando City Code.
- 14. <u>Graffiti Removal</u>. Unless otherwise specified in the conditions of approval, the property owner(s), operator and all successors shall comply with the graffiti removal and deterrence requirements of the San Fernando City Code. The property owner(s), operator and all successors shall provide for the immediate removal of any graffiti vandalism occurring on the property and, where applicable, the restoration of the surface on which the graffiti exists. Such restoration shall entail repainting or refinishing of the surface with a color or finish that matches the color or finish of the remaining portions of the structure being painted, and including treatment of the surface or site with measures to deter future graffiti vandalism as approved or required by the community development department. Unless removed by the property owner or their designee within the specified time frame required by city code, property owner(s), operator and all successors shall grant the right of access to authorized agents of the City of San Fernando to remove graffiti from any surface on the property that is open and accessible from city property or public right-of-way, at the expense of the owner(s) or operator and all successors.
- 15. <u>Site Inspections</u>. The Community Development Department shall have the authority to inspect the site to assure compliance with these conditions of approval. The applicant and all successors shall grant the right of access to authorized agents of the City of San Fernando to conduct periodic inspections of the property.
- 16. <u>Modifications</u>. Unless the chief planning official deems a proposed change to the approved plans and operation a minor modification, any and all other modifications to the development plan, including these conditions of approval, shall require review and approval by the Planning and Preservation Commission. Expansion or enlargement of the business activity beyond the thresholds permitted by this entitlement shall be subject to the CUP modification approval process.
- 17. <u>Acceptance</u>. Within thirty (30) days of approval of this conditional use permit, the applicant or their duly authorized representative shall certify the acceptance of the conditions of approval by signing a statement using an acceptance affidavit form provided by the City of San Fernando that acknowledges acceptance of and commitment to adhere to all of the conditions of approval.
- 18. <u>Recordation</u>. The applicant shall provide the Community Development Department with proof that the conditions of approval have been recorded with the Los Angeles Registrar Recorder/County Clerk's Office.
- 19. <u>Public Review of Conditions of Approval</u>. A copy of these conditions of approval shall be retained on-site at all times during the hours of operation of the brewery and shall be made available for viewing upon public request or upon request by any city official and representative of ABC or TTB. Employees of the business shall not prohibit a request of the public to view the conditions of approval for this entitlement.

20. <u>Expiration</u>. This conditional use permit shall become null and void unless exercised by initiating substantive action to implement the operation permitted by this entitlement within twelve (12) months of final approval; or until such additional time as may be granted by the community development department upon receipt of a request for an extension received <u>prior</u> to such expiration date. Subsequent failure to obtain and exercise an active business occupancy permit shall also cause expiration of the conditional use permit.

ATTACHMENT 2:

Vicinity Map



VICINITY MAP 425 Park Avenue

ATTACHMENT 3:

Zoning Map





ATTACHMENT 4:

January 28, 2014, Letter from Street Sign Brewing Company

The Valley's Best

January 28, 2014

TO: Fred Ramirez Interim City Manager Community Development Director City of San Fernando California 818-898-7316

> Edgar Arroyo Assistant Planner City of San Fernando California 818-837-1540

FROM: Kelly Rogers Chief Information Officer San Fernando Brewing Company 818-371-0838

Dear Sirs:

The intent of this letter is to help clarify what our business is, a Microbrewery, and to assure the City of San Fernando our commitment to the community of which we wish to be a part.

Street Sign Brewing Company Inc. will be operating under the DBA, San Fernando Brewing Company (SFB). SFB is a Microbrewery, also referred to as a Craft Brewery. We will be a full production wholesale business with a tasting room/tap room operating under ABC license 23 for manufacturing.

San Fernando Brewing Co. is small, independent and traditional. When it comes to development of our products, our malt beverages will represent the greater volume of our brands. In some products, we will use adjuncts such as real pumpkin, fresh fruits, spices and other natural ingredients to enhance rather than lighten flavor.

The brewing process is straightforward and non disruptive to the surrounding business and community. The entire process is confined within the brewery itself.

Once all the ingredients are placed into the boil kettle, our brewing process is a self contained system from start to finish. The only byproduct is what is called "spent grain". The spent grain is donated or sold off as mulch or feed for cattle. After the boiling process the product that is left is called wert. The liquid wert is moved from the brewing kettles by way of fixed stainless steel piping or food grade hoses to the fermenters.

While the wert ferments the off gasses will be filtered through water to capture any odors that it may produce. Unlike larger breweries that simply allow fermentation gasses to be vented into the atmosphere. Once fermented, the wert is then piped into maturation/carbonation tanks to complete the brewing process.

¹ www.sanfernandohrewingcompany.com

The Valley's Best

ABC license 23 prohibits a microbrewery from preparing and serving food on site other than packaged foods such as crackers and pretzels or catered events through an outside catering company. However, license 23 does allow patrons to bring in their own food for their own consumption as well as allowing outside restaurants to deliver food to patrons within our tasting room/tap room. The upside to this is that our microbrewery is not another competing restaurant coming into the city, but rather another avenue for the surrounding restaurants to capitalize upon.

Although ABC laws allows a microbrewery to donate products to charitable events, which we fully intend to do, it does not allow us to give our product away to potential clients such as restaurant and store owners. The tasting room/taproom provides the only means where potential client-retailers can come and sample our product.

Establishing set hours for the tap room on a new start-up microbrewery will be a trial and error process and will require some flexibility in the beginning. Although our intent is to fashion our tap room with a family friendly pub type atmosphere, it is important to us at SFB that we are not likened to as a bar. Admittedly this may sound like we are splitting hairs but here is why:

Microbreweries have a following of knowledgeable artisan beer consumers. They come to a brewery's tap room to enjoy their craft beer in the surroundings in which it was made. They expect to have access to the brewers themselves so that they might discuss with them the subtitles of the many different styles of craft beers, their ingredients and brewing processes.

On the other hand, while our tap room provides an essential part of our revenue, and in turn, tax dollars to the City, Craft brewing is a hands on process. In order to meet production, our brewers need to be able to focus on brewing. Limiting our taproom hours provide us with the best of both worlds. Our brewers have set times to interact with our customers and can still keep up production demands. We would like the flexibility to set our public hours within the following:

- a. 10:00 a.m. to 10:00 p.m. weekdays (Sunday through Thursday)
- b. 10:00 a.m. to 12:00 a.m. weekends (Friday and Saturday).

From the tasting room our patrons will have an open view of the brewery. Tours can and will be given in the brewery area itself but only by one of the owners or another qualified employee and only during non brewing times. The tasting area will also be used to hold tasting classes, home brew coaching, as well as private, public, and community events. Public events, such as launching one of our new beers, will be scheduled for hours after most of the industrial area has closed and/or on weekends. We will also be sure that our events will either coincide with or not conflict with planned City events.

As many other companies do, San Fernando Brewing Company will be holding private catered events for our investors along with "Test Tastings". These Test Tastings are used to evaluate new recipes that our brewers have created.

² www.sanfernandohrewingcompany.com

The Valley's Best

San Fernando Brewing Company is a member of the California Craft Brewers Association as well as the Brewers Association, a national organization. Nationwide, new start- up microbreweries have over a 90% success rate. Most new microbreweries need to expand their operations on or around their second year and then again around year five.

Below are California Craft Brewing Facts and Stats taken directly from the California Craft Brewers Association websites' page; Beer Stats; http://www.californiacraftbeer.com/beer-stats/

Thriving!

- The California craft brewing industry employs 48,00 Californians accounting for well over \$1.9 Billion in wages
- In 2012 the California craft brewing industry paid more than \$850 million in total taxes
- In 2012 Craft breweries in California contributed over \$4 billion to the California economy inclusive of all goods and services both directly and indirectly.

Growing!

In California, the craft brewing industry grew by 20% (by volume) in 2012

- Total beer revenue in California exceeded \$4.6 billion in 2012
- California produces more craft beer than any other state, brewing more than 2.4 million barrels (31 gallons per barrel).
- In 2012 annual beer production in California increased by over 400,000 barrels from the previous year.
- California has more craft breweries and had more breweries open in 2012 (56) than any other state.
- California has 12 of the top 50 largest craft breweries by volume in the country.

Giving!

Craft brewers donate hundreds of thousands of dollars to charitable causes each year through philanthropy, charitable donations, volunteerism and product donations. Craft brewers are ardent supporters of local and state causes.

In 2012 the California craft brewing industry gave approximately \$16 million of in-kind contributions to non-profit causes

End insert form CCBA

³ www.sanfernandohrewingcompany.com

The Valley's Best

It would be difficult to find a production microbrewery that is not located in an industrial area. Many are close to or even abut residential properties. A recent example of this is Macleod Ale in Van Nuys, California, scheduled to open in spring of 2014. The back wall of their microbrewery is on the property line of the residential homes north of them. The street that Macleod Ale's address is on is all industrial. Macleod's entire establishment, brewery and tasting room, is licensed through ABC for manufacturing.

Eagle Rock Brewery in Glassell Park was the first brewery to open in Los Angeles in over 60 years. The industrial area they are located in also abuts residential zoning. Eagle Rock Brewery expanded their production before the end of their second year. Now open for just over four years they are opening a second facility, a brew pub, set to be open in Eagle Rock Fall of 2014.

Considering that there are over 400 craft breweries in California, only five are currently open and operating within the City of Los Angeles. Macleod Ale will be the sixth. San Fernando Brewing Co. will be the seventh.

San Fernando Brewing Company fully intends to be part of this community. Starting off modestly, our intent is to provide 'curb appeal' by adding landscaping to the front of our building, providing an attractive awning to our entrance as well as providing handicapped parking and accessibility to our tasting room. Maintaining a good image is not only good for business, it is good for the neighborhood.

With the owners making up 100% of the company's work force at the beginning, by the end of our first year we anticipate hiring four to six employees. This will mostly consist of tap room servers and assistant brewers (brewers in training). All servers will go through the ABC serving class in Van Nuys. As our business grows we will be creating many positions, creating new jobs for local residents. We will need drivers for deliveries, additional servers in the tasting room, office help, custodial personal, sales personal and more assistant brewers.

Here is an interesting fact: Across our nation, 50% of <u>all brewery</u> workers are employed by microbreweries. Craft Brewing is a hands-on business.

SFBC would like to offer our tasting room to the city and to the community; holding neighborhood meetings and or local club meeting where applicable. We believe, as stated above in the CCBA stats, in philanthropy and volunteerism and we believe this starts with our local community, the City of San Fernando.

SFB owners have lived and worked in the San Fernando Valley most of our lives. Kelly Rogers is now retired from the LAUSD Facilities Branch after 36 years serving all the schools of the Valley. Ryan Rogers has been working for LAUSD for the past 15 year in the HVAC depart servicing, repairing and installing heating and cooling equipment in our Valley schools. Vic Chouchanian lives in Northridge and is a math teacher in Altadena working each summer at Granada Hills High School. Joe Chouchanian has been working for Disney studios for the past 20 years. It only makes sense to open our company in an area that has allowed us to thrive: the San Fernando Valley.

ATTACHMENT 5:

Site Plan, Floor Plan, and Property Photos

