

Capitola Planning Commission

Agenda Report



Meeting: December 4, 2025

From: Community & Economic Development Department

Address: 201 Esplanade

Project Description: Application #25-0494. APN: 035-211-05. Conditional Use Permit for the sale and onsite consumption of beer and wine at an existing restaurant located within the Mixed-Use Village (MU-V) zoning district. This project is in the Coastal Zone but does not require a Coastal Development Permit.

Environmental Determination: Categorical Exemption

Recommended Action: Consider application #25-0494 and **approve** the project based on the attached Conditions and Findings for Approval.

Property Owner: Michael Brodsky

Representative: Gabriela Castro, Filed: 9/23/25

Background: City records show that 201 Esplanade has historically been occupied by restaurant uses. The current tenant, Tacos Moreno has been located within the Capitola Village since 2019.

Discussion: Tacos Moreno is located at 201 Esplanade, on the east end of the row of restaurants and bars closest to the beach. The Capitola Village location is the third location of the family-owned restaurant in Santa Cruz County. The applicant has provided a site plan/floor plan (Attachment 1) and a detailed letter explaining the proposed request (Attachment 2). The applicant applied to the California Department of Alcoholic Beverage Control (ABC) for a new Type 41-On-sale Beer and Wine-Eating Place ("Type 41") license on October 22, 2025 (Attachment No. 3). The application is pending the City of Capitola's action on the Conditional Use Permit (CUP).

Conditional Use Permit: The project site is located within the MU-V zone district, where a CUP is required for alcoholic beverage sales. The applicant is proposing a Type 41 license, which issued to restaurants. The Type 41 license authorizes the sale of beer and wine for consumption on or off the premises where sold. Distilled spirits may not be on the premises (except brandy, rum, or liqueurs for use solely for cooking purposes). The applicant must operate and maintain the licensed premises as an eating place. Based upon records from ABC, a Type 41 license was continuously active at this location from 1996 to 2010. Tacos Moreno has been located within the Capitola Village since 2019 but has not had an active ABC license in this location.

Police Chief, Sarah Ryan, has reviewed the application and has prepared the required Public Convenience and Needs letter (Attachment No. 4) required by ABC when an application for a site is located in a high crime area and/or a census tract with an over-concentration of off-sale alcohol outlets. The Chief has indicated that there are few public safety concerns with the requested CUP.

CEQA: Pursuant to the authority and criteria contained in CEQA, the Community and Economic Development Department determined the proposed project is listed among the classes of projects that have been determined not to have a significant adverse effect on the environment. Therefore, the project is categorically exempt from the provisions of CEQA pursuant to Section 15301 (Class 1-Existing Facilities). The Community Development Department has further determined that none of the of the six exceptions to the use of a categorical exemption apply to this project CEQA Guidelines Section 15300.2.

Conditional Use Permit Findings:

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

The general sale of alcoholic beverages for onsite consumption is categorized as a conditional use within the MU-V zoning district. The Community Development Department and Planning Commission have determined that alcoholic beverage consumption in conjunction with the existing restaurant use would be appropriate at the subject site with the issuance of the CUP. The sale of alcohol is accessory to the restaurant and will occur only when a complete restaurant menu is available.

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.

The proposed use is consistent with the goals, policies, and standards established by the City, and permitting the restaurant to serve alcohol in conjunction with meals allows the establishment to be competitive with other restaurants in the Capitola Village that are already permitted to sell alcoholic beverages.

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.

The addition of beer and wine service with food at the restaurant is not anticipated to have an adverse impact on surrounding land uses or create a special problem, because the project site is located within the Capitola Village, which has a mix of restaurant and bar uses. The sale of alcohol would be accessory to the primary function of the restaurant. The proposed use is consistent and compatible with the existing and planned uses in the Capitola Village.

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

The proposed business is in police responsibility area 4401 and U.S. census tract number 1218.01. The site is in a high crime area, and the census tract is considered over-concentrated with 32 existing on-sale alcohol establishments. Consideration was given to the over-concentration of on-sale licenses and crime rate in the area, and it was determined by the Capitola Police Department that the proposed conditional use would not create a nuisance to the community or a burden on police services.

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

The restaurant is existing and is adequately served by utilities, services, and infrastructure. The CUP for general sale of alcoholic beverages for onsite consumption will not require additional services or infrastructure.

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

The proposed project is categorically exempt from the provisions of CEQA pursuant to Section 15301 (Class 1-Existing Facilities) because the project consists of the operation and licensing of a restaurant in an existing commercial building, consistent with the property's zoning and General Plan designation. No adverse environmental impacts were discovered during project review.

Conditions of Approval:

1. The Conditional Use Permit allows a beer and wine establishment with on-site consumption at 201 Esplanade. The Conditional Use Permit is approved as outlined in the analysis of the staff report reviewed and approved by the Planning Commission on December 4, 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. Prior to opening, all Planning fees associated with permit #25-0494 shall be paid in full.
4. 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.
5. This permit shall expire 24 months from the date of issuance. The applicant shall have an approved building permit and construction underway 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.
6. 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.

Attachments:

1. 201 Esplanade – Site Plan and Floor Plan
2. 201 Esplanade – Business Plan Letter
3. 201 Esplanade – ABC License Details
4. 201 Esplanade - Public Convenience and Necessity Letter

Report Prepared By: Gina Paolini, Principal Planner

Reviewed By: Rosie Wyatt, Deputy City Clerk

Approved By: Katie Herlihy, Community and Economic Development Director