



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 17, 2019

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 6
DEPARTMENT

SUBJECT: P18-0849 CONDITIONAL USE PERMIT, P18-0850 VARIANCE, AND P19-0512 DETERMINATION OF PUBLIC CONVENIENCE OR NECESSITY– AN APPEAL, ON BEHALF OF GRAE LA SIERRA, LLC, OF AN APPROVAL BY THE CITY PLANNING COMMISSION FOR A DANCE STUDIO, BANQUET FACILITY, AND SOCIAL MIXER WITH THE ON-SALE OF ALCOHOL IN AN EXISTING 10,666 SQUARE FOOT BUILDING – LOCATED AT 3740 PARK SIERRA DRIVE, SITUATED ON THE WEST SIDE OF PARK SIERRA DRIVE BETWEEN MAGNOLIA AVENUE AND DIANA AVENUE

ISSUE:

Consider the appeal, requested by David Gilmore of Grae La Sierra, LLC, of the City Planning Commission approval of a proposal by David Vanderzell of THVS Investments, LLC for: 1) a Conditional Use Permit to permit a dance studio, banquet facility, and social mixer in conjunction with a Type 42 Alcohol License (On-Sale of Beer and Wine – Public Premises) in an existing 10,666 square foot building; 2) a Variance to allow the on-sale of alcoholic beverages within 600 feet of a hospital; and 3) Determination of Public Convenience or Necessity to allow the on-sale of beer and wine in an over concentrated census tract.

RECOMMENDATIONS:

That the City Council:

1. Uphold the decision of the Planning Commission and determine that the project is exempt from the California Environmental Quality Act, subject to Section 15301 (Existing Facilities), as this project will not have a significant effect on the environment; and
2. Deny the appeal and uphold the Planning Commission approval of Planning Cases P18-0849 Conditional Use Permit, P18-0850 Variance, and P19-0512 Determination of Public Convenience or Necessity, based on the findings summarized in the attached findings and subject to the conditions.

PLANNING COMMISSION DETERMINATION:

On October 17, 2019, the Planning Commission approved Planning Cases P18-0849 Conditional Use Permit, P18-0850 Variance, and P19-0512 Determination of Public Convenience or Necessity, by a vote of 8 ayes, 1 no, and 0 abstentions, with modifications to staff recommended conditions. The following conditions were included in the motion: Condition #13 requires the

applicant to provide additional security for banquet facility events with the potential to serve alcohol, and Condition # 37 prohibits alcohol sales after 1:00 a.m.

BACKGROUND:

The subject 1.15-acre project site consists of a single parcel developed with a 10,666 square foot building (formerly El Torito Restaurant). The existing building is part of a larger 30.6-acre multi-tenant commercial and office complex (Park Sierra Dining and Entertainment Park). In 1980, a Declaration Establishing Reciprocal Easements, Restrictions and Covenants for shared parking and access agreement was recorded, allowing for mutual access and parking within the complex.

Surrounding land uses include commercial/restaurant uses to the north, a sit-down restaurant (Red Lobster) to the south, a hospital (Kaiser Permanente Riverside Medical Center) to the east across Park Sierra Drive, and a health and fitness club (LA Fitness) to the west.

Project Description

The applicant is requesting approval of a Conditional Use Permit to permit a dance studio (Artivan), banquet facility and social mixer (Assemblies of People – Entertainment), in conjunction with a Type 42 Alcohol License (On-Sale Beer and Wine – Public Premises) within an existing 10,666 square foot building. A Variance is requested to allow the on-sale of beer and wine within 600 feet of a hospital (Kaiser Permanente Riverside Medical Center). A Determination of Public Convenience or Necessity is requested to allow the on-sale of beer and wine in an over concentrated census tract.

The proposed dance studio, social mixer, and banquet facility will consist of 4,995 square feet within Rooms 1 and 2:

- Room 1: Consists of a lounge area and dance floor proposed for dance lessons and social mixers for students and dance enthusiasts. Beer and wine will be served in the lounge area during “Practice Nights/Social Mixers” and restricted to patrons 21 years of age.
- Room 2: Consists of seven fixed booths, portable tables and chairs, a dance floor, and a stage proposed for practice nights, banquets, other pre-planned events, and dance lessons. The applicant has indicated that all banquet events will go through a screening process and that full disclosure will need to be provided on the type of party or event, the number of attendees, and the activities planned during the event. Additionally, the applicant will require that live music provided for the events be from a pre-approved list of vendors.

The existing kitchen will be used as a storage area only with the kitchen equipment remaining. Hours of operation include:

Use	Hours
Dance Studio	<ul style="list-style-type: none"> • Monday through Friday - 10:00 a.m. to 9:00 p.m. • Saturday - 10:00 a.m. to 3:00 p.m. • Sunday - 1:00 p.m. to 5:00 p.m.
Social Mixers	<ul style="list-style-type: none"> • Monday through Friday - 9:00 p.m. to 12:00 a.m. • Sunday - 5:00 p.m. to 9:00 p.m.
Banquet	<ul style="list-style-type: none"> • Friday - 6:00 p.m. to 1:00 a.m. • Saturday through Sunday - 1:00 p.m. to 1:00 a.m.

The proposed project requires a total of 167 parking spaces, out of which only 53 spaces are provided on the subject parcel. The remaining 114 parking spaces will be available throughout the commercial complex as identified in the shared parking agreement in the Covenants, Conditions and Restrictions (CC&Rs) for the site. Access to the site will be provided by the existing driveways along Park Sierra Avenue and throughout the commercial complex also as indicated in the CC&Rs. Site modifications are limited to the addition of an accessible parking space. No exterior modifications to the building are proposed in conjunction with this request.

For additional background information, please refer to the October 17, 2019 City Planning Commission Minutes and staff Report (Attachments 1, 2, and 3).

DISCUSSION:

Appeal

The Appellant filed a timely appeal of the Planning Commission approval of the proposed project. The Appellant's basis for the appeal include: 1) The proposed banquet facility component is an inappropriate use for the area; 2) The parking demand created is excessive and will impact available parking on adjacent parcels; and 3) The proposed project would require 114 parking spaces to be procured from other parcels within the complex, rendering those parking spaces unavailable for other future uses (Attachment 4).

A response by staff is provided with each topic of concern:

1. **Concern:** The proposed banquet facility component of the proposed project is an inappropriate use for the area.

Response: The commercial complex hosts a variety of commercial uses including restaurants to the north and south, a health and fitness club to the west (LA Fitness), and a hospital to the east (Kaiser Permanente Riverside Medical Center). The proposed banquet facility is similar in operation to the former El Torito restaurant, which could include large rooms available for reservation upon request, like a banquet facility. The proposed business also provides a service that is not currently available in the area and is no more intrusive than a restaurant. The Riverside Police Department reviewed the proposal, including the security plan and business operations, and has no objection to the proposed project, provided that the operator complies with the conditions of approval. As a matter of information, in 1984 El Torito was approved for a maximum occupancy of 431 people per the then applicable California Building Code. This encompassed the entire building. For the proposed project, the applicant has indicated the anticipated occupancy for banquet events to be no more than 250, while the occupant load factor per the California Building Code would allow up to 425 people in only the banquet area. The applicant has indicated that the dance studio/ social mixer operations will not function concurrently with banquet events.

2. **Concern:** The parking demand created by the proposed project is excessive and will impact available parking for adjacent parcels.

Response: The proposed project requires 167 parking spaces. The previous restaurant required 107 parking spaces and the proposed project site includes 53 parking spaces. The site was originally developed with less parking than the minimum number of required

parking spaces and parking is shared per the CC&Rs. The shared parking and access agreement include the parcels developed with Versatile Information Products, the former Farrell's Ice Cream Restaurant, a two-story medical office building, Red Lobster Restaurant, LA Fitness, and a portion of Walgreens Pharmacy, McDonald's Restaurant, and a multi-tenant restaurant building (Parcels 1 through 10 of Parcel Map No. 15817). Other properties within these boundaries of the CC&Rs (Parcel 6 occupied by Red Lobster, Parcel 8 occupied by a medical office building, and Parcel 7 occupied by LA Fitness) have approvals based on shared parking within the complex to satisfy the minimum parking requirements. The proposed project does not create an excessive parking demand as it is like the previous restaurant use and utilizes the same rights to shared parking as the other properties within the commercial complex.

3. Concern: The proposed project would require 114 parking spaces to be procured from other parcels within the complex, rendering those parking spaces unavailable for other future uses.

Response: The Applicant conservatively calculated parking at the Park Sierra Dining and Entertainment Park by including Walgreens and McDonald's, buildings outside of the shared parking agreement boundary. The parking demand for the entire site, with the proposed project will be 1,049 spaces. There are 1,306 parking spaces on site leaving a surplus of 257 parking spaces. As proposed, the Park Sierra Dining and Entertainment Park will also have more parking spaces than the minimum number of spaces required by the Zoning Code.

Public Comments

Following publication of the Planning Commission staff report, staff received one letter in opposition of the proposed project and three letters in support (Attachment 5). Letters received prior to publication of the Planning Commission staff report are included as an Exhibit to that report.

Several members of the public provided comments at the Planning Commission in support of the project and attested to the Applicant's expertise, managerial skills, and overall exceptional reputation in the dance community. The Applicant's commitment to committing his business and resources for charitable events is a beneficial public service. They also stated there is a need for a business of this type within the Inland Empire and that the business will be a good addition to the existing shopping center. Former students also attested that the clientele have never been disruptive to other businesses in the past.

The following summarizes the concerns expressed about the proposed project during the Planning Commission hearing and in written comments received after publication of the Planning Commission staff report. A response by staff is provided with each topic of concern:

1. Concern: Not an appropriate location to operate a banquet facility without severely impairing rights and operations of surrounding businesses.

Response: The proposed banquet facility (Assemblies of People – Entertainment) is permitted in the CR-SP – Commercial Retail Specific Plan (Magnolia Avenue) Overlay Zones subject to the approval of a Conditional Use Permit. Staff analyzed the proposed use and determined that it is compatible with surrounding uses, specifically the Park Sierra Entertainment and Dining Complex. The General Plan Land Use designation for this site is MU-U – Mixed-Use – Urban, which provides opportunities for retail,

entertainment and student-oriented uses. The proposed project is consistent with the Mixed-Use – Urban land use designation because it provides additional entertainment uses as part of the larger 30.6-acre Park Sierra Dining and Entertainment Park complex. The proposed project is part of the group of parcels with shared parking and access. The Applicant has also provided security measures to the satisfaction of the Riverside Police Department. Therefore, potential impacts to parking and safety related to the banquet facility use have been satisfactorily addressed and will not severely impact rights and operations of surrounding businesses.

2. Concern: Late night alcohol use.

Response: The proposed on-sale of alcoholic beverages is permitted in the CR-SP – Commercial Retail Specific Plan (Magnolia Avenue) Overlay Zones subject to the approval of a Conditional Use Permit. The Type-42 On-Sale of Beer and Wine license offers a similar service to patrons of the proposed business as the existing restaurants offer. The Applicant is required to implement several responsible management and security practices including providing high-definition video surveillance technology, and the use of a licensed and bonded security firm to provide on-site security. The Planning Commission also imposed a Condition # 37 prohibiting alcohol sales after 1:00 a.m. Late night alcohol use will not create a detrimental impact to the surrounding businesses or the neighborhood.

3. Concern: The proposed business is described as a dance studio by day and on weekends as a banquet facility which will host entertainment. Entertainment equals crowds, loud music, pulsating bass and disruption to the hospital.

Response: The proposed banquet facility (Assemblies of People – Entertainment) contains two assembly areas referenced as Room 1 and Room 2 on the proposed project plans. Room 1 is 1,750 square feet and Room 2 is 3,245 square feet. Room 1 will operate as a dance studio and will hold the social mixers. Room 2 is 3,245 square feet and will operate as a dance studio and the banquet facility area. The applicant has indicated that Room 1 will not operate concurrently with Room 2 when a banquet has been scheduled. The number of people permitted during banquets will be restricted to one room. The Acoustical Analysis prepared for the proposed project demonstrates that the proposed uses will not have an adverse effect on surrounding properties. Staff mailed notices of the proposed project to property owners within 1,000 feet of the proposed project site and did not receive a response from Kaiser Permanente, the closest sensitive receptor.

4. Concern: The proposed project is requesting a Variance to have a liquor license approved. If they need a Variance for a liquor license that suggests this property is not eligible for a liquor license.

Response: Chapter 19.450 – Alcohol Sales of the Riverside Municipal Code allows the sale of alcohol within 600 feet of a hospital subject to the review and approval of a Variance. The applicant prepared justifications in support of the Variance because the subject building has similar setbacks to four existing sit-down restaurants, with the on-sale of alcoholic beverages, in the Park Sierra Dining and Entertainment Park complex. While the Kaiser Permanente Riverside Medical Center surface parking lot is located approximately 150 feet from the proposed multi-tenant commercial building, the hospital building is located over 500 feet away from the proposed development.

5. Concern: The developer is requesting a Variance for parking.

Response: The proposed project request includes one Variance to allow the on-sale of alcohol within 600 feet of a hospital. A Variance was not requested to allow a reduced number of parking spaces, as the site has shared parking and access rights.

Conclusion

Staff finds that the proposed project complies with all applicable standards of the Zoning Code and will not have a detrimental effect on the businesses within the complex or the general area. The proposed project is appropriate for the commercial center and will provide a unique use in an underserved area. Staff supports the Conditional Use Permit, Variance, and Determination of Public Convenience or Necessity subject to the revised recommended Conditions of Approval.

FISCAL IMPACT:

There is no fiscal impact associated with this action, since all costs are borne by the applicant.

Prepared by: David Welch, Community & Economic Development Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. City Planning Commission Revised Conditions of Approval
2. City Planning Commission Report – October 17, 2019
3. City Planning Commission Minutes – October 17, 2019
4. Appeal Letter
5. Comment Letters
6. Presentation