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September 8, 2017

PQD, LLC (A)(O)
3412 Gardenside Lane
Los Angeles, CA 90039

Margaret Taylor (R)
Apex LA
5419 Hollywood Boulevard
Los Angeles, CA 90027

CASE NO. ZA 2017-1798(CUB)
CONDITIONAL USE
1076 Lillian Way (6320-6324 West Santa
Monica Boulevard)
Hollywood Planning Area
Zone : C2-1D-SN
D. M. : 144B185
C. D. : 13
CEQA : ENV-2017-1800-CE
Legal Description: Lot 1, Block A,
Seneca Heights

Pursuant to Los Angeles Municipal Code Section 12.24-W,1, I hereby APPROVE:

a Conditional Use to allow the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with the continued operation of an existing theater and the change of use of a 1,070 square-foot area from retail/office to bar in the C2-1D-SN Zone;

upon the following additional terms and conditions:

1. All other use, height and area regulations of the Municipal Code and all other applicable government/regulatory agencies shall be strictly complied with in the development and use of the property, except as such regulations are herein specifically varied or required.
2. The use and development of the property shall be in substantial conformance with the plot plan submitted with the application and marked Exhibit "A", except as may be revised as a result of this action.
3. The authorized use shall be conducted at all times with due regard for the character of the surrounding district, and the right is reserved to the Zoning Administrator to impose additional corrective Conditions, if, in the Administrator's opinion, such Conditions are proven necessary for the protection of persons in the neighborhood or occupants of adjacent property.
4. All graffiti on the site shall be removed or painted over to match the color of the surface to which it is applied within 24 hours of its occurrence.

5. A copy of the first page of this grant and all Conditions and/or any subsequent appeal of this grant and its resultant Conditions and/or letters of clarification shall be printed on the building plans submitted to the Development Services Center and the Department of Building and Safety for purposes of having a building permit issued.
6. Approved herein is the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with the continued operation of an existing four-stage theater with 250 seats and the change of a 1,070 square-foot area from office/retail to bar area with 36 seats, for a total of 286 seats within the entire theater. Sale and dispensing
7. Hours of operation shall be limited to 10:00 a.m. to 1:00 a.m., Monday through Thursday, and 10:00 a.m. to 2:00 a.m. Friday through Sunday. After hours use of the facility, other than routine clean-up and maintenance is prohibited, excluding any activities covered by film permits issued by the City.
8. Within six months of the effective date of this action, all employees involved with the sale of alcoholic beverages shall enroll in the Los Angeles Police Department "Standardized Training for Alcohol Retailers" (STAR). Upon completion of such training, the applicant shall request the Police Department to issue a letter identifying which employees completed the training. The applicant shall transmit a copy of the letter from the Police Department to the Zoning Administrator as evidence of compliance. Employees shall attend the training on an annual basis.
9. An electronic age verification device shall be retained on the premises available for use during operational hours. This device shall be maintained in operational condition and all employees shall be instructed in its use.
10. Partitions separating booth/dining areas shall not exceed 54 inches in height. No obstructions shall be attached, fastened or connected to the booth/dining areas within the interior space for the facility that restrict, limit, or obstruct the clear observations of the occupants.
11. There shall be no pool table, electronic games, coin-operated games, dart games, or video machines maintained upon the premises at any time.
12. The exterior window and glass doors of the theater premises and bar/lounge areas shall be maintained substantially free of signs and other materials for the ground to at least six feet in height above the ground as to permit surveillance into the theater by Police and private security.
13. No music, sound or noise shall be emitted from the subject businesses at a level prohibited by the noise regulations of the Los Angeles Municipal Code. Non-amplified ambient music up to three musicians or less is permitted in the bar area. Any sound or noise emitted beyond the footprint of the property is under the control of the owner/operator shall constitute a violation of Section 116.01 of the LAMC, including any loud, unnecessary or unusual noise that disturbs the peace or quiet of any neighborhood or that causes discomfort.

14. There shall be no Adult Entertainment of any type pursuant to LAMC Section 12.70.
15. No employee or agent shall be permitted to accept money or any other thing of value from a customer for the purpose of sitting otherwise spending time with customers while in the premises, nor shall the licensee provide, permit, or make available, either gratuitously or for compensation, male or female patrons who act as escorts, companions, or guests of and for the customer.
16. The owner/facility operator shall at all times maintain the abutting public access ways free of obstruction.
17. The applicant shall install and maintain security cameras and a three-month library video library that covers all common areas of the business, high-risk areas, points of sale locations, sidewalk areas, and entrances or exits. The videotapes shall be made available to police upon request.
18. Prior to the effectuation of this grant, a covenant acknowledging and agreeing to comply with all the terms and conditions established herein shall be recorded in the County Recorder's Office. The agreement (standard master covenant and agreement form CP-6770) shall run with the land and shall be binding on any subsequent owners, heirs or assigns. The agreement with the conditions attached must be submitted to the Development Services Center or the Condition Compliance Unit for approval before being recorded. After recordation, a certified copy bearing the Recorder's number and date shall be provided to the Development Services Center or Condition Compliance Unit for inclusion in the case file.
19. The approved conditions shall be retained on the premises at all times and produced upon request of the Police Department, the Department of Building and Safety or City Planning. All licenses, permits and conditions shall be posted in a conspicuous location at the facility. Additionally, a copy of the ABC operating conditions and conditional use permit conditions shall be provided to all employees working in the theater who are involved in the sale and distribution of alcoholic beverages. Theater employees involved in the sale and distribution of alcoholic beverages are required to be knowledgeable of the establishment operating conditions and shall sign a document acknowledging that they have read and understood all of the BC and conditional use permit conditions. Said acknowledgement form(s) shall be maintained at the location by the operator and/or manager who shall present the document(s) to the Police Department personnel, ABC Investigators or any other City agency upon request.
20. A copy of the business permit, insurance information, and a valid emergency contact phone number for the security company service(s) used by the business operator shall be maintained on the premises and presented upon request to any law enforcement officer.
21. Patron Dancing and nightclub features are not permitted on the subject premises at any time. Use of the facility shall remain as a live performance theater.

22. There shall be Dance Floor arrangement permitted in the subject premises. Patron dancing is not permitted nor shall the Petitioner(s) accommodate or endorse patron dancing features in any fashion. This provision only relates to venue patrons and not to the performers or employees involved in the production or exhibition of theatrical presentations.
23. Loitering shall be prohibited on or around these premises as well as the properties adjacent to the subject premises. The applicant shall be responsible for ensuring that person are dissuaded from loitering on or immediately around the subject premises. "No Loitering or Public Drinking" signs shall be posted containing the predominant language of the establishment's clientele. Any outdoor areas under the control of the applicant and those areas which are adjacent to the subject site shall be routinely patrolled by employees of the theater or security personnel for the purpose of monitoring loitering. Any problems associated with the theater operation shall immediately be reported to the facility manager who shall correct/remedy the problems.
24. The applicant/operator will ensure the continued placement of legible signs throughout the theater alerting patrons entering and exiting the facility to keep noise to a minimum, and to be respectful of the Property's surrounding neighbors.
25. Signs shall be prominently posted in English and the predominant language of the facility's clientele, if different, and a notice shall be placed therein stating that California State Law prohibits the sale of alcoholic beverages to person under the age of twenty-one years or to intoxicated person and that no such sales will be made.
26. The number of special events permitted on the subject property shall be limited to a maximum of 12 events per year. A special event is any event which is held weekly, monthly or annually or that includes outside advertisement demonstrating a change in the mode and character of the normal theater operations or any significant live entertainment features that would stipulate an ABC one-day permit application or some other special endorsement. Operational occurrences or arrangements wherein the applicant(s) demands or requests an admission free from theater patrons aside from standard admission tickets fees will be considered special events as will any event which involve the exclusion of the general public from gaining admission to the theater premises. The applicant shall seek approval from the Hollywood Vice Unit for all special events 14 days in advance of the date of each special event, in writing. LAPD shall respond to requests for special events in writing. Outside advertisements as it pertains to this provision shall include any promotional material or notification commissioned by any entity that is not directly associated with the operation or under the direct employ of the applicant(s).
27. There shall be no service, sales or possession of an alcoholic beverage on any sidewalk area or adjacent parking lot or alley way. There shall not be off-site sales of Alcoholic beverages and the applicant shall attempt to dissuade loitering activities and consumption of alcoholic beverages on the public expanses directly adjacent to the subject premises.

28. Smoking tobacco or any non-tobacco substance, including from electronic smoking devices, is prohibited in or within 10 feet of the outdoor dining areas in accordance with Los Angeles Municipal Code Section 41.50 B 2 C. This prohibition applies to all outdoor areas of the establishment if the outdoor area is used in conjunction with food service and/or the consumption, dispensing or sale of alcoholic or non-alcoholic beverages.
29. The business operator and or the operator's agents shall comply with California Labor Code Section 6404.5(c) which prohibits the smoking of tobacco or any non-tobacco substance, including from electronic smoking devices, within any place of employment.
30. Incorporation and utilization of portable beverage carts and portable bars aside from the portable service bars positioned and utilized in the three lobby/box office areas of subject premises shall be prohibited. The sale and distribution of alcoholic beverages to patrons of the facility shall be conducted from and occur in conjunction with the one fixed bar area or the premises and the three portable bar locations of the establishment, with those permitted bar locations identified as follows:
 - Sale and distribution of alcoholic beverages may occur in conjunction with the publicly accessible fixed bar area situated along the northwestern portion of the subject premises.
 - Sale and distribution of alcoholic beverages may occur in conjunction with the Stage 1 lobby portable bar area which fronts Santa Monica Boulevard and situated along the northern portion of the subject premises.
 - Sales and distribution of alcoholic beverages may occur in conjunction with the Stage 2 lobby portable bar area which fronts Santa Monica Boulevard and situated along the northeastern portion of the subject premises.
 - Sales and distribution of alcoholic beverages may occur in conjunction with the Stage 3 portable bar area which fronts Lillian Way and situated along the southwestern portion of the subject premises.
31. Prior to the effectuation of the grant, the applicant(s) shall be required to provide the Police Department with a Security Plan that satisfactorily conforms to Police Department and City Planning standards. The security plan shall include a delineation of the video surveillance arrangements for both the licensed premises and the adjoining public areas encircling the subject premises. The security plan shall also include a delineation of the security personnel scheme including specifications pertaining to staffing, structure and arrangement of security guards for the licensed premises. The applicant's security plan will be included in the ZA Case File following Police Department and City Planning approval.
32. Prior to the commencement of operations, the applicant(s) shall arrange for and provide a 24-hour "hot line" for complaints and concerns from the community regarding the operation. The 24-hour phone number shall be posted at the four public entrances of the subject premises, and posted conspicuously and visible to pedestrians, and shall be posted at any Customer Service Area inside the subject premises.

33. The establishment security guards fulfilling the Security Plan staffing requirements shall not have any other activities other than those that security related. Security personnel shall be licensed in accordance with State Law and Police Commission standards and maintain valid Bureau of Security and Investigative Services Guard Credentials along with active American Red Cross first-aid credentials. Establishment security personnel shall be dressed in such a manner as to be readily identifiable as facility security guards to patrons and law enforcement personnel.
34. The applicant(s) shall maintain a log of all calls, detailing: date complaint received, nature of complaint and the manner in which the complaint was resolved. This log shall be made available to law enforcement personnel upon request and presented as part of the application if and when a new application to continue the operation is submitted to the Department. Complaints shall be responded to within twenty four hours. The applicant shall provide photographs of the sign postings and a copy of the log to the Condition Compliance Unit for inclusion in the Case File.
35. Following commencement of operations and after a ninety day period in which the premises has been subject to public use, the applicant shall file a security plan approval review application with the Los Angeles Police Department for the purposes of evaluating the effectiveness of the applicant's existing security plan. The applicant shall provide a summary and supporting documentation to attest to the effectiveness of the current security plan. Upon review of the applicant's submission, the Police Department or the Zoning Administrator may modify and either add to or relegate from the current plan.
36. The applicant shall provide the Zoning Administrator a copy of each license, suspension thereof, or citation issued by the State Department of Alcoholic Beverage Control or the Los Angeles Police Department upon such instance.
37. If valet service is used, a copy of the contract with the valet company shall be submitted to the Office of Zoning Administration demonstrating that valet service is made available to customers/guests of the applicant(s). If valet service is implemented, the applicant(s) will additionally be required to provide the Office of Zoning Administration with information pertaining to the valet rates or cost of valet services as it related to customers utilizing said service. The availability of valet parking/service shall be made known to the public via the theater website or theater brochures, a posting of the information on readily visible locations in the theater lobby areas and in the theater bar area.
38. Any future operator or owner for this site must file a new Plan Approval Application or an equivalent to allow the City of Los Angeles to review the "mode and character" of the usage.
39. If at any time during the period of the grant, should documented evidence be submitted showing continued violation(s) of any condition(s) of the grant, resulting in a disruption or interference with the peaceful enjoyment of the adjoining and neighboring properties, the Director's designee shall have the right to require the applicant to file a plan approval application together with the associated fees and to hold a public hearing to review the applicant's compliance with, and

effectiveness of, the conditions of the grant. The applicant shall be required to submit a summary and supporting documentation demonstrating how compliance with each condition of the grant has been attained. Upon review, the Director's Designee may modify, add or delete conditions and reserves the right to conduct the public hearing for nuisance abatement revocation purposes if so warranted by documentation.

40. Prior to the clearance of any conditions, the applicant shall show proof that all fees have been paid to the Department of City Planning, Expedited Processing Section.
41. **Prior to the beginning of operations**, the applicant shall notify the Condition Compliance Unit via email or U.S. Mail when operations are scheduled to begin and shall submit a copy of the Certificate of Occupancy for the Case File. The notification shall be submitted to planning.ccu@lacity.org, with the subject of the email to include the case number, "**ZA-2017-1798-CUB/Operation Notification**". The applicant shall also submit (attached or mailed) evidence of compliance with any conditions which require compliance "prior to the beginning of operations" as stated by these conditions.
42. **Prior to the beginning of operations**, the manager of the facility shall be made aware of the conditions and shall inform his/her employees of the same. A statement with the signature, printed name, position and date signed by the manager and his/her employees shall be provided to the Condition Compliance Unit within 30-days of the beginning day of operation of the establishment. The statement shall read as follows,

We, the undersigned, have read and understand the conditions of approval to allow the sale and dispensing of a full line of alcoholic beverages for off-site consumption, in conjunction the restaurant, known as Sacred Fools, and agree to abide and comply with said conditions.
43. Should there be a change in the ownership and/or the operator of the business, the property owner and the business owner or operator shall provide the prospective new property owner and the business owner/operator with a copy of the conditions of this action prior to the legal acquisition of the property and/or the business. Evidence that a copy of this determination has been provided to the prospective owner/operator, including the conditions required herewith, shall be submitted to the Condition Compliance Unit in a letter from the new operator indicating the date that the new operator/management began and attesting to the receipt of this approval and its conditions. The new operator shall submit this letter to the Condition Compliance Unit within 30-days of the beginning day of his/her new operation of the establishment along with the dimensioned floor plan, seating arrangement and number of seats of the new operation.
44. Within 30 days of the effective date of the Department of Alcoholic Beverage Control license, and within 30 days of the effective date of any modification or alteration of terms of said license, the applicant shall transmit a copy of the valid Department of Alcoholic Beverage Control license to the Zoning Administrator for attachment to the case file.

45. Within 30 days of the effective date of this grant, a covenant acknowledging and agreeing to comply with all the terms and conditions established herein shall be recorded in the County Recorder's Office. The agreement (standard master covenant and agreement form CP-6770) shall run with the land and shall be binding on any subsequent owners, heirs or assigns. The agreement with the conditions attached must be submitted to the Zoning Administrator for approval before being recorded. After recordation, a certified copy bearing the Recorder's number and date shall be provided to the Zoning Administrator for attachment to the subject case file.
46. INDEMNIFICATION AND REIMBURSEMENT OF LITIGATION COSTS.

Applicant shall do all of the following:

- a. Defend, indemnify and hold harmless the City from any and all actions against the City relating to or arising out of, in whole or in part, the City's processing and approval of this entitlement, including but not limited to, an action to attack, challenge, set aside, void, or otherwise modify or annul the approval of the entitlement, the environmental review of the entitlement, or the approval of subsequent permit decisions, or to claim personal property damage, including from inverse condemnation or any other constitutional claim.
- b. Reimburse the City for any and all costs incurred in defense of an action related to or arising out of, in whole or in part, the City's processing and approval of the entitlement, including but not limited to payment of all court costs and attorney's fees, costs of any judgments or awards against the City (including an award of attorney's fees), damages, and/or settlement costs.
- c. Submit an initial deposit for the City's litigation costs to the City within 10 days' notice of the City tendering defense to the Applicant and requesting a deposit. The initial deposit shall be in an amount set by the City Attorney's Office, in its sole discretion, based on the nature and scope of action, but in no event shall the initial deposit be less than \$50,000. The City's failure to notice or collect the deposit does not relieve the Applicant from responsibility to reimburse the City pursuant to the requirement in paragraph (b).
- d. Submit supplemental deposits upon notice by the City. Supplemental deposits may be required in an increased amount from the initial deposit if found necessary by the City to protect the City's interests. The City's failure to notice or collect the deposit does not relieve the Applicant from responsibility to reimburse the City pursuant to the requirement in paragraph (b).
- e. If the City determines it necessary to protect the City's interest, execute an indemnity and reimbursement agreement with the City under terms consistent with the requirements of this condition.

The City shall notify the applicant within a reasonable period of time of its receipt of any action and the City shall cooperate in the defense. If the City fails to notify the applicant of any claim, action, or proceeding in a reasonable time, or if the City fails to reasonably cooperate in the defense, the applicant shall not thereafter be responsible to defend, indemnify or hold harmless the City.

The City shall have the sole right to choose its counsel, including the City Attorney's office or outside counsel. At its sole discretion, the City may participate at its own expense in the defense of any action, but such participation shall not relieve the applicant of any obligation imposed by this condition. In the event the Applicant fails to comply with this condition, in whole or in part, the City may withdraw its defense of the action, void its approval of the entitlement, or take any other action. The City retains the right to make all decisions with respect to its representations in any legal proceeding, including its inherent right to abandon or settle litigation.

For purposes of this condition, the following definitions apply:

“City” shall be defined to include the City, its agents, officers, boards, commissions, committees, employees, and volunteers.

“Action” shall be defined to include suits, proceedings (including those held under alternative dispute resolution procedures), claims, or lawsuits. Actions include actions, as defined herein, alleging failure to comply with any federal, state or local law.

Nothing in the definitions included in this paragraph are intended to limit the rights of the City or the obligations of the Applicant otherwise created by this condition.

OBSERVANCE OF CONDITIONS - TIME LIMIT - LAPSE OF PRIVILEGES

All terms and conditions of the approval shall be fulfilled before the use may be established. The instant authorization is further conditional upon the privileges being utilized within three years after the effective date of approval and, if such privileges are not utilized or substantial physical construction work is not begun within said time and carried on diligently to completion, the authorization shall terminate and become void.

TRANSFERABILITY

This authorization runs with the land. In the event the property is to be sold, leased, rented or occupied by any person or corporation other than yourself, it is incumbent upon you to advise them regarding the conditions of this grant.

VIOLATIONS OF THESE CONDITIONS, A MISDEMEANOR

Section 12.29 of the Los Angeles Municipal Code provides:

“A variance, conditional use, adjustment, public benefit or other quasi-judicial approval, or any conditional approval granted by the Director, pursuant to the

authority of this chapter shall become effective upon utilization of any portion of the privilege, and the owner and applicant shall immediately comply with its Conditions. The violation of any valid Condition imposed by the Director, Zoning Administrator, Area Planning Commission, City Planning Commission or City Council in connection with the granting of any action taken pursuant to the authority of this chapter, shall constitute a violation of this chapter and shall be subject to the same penalties as any other violation of this Code.”

Every violation of this determination is punishable as a misdemeanor and shall be punishable by a fine of not more than \$1,000 or by imprisonment in the county jail for a period of not more than six months, or by both such fine and imprisonment.

APPEAL PERIOD - EFFECTIVE DATE

The applicant's attention is called to the fact that this grant is not a permit or license and that any permits and licenses required by law must be obtained from the proper public agency. Furthermore, if any Condition of this grant is violated or if the same be not complied with, then the applicant or his successor in interest may be prosecuted for violating these Conditions the same as for any violation of the requirements contained in the Municipal Code. The Zoning Administrator's determination in this matter will become effective after **September 25, 2017** unless an appeal therefrom is filed with the City Planning Department. It is strongly advised that appeals be filed early during the appeal period and in person so that imperfections/incompleteness may be corrected before the appeal period expires. Any appeal must be filed on the prescribed forms, accompanied by the required fee, a copy of the Zoning Administrator's action, and received and receipted at a public office of the Department of City Planning on or before the above date or the appeal will not be accepted. **Forms are available on-line at http://planning.lacity.org**. Public offices are located at:

Downtown

Figueroa Plaza
201 North Figueroa Street,
4th Floor
Los Angeles, CA 90012
(213) 482-7077

San Fernando Valley

Marvin Braude San Fernando
Valley Constituent Service
Center
6262 Van Nuys Boulevard,
Room 251
Van Nuys, CA 91401
(818) 374-5050

West Los Angeles

West Los Angeles
Development Services Center
1828 Sawtelle Boulevard, 2nd
Floor
Los Angeles, CA 90025
(310) 231-2598

If you seek judicial review of any decision of the City pursuant to California Code of Civil Procedure Section 1094.5, the petition for writ of mandate pursuant to that section must be filed no later than the 90th day following the date on which the City's decision became final pursuant to California Code of Civil Procedure Section 1094.6. There may be other time limits which also affect your ability to seek judicial review.

NOTICE

The applicant is further advised that all subsequent contact with this office regarding this determination must be with the Zoning Administrator who acted on the case. This would include clarification, verification of condition compliance and plans or building permit applications, etc., and shall be accomplished **BY APPOINTMENT ONLY**, in order to

assure that you receive service with a minimum amount of waiting. You should advise any consultant representing you of this requirement as well.

FINDINGS OF FACT

After thorough consideration of the statements contained in the application, the plans submitted therewith and the statements made at the public hearing on June 21, 2017 all of which are by reference made a part hereof, as well as knowledge of the property and surrounding district, I find that the requirements for authorizing a conditional use permit under the provisions of Section 12.24-W have been established by the following facts:

BACKGROUND

The subject property is a rectangular-shaped, corner parcel of land having a frontage of 85feet along the south side of Santa Monica Boulevard and a frontage of 120 feet along the east side of Lillian Way containing 8,400 square feet of lot area. The site is developed with a 7,733 square-foot theater known as Sacred Fools Theater. The project site is designated for Highway-Oriented Commercial land uses and is zoned C2-1D-SN in the Hollywood Community Plan.

The proposed request is for the introduction of a full line of alcoholic beverages for service within a 1,070, 36-seat bar located within the theater. The surrounding area is generally characterized by studios, Hollywood Row (theaters), and commercial and retail establishments. Properties to the north, across Santa Monica Boulevard, are zoned C2-1D-SN and are developed with a gas station and surface parking lot. Abutting properties to the east are zoned C2-1D-SN and are developed a fast-food restaurant and surface parking lot. Abutting properties to the south are zoned C2-1D-SN and are developed with the Ben Kitay Studios. Properties to the west, across Lillian Way, are zoned MR1-1-SN and are developed with the Hollywood Production Center and parking uses.

Santa Monica Boulevard, adjoining the subject property to the north, is a designated Modified Avenue I, dedicated to a width of 104 feet and is fully improved with curb, gutter and sidewalk.

Lillian Way, adjoining the subject property to the west, is a designated Local Street, dedicated to a width of 60-feet and is fully improved with curb, gutter and sidewalk.

Previous Cases, Affidavits, Permits, and Orders on the Applicant's Property

There are no relevant previous cases on the subject property

Previous Cases, Affidavits, Permits, and Orders on Surrounding Properties

Case No. ZA 2007-4046(CUB)(CUX)(ZV) – On January 20, 2009, the Zoning Administrator approved Conditional Uses to allow the sale and dispensing of a full line of alcoholic beverages for on-site consumption and public dancing and live entertainment in conjunction with the operation of a nightclub in the C2-1-SN Zone located at 6314 Santa Monica Boulevard.

Case No. ZA 2016-3735(CUB) – On January 24, 2017, the Zoning Administrator approved a Conditional Use to allow the sale and dispensing of beer and wine for on-site consumption in conjunction with an existing restaurant in the C2-1D Zone located at 1050 North Vine Street.

Public Correspondence

Letters/emails were received for the project. A letter of support with modifications dated June 26, 2017 was submitted by the Central Hollywood Neighborhood Council. Two emails of support from Daniel Henning and Kanchan Mattoo were received. At the public hearing, Ms. Taylor submitted a petition of support, which included 144 signatures.

Public Hearing

The public hearing was conducted on August 23, 2017 in Room 1020 at Downtown Los Angeles City Hall. The public hearing was attended by the applicant's representative, Ms. Margaret Taylor and the applicant, Patrick Duffy and his team, and the Los Angeles Police Department.

Ms. Taylor made the following statements at the public hearing:

- The request is only for a full line of alcohol for on-site consumption.
- The theater will undergo a change of use for just the 1,070 square-foot portion that will go from office to a bar.
- The bar will be open only when there is a performance in the theater. This will not be a stand-alone bar.
- The project site is within the Hollywood Theater Row, which was established in 2015.
- The project originally proposed hours of operation of 10:00 a.m. to 2:00 a.m., daily. However, the hours have been revised.
- The site has been used as a theater since 1998.
- The Sacred Fools team has 18 years of management experience at their previous location.
- The applicants are also the property owners.
- The applicant will invest into the infrastructure and revitalization of theater and other productions.
- The applicant will always have a property ownership representative operating the theater.
- The operator has connection with over 100 playwrights, actors and theater companies.
- Non-amplified music is proposed in the bar area for ambient purposes. This will consist of three musicians or less.
- Only Sacred Fools Theater staff will handle alcohol sales.
- Theater seating will have all ages welcomed. The bar will only allow those 21 years or older.
- Portable mini-bars for theaters are proposed during intermission or drinks offered in the bar during intermission. No alcohol will be permitted outside the building.
- Alcohol sales are secondary to the operation of the theater.

- LAPD visited the site on two occasions. They submitted recommended conditions including conditions for a security plan.
- The applicant also met with the Council Office (Chris Robertson and Amy Ablakat) to keep them in the loop.

CONDITIONS IDENTIFIED FOR CONSIDERATION BY THE STATE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL RELATIVE TO THE SALE AND DISTRIBUTION OF ALCOHOLIC BEVERAGES

In approving the instant grant, the Zoning Administrator has not imposed Conditions specific to the sale or distribution of alcoholic beverages, even if such Conditions have been volunteered or negotiated by the applicant, in that the Office of Zoning Administration has no direct authority to regulate or enforce Conditions assigned to alcohol sales or distribution.

The Zoning Administrator has identified a set of Conditions related to alcohol sales and distribution for further consideration by the State of California Department of Alcoholic Beverage Control (ABC). In identifying these conditions, the Office of Zoning Administration acknowledges the ABC as the responsible agency for establishing and enforcing Conditions specific to alcohol sales and distribution. The Conditions identified below are based on testimony and/or other evidence established in the administrative record, and provide the ABC an opportunity to address the specific conduct of alcohol sales and distribution in association with the Conditional Use granted herein by the Zoning Administrator.

They may include those identified during hearing testimony, received as part of correspondence via stakeholder groups, city agency, other responsible agency, Council District, Mayor's office, etc.)

- There shall be service, sales or possession of an alcoholic beverage on any sidewalk area. There shall not be off-site sales of Alcoholic beverages.
- Alcohol service shall be permitted starting at 11:00 a.m., extending to the closing hours of 2:00 a.m., Monday through Sunday.
- "Buckets" of beer, bottle or table service is prohibited. There shall be no "Minimum drunk" required of patrons. In addition, there shall be NO sales of table(s) and/or seating where alcoholic beverages are in any way included in the sale cost of the seating.
- No person under 18 shall sell or serve alcohol.
- No intoxicated person or persons observed publicly drinking shall be admitted to the location.
- "Happy Hour" and similar reduced priced alcoholic beverage sales are prohibited.
- No alcohol shall be allowed to be consumed on any adjacent property under the control of the applicant.
- There shall be no exterior advertising of any kind or type, including advertising directly to the exterior from within, promoting or indicating the availability of alcoholic beverages. Interior displays of alcoholic beverages or signs which are clearly visible to the exterior shall constitute a violation of this condition.

- All service of alcoholic beverages shall be conducted by a waitress or waiter or bartender.
- No sale of alcohol shall be permitted at any self-service, automated check-out station (checkout conducted primarily by the customer, with assistance by a store monitor) if such are available on the site. All sales of alcohol shall be conducted at a full-service checkout station directly attended by a cashier/checkout clerk specifically assigned solely to that station.
- The alcoholic beverage license shall not be exchanged for a public premises type license nor operated as a public premises.

BASIS FOR CONDITIONAL USE PERMITS

A particular type of development is subject to the conditional use process because it has been determined that such use of property should not be permitted by right in a particular zone. All uses requiring a conditional use permit from the Zoning Administrator are located within Section 12.24-W of the Los Angeles Municipal Code. In order for the sale of a full line of alcoholic beverages for on-site consumption to be authorized, certain designated findings have to be made. In these cases, there are additional findings in lieu of the standard findings for most other conditional use categories.

FINDINGS

Following (highlighted) is a delineation of the findings and the application of the relevant facts to same:

1. **The project will enhance the built environment in the surrounding neighborhood or will perform a function or provide a service that is essential or beneficial to the community, city or region.**

The subject theater has been in operation at this location for decades as part of the Santa Monica theater row in Hollywood. The Sacred Fools Theater Company is run by a group with a long history of success in theater production. The subject property is a level, rectangular-shaped lot consisting of 8,400 square feet of lot area located on the south side of Santa Monica Boulevard and east side of Lillian Way. The site is improved with a two-story 8,294 square-foot building comprised of 4 small theaters and a retail/ office space that is being converted into the proposed bar area.

As proposed, the request does not represent the introduction of a new building but rather is an enhancement of services established on the site. A change of use within the existing theater is proposed for a 1,070 square-foot area that changes from office/retail to a bar. Alcohol sales will service theatergoers and allow the location to remain competitive with arts locations in the Los Angeles area.

The use will serve public convenience and welfare since it provides a service to the local community and is compatible with the commercial character of the surrounding uses. In addition, the Zoning Administrator has imposed numerous conditions to safeguard public welfare and enhance public convenience. The Central Hollywood Neighborhood Council, in their letter dated June 26, 2017,

requested a security plan be reviewed and approved by LAPD in writing. This condition was recommended by LAPD and imposed as a condition of approval. As conditioned, the proposed location will be desirable to the public convenience or welfare by bringing in a project that strengthens the cluster, character, and safety of entertainment venues in the area, known as "Hollywood Theater Row" through consideration the safety of the area.

At the public hearing, Sacred Fools Theater has demonstrated its interest in maintaining a wholesome, neighborhood-enhancing experience by cooperating with the requests of the neighborhood council and agreeing to abide by all of LAPD's recommended conditions. For these reasons, the proposed use is beneficial to the community and fits well into the built environment.

2. **The project's location, size, height, operations and other significant features will be compatible with and will not adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, welfare and safety.**

The existing theater has been at the subject location since 1998, and has been known as the "Elephant Theater Company. The project will not add new square footage to the existing building but will change the use of the 1,070 square-foot portion that was previously used as an office/retail area. The new use is proposed for a bar that will include seating for 36 people.

The applicant's representative has stated that a modification to the operating hours from what was originally filed. In response to the neighborhood council, the applicant has proposed to operate from 10 a.m. to 1:00 a.m. Monday through Thursday, and 10:00 a.m. to 2:00 a.m. Friday through Sunday.

The sale of alcoholic beverages within the theater complex will provide an amenity and convenience that patrons of the Hollywood Row theaters have become accustomed to. The theater is made up of four performance spaces within 7,773 square feet of existing building area. The applicant is proposing to convert an existing retail space into a bar for theater guests, consisting of 1,070 square feet of floor area and 36 seats.

The theater will continue to operate as a venue for performers and alcoholic beverages will be an accessory amenity to patrons. Conditions have been imposed on the grant to address safety, security and noise to ensure that the operation of the banquet hall is conducted with due regard to surrounding uses. Thus, as conditioned, the project's location, size, height, operations and other significant features will be compatible with and will not adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, welfare, and safety because the establishment in question is within in an existing building, located along the Hollywood Theater Row, consisting of similar uses.

3. The project substantially conforms with the purpose, intent and provisions of the General Plan, the applicable community plan, and any specific plan.

The project substantially conforms with the purpose, intent and provisions of the General Plan, the applicable community plan, and any applicable specific plan in that there are eleven elements of the General Plan. Each of these Elements establishes policies that provide for the regulatory environment in managing the City and for addressing environmental concerns and problems. The majority of the policies derived from these Elements are in the form of Code Requirements of Los Angeles Municipal Code. Except for those entitlements described herein, the project does not propose to deviate from any of the requirements of the Los Angeles Municipal Code.

The Land Use Element of the City's General Plan divides the city into 35 Community Plans. The subject property is located within the Hollywood Community Plan and is zoned for commercial uses under the C2-1D-SN Zone and has a land use designation of Highway Oriented Commercial. The existing theater is consistent with the uses allowed in the C2 Zone. In addition, the service of alcoholic beverages is also a common use in the C2 Zone.

The proposed project will enhance the established theater use, which is located in a commercial district of Hollywood on a Major Highway and provides a service to the community. The project is thereby consistent with several goals, objectives and policies of the adopted Community Plan, including the following:

Goal LU.2: to provide a range of employment ... opportunities;

Policy LU.2.24: to provide incentives for the development of commercial uses along commercial corridors.

As such, the project will not conflict with any elements of the General Plan. The project will strengthen Hollywood Theater Row by enhancing cluster growth of the entertainment uses and will help revitalize the area.

ADDITIONAL FINDINGS FOR THE SALE OF ALCOHOLIC BEVERAGES

4. Explain how the proposed use will not adversely affect the welfare of the pertinent community.

The proposed use will not adversely affect the welfare of the pertinent community. The existing theater has been in operation since 1998, and testimony at the public hearing noted that the facility has been operated and managed responsibly. Alcohol sales are an important amenity with urban, neighborhood-centric unique, artistic venues. Sacred Fools has a mandate of being community enhancing, with a safe image to protect. They have established operating procedures and guidelines which ensure consistency in their service. Alcohol sales are being provided at the request of their customers and are compatible with the reasonable concerns and policies of the Los Angeles Planning Department and the California State Alcohol Beverage Control Board. With current operating guidelines, they will continue to be provided in a responsible manner.

The applicant will continue to operate the establishment under all applicable codes and guidelines of the City of Los Angeles and the Department of Alcoholic Beverage Control. This assures a use which is both convenient to patrons, respects the welfare of the community, and furthers the goals of the Community Plan. The proposed project will benefit the local economic base; provide employment opportunities; provide services needed by the residents of, and visitors to, the locale; and given the conditions of approval, the theater is likely to be a good neighbor to residents, businesses and local public institutions.

5. **The granting of the application will not result in an undue concentration of premises for the sale or dispensing for consideration of alcoholic beverages, including beer and wine, in the area of the City involved, giving consideration to applicable State laws and to the California Department of Alcoholic Beverage Control's guidelines for undue concentration; and also giving consideration to the number and proximity of these establishments within a one thousand foot radius of the site, the crime rate in the area (especially those crimes involving public drunkenness, the illegal state or use of narcotics, drugs or alcohol, disturbing the peace and disorderly conduct), and whether revocation or nuisance proceedings have been initiated for any use in the area.**

According to the California State Department of Alcoholic Beverage Control (ABC) licensing criteria, three (3) on-site and two (2) off-site licenses are allocated to the subject Census Tract No. 1918.10. There are currently seven (7) active licenses within this census tract, including four (4) on-site alcohol licenses and three (3) off-site license. There are two establishments within 600 feet of the subject property with on- or off-site alcohol licenses.

Statistics provided by the Los Angeles Police Department's Hollywood Division Vice Unit reveal that in Crime Reporting District No. 656, which has jurisdiction over the subject property, 98 Part I Arrests and 157 Part II Arrests were reported in 2015, compared to the citywide average of approximately 181 crimes and the high crime reporting district average of approximately 217 crimes for the same period. Crimes related to consumption of alcoholic beverages included Liquor Laws – 10, Drunkenness – 11, Disturbing the Peace – 0, Disorderly Conduct – 2, Driving Under the Influence – 20. The majority of the arrests reported in the district were classified as Narcotic Drug Laws, Larceny, and Other Crimes.

Over concentration can be undue when the addition of a license will negatively impact a neighborhood. Over concentration is not undue when the approval of a license does not negatively impact an area, but rather such a license benefits the public welfare and convenience. While the subject site is located in a census tract where the crime rate is significantly higher than the citywide average and the number of active on-site licenses exceeds ABC guidelines, no evidence was submitted for the record indicating any nexus between the subject site and the area's crime rate. The site is located along Hollywood Row, a known theater district which is a major employment center and a regional destination point that draws many visitors and tourists to the area's theatres, hotels, restaurants, taverns and nightclubs. ABC guidelines are based on a ratio of the resident population and do

not take into account the fact that the area is characterized by intensive commercial development including high rise office and retail complexes or the site's location in a major entertainment district with a regional draw.

Conditions have been imposed on the grant that address noise, safety and security and as conditioned, granting the request is not expected to contribute to any nuisance or criminal activity that would have a negative impact on the surrounding uses.

6. **The proposed use will not detrimentally affect nearby residentially zoned communities in the area of the City involved, after giving consideration to the distance of the proposed use from residential buildings, churches, schools, hospitals, public playgrounds and other similar uses, and other establishments dispensing, for sale or other consideration, alcoholic beverages, including beer and wine.**

The radius map shows the following sensitive uses located within 600 feet of the subject site:

- Vine Street Children's Center, 6312 Eleanor Avenue
- Vine Street Elementary School, 955 North Vine Street
- W&P Station No. 6, 1007 North Vine Street
- YPI-EHS Vine Academy, 1147 North Vine Street
- The Episcopal School of Los Angeles, 6325 Santa Monica Boulevard
- Gnomon School, 1015 North Caheunga Boulevard
- Hollywood Park Recreation Center, 1122 North Cole Avenue

The sale of alcoholic beverages in conjunction with the theater operation will not adversely affect these uses because it is an established business located within a commercial district and surrounded mostly by commercial uses, and the proposed expansion will not increase the building envelope, or significantly change the mode and character of the existing use. The sensitive uses listed are buffered from the subject bar and lounge by other commercial buildings and adjoining streets. There were no letters or public testimony from the public or from these sensitive uses stating the project would negatively impact these uses.

In addition, the Zoning Administrator will impose numerous conditions to reduce potential impacts and integrate the expanded use into the neighborhood. It can therefore be concluded that, as conditioned, the sale of alcoholic beverages in conjunction with the expanded bar/lounge will not detrimentally affect nearby residential areas or other nearby sensitive land uses. Approval of the application will not detrimentally affect nearby residential zones or uses because the proposed project is the use of an existing building as an ancillary use to the theater located on Hollywood Row.

A letter of support was received from the Central Hollywood Neighborhood Council, dated June 26, 2017. In addition, staff received one letter from the founder of the Hollywood Fringe Festival in support of the request. Conditions have been

fashioned and imposed on the subject project to address any possible negative impacts that might occur from the use of theater serving alcoholic beverages to patrons approved herein.

ADDITIONAL MANDATORY FINDINGS

- 7. On June 1, 2017, the project was issued a Notice of Exemption (Subsection C, Section 2, Article II, City CEQA Guidelines), log reference ENV 2016-4804-CE, for a Categorical Exemption, Class 1, Category 22 and Class 5, Category 34, Article III, Section 1, City CEQA Guidelines (Sections 15300-15333, State CEQA Guidelines). I hereby adopt that action..

- 8. On June 1, 2017, the subject project was issued a Notice of Exemption (Subsection c, Section 2, Article II, City CEQA Guidelines), log reference ENV-2017-1800-CE, for a Categorical Exemption, Class 1, Category 22, City CEQA Guidelines (Sections 15300-15333, State CEQA Guidelines). I hereby adopt that action

Inquiries regarding this matter shall be directed to Heather Bleemers, Planning Staff for the Office of Zoning Administration at (213) 978-0092.



HENRY CHU
Associate Zoning Administrator
Direct Telephone No. (213) 978-1834

HC:HB:bk

cc: Councilmember Mitch O'Farrell
Thirteen District
Adjacent Property Owner