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March 27, 2018

Alameda Square Owner, LLC (A)(O)
Atlas Capital Group
1318 East 7th Street, Suite 200
Los Angeles, CA 90021

Jerry Neuman and Andrew Brady (R)
DLA Piper LLP
633 West 5th Street, Suite 3200
Los Angeles, CA 90071

CASE NO. ZA-2017-3096-MPA
MASTER PLAN APPROVAL
Related Case No.:
ZA-2015-4211-MCUP-CUX-ZV
757-787 South Alameda Street,
1318-1320 East 7th Street
Central City Planning Area
Zone : M2-2D
D. M. : 123A213, 123A215
C. D. : 14
CEQA : ENV-2015-4212-CE
Legal Description: Lot A, B, and C of Tract
PM 6524

Pursuant to Los Angeles Municipal Code Section 12.24 M, I hereby APPROVE:

plans to permit the sale and dispensing of beer and wine for on-site and off-site consumption at an outdoor public market (Smorgasburg LA) conducted once a week,

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. 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 Department of City Planning for approval before being recorded. After recordation, a certified copy bearing the Recorder's number and date shall be provided for inclusion in case file. Fees required per L.A.M.C section 19.01 E (3) for Monitoring of Conditional Use Permits and Inspection and Field Compliance Review of Operations shall be paid to the City prior to the final clearance of this condition.
7. Approved herein is the sale and dispensing of beer and wine for on-site and off-site consumption at an existing outdoor public market (Smorgasburg LA) located within an existing paved surface lot on the western end of the subject property.
8. The public market area shall not exceed 31,400 square feet of outdoor space. Seating shall not exceed 944 outdoor seats.
9. Hours of operation shall not exceed 9 a.m. to 7 p.m., Sundays only. There shall be no operation of the public market on other days of the week.
10. Live entertainment is permitted. No conditional use request for dancing has been requested or approved herein. Dancing is prohibited.
11. The Applicant shall install and maintain security cameras and a one-month tape library that covers all common areas of the business, high-risk areas and entrances or exits, including the indoor and outdoor areas. The tapes shall be made available to the Police Department upon request.
12. The Applicant shall provide the Police Department with a security plan that includes a delineation of the video surveillance arrangements for both the licensed premises and the adjoining areas encircling the subject premises. The security plan shall also include a delineation of the security personnel, if one is implemented, including specifications pertaining to staffing, structure and arrangement of security guards for the subject premises. The security plan shall be included in the case file following approval by the Police Department and may be the same security plan or tailored from the security plan required under ZA 2015-4211-MCUP-CUX-ZV.

If the membership of the Newton Area Vice becomes aware that the concerned security plan is ineffective or that the agreed upon plan has otherwise been proven to be inadequate as it pertains to the enhancement of safety for both patrons and the employees of the establishment, the Newton Area Vice Office reserves the capability to revise the existing security plan and modify the parameters of it to maximize safety while reducing nuisance and criminal activity.

13. 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.
14. **Within six months of the initiation of alcohol sales**, all managers and 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 Department of City Planning as evidence of compliance. New employees shall receive such training within 60 days of hiring. Subsequently this training program shall be required for all staff annually. (**ZA Note:** Should the training be compromised by the nature of revolving alcohol vendors in bar areas, the Applicant shall instead contact the Police Department to design an alcohol training program to the satisfaction of the Police Department which meets the same objectives of this condition).
15. The Applicant shall be responsible for monitoring both patron and employee conduct on the premises and within the parking areas under his/her control to assure behavior that does not adversely affect or detract from the quality of life for adjoining property owners and businesses.
16. The manager and all employees of the facility shall be knowledgeable of the conditions herein and of the conditions in the Master Conditional Use Permit (Case No. ZA 2015-4211-CUB-CUX-ZV). Additionally, a copy of the MCUP and the subject case shall be provided to all employees who shall sign an acknowledgment form stating that they have read and understood all the ABC conditions as well as all the conditions of the MCUP and of this action. This form and the conditions of approval, including ABC conditions, shall be maintained on the premises at all times and produced immediately upon request of the Police Department, the Zoning Administrator, the Department of Building and Safety or other enforcement agency.
17. The Zoning Administrator reserves the right to require that a new owner or operator file a Plan Approval application, if it is determined that the new operation is not in substantial conformance with the approved floor plan, or the operation has changed in mode or character from the original approval, or if documented evidence be submitted showing a continued violation(s) of any condition(s) of this grant resulting in a disruption or interference with the peaceful enjoyment of the adjoining and neighboring properties. The application, in association with the appropriate fees, and a 500-foot notification radius, shall be submitted to the Department of City Planning. The purpose of the plan approval will be to review the operation of the premise and establish conditions applicable to the use as conducted by the new owner or operator, consistent with the intent of the Conditions of this grant. Upon this review, the Zoning Administrator may modify, add or delete conditions, and if warranted, reserves the right to conduct this public hearing for nuisance abatement/revocation purposes.
18. **MVIP – Monitoring, Verification and Inspection Program.** Within 12 to 18 months from the beginning of operations or issuance of a Certificate of Occupancy, a City inspector will conduct a site visit to assess compliance with, or violations of, any of the conditions of this grant. Observations and results of said inspection will be documented and included in the administrative file. The owner/operator shall be notified of the deficiency or violation and required to correct or eliminate the deficiency or violation. Multiple or continued documented violations or Orders to Comply issued by the Department of Building and Safety which are not addressed within the time prescribed, may result in additional

corrective conditions imposed by the Zoning Administrator.

19. INDEMNIFICATION AND REIMBURSEMENT OF LITIGATION COSTS.

Applicant shall do all of the following:

- (i) 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.
- (ii) 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.
- (iii) 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 (ii).
- (iv) 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 (ii).
- (v) 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 includes 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 \$2,500 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 April 11, 2018, 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:

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

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

**West Los Angeles
Development Services Center**
1828 Sawtelle Blvd., 2nd Floor
West Los Angeles, CA 90025
(310) 231-2912

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 subsequent contact regarding this determination must be with the Development Services Center. 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, the statements made at the public hearing on October 10, 2017, and the subsequent correspondence, 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 project proposed herein (Project) is a Plan Approval to permit the sale and dispensing of beer and wine for on-site and off-site consumption at an outdoor public market (Smorgasburg LA) which occurs once per week and is located on an existing paved surface lot on the western end of the ROW DTLA site (Site). The Site spans the southwest corner of Alameda Street and 7th Street from Alameda Street to Central Avenue. The Site has seven existing buildings and one parking structure, for a total of eight buildings. The sale of alcoholic beverages is already authorized on the Site by the underlying approved Master Conditional Use Permit (Case No. ZA-2015-4211-MCUP-CUX-ZV). The subject Plan Approval enables the Zoning Administrator to consider more closely the nature of each operation and to impose further conditions as necessary

Zoning and Land Uses

The Site is located within the Central City Community Plan Area in a highly urbanized area of the City of Los Angeles surrounded by light industrial uses along major roadway corridors. The

property is zoned M2-2D with a General Plan Land Use designation of Light Manufacturing. One of the corresponding zones for the Light Manufacturing land use designation in the Central City Community Plan is the M2 Zone. The Site's "2D" designation indicates that the property is located in Height District 2, which ordinarily limits Floor Area Ratio (FAR) on the site to 6:1, and is subject to a Development "D" Limitation, which further limits FAR on the site to 3:1, per Ordinance No. 164307 (effective January 30, 1989). The Project does not entail any increase to existing floor area.

The site is located within the Los Angeles State Enterprise Zone, Greater Downtown Housing Incentive Area, Transit Priority Area, Adaptive Reuse Incentive Area, Transit Oriented Communities Area (Tier 3), and Central City Parking District. The site is approximately 2,200 feet (0.4 miles) from the nearest freeway (Interstate 10). The site is also located within the Central Industrial Redevelopment Project Plan Area, which is silent on the addition of alcohol sales to existing establishments.

Adjacent Land Uses

The properties adjacent to the project site include light industrial, commercial/retail, and restaurant uses. The adjacent property to the north, across 7th Street, is zoned M2-2D and is used as a Metro bus refueling station and yard. The adjoining property to the south is zoned M2-2D and developed with the Los Angeles Wholesale Produce Market. The adjacent properties to the east, across Alameda Street, are zoned M3-1-RIO and are developed with a restaurant, warehouses, and a Greyhound bus terminal. The adjacent properties to the west, across Central Avenue, are zoned M2-2D and comprised of warehousing and retail uses.

Streets and Circulation

Alameda Street, which borders the project site to the east, is a two-way north-south street providing two travel lanes in each direction. It is classified as an Avenue I with a designated right-of-way width of 100 feet (70-foot roadway with 15-foot wide sidewalks on each side). The street currently has a right-of-way width of 100 feet.

7th Street, which borders the project site to the north, is a two-way east-west street providing two travel lanes in each direction. It is classified as an Avenue II with a designated right-of-way width of 86 feet (56-foot roadway with 15-foot wide sidewalks on each side). The street currently has a right-of-way width of 80 feet.

Central Avenue, which borders the project site to the west, is a two-way north-south street providing two travel lanes in each direction. It is classified as an Avenue I with a designated right-of-way width of 100 feet (70-foot roadway with 15-foot wide sidewalks on each side). The street currently has a right-of-way width of 80 feet.

Two Metro Rapid Bus Lines (720 and 760) and four Metro Local Bus Lines (18, 53, 60, 62) serve the project area and connect to the Pershing Square Metro station (Red Line and Purple Line).

Previous Zoning Related Cases on the site/in the area (1,000-foot radius) include:

Subject Property

Case No. ZA-2015-4211-MCUP-CUX-ZV – On March 27, 2018, the Zoning Administrator dismissed a variance to allow outdoor dining on rooftop levels; approved a Master Conditional Use to permit: 1) the sale and dispensing of a full line of alcoholic beverages

for on-site consumption in a maximum of 19 restaurants; 2) the sale and dispensing of a full line of alcoholic beverages for off-site consumption with instructional on-site tastings at one retail store; 3) the sale and dispensing of a full line of alcoholic beverages for on-site consumption at one rooftop event space; 4) the sale and dispensing of a full line of alcoholic beverages for on-site consumption and beer manufacturing at one restaurant/brewery; 5) the sale and dispensing of a full line of alcoholic beverages for off-site consumption at one market; and 6) the sale and dispensing of beer and wine for on- and off-site consumption at one outdoor public market; and approved a Master Conditional Use to permit public dancing in a maximum of five establishments, on the subject site (ROW DTLA).

Surrounding Properties:

Case No. CPC-2013-2993-GPA-VZC-HD-DB-MCUP-SPR – On August 10, 2017, the City Planning Commission approved a Master Conditional Use to permit the sale and dispensing of a full line of alcoholic beverages for on-site consumption within three establishments, in conjunction with other approvals to allow the construction of a new 336,304 square-foot mixed-use project comprised of 344 live-work units, 7,458 square feet of leasing/amenity area, 24,774 square feet of creative office uses and resident production space, and 4,042 square feet of restaurant space, located at 1525 East Industrial Street (Camden USA, Inc.).

Case No. ZA-2014-2677-CUB – On June 1, 2015, the Zoning Administrator approved a Conditional Use to permit the sale and dispensing of beer for on- and off-site consumption in conjunction with a 9,422 square-foot brew pub/microbrewery, located at 1581 East Industrial Street (Iron Triangle Brewing Company).

Case No. ZA-1998-0230-CUB – On June 9, 1998, the Zoning Administrator approved a Conditional Use to permit the sale of a full line of alcoholic beverages for off-site consumption as an accessory use to a grocery warehouse, located at 750 South Alameda Street (Canton Foods Incorporated).

PUBLIC HEARING

On October 10, 2017, the Zoning Administrator held a public hearing for the underlying Master Conditional Use Permit (Case No. ZA-2015-4211-MCUP-CUX-ZV) as well as for six Master Plan Approvals (MPAs), including the instant request herein. A summary of testimony received can be found in the "Public Hearing" section of the Letter of Determination for Case No. ZA-2015-4211-MCUP-CUX-ZV.

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.

- There shall not be the sale of "fortified" wine (greater than 16% alcohol).
- Alcohol shall not be consumed on any adjacent property under the control of the Applicant.
- A maximum of four specified bar areas shall be permitted for alcohol service.

AUTHORITY FOR PLAN APPROVAL

Section 12.24-M of the Los Angeles Municipal Code provides in part:

"M. Development of Uses

1. **Development of Site.** On any lot or portion of a lot on which a deemed-approved conditional use is permitted pursuant to the provisions of this section, new buildings or structures may be erected, enlargements may be made to existing buildings, and existing uses may be extended on an approved site, as permitted in Subsection L of this section, provided that plans therefore are submitted to and approved by the Zoning Administrator, the Area Planning Commission or the City Planning Commission, whichever has jurisdiction at the time."

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 sale of alcoholic beverages 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.**

Pursuant to Case No. ZA-2015-4211-MCUP-CUX-ZV, the Zoning Administrator approved a Master Conditional Use Permit authorizing the sale of alcoholic beverages on the subject site, including the sale of beer and wine for on-site and off-site consumption at an existing outdoor public market (Smorgasburg LA) as proposed herein. Smorgasburg LA is located within an existing paved surface lot on the western end of the Site and operates on Sundays only. While the sale of alcoholic beverages is already authorized on the Site by the underlying Master Conditional Use Permit (Case No. ZA-2015-4211-MCUP-CUX-ZV), the Plan Approval enables the Zoning Administrator to consider more closely the nature of each operation and to impose further conditions as necessary.

The subject request is associated with a public market/food festival that occurs on the property on Sundays only. The Applicant indicates that the outdoor event is comprised of food vendors as well as retail merchants. Live entertainment is proposed as another amenity for patrons to enjoy as they stroll through the market, not unlike what might be found in farmer's markets throughout the City. Alcohol service would be restricted to specific bar areas which would be cordoned off from the general public.

The request does not represent the introduction of a use uncommon to the area, as there are several restaurants, bars, and retail establishments in the vicinity that offer alcoholic beverages as part of their operations. Approval of the Plan Approval request would further enhance Smorgasburg LA by providing employees, visitors, and patrons of nearby businesses as well as local residents the desired amenity of alcoholic beverages for sale, in conjunction with live entertainment at the public market, which is permitted as a matter of right. The Smorgasburg provides a different experience for other establishments on the property. By improving the viability and desirability of the establishments at the Project site and providing residents and visitors the desired amenity of alcoholic beverages, the Project performs a function and provides a service that is beneficial not only to the community but also to the City and region as a whole.

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 properties adjacent to the project site include light industrial, commercial/retail, and restaurant uses. The adjacent property to the north, across 7th Street, is zoned M2-2D and is used as a Metro bus refueling station and yard. The adjoining property to the south is zoned M2-2D and developed with the Los Angeles Wholesale Produce Market. The adjacent properties to the east, across Alameda Street, are zoned M3-1-RIO and are developed with a restaurant, warehouses, and a Greyhound bus terminal. The adjacent properties to the west, across Central Avenue, are zoned M2-2D and comprised of warehousing and retail uses.

As noted, the instant request is for a Plan Approval to permit the sale and dispensing of beer and wine for on-site and off-site consumption at an outdoor public market (Smorgasburg LA) located on an existing paved surface lot. The request does not alter the location, size, height, or other significant features of the existing on-site buildings, and the beer and wine sales proposed will be incidental to the existing Smorgasburg LA outdoor market. With respect to the operations of the establishments, the instant Plan Approval includes tailored conditions designed to address the specific characteristics of Smorgasburg LA. Conditions include mandatory STAR training, (which is qualified further for some flexibility given the potential of having revolving alcohol vendors), electronic age verification devices, a security plan approved by the Police Department. It is noted that the sale and dispensing of beer and wine will be confined to a limited area within Smorgasburg LA and constitutes only a portion of the outdoor market. Additionally, the restrictions on hours of operation from 9 a.m. to 7 p.m. on Sundays only, is expected to further ensure compatibility with the surrounding area as the use only occurs once a week.

The use is not located directly adjacent to any properties that could be degraded by the grant of alcohol sales. Approval of the conditional use will contribute to the success and vitality of the development complex and help to reinvigorate the site and vicinity with higher quality establishments as well as distinct one such as Smorgasburg LA. Since the beer and wine sales will be incidental uses, the Project will not be detrimental to the

development of the community. 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.

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

The Central City Community Plan designates the property for Light Manufacturing with corresponding zones of MR2 and M2 and Height District 2-D

The Site is located within a highly urbanized area of the City of Los Angeles surrounded by light industrial uses along major roadway corridors. The property is zoned M2-2D which is one of the corresponding zones for the Light Manufacturing land use designation of the Community Plan. The proposed alcohol sales in the M2 Zone are permitted through a Conditional Use process, provided that the Zoning Administrator makes the required findings herein.

Although the Central City Community Plan is silent with regards to alcohol sales specifically, the Project would be in substantial conformance with objectives of the Plan that encourage a mix of uses that create an active environment, that promote night life and that enhance the pedestrian environment and linkages in the South Markets area. The additional amenities that the request allows in permitted uses will further the Plan's objectives. Given the oversight created by the conditions of approval and the instant and subsequent review of each proposed establishment on a case by case basis, the request is in keeping with the purpose, intent and provisions of the General Plan and the Central City Community Plan.

4. **The proposed use will not adversely affect the welfare of the pertinent community or result in an undue concentration of premises for the sale or dispensing for consideration of alcoholic beverages, including beer and wine, giving consideration to the applicable State laws and to the California Department of Alcoholic Beverage Control's guidelines for undue concentration; and giving consideration to the number and proximity of these establishments within a one thousand foot radius of the site, the crime rates in the area 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 licensing criteria, one (1) on-site and zero (0) off-site licenses are allocated to the subject Census Tract No. 2260.02, which had a population of 1,604 as of December 2017. There are currently 13 on-site and 9 off-site licenses within this census tract.

Overconcentration can be undue when the addition of a license will negatively impact a neighborhood. Overconcentration 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 request would appear as an overconcentration of licenses, the request involves a number of establishments which will be monitored as a part of the entire complex's operational oversight as well as by specific conditions imposed upon each Plan Approval.

Statistics from the Los Angeles Police Department reveal that in Crime Reporting District No. 1307, which has jurisdiction over the subject property, a total of 186 crimes were

reported in 2017 compared to the citywide average of 176 crimes and the High Crime Reporting District average of 211 crimes. Part 1 Crimes for the reporting district included: Homicide (3), Rape (3), Robbery (24), Aggravated Assault (57), Burglary (17), Auto Theft (22), and Larceny (112). Part 2 Arrests for the reporting district include: Other Assaults (1), Forgery (2), Fraud (1), Received Stolen Property (7), Weapon Possession (6), Prostitution (7), Sex Offenses (1), Drugs (136), Liquor Laws (68), Drunkenness (1), Disturbing the Peace (21), Gambling (13), DUI (6), and Moving Traffic Violations (47).

The numbers are above the citywide average and the district average. However, there is no evidence submitted for the record indicating or suggesting any link between the subject site and the neighborhood's crime rate. Further, there is no specifically established link between the above information and the property, since the statistics cover an entire district and do not pertain particularly to the subject site. Nonetheless, the grant includes a number of conditions, including a requirement for a security plan to be approved by the Police Department prior to the effectuation of the grant. It is noted that the Police Department also submitted a letter dated October 19, 2017 indicating no opposition to the Project. As noted, conditions have been imposed to safeguard the community and to provide for reasonable operation as part of the Master Conditional Use Permit. Additionally, individual establishments such as this one can be addressed in more detail in the subject Plan Approval process, which is an opportunity to consider more specific operational characteristics. Thus, as conditioned, it is not anticipated that the sale of alcoholic beverages will affect the economic welfare of the community.

5. **The use will not detrimentally affect nearby residentially zoned communities in the area 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.**

No residentially zoned communities are located in the immediate area around the Project site. There are at least two other establishments which also sell alcohol within 1000 feet of the site. Additionally, the following sensitive uses are located within 1,000 feet of the subject site:

- Para Los Niños, 1617 East 7th Street
- Inner City Arts, 720 Kholer Avenue

While there are sensitive uses located in proximity to the project site, the Project will include comprehensive security measures to discourage loitering, theft, vandalism and other nuisances. The Applicant will continue to operate 24-hour security on the Site with an on-site command center and over 100 cameras. Further, conditions for this specific establishment have been imposed as will be the case for each of the other individual establishments in the complex which will require a Plan Approval.

Furthermore, the proposed use will not detrimentally affect nearby sensitive uses because the urban environment mostly contains industrial and commercial buildings. The sale of alcoholic beverages is incidental to the primary operations of the establishments which represent restaurants and retail venues. All the establishments will be within a contained environment wherein the property owner retains responsibility for strict oversight. The grant includes conditions designed to not authorize uses of the property which might create potential nuisances. Such imposition of conditions will make the request a more

compatible and accountable neighbor to surrounding uses than would otherwise be the case.

ADDITIONAL MANDATORY FINDINGS

6. The National Flood Insurance Program rate maps, which are a part of the Flood Hazard Management Specific Plan adopted by the City Council by Ordinance No. 172,081, have been reviewed and it has been determined that this project is located in Zone C, areas of minimal flooding.
7. Determined based on the whole of the administrative record, that the Project is exempt from CEQA pursuant to CEQA Guidelines, Sections 15301 and 15302 (Class 1 and Class 2 categorical exemptions), and substantial evidence in the City's record demonstrates that none of the exceptions to a categorical exemption in CEQA Guidelines, Section 15300.2 applies. Thus, no further environmental analysis of the proposed discretionary permits is required under CEQA.

The issues raised regarding the City's CEQA compliance for the Project are summarized in the Letter of Determination for Case No. ZA-2015-4211-MCUP-CUX-ZV.

Inquiries regarding this determination may be directed to Michael Sin, Project Planner, at (213) 978-1345 or michael.sin@lacity.org.



LOURDES GREEN
Associate Zoning Administrator

LG:MS

**Cc: Councilmember Jose Huizar
Fourteenth District
Adjoining Property Owners**