CITY OF CULVER CITY

9770 CULVER BOULEVARD, CULVER CITY, CALIFORNIA 90232-0507

REGULAR MEETING
COMMITTEE ON PERMITS AND LICENSES
WEDNESDAY, DECEMBER 31, 2008
10:00 A.M.
CITY HALL, MIKE BALKMAN COUNCIL CHAMBERS
MINUTES

1. **CALL TO ORDER**

   AT 10:05 A.M. CHAIRPERSON SHELLY WOLFBERG CALLED THE COMMITTEE ON PERMITS AND LICENSES TO ORDER**.**

2. **ROLL CALL**

CHAIRPERSON:	SHELLY WOLFBERG, ASSISTANT TO THE CITY MANAGER
MEMBER DESIGNEES:	JOSE MENDIVIL, ASSOCIATE PLANNER NAGAM RAO, TREASURY DIVISION MANAGER LT. BLOOR, POLICE DEPARTMENT CHRISTINE PARRA, FIRE PREVENTION SPECIALIST
STAFF:	CAROL SCHWAB, CITY ATTORNEY SHARON GUIDRY, CODE ENFORCEMENT MICHAEL MUNOZ, CODE ENFORCEMENT GABE GARCIA, ENGINEERING RICHARD SOLIS, ENGINEERING SONIA CASTRO, SENIOR ACCOUNT CLERK

3. **RECEIVE AND FILE SECRETARY'S REPORT – POSTING OF AGENDA**

   MOTION: MR. RAO **SECOND: LT. BLOOR**

   That the Committee receives and files the Secretary's Report, which reflects the posting of the Agenda for today's meeting.

   PASSED UNANIMOUSLY

4. **APPROVAL OF MINUTES OF DECEMBER 24, 2008**

   MOTION: MS. PARRA **SECOND: LT. BLOOR**

   That the Committee approves the minutes of December 24, 2008 Committee Meeting.

   PASSED UNANIMOUSLY

5. **<u>LECTURE/LIMITED TIME PERFORMANCE</u>**

Application by Faye Cortez, Community Liaison of ***UCLA BLOOD & PLATELET CENTER,*** to conduct a Blood Drive, open to the public, to be held outdoors, in the parking lot of the commercial location of Circuit City, 5660 Sepulveda Blvd., on Friday, January 2, 2009, from 9:00 a.m. to 5:00 p.m., *provided that* all terms and conditions set forth by the Culver City Police Department, Engineering Division, Planning Division, and Fire Prevention Bureau, are met and adhered to at all times. Approximately 30 people are expected to attend. This is their first application for permit.

-AND-

6. **<u>LECTURE/LIMITED TIME PERFORMANCE</u>**

Application by Jan Helford, owner of ***COREY HELFORD GALLERY***, to conduct an art gallery opening, open to the public, with live music, tents, caterer, and alcohol served at no charge, at the commercial location of 8522 Washington Blvd., on Saturday, January 3, 2009, from 7:00 p.m. to 10:00 p.m., *provided that* all terms and conditions set forth by the Culver City Police Department, Planning Division, Engineering Division, and Fire Prevention Bureau, are met and adhered to at all times. Applicant has provided a copy of the sound permit issued by the Culver City Police Department. Approximately 150 people are expected to attend. Previous permits have been issued.

MOTION: LT. BLOOR **SECOND: MR. RAO**

That the Committee *approves* items #5 and #6 from the regularly scheduled agenda items.

PASSED UNANIMOUSLY

7. **<u>LECTURE/LIMITED TIME PERFORMANCE</u>**

Application by Kim Caldwell, owner of ***ARTISTIC AFFAIRE***, to conduct a craft and scrapbooking event, at the residential location of 5379 Ballona Ln., on Saturday, January 10, 2009 and Saturday, January 31, 2009, from 10:00 a.m. to 8:00 p.m., *provided that* all terms and conditions set forth by the Culver City Police Department, Planning Division, Engineering Division, and Fire Prevention Bureau, are met and adhered to at all times. Approximately 26 people are expected to attend. This is their first application for permit.

<u>Pulled for Discussion:</u>

Mr. Mendivil verified with Ms. Caldwell that parking for her event would take place at the ECF Center both dates of her event. Mr. Mendivil then asked Ms. Caldwell if she had an alternative parking plan should the parking at ECF become unavailable. Ms. Caldwell stated that her neighborhood has an agreement with the Eras Center to provide parking for the neighborhood when they have board meetings and events, and no issues have arisen in the past from utilization of the parking lot in question. Additionally, Ms. Caldwell has discussed alternative parking plans with the Manager of PetSmart located adjacent from her residence off of Jefferson Blvd. who has agreed to allow parking of vehicles along the back of the rod iron fence.

Mr. Rao then asked Ms. Caldwell how many parking spaces the school had. Ms. Caldwell stated it was a large lot and may contain about 50 spaces. Mr. Richard Ochoa, Ms. Caldwell's husband and President of the Classics at Heritage Park Home Owners Association approached the podium to address the Committee regarding the number of spaces available at the Eras Facility. According to Mr. Ochoa, the Eras Facility has approximately 65 parking spaces and they are expecting about 10 cars to come to the event. Mr. Mendivil, in reference to the number of parking spaces stated that the facility in question has 65 or more parking spaces; which is sufficient parking. Ms. Caldwell also mentioned that many of the ladies who participate in the event carpool together and some event participants fly in from out-of-state, stay in local hotels, and are picked up by her husband Mr. Ochoa. Mr. Rao then asked Ms. Caldwell how she is notifying her participants of the parking plans. Ms. Caldwell stated that she sends an email and a mailer instructing participants where to park. Mr. Rao then asked if empty parking spots are available on the residential street, what preventative measures are in place to avoid event participants from parking on her residential street. Ms. Caldwell explained that there are such a limited number of event participants most of whom are considered friends that she has known for a long period of time that would like to assist her in following the rules so that they may continue to participate in events at her residence. Ms. Wolfberg then asked Mr. Mendivil if there was a surplus of parking at the Exceptional Children's Foundation that allows the sharing of parking with others. Mr. Mendivil stated that to his understanding during the weekday there is not; however on the weekend when school operations are not open, it is satisfactory.

Mr. Rao asked Ms. Caldwell if there was a reason she was hosting these events in her home rather than in any other location. Ms. Caldwell responded by stating that there were a couple of reasons; the ladies who participate in the event like the intimacy of being in a small area and she would like to keep these events small. Ms. Caldwell does not want to have an event on a large scale. Ms. Caldwell explained that keeping the events small allows her to control the look of the decor versus a ballroom that is not as pleasing to the eye and cost is another factor. Ms. Caldwell stated that it is very expensive to host this type of event in a hotel or other venue; it becomes very "prohibitive." Ms. Caldwell further stated that she would like to keep these events affordable for everyone to have art and enjoy time together. Ms. Caldwell stated that her events are similar to an "artsy Tupperware party." Mr. Rao verified with Ms. Caldwell that she is charging to attend this event. Ms. Caldwell stated that the fee that is charged covers the teachers, materials, elaborate kits, food, and beverages. Mr. Rao then inquired as to whom prepares the food. Ms. Caldwell stated that she uses catering from places such as Panera Bread to get sandwiches; she tries to bring in food from local area vendors in Culver City to avoid liability issues. Mr. Rao then asked Ms. Caldwell if she sells items at her events. Ms. Caldwell responded by stating that she does sell craft totes; the last couple of times she has sold them. Ms. Caldwell further explained that some of the teachers bring items to sell which they have created and her participants are excited to buy them; so there are some items for sale there. Mr. Rao then verified with Ms. Caldwell that the hours of the event are from 10:00 a.m. to 8 or 9:00 in the evening to which Ms. Caldwell agreed. Mr. Rao then asked if she was solely responsible for the logistics of the event, or if she had assistance. Ms. Caldwell stated that her Mother and Husband assist her with the event. In regards to the instruction that takes place during the event, Ms. Caldwell stated that she does hire individuals to come in and teach. Mr. Rao asked whether those individuals hired by Ms. Caldwell to teach at the event are paid. Ms. Caldwell confirmed that the teachers at the event are paid and they are part of the entrance fee. Mr. Rao then pointed out that in Ms. Caldwell's application she stated that she had conducted some of her events in 2008. Ms. Caldwell stated that was correct. Mr. Rao then asked when were those event held? Ms. Caldwell stated that she had one in May, October, and December. Mr. Rao then asked Ms. Caldwell for the time frame in which she applied for her Business Tax Certificate. Ms. Caldwell responded in May. After the May event it was her understanding that she needed to apply for a Business License which she did apply for approximately one week later. Mr. Rao informed Ms. Caldwell that he works in the Business Tax Office. Mr. Rao then read verbatim the "Complete Description of Business Activity" from Ms. Caldwell's Application for Business Tax Certificate. Mr. Rao further asked Ms. Caldwell how her current activity is tied to it, and perhaps we should have asked further questions to understand her business activity. Mr. Rao stated that it was presumed that she would be an Event Planner where she would be doing consulting over the phone. In reviewing the Home Occupancy regulations which Ms. Caldwell signed on May 8th; Mr. Rao pointed out that one of the regulations is that Home Occupations should not have clients visiting the premises. Mr. Rao also pointed out that we have not asked for a Reseller's Permit because we did not presume that she was selling anything from her home. Mr. Rao stated that we would need the Reseller's Permit to ensure that we are in compliance as far as the sales tax is concerned. Ms. Caldwell stated that she does have one and can provide us with the number. Mr. Rao then asked if she would please drop off a copy to the office. Mr. Rao went on to explain that as far as clients visiting her residence, it is an issue because he is trying to create an area of "fair play" where all Home Occupancy's are treated in the same manner. In the past, we have been very strict as far as clients coming to the home on office visits. Secondly, Mr. Rao pointed out that the instructors coming in to teach at the event will also need to obtain a Business Tax Certificate. Ms. Caldwell explained that she was informed of this by Sonia and has provided the instructor's information to her. In relation to Business Tax Certificates, Mr. Rao informed Ms. Caldwell that if she is having catering at her events then the caterers also need to be in compliance by obtaining a Business Tax Certificate as well. Ms. Caldwell for clarification purposes informed Mr. Rao that she orders sandwiches from

Panera, picks them up and takes them back to her residence. In light of this information, Ms. Caldwell's event is not considered a "catered" event.

Ms. Schwab requested to give some background information. Ms. Schwab stated that she and Ms. Guidry from Code Enforcement wanted to explain that Ms. Caldwell in her application for permit had actually applied as a separate entity. Artistic Affair is different from her home occupation. The reason Ms. Caldwell was here today was that she is looking for a Special Events type permit versus just a strict Home Occupation; it's the same business, but different type of activity.

Mr. Rao explained that there are two parts to consider, the special events part and the Home Occupation part. The business is located as a Home Occupation, but today we are looking at a special event part of that business. The issue Mr. Rao is addressing is which takes precedence; the Home Occupation or the Special Event? Mr. Rao explained that if this particular event was held at a place which was not defined as a Home Occupation then he would not have a problem whatsoever. The only reason it is being treated as a Home Occupation is the cost factor. As businesses continue, the biggest growth area in Culver City is going to be the Home Occupations, but the Municipal Code restricts retail sales and the number of people visiting the residence. By considering approval of the Special Event Permit allowing the sales, and visitation for a Home Occupation, Mr. Rao feels he may be violating the Municipal Code by giving an approval to the Home Occupation. As far as fair play is concerned, someone else may come in the day after tomorrow and argue the same case, so we are now setting precedence. Mr. Rao further explained that if it is only the question of cost, whether Ms. Caldwell would consider utilizing a different location for her activities. Mr. Rao noted that Ms. Caldwell has a wonderful business plan and wondered if she is restricting herself by confining her business to a limited space such as her living room. Mr. Rao stated that this could be the next Amazon, to which Ms. Caldwell replied "oh gosh no." Mr. Rao then pointed out that with a Home Occupation and Special Events there are restrictions, such as the number of events you can have, parking arrangements that have to be made and relied upon with someone else. In contrast, if there is a dedicated place to host the activity in question, it will prevent Ms. Caldwell from having to go through the process of making the additional arrangements such as parking each time the event is held. Mr. Rao also stated that he had a selfish motive for his suggestions, Ms. Caldwell's business will grow and so will his Sales Tax Revenue and Business Tax Revenue. Mr. Rao further stated that if Ms. Caldwell would like to consider his suggestions, it may be a very good change in her business plan modification.

Ms. Schwab then stated that she would like to make a few comments; we don't consider what Ms. Caldwell is proposing to be a violation of the Municipal Code. I think that the code allows for her to have an event and is a separate issue from the Home Occupancy. Mr. Rao stated that he is looking at a portion of the Home Occupancy where it states that retail sales, stock on hand, and customers coming into the home are not allowed, that is section 17.400.055. The second part is number 2, C2 which has limitations on clients coming in. One section is Special Events and the other section is where we talk about the Home Occupancy. This is the one that we in Business Tax really look at the Home Occupancy and we are trying to follow this particular one.

Ms. Guidry of Code Enforcement then addressed the Committee stating that she has been working with Ms. Caldwell since they became aware of the activity in May. Ms. Guidry agreed with Nagam that more questions should have been asked in order to guide Ms. Caldwell at the time she applied as a Home Occupation, but not dealing with the separate issue of the Special Event. Ms. Guidry further explained that she has had many meetings with the City Attorney's office, and with Thomas that she believes Jose is aware of. Ms. Guidry believes that the code that actually applies to the application that Ms. Caldwell is submitting is not the Home Occupation, even though the activity is similar and is the same type activity that she already holds a license for. The code section is the 17.520.015; because that section of Special Events does not prohibit a person who holds a Home Occupation from having a Special Event of the same or similar nature of their Home Occupation. It would not result in creating a violation of the Special Event. So, if a person had a make-up or spa business, and then had an in-home spa party where friends came in and paid for the spa services in their home; they would not be prohibited from having a Special Event because they have a Home Occupation of a similar nature; the code does not prevent that. Even though Ms. Caldwell does hold a Home Occupation to sell her crafts, she is not prohibited under the code from having a Special Event of a nature associated with arts and crafts.

Mr. Rao stated that his interpretation of the code section 17, the Special Events paragraph was intended for businesses which need to have Special Events would not be stopped from having them subject to the 12 days in a year, or 4 events over 3 days. What Mr. Rao was referring to is in an earlier chapter where it refers to the Home Occupancy. A business located in a particular area like a retail store can have a Special Event, a home can also do the same thing but according to the Home Occupation Rules it specifically regulates customers coming in to buy materials from the home not being allowed.

Mr. Mendivil added as a point of clarification; under the Home Occupation Rules and Regulations 17.400.055. The limitations on home visits; it does allow home visits to a maximum of 3 car visits per day, or six car visits; meaning three coming and going (3 times 2 is 6); a maximum of 3 car visits. How many people you can place in one car, we do not get into that; this is under 17.400.055 A-1 and 2. The other item is the Special Event that Thomas did discuss with Joseph Montoya who was the Planner that approved the Special Events Application. Per Thomas' interpretation, he said that Planning could approve the Special Events Permit Application subject to approval by the Committee, but that we would approve it for two days only, January 10th and January 31st, to see how the Special Event went; to see if there were any issues or problems per his understanding.

Carol Schwab requested to add the following: Thomas as the Planning Director/Manager, has the authority to interpret the code and the code is silent regarding whether it's commercial or residential. It's understandable that there is a concern and that is why the Special Event Permit would be issued to control matters such as parking in the neighborhood; those kind of things.

Mr. Rao then stated another concern of his is the means in which Business Tax Inspections are conducted in retail locations in contrast to residences. So far, residences have never been inspected and have been avoided. According to Mr. Rao, we would like to keep residences out of the bounds of commercial activity and avoid inspections of any such activities. As discussed earlier, Mr. Rao pointed out that if this activity had been done elsewhere, not in a home, we would have followed up through the business tax inspection process regarding business activities, people coming in, vendor activity, catering activity, parking activity, instructors coming in to teach, resale permits, etc. Items such as those would have been covered under a commercial establishment. In a residential business, we do not make site inspections because the residence is primarily for residential purposes, and we do not want to disturb people in their residences, as it is presumed that they are not doing business consistent with a commercial location. The issue at hand opens up a whole new area, that the Business Tax Division may not be readily equipped to handle.

Chairperson Wolfberg asked Ms. Schwab and Ms. Guidry that if in this situation and all situations that the Special Event is not the same as the home based business per their interpretation?

Ms. Schwab answered by stating that she did not want to say for all businesses. However, in this instance, she (Ms. Caldwell) has a business at home and there is a similar tie in. According to Ms. Schwab she believes this is a Special Event that should be considered separate from her home occupancy. In addition, to answer Nagam's earlier question, the idea of the special event code section is more specific and would trump the Home Occupancy Rules. The special event allows you to put conditions on the event in order to make it work. If for some reason it does not appear that it would work; if there was no parking plan, or other type of thing, just as any special event, you could prevent it, or deny it, but you would have to have a basis for doing so.

Mr. Rao then requested to make an additional comment. Mr. Rao stated we are very much in favor of home based businesses, he thinks this is a wonderful project, but his decision on this would be based on rightful privacy; business tax people not getting actively involved trying to find out who's coming and going, whether each have business licenses, or whether we have re-sales and sales taxes and whether or not all things are being complied with. It is a lot easier to manage all of those items at a commercial establishment. Mr. Rao also noted that the only reason why Ms. Caldwell is having this event at her home in addition to the intimacy of it is the cost consideration.

Ms. Guidry then also added, if the permit is granted and the business license being previously approved, if there is a violation of that permit, then it would fall on her department to investigate it and take any appropriate actions if the conditions of approval are not met. Ms. Guidry further stated that without Ms. Caldwell's knowledge, monitored the December event to see if in fact there was a parking issue in the area during the time of the party. Ms. Guidry had an Officer monitor the event and there were no excessive parking issues and it actually did not appear as though any additional parking was needed; adequate parking was available. However, if as a result of this permit being issued and the conditions established, there is a violation then Ms. Guidry's department would be required to take appropriate actions and report back to the Committee at a later time should Ms. Caldwell choose to come to the Committee again for additional events.

Mr. Mendivil then asked for an amendment to the motion that there be a condition specifically stating that the parking for the event be at the ECF parking lot as per previous agreement.

MOTION: LT. BLOOR **SECOND: MS. PARRA**

That the Committee approves item #7 from the regularly scheduled agenda items.

PASSED 4-1; MR. RAO did not approve.

8. **LECTURE/LIMITED TIME PERFORMANCE**

Application by Jan Helford, owner of ***COREY HELFORD GALLERY***, to conduct an art gallery opening, open to the public, with live music, tents, caterer, and alcohol served at no charge, at the commercial location of 8522 Washington Blvd., on Saturday, January 24, 2009, from 7:00 p.m. to 10:00 p.m., *provided that* all terms and conditions set forth by the Culver City Police Department, Planning Division, Engineering Division, and Fire Prevention Bureau, are met and adhered to at all times. Applicant has provided a copy of the sound permit issued by the Culver City Police Department. Approximately 150 people are expected to attend. Previous permits have been issued.

MOTION: LT. BLOOR **SECOND: MR. RAO**

That the Committee *approves* item #8 from the regularly scheduled agenda items.

PASSED UNANIMOUSLY

9. **ITEMS FROM COMMITTEE MEMBERS AND STAFF**

Discussion regarding the classification and procedures for businesses who wish to participate in the activity of buying previously owned gold articles or jewelry for cash.

Pulled by Mr. Rao

Mr. Rao pulled item #9 for further research and discussion. Item will be placed back on the agenda once we have more info.

Ms. Wolfberg stated we are holding over item #9.

10. **ADJOURNMENT**

MOTION: MR. RAO **SECOND: MR. MENDIVIL**

That the meeting be adjourned at 10:34 a.m., until the next regular meeting to be held on Wednesday, January 7, 2009.

PASSED UNANIMOUSLY

Respectfully submitted,

Sonia Castro, Secretary