

**CITY OF MANHATTAN BEACH  
[DRAFT] PLANNING COMMISSION  
MINUTES OF REGULAR MEETING  
JULY 27, 2011**

A Regular Meeting of the Planning Commission of the City of Manhattan Beach, California, was held on the 27th day of July, 2011, at the hour of 6:30 p.m., in the City Council Chambers of City Hall, at 1400 Highland Avenue, in said City.

**1. ROLL CALL**

Present: Andreani, Conaway, Gross, Seville-Jones, Chairperson Paralusz  
Absent: None  
Staff Present: Richard Thompson, Director of Community Development  
Eric Haaland, Associate Planner  
Esteban Danna, Assistant Planner  
Recording Secretary, Sarah Boeschen

**2. APPROVAL OF MINUTES – June 22, 2011**

A motion was MADE and SECONDED (Andreani/Gross) to **APPROVE** the minutes of June 22, 2011.

AYES: Andreani, Conaway, Gross, Seville-Jones, Chairperson Paralusz  
NOES: None  
ABSENT: None  
ABSTAIN: None

**3. AUDIENCE PARTICIPATION**

**4. BUSINESS ITEMS**

**07/27/11-2 Request for a One-Year Time Extension of a Master Use Permit and Associated Applications for 1000-1008 Sepulveda Boulevard**

Director Thompson indicated that an extension for construction to begin for the project was granted by the Commission last year, and the applicant is requesting a further extension. He commented that the Commission should consider whether the project continues to meet the approved findings and conditions of approval. He stated that staff has reviewed the request and feels an extension is appropriate.

Commissioner Gross said that it is likely that subsequent extensions could be requested after this extension is granted, and he asked if there is a policy regarding the number of extensions that are granted for projects.

Director Thompson said that he is not aware of a time extension being denied. He said that the applicant is seeking tenants for the project. He commented that the project may need to be redesigned at some point if the applicant is not able to begin construction and if the conditions have changed.

Commissioner Andreani asked whether there would be an opportunity for the Commission to discuss the reduced parking allowance if it comes before the Commission again for approval.

Director Thompson said that the discussion would be reopened if the Commission feels that conditions have changed, or the project changes such that an amendment is warranted.

In response to a question from Commissioner Conaway, Director Thompson indicated that the applicant is aware that they must comply with the new California Building Code standards.

Chairperson Paralusz commented that the July 17, 2011, expiration date for the previous extension has now passed.

Director Thompson pointed out that the applicant did submit their request before the date that the extension expired, which was appropriate timing.

**George Apostol**, the project developer, said that it has been very difficult to finance the project. He stated that they did not want to build a new structure that would remain vacant. He commented that they do not intend to wait indefinitely to build the project. He indicated that they have received inquiries from potential tenants, and they believe it is a viable project. He said that there is a demand for medical office space in Manhattan Beach. He said that they believe it will be built this year.

In response to a question from Commissioner Andreani, **Mr. Apostol** stated that the building is more likely to be occupied by tenants rather than sold as condominiums. He indicated that he is not aware of other medical condominium projects in the beach cities.

#### **Commission Discussion**

Commissioner Andreani said that her concern regarding the business plan for the project has been addressed by the developer. She indicated that she supports granting the extension.

Commissioner Conaway said that he would support granting the extension. He commented that the development will be a benefit to the community. He indicated that he hopes the developer is able to proceed with the project soon.

Commissioner Seville-Jones said that there is a good amount of space between the project and the adjacent neighborhood. She indicated that she is also pleased that the project includes underground parking. She commented that she hopes the project will be built, and it will be a benefit to the community.

Commissioner Gross said that he feels the project has been well thought out and he hopes that it will be built. He commented that he is in favor of granting the extension.

Chairperson Paralusz said that she supports granting the extension.

A motion was MADE and SECONDED (Seville-Jones/Conaway) to **APPROVE** a one-year time extension of a Master Use Permit and associated applications for 1000-1008 Sepulveda Boulevard

AYES: Andreani, Conaway, Gross, Seville-Jones, Chairperson Paralusz  
NOES: None  
ABSENT: None  
ABSTAIN: None

Director Thompson explained the 15-day appeal period and stated that the item will be placed on the City Council's Consent Calendar for their meeting of September 6, 2011.

## 5. PUBLIC HEARING

### **05/25/11-2 Consideration of a New Use Permit to Change the Existing Beer and Wine Sales for Off-Site Consumption (Type 20) License to a Full Alcohol Sales for Off-Site Consumption (Type 21) License at Speedi Mart Located at 975 North Aviation Boulevard.**

Assistant Planner Danna summarized the staff report.

In response to a question from Commissioner Conaway, Assistant Planner Danna said that the entitlement for the alcohol license transfers with the property. He commented that the new owner must have the license transferred to their name.

In response to a question from Commissioner Conaway, Assistant Planner Danna said that an old business in existence before the current Code was in effect must apply for a Use Permit if any significant changes are made to the operation.

In response to a question from Commissioner Seville-Jones, Assistant Planner Danna said that the Department of Alcoholic Beverage Control (ABC) considers factors such as overconcentration of liquor licenses and crime rates in issuing liquor licenses. He commented that there is no set number of liquor licenses that would be considered an overconcentration. He commented that the subject establishment functions as a convenience store, and the other two establishments near the subject site that sell alcohol function as a liquor store and a bar.

In response to a question from Commissioner Seville-Jones, Assistant Planner Danna indicated that based on the comments of the Police Department, staff did not have concerns with limiting alcohol sales from 2:00 a.m. to 6:00 a.m. as restricted by the ABC.

Commissioner Andreani commented that Valentino's has on-site seating and is located in the same center as the subject establishment. She pointed out that on-site seating generally means that three of the parking spaces for the center would be used by patrons for a longer period of time. She asked whether the on site service would impact the parking for the subject use.

Assistant Planner Danna indicated that there is an allowance for some on-site seating at Valentino's is factored into the parking requirement.

Commissioner Andreani said that she does understand that the proposal would provide a convenience, but she is not certain about making a determination that the request would provide a public necessity.

Assistant Planner Danna commented that the intent of the finding is not necessarily that the use must provide a public necessity but rather a convenience.

In response to a question from Commissioner Gross, Assistant Planner Danna commented that the parking would be reviewed if one of the uses in the center were proposed to be changed.

Chairperson Paralusz commented that she would like further information regarding the actual hours of operation of businesses that sell alcohol which have been in operation before the requirement for a Use Permit.

In response to a question from Commissioner Paralusz, Assistant Planner Danna said that the subject establishment would continue to operate 24 hours every day. He commented that staff

did not feel a need to restrict the hours of operation for the entire store with the proposed sale of hard liquor. He pointed out that the basic change with the proposal is for the sale of hard alcohol from behind the counter.

In response to a question from Commissioner Gross, Director Thompson commented that staff's opinion is that alcohol permits should be considered on a case by case basis, with consideration being given to the location in which the use is proposed. He indicated that the subject market has been at the location for 20 years and has been under the same operator for 15 years. He commented that the Police Department also had a very positive report regarding the management of the operation. He indicated that staff takes into consideration any concerns of the Police Department and the neighbors. He stated that staff feels the conditions as proposed are sufficient to regulate the operation of the subject site under any future operators.

Commissioner Gross said that he also shares the concerns of Commissioner Seville-Jones as to determining whether too many alcohol licenses are being granted by the City.

Director Thompson said that the licenses are considered on an individual basis, and the City Council would need to raise the issue and provide direction as to whether they feel the issue needs to be addressed. He indicated that the applications have been reviewed by the City Council, and no direction has been provided to staff to consider limiting the number of alcohol licenses that are granted. He pointed out that the sale of alcohol for on site consumption is different than for off site consumption.

In response to a question from Commissioner Conaway, Assistant Planner Danna pointed out that the amount of area that would be permitted for the sale of hard alcohol would be limited to behind the counter as shown in the plans. He said that any change to the plans as approved would require an amendment to the Use Permit.

Director Thompson pointed out that a condition would be included in the Resolution which states that any display of alcoholic beverages must be in substantial conformance with the approved plans. He indicated that the condition also includes that distilled spirits may only be displayed behind the counter as shown on the approved plans and customers must request the products from the store attendant.

In response to a question from Commissioner Seville-Jones, Assistant Planner Danna commented that the sale of single servings of hard alcoholic beverages would not be prohibited as proposed. He indicated that the store currently sells single bottles of beer, but no concerns have been expressed by the Police Department or the neighbors.

Chairperson Paralusz opened the public hearing.

### **Public Input**

**Sherrie Olsen**, representing the applicant, indicated that the notice from the ABC was sent to properties within 500 feet of the subject site, and no opposition from neighboring residents was received. She commented that they sent out a notice for a meeting regarding the subject proposal to the adjacent residents, and no residents attended to raise any concerns. She commented that they have received letters of support for the proposal. She pointed out that hard alcohol would only be displayed in a small area behind the counter. She said that they sell wines of all price ranges at the request of the neighbors. She indicated that they have not had concerns raised by the Police Department for selling single servings of beer. She indicated that they agree with the conditions as recommended by staff. She provided the Commissioners with letters of support for the proposal from adjacent residents.

Commissioner Andreani pointed out that there is not very much space on the east wall of the store behind the counter to display distilled spirits.

**Ms. Olsen** said that they will only carry a very limited amount of distilled spirits. She stated that they would only carry those brands that are most requested by the neighbors, mainly for mixed drinks. She commented that their intent is to become a franchisee of 7-Eleven in the future.

Commissioner Andreani commented that the entitlement to operate 24 hours and to sell alcohol could be marketable to a potential buyer of the operation.

In response to a question from Commissioner Andreani, **Ms. Olsen** stated that most of their sales are from grocery items and not alcohol. She commented that they keep a stock of regular grocery items as a convenience to the nearby residents.

In response to a question from Commissioner Andreani, **Ms. Olsen** indicated that it is important for their business to operate 24 hours, as it is a requirement for eventually becoming a franchisee of 7-Eleven.

**Amir Farmani**, the property owner, said that there have not been any complaints from residents or the Police Department regarding the establishment. He stated that there have not been any concerns expressed by the Police Department or the ABC.

**Ed Foler**, a resident of the 1700 block of 5th Street, said that he is good friends with **Mr. Farmani**. He indicated that he visits the store regularly, and he has never seen any problems. He commented that there have been no problems with the business, and he hopes the application is granted.

**Dennis Fernandez**, a resident of the 1800 block of 10<sup>th</sup> Street, said that he concurs with the comments of **Mr. Foler** that the store is very well managed. He indicated that he visits the store regularly, and it provides a great convenience. He indicated that he supports the proposal and supporting the business.

Chairperson Paralusz closed the public hearing.

### **Commissioner Discussion**

In response to a question from Commissioner Seville-Jones, Director Thompson indicated that the position of the City Attorney is that the City does not have the ability to further restrict alcohol sales beyond the hours imposed by the ABC. He said that staff's practice, however, has been that the Commission and City Council has limited the hours further than those established by the ABC if concern is expressed regarding a project by the community. He commented that there have been no concerns raised regarding the subject establishment to warrant further restrictions in the hours.

Commissioner Conaway said that he is pleased that there is community support for the subject establishment. He commented that he can support the application, as there is an existing beer and wine license and the amount of area for alcohol sales would be limited. He indicated that he does have a concern regarding the hours. He commented that he does have a concern with determining the appropriate number of alcohol licenses in the City, as the alcohol licenses remain with the property. He indicated that it is important to provide parity in granting alcohol licenses. He said that he downloaded information regarding the alcohol licenses for other cities

in the area from the ABC website. He indicated that Manhattan Beach currently has 17 alcohol licenses, and Hermosa Beach has 12 alcohol licenses. He said that there recently was a letter to the editor complaining about the number of liquor licenses in Hermosa Beach. He commented that he does not believe that the tipping point for the maximum number of alcohol licenses has yet been exceeded for the City, as there have not been public complaints. He said that he can support the subject proposal, as there has been support by the community. He commented that the appropriate number of alcohol licenses is an important question for the Commission to discuss as part of adhering with the intent of the General Plan.

Chairperson Paralusz suggested that discussion regarding the number of alcohol licenses in the City could be included as an item for the next joint meeting with the Commission and City Council.

Commissioner Andreani said that she shares the concerns of the other Commissioners regarding providing parity in granting alcohol licenses. She indicated that she supports considering applications on a case by case basis and appreciates that the subject applicant has been a good neighbor. She stated that she feels a real reluctance to deny the proposed hours because of the potential of the applicant to have a franchise with 7-Eleven. She said that she would suggest adding language to item 10 in Section 2 of the draft Resolution to specify that the hours for alcohol sales would be prohibited between 2:00 a.m. and 6:00 a.m. She suggested prohibiting the sales of single servings of hard alcohol.

Chairperson Paralusz said she would not support limiting the sales of singles because there has not been a history of problems at the subject establishment. She indicated that she would be more in support of such a restriction if a concern were expressed by the Police Department.

Commissioner Seville-Jones pointed out that drinking single servings of hard alcohol has more of an impact than drinking a single beer.

Chairperson Paralusz reopened the public hearing.

**Ms. Olsen** indicated that they would not object to a condition prohibiting the sale of single servings of distilled spirits.

Chairperson Paralusz closed the public hearing.

Commissioner Andreani said that she would support having a discussion regarding the number of alcohol licenses in the City at the joint meeting with the City Council.

Commissioner Gross said that there has not been a history of problems with the establishment, and there is support expressed from the community. He commented that he would support adding language for clarification that alcohol may not be sold between the hours of 2:00 a.m. and 6:00 a.m. as suggested by Commissioner Andreani. He stated that there have only been positive comments received by the neighbors and no opposition has been expressed. He commented that there has been a lot of support for the subject establishment in this case. He commented that he would support the draft Resolution.

In response to a comment from Commissioner Gross, Director Thompson commented that it is difficult for an entitlement to be revoked once it is granted. He indicated that staff feels there are appropriate restrictions and conditions in the draft Resolution to allow the entitlement for the sale of hard alcohol for the subject use. He said that it is possible to revoke a Use Permit if proof is demonstrated that the business is not in compliance with conditions of approval.

Commissioner Seville-Jones said that she supports the subject application. She indicated that the applicant has been a good neighbor, and it is a credit to the applicant that there have been no members of the community to have expressed opposition. She commented that the service offered by the store is a convenience to the community, and she appreciates that hard alcohol would only be sold from a small area behind the counter. She said that she also appreciates that the Police Department and ABC have expressed no concerns regarding the proposal. She commented that she is concerned with hours until 2:00 a.m. because of the Hanger Inn located across the street from the subject establishment. She stated that she is concerned that patrons from the Hanger Inn would visit the store to buy more alcohol after the bar closes at 2:00 a.m. She indicated that she would like for the hours permitted for alcohol sales to end earlier for the store in order to be staggered from the closing hours of the bar. She commented that she appreciates that the applicant does not plan to sell single servings of distilled spirits.

Commissioner Seville-Jones asked about the process by which the Commission could send a letter to the City Council requesting that consideration be given to the number of alcohol licenses that are approved for the City and requesting that information be gathered regarding how Manhattan Beach currently compares with other cities. She stated that there are 17 alcohol permits for full alcohol and 15 permits for beer and wine in the City, which has a population of approximately 33,000. She commented that more permits are being issued without an understanding of how the number of alcohol licenses in Manhattan Beach compares with other cities. She said that a proliferation of alcohol licenses can result in an increase in crime and violence and increase use of alcohol by young people. She said that she would be willing to move forward with the subject application, as the establishment already has a permit to sell beer and wine.

Chairperson Paralusz indicated that she would not anticipate that the subject proposal would result in a problem with patrons from the Hanger Inn visiting the subject store to buy hard alcohol after the closing hours of the bar.

Director Thompson pointed out that the Hanger Inn only serves beer and wine and does not serve hard alcohol.

In response to a question from Chairperson Paralusz, Director Thompson commented that he would think about the best way for the Commission to communicate with the Council. He indicated that he is not certain that the Commission needs the approval of the City Council in order to request information from staff regarding the number of alcohol licenses for other cities.

Commissioner Seville-Jones indicated that there are metrics by which other cities may use to determine the appropriate number of alcohol licenses. She stated that the information could possibly be sent to the Council for them to possibly consider establishing a policy.

Commissioner Gross indicated that he feels any letter to the City Council from the Commission should serve to ask the Council if they feel the issue regarding the number of alcohol licenses for onsite and offsite consumption being granted by the City should be addressed further. He indicated that he would not be in favor of asking staff to prepare a study unless the Council feels there is a policy issue.

Commissioner Seville-Jones suggested that Director Thompson provide direction to the Commission at the next meeting regarding their recommendation for moving the issue forward.

Chairperson Paralusz commented that the Council will also be made aware that the Commission has a concern through the minutes.

Director Thompson suggested that the City's police chief could possibly give a presentation regarding the impact of liquor licenses in the City.

Commissioner Seville-Jones commented that she has a concern that there is no basis by which to measure the appropriate number of alcohol licenses being granted for the City.

Chairperson Paralusz thanked the applicant for being a good citizen in the community. She said that it is a credit to the applicant that there is no opposition to the proposal. She stated that she is in favor of the application. She indicated that proposals for selling alcohol are considered on an individual basis. She said that the subject business has been in operation 24 hours without complaints. She commented that she is concerned with the proliferation of alcohol licenses in the City, but it is a broader issue that is separate from the current proposal. She pointed out that the subject business already has an alcohol license to sell beer and wine. She said that she is also concerned with parity in granting alcohol licenses. She pointed out that Hotdoggers is different than the subject application, in that they are a sit-down restaurant with onsite consumption rather than a store that sells alcohol for off-site consumption. She said that the neighboring residents on Oak Avenue also had a concern with the impact of noise from Hotdoggers.

The Commissioners agreed to add wording to specify that the sale of alcohol would be prohibited between 2:00 a.m. and 6:00 a.m.

Assistant Planner Danna pointed out that Condition 10 was written with general language to specify that the hours of alcohol would be limited as required by the ABC in order to allow for flexibility if the regulations of the ABC change.

Director Thompson indicated that the findings could include language to state that the sale of alcohol currently is restricted by the ABC between the hours of 2:00 a.m. and 6:00 a.m.

The Commissioners agreed to include the language in the findings as suggested by Director Thompson.

The Commissioners agreed to include a condition restricting the sale of single servings of distilled spirits.

Commissioner Conaway commented that he would be concerned that such a condition restricting the sale of single servings of hard alcohol would be overly restrictive on the applicant; however he would not object to such language because the applicant is not opposed.

Commissioner Gross indicated that he agrees with the comments of Commissioner Conaway.

A motion was MADE and SECONDED (Gross/Andreani) to **APPROVE** a Use Permit to change the existing beer and wine sales for off-site consumption (Type 20) license to a full alcohol sales for off-site consumption (Type 21) license at Speedi Mart located at 975 North Aviation Boulevard with the addition of language in the findings to state that the sale of alcohol currently is restricted by the ABC between the hours of 2:00 a.m. and 6:00 a.m.; and with a condition restricting the sale of single servings of distilled spirits.

AYES: Andreani, Conaway, Gross, Seville-Jones, Chairperson Paralusz  
NOES: None  
ABSENT: None  
ABSTAIN: None



Director Thompson explained the 15-day appeal period and stated that the item will be placed on the City Council's Consent Calendar for their meeting of September 6, 2011.

## **6. DIRECTORS ITEMS**

Director Thompson said that a joint Commissioners workshop to discuss the bicycle plan is scheduled for August 25 and will be held at the Police and Fire facility.

Director Thompson commented that the application for Hotdoggers was approved by the City Council. He said that the entitlement was approved to add an enclosed building. He indicated, however, that the applicant has chosen to remodel the building to allow them to operate 24 hours under the existing entitlement. He indicated that they will not be able to serve beer and wine or have a patio under the existing entitlement to operate 24 hours.

## **7. PLANNING COMMISSION ITEMS**

Commissioner Seville-Jones suggested that Director Thompson provide further information at the next meeting regarding his suggestion for recommending that the Council consider the issue regarding the appropriate number of alcohol licenses for the City.

Director Thompson indicated that the staff report to the City Council will include the discussion of the Commissioners regarding their concerns of approving an overconcentration of alcohol licenses.

Commissioner Gross pointed out that the Commissioners are not stating that they feel that there currently is an overconcentration of alcohol licenses but rather are raising a question as to how to determine whether too many licenses are being issued.

Chairperson Paralusz also asked for further clarification as to whether it is the role of the Commission to determine whether there is an overconcentration of liquor licenses.

Commissioner Conaway commented that he would be happy to share the information with staff and the Commissioners that he gathered from the internet regarding the number of liquor licenses in other neighboring cities. He said that it is not clear why alcohol service is limited to 10:00 p.m. or midnight for some businesses and not restricted for others. He indicated that it would also be helpful for the Commissioners to have information regarding the specific restrictions that are placed on individual businesses such as limiting the space for alcohol sales and restricting the sale of single servings of alcohol.

Commissioner Seville-Jones indicated that she is concerned regarding the broader policy issue of the number of liquor licenses in the City in comparison to other communities and determining the point at which there are too many being approved.

Commissioner Gross commented that he is not sure that the Commission should express a concern to the Council if the population of the City is not complaining about the number of liquor licenses.

Commissioner Seville-Jones commented that she agrees that it is up to the discretion of the City Council to determine whether there is an issue that needs to be addressed further. She commented, however, that she does not feel it is necessary to wait for residents to raise complaints in order for the Commission to bring the issue to the attention of the City Council, as there may be residents who have thought about the issue and not come forward to the City.

Commissioner Gross stated that the Roundhouse Aquarium is having a fundraiser at the new Strand House restaurant on Tuesday, August 9, 2011. He stated that there are 200 tickets, which cost \$100.00 each. He said that all of the proceeds will be given to the aquarium. He indicated that the tickets are available on line at [www.thestrandhousemb.com](http://www.thestrandhousemb.com). He commented that there will also be a silent auction to benefit the aquarium.

Chairperson Paralusz commented that the Six Man tournament will take place in the downtown area on the weekend of July 30-31, 2011.

Commissioner Seville-Jones commented that the City held a training session last week regarding the Brown Act for the City's Commissioners, staff and City Council. She stated that the training was very beneficial.

In response to a question from Chairperson Paralusz, Director Thompson commented that construction has resumed at the Chevron station on Aviation Boulevard and Marine. He stated that Chevron is now the owner of the property and has received the permits. He indicated that the concerns regarding the property have been addressed.

**8. TENTATIVE AGENDA August 10, 2011**

- A. Use Permit – Beach Babies Childcare at 1765 Artesia Boulevard

**9. ADJOURNMENT**

The meeting was adjourned at 8:25 p.m. to Wednesday, August 10, 2011, in the City Council Chambers, City Hall, 1400 Highland Avenue

SARAH BOESCHEN  
Recording Secretary

ATTEST:

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RICHARD THOMPSON  
Community Development Director