

Staff Report to the Zoning Administrator

Application Number: 171332

Applicant: Robert Locatelli

Owner: Locatelli APN: 065-081-21

Site Address: 6254 & 6256 Highway 9, Felton

Agenda Date: November 2, 2018.

Agenda Item #: 1 Time: After 9:00 a.m.

Project Description: Proposal to allow for the operation of a full bar at an existing restaurant that currently sells only wine and beer (Cremer House). Requires Zoning Administrator approval of an Amendment to Commercial Development Permit No.111118, to permit liquor sales on a parcel that is within 200 feet from residentially zoned property and a parcel used for commercial recreation (Felton Covered Bridge Park).

Location: Property located on the east side of Highway 9, approximately 200 feet south of the intersection of Highway 9 and Graham Hill Road, at 6254 & 6256 Highway 9, Felton.

Permits Required: Amendment to Commercial Development Permit No. 111118

Supervisorial District: 5th District (District Supervisor: Bruce McPherson)

Staff Recommendation:

- Determine that the proposal is exempt from further Environmental Review under the California Environmental Quality Act.
- Approval of Application 171332, based on the attached findings and conditions.

History

The Cremer House Hotel, that occupies the subject property, was built in 1876 and is one of the earliest buildings constructed in the Felton Town area. Because of the historic significance of the structure it is listed in the County's Historic Resources Inventory and has a rating of NR5 (Locally Designated Historic Structure). As the name suggests, the structure was originally built as a hotel, and this use, which included a restaurant, continued until the 1920's when the upper floor of the structure was converted to residential apartments. Since that time the residential use has continued at the second floor.

The lower floor, which had historically been used for a variety of commercial uses, was vacant from 2005 until around 2011. In 2011 Commercial Development Permit 111118 was approved, to set up a Master Occupancy Program allowing for future changes in occupancy in three

County of Santa Cruz Planning Department 701 Ocean Street, 4th Floor, Santa Cruz CA 95060

potential tenant spaces. In addition, the permit approved the initial occupancy of the two tenant spaces facing Highway 9 (combined) as a restaurant with a small outdoor dining area at the front and side porches (The Cremer House Restaurant) and approved the third tenant space at the rear of the building as a commercial kitchen. These uses have continued to the current day.

Project Description & Setting

The project site is located within the commercial core of Felton, on the eastern side of Highway 9, close to the intersection with Graham Hill Road and within the Felton Town Plan area. Parcels to the north, west and south of the project site are zoned C-2 (Community Commercial). This area, which has a quaint, small town feel, is characterized by retail, office and restaurant uses, many located in older structures. To the south of the Cremer House is a popular local market that shares parking with the Cremer House.

East of the Cremer House, at the rear of the project site, lies Covered Bridge Road, a narrow street that runs along the wooded riparian corridor of the San Lorenzo River. This street connects the town center to Felton Covered Bridge Park via the historic covered bridge that crosses the river approximately 610 feet south of the subject parcel. Although the parcel to the east of the Cremer House is zoned PR (Parks and Recreation), the public park itself is located approximately 470 feet from the restaurant on the other side of the river.

The closest residential parcel to the Cremer House Restaurant is located approximately 146 feet southeast at 198 Covered Bridge Road. The dwelling, which is located approximately 290 feet from the restaurant, is visually and physically separated from the Cremer House by the market as well as by trees and other vegetation. The only other nearby residential areas are located around 345 feet west of the Cremer House on Gushee Street, behind commercial businesses that front on to the western side of Highway 9.

Zoning & General Plan Consistency

The subject property is an approximately 12,632 square foot parcel, located in the C-2-L (Community Commercial, Historic Landmark) zone district, a designation which allows both commercial and residential uses. The existing restaurant and commercial kitchen at the lower floor and residential units at the second floor are allowed uses within the zone district, subject to Development Permit approval, and the zoning is consistent with the site's (C-C) Community Commercial General Plan designation.

Other Zoning/GP Sections

County Code section 13.10.654 "Night clubs, on-site liquor sales, live entertainment", requires that, no establishment where liquor is served shall be established in any district closer than 200 feet to the boundary of any residential or recreational district, unless a Level V use approval is first secured. As set out above, the Cremer House Restaurant is located on Covered Bridge Road, opposite land that is developed as a County Park. The restaurant is also less than 200 feet from one residential parcel. Therefore, in order that the existing bar, which currently serves only beer and wine, be permitted to serve a wider range of alcoholic beverages, an Amendment to Commercial Development Permit No. 111118 is required to be approved by the Zoning Administrator. The proposed Amendment to allow for the operation of a full bar at the existing

Cremer House Restaurant will allow for a wider selection of alcoholic beverages but will not otherwise materially change or intensify the existing approved restaurant use.

The State Department of Alcohol Beverage Control (ABC) regulates the issuance of liquor licenses. The applicant has requested a Type 47 alcohol license from ABC. The ABC qualifies a Type 47 alcohol license as on-site consumption of alcohol associated with a restaurant as follows:

Type 47 ON SALE GENERAL – EATING PLACE - (Restaurant) Authorizes the sale of beer, wine and distilled spirits for consumption on the licenses premises. Authorizes the sale of beer and wine for consumption off the licenses premises. Must operate and maintain the licensed premises as a bona fide eating place. Must maintain suitable kitchen facilities, and must make actual and substantial sales of meals for consumption on the premises. Minors are allowed on the premises.

It is not uncommon for restaurants to provide sale of liquor for on-site consumption associated with restaurant dining, as proposed for the existing Cremer House Restaurant. The project is conditioned to require an ABC Type 47 alcohol license for on-site sale and consumption of liquor in conjunction with restaurant food service (bona fide eating place). Conditions of approval restrict liquor sales to restaurant dining hours of service and prohibits establishing a bar, tavern, dance hall or nightclub. Live entertainment and amplified music are also prohibited. This permit thereby amends the Commercial Development Permit No. 111118 exclusively to permit a wider range of alcoholic beverages that may be sold with meals.

As the sale of liquor is proposed in conjunction with a full-scale restaurant and is intended to be incidental to the food service provided by the restaurant as required by the liquor license type, as well as restrictions to be established by recommended conditions of approval, the proposed request for on-site sale and consumption of liquor does not appear to be deleterious to surrounding residential uses. No member of the public or nearby homeowner has raised any concerns about the proposed change, either during the mandatory notification period required by the ABC or as a result of public notification of this permit.

Felton Town Plan

The Cremer House lies within the Community Commercial District within the Felton Town Plan area. The site is also located within scenic corridor #1. The Cremer House Restaurant adheres to the guidelines contained within the Felton Town Plan and the design of the restaurant is in harmony with the existing scenic and historic vistas in the Felton village. No physical changes are proposed to the existing building.

Environmental Review

Environmental review has not been required for the proposed project per the requirements of the California Environmental Quality Act (CEQA). A preliminary determination has been made to exempt the proposed project from further Environmental Review pursuant to the attached CEQA Environmental Exemption (Exhibit A).

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APN: 065-081-21 Owner: Locatelli

Conclusion

The Cremer House Restaurant has been operating at its current location for over five years, during which time alcoholic beverages including beer, wine and hard cider have been served with meals. The proposed Amendment to Commercial Development Permit No. 111118 to allow for the sale of a wider range of alcoholic drinks will not materially change the character of the existing restaurant in that, alcoholic beverages will continue to be sold as a complement to the overall dining experience. No change is proposed to the existing hours of operation for the restaurant. Therefore, as proposed and conditioned, the project is consistent with all applicable codes and policies of the Zoning Ordinance and General Plan and the provisions of Commercial Development Permit No. 111118. Please see Exhibit "B" ("Findings") for a complete listing of findings and evidence related to the above discussion.

Staff Recommendation

- Determine that the proposal is exempt from further Environmental Review under the California Environmental Quality Act.
- APPROVAL of Application Number 171332, based on the attached findings and conditions.

Supplementary reports and information referred to in this report are on file and available for viewing at the Santa Cruz County Planning Department, and are hereby made a part of the administrative record for the proposed project.

The County Code and General Plan, as well as hearing agendas and additional information are available online at: www.co.santa-cruz.ca.us

Report Prepared By: Lezanne Jeffs

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Exhibits

- A. Categorical Exemption (CEQA determination)
- B. Findings
- C. Conditions
- D. Project plans
- E. Assessor's, Location, Zoning and General Plan Maps
- F. Parcel information
- G. Comments & Correspondence

CALIFORNIA ENVIRONMENTAL QUALITY ACT NOTICE OF EXEMPTION

The Santa Cruz County Planning Department has reviewed the project described below and has determined that it is exempt from the provisions of CEQA as specified in Sections 15061 - 15332 of CEQA for the reason(s) which have been specified in this document.

Application Number: 171332

Assessor Parcel Number: 065-081-21

Project Location: 6254 & 6256 Highway 9, Felton CA 95018-9713

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|---|
| Project Description: Proposal to allow for the operation of a full bar at an existing restaurant (Cremer House) that currently serves only wine and beer |
| Person or Agency Proposing Project: Robert Locatelli |
| Contact Phone Number: (831) 234-5172 |
| A The proposed activity is not a project under CEQA Guidelines Section 15378. B The proposed activity is not subject to CEQA as specified under CEQA Guidelines Section 15060 (c). C Ministerial Project involving only the use of fixed standards or objective measurements without personal judgment. D Statutory Exemption other than a Ministerial Project (CEQA Guidelines Section 15260 to 15285). |
| E. X Categorical Exemption |
| Specify type: Class 1 - Existing Facilities (Section 15301) |
| F. Reasons why the project is exempt: |
| Class 1, Section 15301 exempts existing restaurants from Environmental review. |
| In addition, none of the conditions described in Section 15300.2 apply to this project. |
| Lezanne Jeffs, Project Planner |

Development Permit Findings

1. That the proposed location of the project and the conditions under which it would be operated or maintained will not be detrimental to the health, safety, or welfare of persons residing or working in the neighborhood or the general public, and will not result in inefficient or wasteful use of energy, and will not be materially injurious to properties or improvements in the vicinity.

This finding can be made, in that the project is located in an area designated for commercial uses. The conditions of approval of this use permit prohibit a bar, tavern, dance hall, nightclub, live entertainment, and amplified music. Furthermore, conditions of approval also limit the restaurant hours of operation to be consistent with the hours of operation associated with the ABC approval, restricting liquor sales to dining hours of service. As the sale of liquor is proposed in conjunction with a restaurant and incidental to the food service, as required by the liquor license type, the proposed request for on-site sale and consumption of liquor will not be detrimental to the health, safety, or welfare of persons residing or working in the neighborhood or visiting the adjacent Felton Covered Bridge Park.

2. That the proposed location of the project and the conditions under which it would be operated or maintained will be consistent with all pertinent County ordinances and the purpose of the zone district in which the site is located.

This finding can be made, in that the proposed location of the restaurant and the conditions under which it would be operated or maintained will be consistent with all pertinent County ordinances and the purpose of the C-2-L (Community Commercial with a Historic Resource Combining District) zone district as the primary use of the property will be a mixed-use building with a restaurant and commercial kitchen at the lower floor with residential apartments above, that meets all current site standards for the zone district.

On-site liquor sales, on a parcel that is within 200 feet of residential uses or public recreational uses, is permitted pursuant to County Code Section 13.10.654 subject to approval by the Zoning Administrator.

3. That the proposed use is consistent with all elements of the County General Plan and with any specific plan which has been adopted for the area.

This finding can be made, in that the proposed on-site liquor sales is proposed in conjunction with an existing restaurant food service on site and is consistent with the commercial use and density requirements specified for the C-C (Community Commercial) land use designation in the County General Plan.

A specific plan (Felton Town Plan) has been adopted for this portion of the County. The proposed use is consistent with the specific plan. No limitations are called out in the General Plan with regard to the Community Commercial designation associated with the property that would preclude the proposed use.

4. That the proposed use will not overload utilities and will not generate more than the acceptable level of traffic on the streets in the vicinity.

This finding can be made, in that the proposed liquor sales, in conjunction with food service at an existing restaurant will not affect demand for utilities or generate additional traffic.

5. That the proposed project will complement and harmonize with the existing and proposed land uses in the vicinity and will be compatible with the physical design aspects, land use intensities, and dwelling unit densities of the neighborhood.

This finding can be made, in that the existing restaurant property is located within a commercial area of Felton, adjacent to a County park and within 200 feet of a residentially zoned parcel. The conditions of approval of this permit prohibit the establishment of a bar, tavern, dance hall, or nightclub, and also prohibits live entertainment and amplified music. Furthermore, the conditions of approval also limit the restaurant hours of operation to be consistent with the hours of operation associated with the ABC approval, restricting liquor sales to dining hours of service. As the sale of liquor is proposed in conjunction with an existing restaurant and incidental to the food service, as required by the liquor license type, the proposed request for on-site sale and consumption of liquor will not be detrimental to the health, safety, or welfare of persons residing or working in the neighborhood. The proposed use will be compatible with the land use intensity and density of the neighborhood, and adjacent commercial, recreational and residential uses.

6. The proposed development project is consistent with the Design Standards and Guidelines (sections 13.11.070 through 13.11.076), and any other applicable requirements of this chapter.

This finding can be made, in that the proposed project will not change the physical design of the existing commercial building or result in changes to the aesthetic qualities of the surrounding properties and will not reduce or visually impact available open space in the surrounding area.

Conditions of Approval

Exhibit D: Project plans, 2 sheets prepared by Gotcher Associates, dated 8/7/13.

- I. Permit to provide on-sale liquor associated with an existing restaurant (Cremer House Restaurant) that is within 200 feet of residentially zoned property and land used for public recreational uses (Felton Covered Bridge Park). This permit amends commercial development Permit 111118 and modifies the Master Ocupancy Program as specified herein. This approval does not confer legal status on any existing structure(s) or existing use(s) on the subject property that are not specifically authorized by this permit. Prior to exercising any rights granted by this permit including, without limitation, any construction or site disturbance, the applicant/owner shall:
 - A. Sign, date, and return to the Planning Department one copy of the approval to indicate acceptance and agreement with the conditions thereof.
- II. Prior to sales of liquor in conjunction with the existing restaurant the applicant/owner shall:
 - A. Obtain a **Type 47** Alcohol license On Sale-Eating Place (restaurant). This alcohol license authorizes the sale of beer, wine and distilled spirits for consumption on the licensed premises. The restaurant operator shall operate and maintain the licensed premises as a bona fide eating place. The use is required to maintain suitable kitchen facilities and shall make actual and substantial sales of meals for consumption on the premises. Minors are allowed on the premises.

III. Operational Conditions

- A. This permit amends Commercial Development Permit No. 111118 as noted in operational conditions herein.
- B. This permit allows a restaurant (Cremer House Restaurant) with on-sale liquor in conjunction with food service (bona fide eating place).
- C. This permit restricts the restaurant to a Type 47 alcohol license from the State Alcohol Beverage Control (ABC). The licensee shall operate and maintain the licensed premises as a bona fide eating place and maintain suitable kitchen facilities, and must make actual and substantial sales of meals for consumption on the premises. Minors are allowed on the premises.
- D. The permit prohibits a stand-alone bar, tavern, dance hall, nightclub, live entertainment, and amplified music, etc., unless a use approval is obtained.
- E. The Permit requires that the total wastewater flow from all uses on the property shall not exceed 2004 gallons per day. If wastewater flows exceed this level, a permit is required to be obtained from Environmental Health Services for an upgrade to the sewage disposal system.

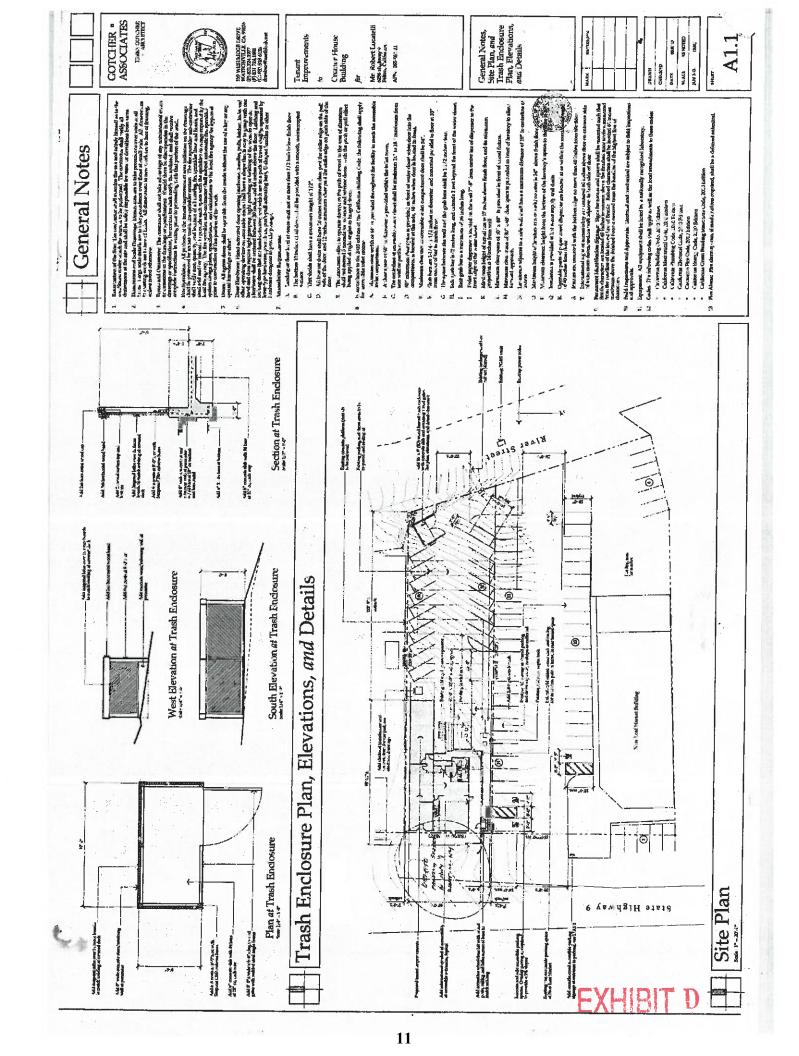
- F. In the event that future County inspections of the subject property disclose noncompliance with any Conditions of this approval or any violation of the County Code, the owner shall pay to the County the full cost of such County inspections, including any follow-up inspections and/or necessary enforcement actions, up to and including permit revocation.
- IV. As a condition of this development approval, the holder of this development approval ("Development Approval Holder"), is required to defend, indemnify, and hold harmless the COUNTY, its officers, employees, and agents, from and against any claim (including attorneys' fees), against the COUNTY, it officers, employees, and agents to attack, set aside, void, or annul this development approval of the COUNTY or any subsequent amendment of this development approval which is requested by the Development Approval Holder.
 - A. COUNTY shall promptly notify the Development Approval Holder of any claim, action, or proceeding against which the COUNTY seeks to be defended, indemnified, or held harmless. COUNTY shall cooperate fully in such defense. If COUNTY fails to notify the Development Approval Holder within sixty (60) days of any such claim, action, or proceeding, or fails to cooperate fully in the defense thereof, the Development Approval Holder shall not thereafter be responsible to defend, indemnify, or hold harmless the COUNTY if such failure to notify or cooperate was significantly prejudicial to the Development Approval Holder.
 - B. Nothing contained herein shall prohibit the COUNTY from participating in the defense of any claim, action, or proceeding if both of the following occur:
 - 1. COUNTY bears its own attorney's fees and costs; and
 - 2. COUNTY defends the action in good faith.
 - C. <u>Settlement</u>. The Development Approval Holder shall not be required to pay or perform any settlement unless such Development Approval Holder has approved the settlement. When representing the County, the Development Approval Holder shall not enter into any stipulation or settlement modifying or affecting the interpretation or validity of any of the terms or conditions of the development approval without the prior written consent of the County.
 - D. <u>Successors Bound</u>. "Development Approval Holder" shall include the applicant and the successor'(s) in interest, transferee(s), and assign(s) of the applicant.

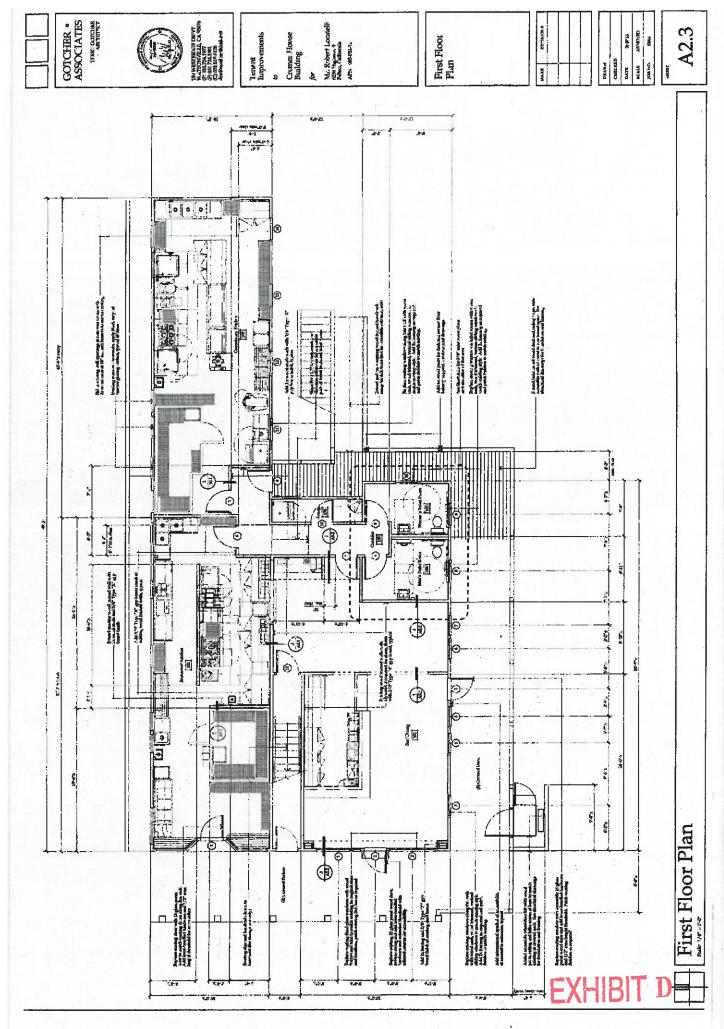
Minor variations to this permit which do not affect the overall concept or density may be approved by the Planning Director at the request of the applicant or staff in accordance with Chapter 18.10 of the County Code.

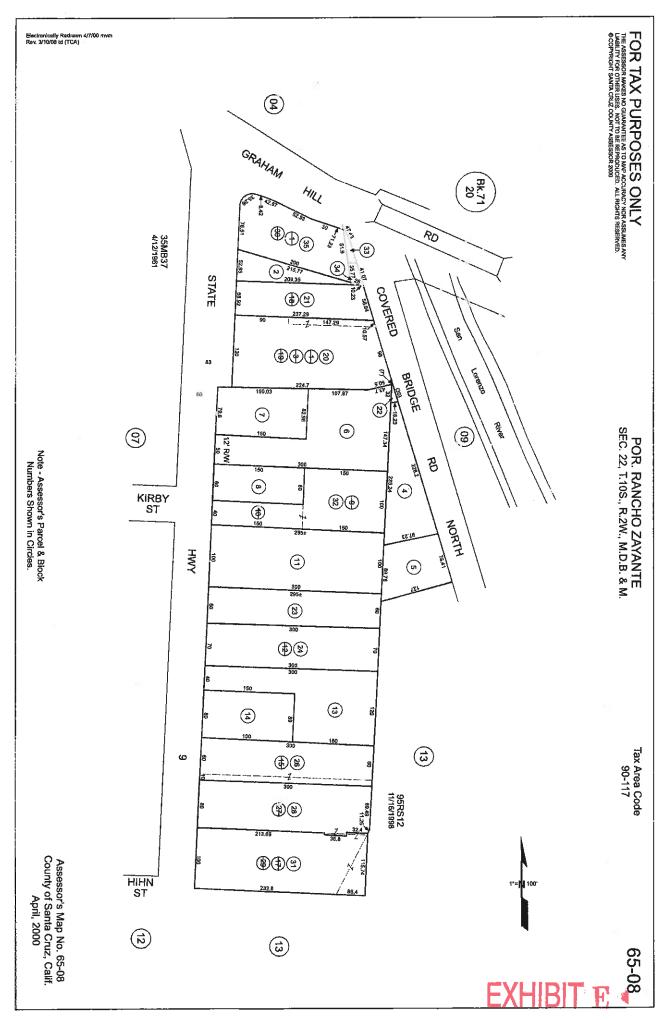
Please note: This permit expires three years from the effective date listed below unless the conditions of approval are complied with and the use commences before the expiration date.

| Approval Date: | | |
|------------------|---|--|
| Effective Date: | | |
| Expiration Date: | | |
| | | |
| | Jocelyn Drake Deputy Zoning Administrator | |
| | Deputy Zoning Administrator | |

Appeals: Any property owner, or other person aggrieved, or any other person whose interests are adversely affected by any act or determination of the Zoning Administrator, may appeal the act or determination to the Planning Commission in accordance with chapter 18.10 of the Santa Cruz County Code.





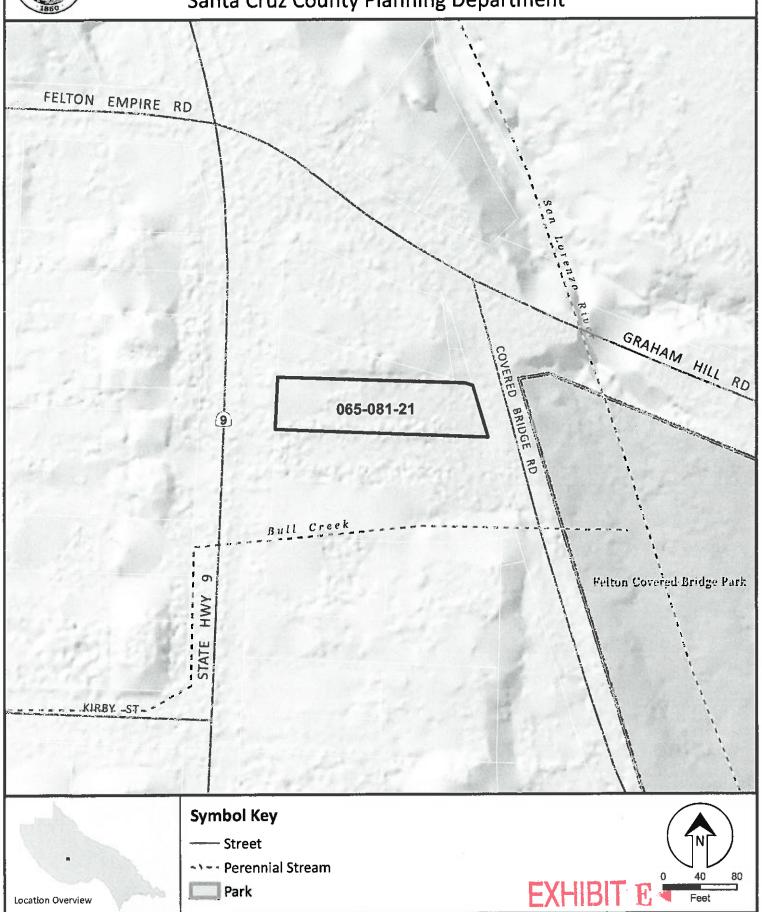


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Parcel Location Map

Santa Cruz County Planning Department

Parcel Number 065-081-21 Oct. 9, 2018

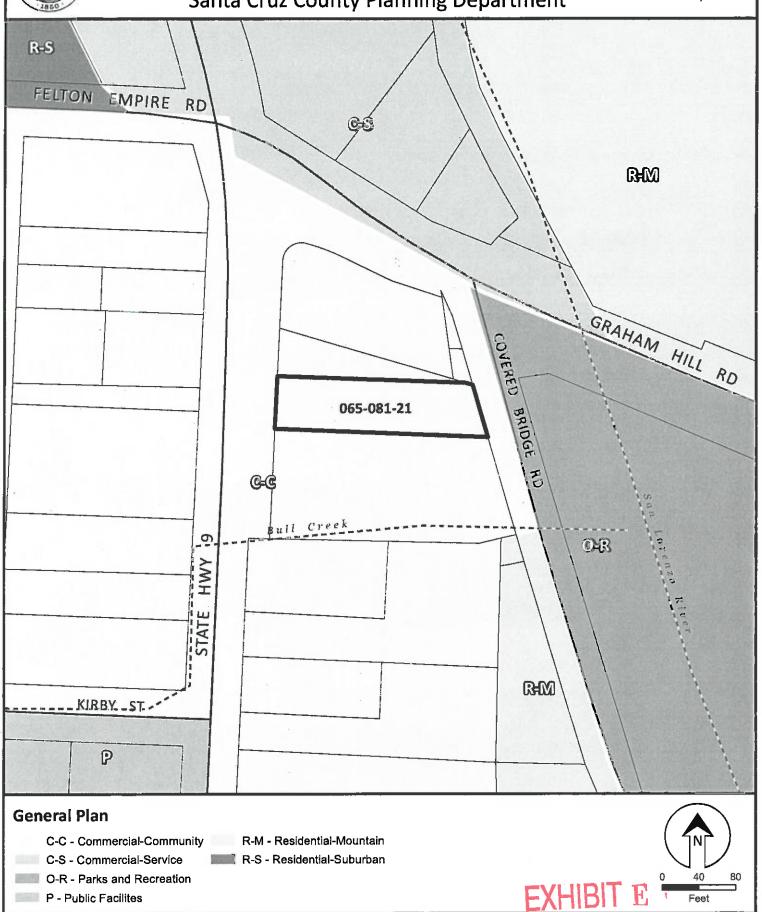


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Parcel General Plan Map

Santa Cruz County Planning Department

Parcel Number 065-081-21 Oct. 9, 2018

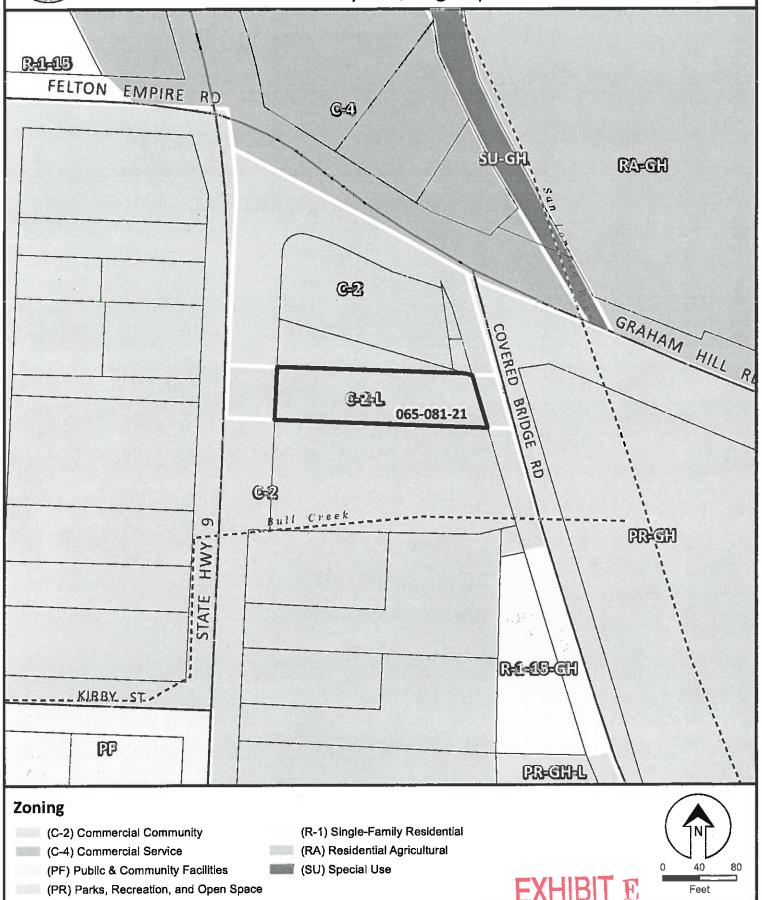


OF CANAL CREEK

Parcel Zoning Map

Santa Cruz County Planning Department

Parcel Number 065-081-21 Oct. 9, 2018



PARCEL INFORMATION

Parcel Information

Parcel Size:

13,410 square feet (estimate)

Existing Land Use - Parcel:

Exissting commercial building (restaurant and commercial kitchen) with apartments above.

Existing Land Use - Surrounding:

Commercial (retail, office, produce market and

restaurant) to the north, south and west; County Park

(Felton Covered Bridge Park) to the east.

Project Access:

Highway 9 and Covered Bridge Road.

Planning Area:

San Lorenzo Valley

Land Use Designation:

C-C (Community Commercial)

Zone District:

C-2-L (Community Commercial, Historic Landmark)

Coastal Zone: ___ Inside __X Outside

Environmental Information

Geologic Hazards:

Not mapped/no physical evidence on site

Soils:

Slopes:

N/A Existing building

Fire Hazard:

Not a mapped constraint N/A Existing building

Env. Sen. Habitat:

Mapped constraint area, however no ground disturbance proposed

Grading:

No grading proposed

Tree Removal:

No trees proposed to be removed

Scenic:

Highway 9 is a mapped resource, no design review required (no

physical changes proposed)

Drainage:

Existing drainage adequate

Archeology:

Mapped resource however no ground disturbance proposed.

Services Information

Urban/Rural Services Line:

X Inside (RSL) __ Outside

Water Supply:

San Lorenzo Valley Water District

Sewage Disposal:

Private septic system

Fire District:

Felton Fire Protection District

Drainage District:

Zone 8