

Capitola Planning Commission

Agenda Report



Meeting: March 3, 2025

From: Community Development Department

Address: 309 Capitola Avenue

Project Description: Application #25-0093. APN: 035-172-06. Conditional Use Permit and Wall Sign for a wine tasting room with retail sales (Type 02 License - Winegrower). The building is located within the MU-V (Mixed Use Village) zoning district. The location is in the Coastal Zone, but this application does not require a Coastal Development Permit.

Environmental Determination: Categorical Exemption

Recommended Action: Consider Application #25-0093 and approve the project based on the attached Conditions and Findings for Approval.

Property Owner: Lawrie Properties

Applicant: Joeseeph Miller – Rexford Winery, Filed: 01/16/25

Background: City records show that the property at 309 Capitola Avenue has been historically occupied by various retail tenants, a salon, and a coin laundry business dating back to the late 1980's. The building has been vacant for approximately one year. The 751 square-foot building is situated on a 1,089 square-foot lot and County records date original construction to 1966. The property has onsite parking with two substandard spaces that measure approximately 18.5 feet long by eight feet wide.

Discussion: The applicant is applying for a Conditional Use Permit and Sign Permit to establish a retail wine sales and wine tasting business. The applicant holds a Type 2 alcohol license from the Department of Alcoholic Beverage Control (ABC). A Type 2 license is titled as a Wine Grower's license. This type of license is permitted by ABC to have "duplicate" licenses to establish retail and tasting locations that sell the Wine Grower's wine away from the growing and processing locations. The applicant's Type 2 license is established with the address: Rexford Winery, 429 Ingalls Street in Santa Cruz.

Conditional Use Permit: Pursuant to 17.124.060, when evaluating a CUP, the Planning Commission must consider the following characteristics of the proposed use:

- A. Operating characteristics (hours of operation, traffic generation, lighting, noise, odor, dust, and other external impacts).
- B. Availability of adequate public services and infrastructure.
- C. Potential impacts to the natural environment.
- D. Physical suitability of the subject site for the proposed use in terms of design, location, operating characteristics, shape, size, topography.

And, pursuant to 17.124.070, the Planning Commission must make the following findings when approving a CUP:

- A. The proposed use is allowed in the applicable zoning district.
- B. The proposed use is consistent with the general plan, local coastal program, zoning code, and any applicable specific plan or area plan adopted by the city council.
- C. The location, size, design, and operating characteristics of the proposed use will be compatible with the existing and planned land uses in the vicinity of the property.
- D. The proposed use will not be detrimental to the public health, safety, and welfare.

- E. The proposed use is properly located within the city and adequately served by existing or planned services and infrastructure.

In issuing a conditional use permit, the Commission may attach conditions to achieve consistency with the general plan, zoning code, and any applicable specific plan or area plan adopted by the City Council.

The Police Chief has reviewed the application and did not recommend any conditions.

Tenant Improvements: The applicant intends to utilize the space without any structural or building system modifications that would require permits. The stated intention is to fit out the interior with a modular bar, wire storage racks, and furniture for staff and customers. The bar counter will be installed to limit customer area to 120 square feet, which enables the proposed use to be classified as a Take-out Food and Beverage establishment pursuant to parking standards in section 17.76-1.

“Take-out food and beverage” means establishments where food and beverages may be consumed on the premises, taken out, or delivered, but where the area open to customers is limited to no more than one hundred sixty square feet. Includes take-out restaurants, take-out sandwich shops, limited service pizza parlors and delivery shops, and snack bars. Also includes catering businesses or bakeries that have a storefront retail component and tasting rooms with one hundred sixty square feet or less of floor area accessible to the public.

See additional parking analysis below.

Capacity: Maximum occupancy of the proposed layout is 35.

Use and Parking: The existing parking provided at the property includes two, substandard sized spaces. The spaces are eight feet wide where the code requires eight and a half foot wide parking spaces for non-residential parking (table 17.76-3). Additionally, the required parking quantity for the proposed use is three parking spaces, so the parking space quantity and dimensions are both nonconforming.

Parking requirements in the MU-V zone are the same for retail, personal service, take-out food and beverage uses. Tenant turnover and changes of use that involve businesses in these three categories are interchangeable from a required parking perspective and are not required to upgrade or provide additional parking (table 17.76-1). Therefore, no parking upgrades are required for the proposed project.

Signage: The applicant is proposing one new wall sign to identify the business. The sign would be mounted to the brick veneer to the right of the primary entrance when looking from the street. The sign is made of wood and will be routed, carved, and painted with the business name and logo. There is no proposed lighting or illumination associated with the proposed sign. All new signage in the MU-V zone require Planning Commission approval pursuant to section 17.80.030B.

Wall signs in the MU-V are limited in size to one half square foot per linear foot of building frontage. The building’s frontage is 30 feet six inches which corresponds to a maximum sign area of 15 feet three inches. The proposed sign is eight and a quarter square foot and complies with the size limitation.

CEQA: The project qualifies for a CEQA exemption under Section 15301, as it involves licensing and minor alterations to existing facilities with no expansion. No adverse environmental impacts were identified.

Conditional Use Permit Findings:

A. The proposed use is allowed in the applicable zoning district.

Tasting rooms and retail alcohol sales are categorized as a conditional use within the MU-V (Mixed-Use Village) zoning district. Conditional Uses require Planning Commission review at a noticed public hearing.

B. The proposed use is consistent with the general plan, local coastal program, zoning code, and any applicable specific plan or area plan adopted by the city council.

Community Development Staff and the Planning Commission have reviewed the proposed business location and plan for retail sales of wine with onsite tasting, and it complies with the intent of the MU-V zoning district.

C. The location, size, design, and operating characteristics of the proposed use will be compatible with the existing and planned land uses in the vicinity of the property.

Community Development Staff and the Planning Commission have reviewed the proposed use and determined it is consistent with the existing uses in the vicinity, and future uses within the MU-V zone.

D. The proposed use will not be detrimental to the public health, safety, and welfare.

Community Development Staff and the Planning Commission have reviewed the proposed Conditional Use Permit and determined it will not be detrimental to the public health, safety, or welfare.

E. The proposed use is properly located within the city and adequately served by existing or planned services and infrastructure.

The proposed retail and wine tasting business is in an area well served by pedestrian and vehicular access and is adequately served by utilities, services, and infrastructure.

F. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).

Section 15301 of the CEQA Guidelines exempts minor alterations to existing facilities, such as licensing, provided the project involves negligible or no expansion of use. The proposed project involves a conditional use permit within an existing commercial space to include tasting and the retail sale of wine. No adverse environmental impacts were discovered during project review by either Planning Department Staff or the Planning Commission.

Conditions of Approval:

1. The Conditional Use Permit allows a wine sales and tasting establishment at 309 Capitola Avenue. The Conditional Use Permit is approved as outlined in the analysis of the staff report reviewed and approved by the Planning Commission on March 3, 2025, except as modified through conditions imposed by the Planning Commission during the hearing.
2. The applicant shall maintain an active business license with the City of Capitola. The applicant shall maintain an active license through the California Department of Alcoholic Beverage Control (ABC) so long as alcohol is sold.
3. A copy of the approved Department of Alcoholic Beverage Control (ABC) Permit must be filed with the Community Development Department prior to initiating on-site beer and wine sales. The Conditional Use Permit is limited to a duplicate Type 02 license through the ABC. A proposed change in the type of liquor licensed issued by ABC will necessitate approval of an amendment to the Conditional Use Permit.
4. Prior to opening, all Planning fees associated with permit #25-0093 shall be paid in full.
5. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.

6. This permit shall expire 24 months from the date of issuance. The applicant shall have started business operations before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Capitola Municipal Code Chapter 17.156.
7. Conditional Use Permits are issued to the underlying property. An approved Conditional Use Permit may be assigned to future tenants of the same tenant space. The Conditional Use Permit shall expire and become void if the permitted use is abandoned or discontinued for one year or longer. The permit cannot be transferred off the site on which the approval was granted.
8. The applicant shall apply for a Building Permit, prior to installation of exterior signage.
9. There shall be no amplified sound or music inside the business that can be audible outside of the business.
10. No outdoor displays, uses or seating are permitted with this permit.
11. The area open to customers for tasting shall be limited to no more than one hundred sixty square feet.

Attachments:

1. 309 Capitola Avenue – Site Plan/Floor Plan
2. 309 Capitola Avenue – Sign Plan
3. 309 Capitola Avenue – Business Narrative, Plan Description, and Owner Biographies

Report Prepared By: Brian Froelich, Senior Planner

Reviewed By: Rosie Wyatt, Acting Deputy City Clerk

Approved By: Katie Herlihy, Community Development Director