

# Capitola Planning Commission

## Agenda Report



**Meeting:** January 22, 2025

**From:** Community Development Department

**Address:** 1955 41<sup>st</sup> Avenue, Unit B-8

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**Project Description:** Application #24-0470. APN: 034-261-53. Conditional Use Permit for a wine bar with indoor and outdoor seating that serves a small plates menu and offers live music (Type 42 License). The building is located within the C-R (Regional Commercial) zoning district.

This project is not in the Coastal Zone.

Environmental Determination: Categorical Exemption

**Recommended Action:** Consider Application #24-0470 and approve the project based on the attached Conditions and Findings for Approval.

**Property Owner:** JFG Capitola – Winfield Partners

**Applicant:** Cathy Bentley, Filed: 11/01/24

**Background:** City records show that the B-8 tenant unit in 1955 41<sup>st</sup> Avenue has been historically occupied by several professional office tenants and a coffee shop dating back to the 1990's. The unit has been vacant for approximately two years.

**Discussion:** The 48,000-square-foot building at 1955 41st Avenue has 12 tenant units, anchored by Ross. Unit B-8, an end unit with storefronts on three sides, is 1,130 square feet. The applicant plans to use 60% (678 square feet) of the space for customer areas and 40% (452 square feet) for employee workspaces, restrooms, and a stage. Outdoor patio seating is also proposed and will occupy an additional 300 square feet at the exterior.

Conditional Use Permit: The applicant has operated Cork and Fork in the Capitola Village since 2017 and is now seeking to relocate the business within the city. In the Regional Commercial zoning district, the sale of alcoholic beverages for on-site consumption requires a conditional use permit (CUP).

Cork and Fork in the Capitola Village currently have a Type 42 license for “On Sale Beer and Wine – Public Premises” and is pursuing a transfer of the license with Alcohol Beverage Control (ABC). Type 42 licenses do not allow distilled spirits for on-site consumption or minors to enter premises. They are also not required to serve food. Proposed service hours are between 2 pm to 9 pm daily.

Police Chief, Sarah Ryan, has reviewed the application and did not recommend any conditions. The Police Department prepared a Public Convenience and Needs letter, as required by ABC (attachment #4).

Tenant Improvements: The applicant plans to renovate the interior of the space and adapt it to the needs of the proposed business. This will include an approximate 100 square foot stage, lighting/electrical, interior finishes, kitchen and bar equipment, and may also require installation of ventilation and grease trap systems. Collectively, these improvements will require a Building Permit and plan review by the Fire Department, Santa Cruz County Health, and Sanitation Departments. Condition #9 has been added to notify the applicant of these requirements and ensure the conditions are met.

Outdoor Furniture: The applicant intends to place approximately four tables in the patio adjacent to the northwest entrance to the business. Condition #10 requires that patio furniture be maintained in good condition and be made of quality grade materials that will withstand sun and weather conditions.

Capacity: Interior capacity with the proposed layout is 46 people, while the proposed patio has a maximum capacity of 20 people.

Live Entertainment: Businesses that have regularly scheduled entertainment are required to maintain a Business Entertainment Permit that is reviewed and issued annually by the Police Department pursuant to Chapter 5.24. The Police Department will require that the applicant prepare a staffing and management plan and may impose operational conditions of approval related to business operations and security.

Parking: The subject tenant space is 1,130 square feet and will be divided internally into a 60:40 split between customer area and employee areas. Pursuant to table 17.76-2 of the Zoning Code, bar and lounge uses require parking spaces at a ratio of 1 parking space per 60 square feet for dining and drinking areas and 1 parking space per 300 square feet for all other floor areas. Applying the parking ratios, the proposed business requires 18 parking spaces, which includes the outdoor seating area.

The existing parking lot at 1955 41<sup>st</sup> Avenue has a total of 295 parking spaces. In 2011 the Planning Commission reviewed a Conditional Use Permit for the establishment of Chipotle in the shopping center. With that project a detailed breakdown of occupancy and parking was prepared. City parking standards have not changed, and modifications in the tenant/land use mix have been minimal. Planning staff was able to utilize the prior analysis to confirm that the existing uses require 217 parking spaces while the proposed wine bar requires 18 parking spaces for a total of 235 parking spaces required. This confirms that the site will continue to comply with current parking standards and maintain a parking surplus of 60 parking spaces. Staff has prepared a parking analysis table and map in attachment #3.

New commercial uses served by parking lots with more than ten parking spaces are subject to providing bike parking pursuant to section 17.76.080A. In this case, the applicant is required to provide a bike rack(s) for parking two bikes (condition #11).

Signage: There is a master sign program for 1955 41<sup>st</sup> Avenue. No signage is currently proposed. Within a master sign program, sign applications which comply with the standards outlined in the program can be approved administratively by staff. A Building Permit will be required prior to installation of exterior signage as described in condition #7.

**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.**

Community Development Staff and the Planning Commission have reviewed the project. The sale of alcohol for on-site consumption at a bar or lounge is categorized as a conditional use within the C-R (Regional Commercial) 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.**

Community Development Staff and the Planning Commission have reviewed the proposed business location and plan to offer beer and wine for onsite consumption, and it complies with the intent of the C-R 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 commercial center, existing uses in the vicinity, and future mixed use within mall redevelopment.

**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 wine bar is part of a building that has a mix of tenants 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 the sale of beer and wine for onsite consumption. 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 beer and wine establishment with on-site consumption at 1955 41<sup>st</sup> Avenue, unit B-8. The Conditional Use Permit is approved as outlined in the analysis of the staff report reviewed and approved by the Planning Commission on January 22, 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 #24-0470 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.
7. No signs are approved as part of this application. The applicant shall apply for a Building Permit, prior to installation of exterior signage.
8. Prior to live entertainment on the property, the applicant shall obtain and maintain an Entertainment Permit pursuant to Chapter 5.24 issued by the Police Department.

9. Prior to construction, a building permit shall be secured for any renovation or modifications to the tenant space authorized by this permit. Kitchen equipment, ventilation systems, and grease trap systems may require plan review or additional permits issued by the Fire Department, Health Department, or Sanitation Department.
10. Patio furniture shall have high-quality, durable materials that can withstand inclement weather. All outdoor furniture shall be maintained or replaced including but not limited to tables, chairs, umbrellas, heating equipment, etc. If signs of weathering (fading, rust, holes, etc.) are visible, the item(s) shall be replaced immediately. Umbrellas shall be made with a UV rated fabric and may not include logos, labels, or advertising.
11. Bicycle parking shall be provided for two short-term bike parking spaces. The location, design and specifications of the bike parking spaces/racks shall be included in the plans for Building Permit plan check.

**Attachments:**

1. 1955 41<sup>st</sup> Avenue – Site Plan and Floor Plan
2. 1955 41<sup>st</sup> Avenue – Business Plan Letter
3. 1955 41<sup>st</sup> Avenue – Parking Analysis
4. 1955 41<sup>st</sup> Avenue – Public Convenience and Necessity Letter, December 23, 2024

Report Prepared By: Brian Froelich, Senior Planner

Reviewed By: Rosie Wyatt, Acting Deputy City Clerk

Approved By: Katie Herlihy, Community Development Director