



# City of Culver City

## Staff Report

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**File #:** 18-01205, **Version:** 1

**Item #:** 3.

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**PC: Consideration of Zoning Code Amendment P2018-0067-ZCA, Amending Culver City Municipal Code (CCMC) Title 17: Zoning Code; Sections 17.230.015 - Industrial District Land Uses and Permit Requirements, 17.400.015 - Alcoholic Beverage Sales, and 17.700.010 - Definitions, Relating to Beverage Tasting Facilities and Microbreweries.**

**Meeting Date:** June 13, 2018

**Contact Person/Dept:** William Kavadas / Assistant Planner  
Michael Allen / Current Planning Manager

**Phone Number:** 310-253-5706 and 310-253-5710

**Fiscal Impact:** Yes ☐ No ☒

**General Fund:** Yes ☐ No ☒

**Public Hearing:** ☒ **Action Item:** ☐ **Attachments:** ☒

**City Council Action Required:** Yes ☒ No ☐ **Date:** TBD

**Public Notification:** (E-Mail) Meetings and Agendas - Planning Commission (5/18/18 and 06/6/18); (Posted) City Website (5/18/18 and 06/6/18); (Published) in Culver City News (05/23/18)

**Department Approval:** Sol Blumenfeld, Community Development Director (06/04/2018)

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### **RECOMMENDATION**

Staff recommends the Planning Commission adopt Resolution No. 2018-P001 (Attachment No. 1) recommending to the City Council approval of Zoning Code Text Amendment P2018-0067-ZCA related to beverage tasting facilities and microbreweries.

### **PROCEDURES**

1. Chair calls on staff for a brief staff report and the Planning Commission poses questions to staff as desired.
2. Chair opens the public hearing, and receives comments from the general public.
3. Chair seeks a motion to close the public hearing after all testimony has been presented.
4. Commission discusses the matter and arrives at its decision.

## **BACKGROUND**

Beverage tasting facilities ancillary to beverage manufacturing facilities or retail establishments (i.e. grocery stores, liquor stores) is a growing business sector. Craft breweries, breweries that brew small batches of specialized beer generally for local distribution, and localized craft liquor stores are largely behind this sectors growth. Additionally, craft breweries are often incorporated as an ancillary operation to bona-fide restaurant uses.

Craft beer tasting rooms have grown rapidly in the past decade. According to two reports (Attachments No. 3 and 4) by the American Planning Association (APA), the number of craft breweries in operation in the United States is higher today than at any point during the 20th Century. Craft beer is responsible for ten percent of beer sales by volume in the United States. According to the APA, craft breweries often distribute their product regionally or nationally and bring new revenue into host communities. In California, the craft beer industry is responsible for approximately \$4.7 billion in economic output.

Tasting facilities and microbreweries, which are often part of small scale beer manufacturing or ancillary to a bona-fide restaurant, are currently defined in the Zoning Code under Bars and Night Clubs. Bars and Night clubs are only permitted by conditional use permit in commercial zones and are not allowed in industrial zones. This runs contrary to standard industry practices related to tasting facilities, because tasting facilities are typically established in industrial zones ancillary to brew manufacturing facilities. In addition, small scale beer manufacturing ancillary to a bona-fide restaurant located in a commercial zone is not expressly permitted by the Code. As a result, business owners are unable to obtain permits or approvals in Culver City to operate either of the following:

- Tasting facilities ancillary to breweries in industrial zones or retail in commercial zones; or,
- Ancillary micro brewing in restaurants located in commercial zones.

This zone text amendment is intended to better define tasting facilities in commercial and industrial zones, as well as more clearly allow for microbreweries ancillary to restaurants in commercial zones.

## **DISCUSSION**

Staff proposes the following zone text amendments to the Code to better facilitate and regulate beverage tasting facilities and microbreweries.

### **Definitions:**

The following are recommended amendments to the definition for Eating and Drinking establishments:

#### **E. Definitions, “E”.**

#### **Eating and Drinking Establishments.**

**1. Bars and Night Clubs.** Businesses where alcoholic beverages are sold for on-site consumption, which are not part of a larger restaurant. Includes bars, taverns, pubs, and similar establishments where any food service is subordinate to the sale of alcoholic beverages. May include entertainment (e.g., live music and/or dancing, comedy, and the like). May also include ancillary

beer brewing as part of a microbrewery that does not exceed twenty percent (20%) gross floor area ~~and other beverage tasting facilities~~. Does not include Adult Businesses.

**2. Beverage Tasting Facility.** A Beverage Tasting Facility means an ancillary use associated with a Beverage Manufacturing use or a General Retail use when that General Retail use includes the sale of beer, wine, and distilled spirits for off-site consumption. A Beverage Tasting Facility cannot exceed twenty percent (20%) of the gross floor area of the Beverage Manufacturing or General Retail use to which it is associated.

**3. Microbrewery.** A table service restaurant that includes the brewing of beer as an ancillary use. Microbreweries shall comply with all applicable California State Alcoholic Beverage Control law and cannot exceed twenty percent (20%) of the gross floor area of the table service restaurant to which it is a part of.

**4 2. Restaurant, Counter Service.** A retail business where customers are served prepared food and/or beverages from a walk-up ordering counter, for either on- or off-premise consumption, which may include fast-food and take-out restaurants. A restaurant with drive-up or drive-through service is instead included under the definition of "Drive-in and Drive-Thru Facilities."

**5 3. Restaurant, Table Service.** A retail business selling food and beverages prepared on the site, where most customers are served food at tables for on-premise consumption. These restaurants may also provide food on a take-out basis and live entertainment that is clearly secondary to table service. May also include ancillary beer brewing as part of a microbrewery that does not exceed twenty percent (20%) of the gross floor area of the table service restaurant.

Bars and Night Clubs will no longer include a reference to tasting rooms; instead, Beverage Tasting Facilities is defined separately and permitted as an ancillary use to a beverage manufacturer or general retail use that includes the sale of beer, wine, and distilled spirits for off-site consumption. Beverage tasting will be limited to no more than 20% of the gross floor area of the primary use.

Microbreweries will be classified as part of "Restaurant, Table Service". A Microbrewery will be allowed to manufacture beer in association with a table service restaurant, provided it is ancillary and does not exceed 20% of the restaurant gross floor area.

#### Permission:

Beverage tasting facilities and microbreweries will not be listed as stand-alone uses in the Zoning Code land use tables. As noted in the definition above, they will be allowed ancillary to beverage manufacturing, general retail that includes alcohol sale, and table service restaurants. All these uses are currently listed in the land use tables. Beverage Tasting Facilities will be permitted the same as other types of businesses that sell alcoholic beverages for on- and/or off-site consumption, pursuant to Table 4-1 of Chapter 17.400.015 of the Zoning Code.

**Table 4-1**

### Permit Requirements for Alcoholic Beverage Sales

Zoning District(s): Type of Establishment	Permit Requirement
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<b>CN Zoning District:</b> 1. Alcoholic beverage sales incidental to a restaurant or retail use	AUP
<b>CG, CD, CC, CRR, CRB, IL, IG, and S Zoning Districts:</b> <del>4. Alcoholic beverage sales that are not incidental to a restaurant if located:</del>	
<del>a. Within 300 ft of residentially zoned property or an elementary/secondary school.</del>	AUP
<del>b. More than 300 ft from a residentially zoned property or an elementary/secondary school.</del>	No use permit required
<del>1. 2.</del> Alcoholic beverage sales <del>incidental to a restaurant</del> if located:	
a. Within 300 ft of residentially zoned property or an elementary/secondary school.	AUP
b. More than 300 ft from a residentially zoned property or an elementary/secondary school.	No use permit required
<del>2. 3.</del> Alcoholic beverage sales with the concurrent retailing of motor vehicle fuel.	CUP

Table 4-1 is proposed to remove existing superfluous language as both options one and two had the same outcome. Instead, the table will be redrawn to simply call out alcoholic beverage sales. Alcoholic beverage sales with the concurrent retailing of motor vehicle fuel will still require a CUP. Bar and Night Clubs are listed differently in the commercial use table and require a CUP without having to reference Table 4-1. The CUP process will determine the level of oversight a new bar or nightclub may require.

Footnote no .3 in Table 2-8, which lists allowed Industrial Uses, directs inquiries on the sale of alcoholic beverages ancillary to restaurants to Table 4-1. The same footnote will be placed next to Food and Beverage Manufacturing thereby governing how taste testing will be permitted in industrial zones. Retail uses in industrial and commercial zone land use tables already include a footnote directing alcoholic beverage sales inquiries to Table 4-1 and no further clarification is needed.

All alcoholic beverage sales will require compliance with all applicable California Alcoholic Beverage Control Department rules and regulations.

## **CONCLUSION**

Tasting facilities and microbreweries are a growing industry in the United States and Southern California. Many local cities including Santa Monica, Inglewood, Los Angeles, Torrance, and Gardena are home to their own tasting facilities or microbreweries. This zone text amendment will update the Culver City Municipal Code to be more responsive to this specific economic sector. These new uses will provide citizens and consumers a local option for a growing new business type while also having the potential to attract outside investment.

## **ENVIRONMENTAL DETERMINATION:**

The proposed Zoning Code Amendment (P2018-0067-ZCA) is within the scope of the Culver City General Plan Update Program EIR approved on September 24, 1996 (PEIR 1), the Culver City Redevelopment Plan Amendment and Merger Program Subsequent EIR approved on November 16, 1998 (PEIR 2), and no new significant information has been found that would impact either PEIR 1 or PEIR 2. Therefore, no new environmental analysis is required, pursuant to Sections 15162 and 15168 of the California Environmental

Quality Act (CEQA).

**ATTACHMENTS**

1. Draft Resolution No. 2018-P001
2. Exhibit A: Proposed Zoning Code Text Changes in “strikethrough/underline” format
3. Zoning Practice: Microbreweries: American Planning Association; Mar 2014
4. Welcome to Beer Country; American Planning Association; Feb 2015

**MOTION**

That the Planning Commission:

Adopt Resolution No. 2018-P001 recommending to the City Council approval of Zoning Code Text Amendment P2018-0067-ZCA related to beverage tasting facilities and microbreweries.