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January 10, 2017

Pacific Theatres Exhibition Corp. (A)
120 North Robertson Boulevard, 3rd Floor
Los Angeles, CA 90048

J. Ned Inc. (O)
6233 Hollywood Boulevard
Los Angeles, CA 90028

Alex Campbell (R)
Art Rodriguez & Associates
709 East Colorado Boulevard #200
Pasadena, CA 91101

CASE NO. ZA-2016-2412(CUB)
CONDITIONAL USE
6233 West Hollywood Boulevard
Hollywood Planning Area
Zone: C4-2D-SN
C.D.: 13
D.M.: 148-5A189
CEQA: ENV-2016-2413-ND
Legal Description: Lots 6-8, Tract TR
10149

Pursuant to Los Angeles Municipal Code Section 12.24-W 1, I hereby APPROVE:

a Conditional Use Permit to allow the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with an existing theater,

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 and floor 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 Department of City Planning and the Department of Building and Safety for purposes of having a building permit issued at any time during the term of this grant.
6. Authorized herein is the sale and dispensing of a full line of alcoholic beverages for on-site consumption, in conjunction with an existing 42,435 square-foot theater, subject to the following limitations:
 - a. Indoor seating shall be a maximum of 2,703 seats provided that number of seats does not exceed the maximum allowable occupancy as determined by the Department of Building and Safety.
 - b. The sale and dispensing of alcoholic beverages shall occur in conjunction with the three bars in the theater including the ground floor fixed bar, the second floor fixed bar, and the second floor mobile bar, as shown on Exhibit A.
 - c. The hours of operation for the theater shall be limited to 11:00 a.m. to 12:00 a.m., daily. Vendor deliveries shall be conducted between 8:00 a.m. to 9:00 p.m. There shall be no deliveries on Sundays.
 - d. No after-hour use is permitted, except routine clean-up. This includes but is not limited to private or promotional events, special events, excluding any activities which are issued film permits by the City.
7. Should there be a change in the ownership and/or the operator of the business, the property owner and the business owner or operator shall provide the prospective new property owner and the business owner/operator with a copy of the conditions of this action prior to the legal acquisition of the property and/or the business. Evidence that a copy of this determination including the conditions required herewith has been provided to the prospective owner/operator shall be submitted to the Department of City Planning in a letter from the new operator indicating the date that the new operator/management began and attesting to the receipt of this approval and its conditions. The new operator shall submit this letter to the Department of City Planning within 30-days of the beginning day of his/her new operation of the establishment along with any proposed modifications to the existing the floor plan, seating arrangement or number of seats of the new operation.
8. The Zoning Administrator reserves the right to require that the 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 within 30 days of the date of legal acquisition by the new owner or operator. 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.

9. **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 to the Department of City Planning for inclusion in the case file.
10. **Prior to serving alcohol under this grant**, a camera surveillance system shall be installed by a State licensed contractor to monitor the interior, entrance, exits and exterior areas, in front of and around the premises. Recorded tapes/images shall be maintained for a minimum period of 60 days. The tapes shall be furnished to the Los Angeles Police Department upon request.
11. A security plan for the establishment and any parking area serving the theater, shall be approved by the Los Angeles Police Department Hollywood Area Vice.
12. At least one on-duty manager with authority over the activities within the facility shall be on the premises at all times that the facility is open for business. The on-duty manager's responsibilities shall include the monitoring of the premises to ensure compliance with all applicable State laws, Municipal Code requirements and the conditions imposed by the Department of Alcoholic Beverage Control (ABC) and the conditional use herein. Every effort shall be undertaken in managing the facility to discourage illegal and criminal activity on the subject premises and any exterior area over which the building owner exercises control, in effort to ensure that no activities associated with such problems as narcotics sales, use or possession, gambling, prostitution, loitering, theft, vandalism and truancy occur.
13. **Prior to serving alcohol under this grant**, the manager of the facility shall be made aware of the conditions and shall inform his/her employees of the same. A statement with the signature, printed name, position and date signed by the

manager and his/her employees shall be provided to the Department of City Planning. The statement shall state,

We, the undersigned, have read and understood the conditions of approval to allow the sale and dispensing of a full line of alcoholic beverages for on-site consumption, in conjunction with the theater, known as Pantages Theater, and agree to abide and comply with said conditions.

14. A copy of the conditions of this letter of determination, business permit and insurance information shall be retained on the premises at all times and produced upon request by the Police Department, the Department of Building and Safety or the State Department of Alcoholic Beverage Control.
15. **Prior to serving alcohol under this grant**, the applicant shall establish a "Free Designated Driver Program" which may include, but it is not limited to, free non-alcoholic beverages, such as water, coffee, tea or soft drinks offered to the designated driver of a group. The availability of this program shall be made known to the theater patrons either via signs/cards notifying patrons of the program, or printed on the menu. The signs/cards shall be visible to the customer and posted or printed in prominent locations or areas, such as tables, entrance(s), host station, waiting area, bars, or bathrooms.
16. **Prior to serving alcohol under this grant**, an electronic age verification device shall be purchased and retained on the premises for use during operational hours. This device shall be maintained in operational condition and all employees shall be instructed in its use.
17. **Prior to serving alcohol under this grant**, 24-hour "hot line" shall be provided for complaints or concerns from the community regarding the operation. The 24-hour phone number shall be posted at the following locations:
 - a. Entry, visible to pedestrians
 - b. Customer service desk, front desk or near the hostess station

The applicant shall maintain a log of all calls, detailing: (1) date complaint received; (2) nature of complaint, and (3) the manner in which the complaint was resolved. This log shall be made available to law enforcement personnel upon request and presented as part of the application if and when a new application to continue the operation is submitted to the Department. Complaints shall be responded to within twenty four hours.

18. Only the front door shall be used for patron access. All other doors shall be equipped on the inside with an automatic locking device and shall be kept closed at all times, other than to permit access for deliveries and trash removal.
19. Within the **first six months of the beginning of operations** at this establishment, all 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 referencing Case No. ZA-2016-2412(CUB) from the Police Department to the Department of City Planning as evidence of compliance. In the event there is a change in the licensee, within six months of such change, this training program shall be required for all new staff. The STAR training shall be conducted for all new hires within two months of their employment.

20. The applicant shall be responsible for monitoring both patron and employee conduct on the premises and within the parking areas under his control to assure behavior that does not adversely affect or detract from the quality of life for adjoining residents, property owners, and businesses.
21. The applicant shall be responsible for maintaining the area adjacent to premises over which they have control, free of litter.
22. Lighting shall be installed on the exterior of the site. The lighting shall be such that it renders all objects and persons clearly visible within the establishment.
23. Coin operated game machines, pool tables or similar game activities or equipment shall not be permitted.
24. There shall be no Adult Entertainment of any type pursuant to LAMC Section 12.70.
25. No conditional use for patron dancing has been requested or approved herein. This provision only relates to venue patrons and not to the performers or employees involved in the production or exhibition of theatrical presentations.
26. The premises shall not be leased or rented to outside promoters or to any third parties for private parties or special events. The applicant/operator may host private parties or events where a fixed number of customers is predetermined and does not exceed the seating capacity or maximum occupancy approved by the Fire Department. The conduct of the business during any private parties shall be under the direct control of the business owner/operator and theater management staff shall be present during private parties. The person responsible for the private party or event shall be provided with a copy of the conditions of this grant and the language below or similar language shall be included in the contract related to any private party or event. **Prior to the beginning of operations**, the Applicant shall provide a copy of its standard contract related to private parties or events to the Department of City Planning for inclusion in the case file.

The total number of guests shall not exceed the maximum occupancy determined by the Fire Department. Management staff shall be present during the private party or event. The City's conditions of approval imposed on the operation of the

establishment by Case No. ZA-2016-2412-CUB, which permits the sale and dispensation of a full line of alcoholic beverages for on-site consumption, shall be observed at all times during the private party or event.

27. Any music, sound or noise including amplified or acoustic music which is under control of the applicant shall not constitute a violation of Sections 112.06 or 116.01 of the Los Angeles Municipal Code (Citywide Noise Ordinance) and shall not be audible beyond the subject premises. At any time during the term of the grant a City inspector may visit the site during operating hours to measure the noise levels using a calibrated decibel/sound level meter. If, upon inspection, it is found that the noise level exceeds those allowed by the Citywide Noise Ordinance, the owner/operator will be notified and will be required to modify or, eliminate the source of the noise or retain an acoustical engineer to recommend, design and implement noise control measures within property such as, noise barriers, sound absorbers or buffer zones.
28. **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.
29. **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 \$25,000. 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 include 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 **JANUARY 25, 2017**, 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 Boulevard, Room 251
Van Nuys, CA 91401
(818) 374-5050

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 all subsequent contact with this office regarding this determination must be with Planning Staff assigned to this case. This would include clarification, verification of condition compliance and plans or building permit applications, etc.

FINDINGS OF FACT

After thorough consideration of the statements contained in the application, the plans submitted therewith and the testimony presented at the public hearing of September 27, 2016, 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 under the provisions of Sections 12.24-W, 1 have been established by the following facts:

BACKGROUND

The subject site is a level, irregular-shaped, corner, 57,611 square-foot parcel of land consisting of three lots. The site has an approximately 216 square-foot frontage along Hollywood Boulevard and a 310 square-foot frontage along Argyle Avenue. The site is zoned C4-2D-SN with a Regional Center Commercial land use designation in the Hollywood Community Plan Area. The site is also located in a Transit Priority Area (ZI-2452) due to its proximity to the Metro Red Line Hollywood/Vine Station. The site was developed in 1929 with a three-story theater building, known as the Pantages Theatre. The site is designated as a historic building by the City of Los Angeles (LA-193) and the State of California (#021012).

The site is located in the Hollywood Regional Center, which is characterized with low-to-high rise commercial buildings, both historic and modern, occupied with entertainment uses for residents, employees, and tourists of the area. Properties to the north, abutting the property along Argyle Avenue, are zoned (T)(Q)C2-2-SN and developed with a surface parking lot. Properties to the south across Hollywood Boulevard are zoned [Q]C4-2-SN and developed with a mixed-use building that includes the W hotel, residential units, commercial uses, and the subterranean Metro Red Line Hollywood/Vine Station. Properties to the west, abutting the property along Vine Street and Hollywood Boulevard, are zoned C4-2D-SN and developed with a parking lot and a mixed-use building with a ground floor restaurant. Properties to the east across Argyle Avenue are zoned [Q]R3-1XL and [T][Q]C4-2D-SN and developed with a mixed-use residential building with retail uses on the ground floor.

The applicant is requesting a conditional use permit to allow the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with an existing 42,435 square-foot theater with 2,703 seats. The proposed hours of operation are 12:00 p.m. to 12:00 a.m., daily.

Hollywood Boulevard adjoins the property to the north and is a designated Avenue I, with a 100-foot width, and improved with paved roadway, curb, gutter, and sidewalk.

Argyle Avenue adjoins the property to the east and is a designated Local Street-Standard, with a 60-foot width, and improved with paved roadway, curb, gutter, and sidewalk.

Previous zoning cases, permits and orders on the subject property:

Certificate of Occupancy No. LA-35751 – Issued on December 6, 1952, for a 3-story, Type V, store, theatre, and restaurant.

Zoning Cases on Surrounding Properties:

Case No. ZA-2015-597(CUB)(CUX) – On October 28, 2015, the Central Area Planning Commission denied the appeal and sustained the Zoning Administrator's decision to allow a conditional use permit for public dancing and a full line of alcoholic beverages for on-site consumption in conjunction with a 5,015 square-foot existing restaurant with 155 interior seats and a 1,750 square-foot patio with 73 exterior seats, having hours of operation of 8:00 a.m. to 2:00 a.m. daily in the C4-2D-SN Zone, located at 1718 North Vine Street.

Case No. ZA-2014-1146(CUB) – On September 11, 2014, the Zoning Administrator approved a conditional use permit to allow the sale and dispensing of a full line of alcoholic beverages for on-site consumption with live entertainment in conjunction with a 7,950 square-foot restaurant with 197 seats, having hours of operation from 7:00 a.m. to 12:00 a.m. midnight, daily, in the C4-2-SN Zone, located at 1600 North Vine Street, Suite 103.

Case No. ZA-2013-1555(MPA) – On July 10, 2013, the Zoning Administrator approved plans to permit the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with a proposed ground floor level restaurant in the [Q]C4-2D-SN Zone, located at 1680 North Vine Street and 6280-6290 West Hollywood Boulevard, Tenant Space No. 1.

Case No. ZA-2013-1487(MPA) – On July 10, 2013, the Zoning Administrator approved plans to permit the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with a proposed rooftop lounge and bar in the [Q]C4-2D-SN Zone, located at 1680 North Vine Street and 6280-6290 West Hollywood Boulevard, Tenant Space No. 6.

Case No. ZA-2013-1486(MPA) – On July 10, 2013, the Zoning Administrator approved plans to permit the sale and dispensing of a full line of alcoholic beverages for on-site consumption and public dancing in conjunction with a proposed basement lounge and bar in the [Q]C4-2D-SN, located at 1680 North Vine Street and 6280-6290 West Hollywood Boulevard, Tenant Space No. 5.

Case No. ZA-2013-1485(MPA) – On July 10, 2013, the Zoning Administrator approved plans to permit the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with a proposed ground floor level restaurant in the [Q]C4-2D-SN, located at 1680 North Vine Street and 6280-6290 West Hollywood Boulevard, Tenant Space No. 4.

Case No. ZA-2013-3618(CUB) – On June 9, 2014, the Zoning Administrator approved a conditional use permit to allow the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with a 2,540 square-foot proposed restaurant with 87 seats, having hours of operation of 11:00 a.m. to 12:00 midnight daily in the [Q]C4-2D-SN, located at 6325-6327 Hollywood Boulevard.

Case No. ZA-2012-2355(MCUP)(CUX) – On July 10, 2013, the Zoning Administrator approved a master conditional use permit to allow public dancing in conjunction with the basement lounge and bar only, the sale and dispensing of a full line of alcoholic beverages for on-site consumption in four venues, and the sale and dispensing of beer and wine for on-site consumption in two venues.

PUBLIC HEARING:

The public hearing was held on Tuesday, September 27, at approximately 9:30 a.m. at Los Angeles City Hall located at 200 North Spring Street, Room 1070. Alex Campbell, representing the applicant was present. Mike Bugielski the applicant and Jeff Loeb, Vice President of the Pantages Theatre were also present.

The purpose of the hearing was to obtain public testimony from affected and/or interested persons regarding the application. Interested parties were also invited to submit written comments regarding the request prior to the public hearing.

Alex Campbell, representing the applicant presented the following testimony:

- We are talking about the Pantages Theatre which has been serving alcohol for many years
- Basically asking for an expansion of what they are already doing
- Currently they have a bar where people drink during intermission or before the show. They have to finish the drink before returning to the show.
- We are now seeking entitlement to allow the patrons to bring their drinks back into the theatre to enjoy the show. This will prevent binge drinking or people drinking to hurry back to their seats.
- Applicant operates the Arc Light Theatres down the street
- We worked with Hollywood Vice to develop a set of successful operating conditions which will work for this new type of operation.
- Met with the Neighborhood Council. Received a letter of support as entered into the public record.
- Worked closely with LAPD Officer Thompson who is here today
- There is possibly a miscommunication on the operating hours. Some shows begin at 11:00 a.m. and the theatre is letting people inside. Would like to request an 11:00 a.m. starting time as opposed to the 12:00 p.m. time. The community did not comment on the hours of operation the concern was with underage drinking which was addressed.
- Currently operating with a Type 48 (bar) License. We will be downgrading to a Type 47. There are other refreshments served with no problem.

Mike Bugielski, applicant presented the following testimony:

- Current ABC License Type 48 does not allow patrons to wander back into the auditorium with alcohol drinks. They are not allowed to go beyond the bar area.
- Intermission between shows is roughly 18 minutes. This is not enough time to visit the restrooms and purchase drinks.

Jeff Loeb, Associate General Manager of the Pantages Theatre presented the following testimony:

- In response to the letter of concern received from the Hollywood Heritage related to any physical alterations or modifications to the Pantages Theatre this will not occur. We will maintain the integrity of this structure and the historical significance. No modifications including the bar area will occur. It will remain intact.

Officer Benjamin Thompson, Los Angeles Police Department, ABC Hollywood Vice Investigator presented the following testimony:

- I'm very familiar with the application, applicant and the applicant's representative.
- Operational Conditions for the site have been developed with the applicant and will mitigate potential misuse of the proposed project and enhance public safety.
- Los Angeles Police Department and Hollywood Vice Office is not opposed to the application at this time provided that the operational conditions developed with the applicant is incorporated into the determination.
- For the record Condition No. 14 of suggested conditions pertaining to the security cameras and video library storage with an original storage of three months can be

modified to a storage time of two months or 60 days.

- Our office is not opposed to the earlier opening time of 11:00 a.m. as requested. It will not impact public safety in any substantial fashion or cause any additional nuisance conditions. Condition No. 2 and 5 of the suggested conditions speak to the 11:00 a.m. opening request.

RUBUTTAL

Alex Campbell and Mike Bugielski provided the following statements:

- We met with Council Office Deputy Dan Holden beginning of August and presented the concept in general. The Council Office was not opposed.
- Request a 10-year grant given there has been no problems at the site. Also that no condition be placed on the grant to require a future plan approval.

Jeff Loeb provided the following statements:

- The Pantages has its own security
- We employ between 4-6 off duty or retired LAPD Officers licensed and on the premises anytime the public is on the premises.

Correspondence:

- A letter dated September 7, 2016, from the Hollywood United Neighborhood Council was received at the hearing from the applicant's representative. The letter expressed support for the proposed project.
- A letter dated September 26, 2016, from Captain Cory Palka, Commanding Officer for Hollywood Area, was received at the hearing from Officer Ben Thompson. The letter expressed non-opposition to the project with suggested conditions.
- An email dated September 13, 2016 was received for the Hollywood Heritage Inc., noting concerns of an insufficient Project Description related to Environmental Case No. ENV-2016-2413-ND and the determination of "No Significant Impact". Hollywood Heritage is seeking confirmation that no physical improvements are involved or allowed for this project.

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 be no "Happy Hour" during which time beverages are sold at discounted prices.
- Only alcoholic beverages purchased at the location from the business may be consumed on-site.
- No alcoholic beverages shall be consumed on any property adjacent to the licensed premises under the control of the licensees.
- There shall be no "bucket of beer" service.
- No employee or agent shall be permitted to accept money or any other thing of value from a customer for the purpose of sitting or otherwise spending time with customers while in the premises, nor shall the licensee provide, permit, or make available, either gratuitously or for compensation, male or female patrons who act as escorts, companions, or guests of and for the customer.

BASIS FOR CONDITIONAL USE PERMITS

A particular type of development is subject to the conditional use plan approval 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 a full line of alcoholic beverages for on-site consumption 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.**

The site is zoned C4-2D-SN with a Regional Center Commercial land use designation in the Hollywood Community Plan Area. The site is also located in a Transit Priority Area (ZI-2452) due to its proximity to the Metro Red Line Hollywood/Vine Station. The site was developed in 1929 with a three-story theater

building, known as the Pantages Theatre. The site is designated as a historic building by the City of Los Angeles (LA-193) and the State of California (#021012). The site is located in the Hollywood Regional Center, which is characterized with low-to-high rise commercial buildings, both historic and modern, occupied with entertainment uses for residents, employees, and tourists of the area.

The applicant is requesting a conditional use permit to allow the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with an existing 42,435 square-foot theater with 2,703 seats. The originally proposed hours of operation were 12:00 p.m. to 12:00 a.m., daily. However, as discussed in the public hearing on September 27, 2016 and the applicant's prior meetings as documented with the Neighborhood Council, Council Office and the Los Angeles Police Department Hollywood Vice Division, an 11:00 a.m. opening time is fully supported. This will allow for the theatre to offer matinee performances which is a popular time for patrons to visit the theatre.

The sale and dispensing of alcoholic beverages will be incidental to show tickets and food. The project's location in the Hollywood Regional Center and proximity to the Metro Red Line Hollywood/Vine Station will allow visitors from across the region to access the venue. The project will enhance the built environment by maintaining the architectural character of the historic Pantages Theater in Hollywood, while enhancing the existing use. The project will provide a service for the community by offering an entertainment venue for residents and tourists. The proposed use in conjunction with the imposition of conditions addressing entertainment and alcohol-related operations, will assure the use enhances the built environment in the surrounding neighborhood.

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 site is zoned C4-2D-SN with a Regional Center Commercial land use designation in the Hollywood Community Plan Area. The site is also located in a Transit Priority Area (ZI-2452) due to its proximity to the Metro Red Line Hollywood/Vine Station. The site was developed in 1929 with a three-story theater building, known as the Pantages Theatre. The applicant is requesting a conditional use permit to allow the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with an existing 42,435 square-foot theater with 2,703 seats. The proposed hours of operation are 11:00 a.m. to 12:00 a.m., daily which are consistent with operational hours of a theatre offering matinee and late night performances.

The site is located in the Hollywood Regional Center, which is characterized with low-to-high rise commercial buildings, both historic and modern, occupied with entertainment uses for residents, employees, and tourists of the area. Properties

to the north, abutting the property along Argyle Avenue, are zoned (T)(Q)C2-2-SN and developed with a surface parking lot. Properties to the south across Hollywood Boulevard are zoned [Q]C4-2-SN and developed with a mixed-use building that includes the W hotel, residential units, commercial uses, and the subterranean Metro Red Line Hollywood/Vine Station. Properties to the west, abutting the property along Vine Street and Hollywood Boulevard, are zoned C4-2D-SN and developed with a parking lot and a mixed-use building with a ground floor restaurant. Properties to the east across Argyle Avenue are zoned [Q]R3-1XL and [T][Q]C4-2D-SN and developed with a mixed-use residential building with retail uses on the ground floor.

The project's location, size, height, and operations are compatible with the surrounding neighborhood. The grant with the imposed conditions provides for mitigation of any potential effects from the on-site consumption of a full line of alcoholic beverages, including the implementation of a camera surveillance system, age verification device, and a 24-hour hot line. These operating conditions in combination with the Monitoring, Verification and Inspection Program (MViP) will allow the City the opportunity to continue to monitor the operation of the proposed use and ensure compliance with imposed conditions. Therefore as conditioned, the sale and dispensing of a full line of alcoholic beverages will not adversely affect or further degrade the adjacent properties, the surrounding neighborhood, or the public health, welfare, and safety of the community.

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

The City's General Plan consists of eleven elements that establish policies that provide for the regulatory environment in managing the City and for addressing environmental concerns and problems. The subject site is located in the Hollywood Community Plan. The Plan Map designates the property for Regional Center Commercial land uses with corresponding zones of C2, C4, P, PB, RAS3, and RAS4 and Height District No. 2D. The land use designation and commercial zoning permits a wide variety of mixed commercial and residential uses including the subject theater. The Hollywood Community Plan text is silent in regards to alcohol sales. In such cases, the Zoning Administrator must interpret the intent of the Plan. The purpose of the Hollywood Community Plan is to promote an arrangement of land use, circulation, and services which will encourage and contribute to the economic, social, and physical health, safety, welfare, and convenience to the community. The existing use is consistent with and advances the following goals, objectives, and policies identified in the Community Plan:

Objective 4a: To promote economic well-being and public convenience through:

Allocating and distributing commercial lands for retail service, and office facilities in quantities and patterns based on accepted planning principles and standards.

The request is also consistent with General Plan Framework Element objectives:

Objective 7.2: Establish a balance of land uses that provide for commercial and industrial development which meets the needs of local residents, sustains economic growth, and assures maximum feasible environmental quality.

Objective 7.3: Maintain and enhance the existing businesses in the City.

Policy 7.3.2: Retain existing neighborhood commercial activities within walking distance of residential areas.

The existing use conforms with the intent, purpose, and provisions of the General Plan and the Hollywood Community Plan by offering a service that will address the needs of all visitors and residents in the community.

4. The proposed use will not adversely affect the welfare of the pertinent community.

The applicant is requesting a conditional use permit to allow the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with an existing 42,435 square-foot theater with 2,703 seats. The proposed hours of operation are 11:00 a.m. to 12:00 a.m., daily.

As conditioned by this grant, the request for the sale and dispensing of a full line of alcoholic beverages for on-site consumption will not adversely affect the welfare of the pertinent community. The grant imposes conditions which require that security measures such as a surveillance system to mitigate the negative impacts commonly associated with the sale of alcoholic beverages. The grant also requires that the applicant install an age verification device at all points-of-sale, to deter underage purchases and drinking. The implementation of a Designated Driver Program will ensure the safety of attendees and residents by preventing driving while under the influence. In addition, the condition requiring a 24-hour hot line will allow the community to communicate with the operator regarding any complaints or concerns due to the operation. Other conditions related to minimizing noise, preventing litter and loitering will ensure the welfare of the community.

5. The granting of the application will not result in an undue concentration of premises for the sale or dispensing for consideration of alcoholic beverages, including beer and wine, in the area of the City involved, giving consideration to applicable State laws and to the California Department of Alcoholic Beverage Control's guidelines for undue concentration; and also giving

consideration to the number and proximity of these establishments within a one thousand foot radius of the site, the crime rate in the area (especially those crimes involving public drunkenness, the illegal sale or use of narcotics, drugs or alcohol, disturbing the peace and disorderly conduct), and whether revocation or nuisance proceedings have been initiated for any use in the area.

The Project Site is located within Census Tract 1910.00. According to the California Department of Alcoholic Beverage Control ("ABC") licensing criteria, three on-sale and two off-sale alcoholic beverage licenses are allocated to subject Census Tract No. 1910.00. Data provided on the ABC's License Query System indicate that there are thirty-two existing on-site and five existing off-site alcoholic beverage licenses within the subject Census Tract.

Within a 1,000-foot radius of the subject property, the following types of alcoholic beverage licenses are active or pending:

- (3) Type 21 - Off-Sale General
- (3) Type 41 - On-Sale Beer and Wine – Eating Place
- (18) Type 47 - On-Sale General – Eating Place
- (6) Type 48 - On-Sale General – Public Premises

Over concentration can be undue when the addition of a license will negatively impact a neighborhood. Over concentration 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. The subject site is located in the Hollywood Regional Center where a concentration of restaurants and entertainment venues is evident and thus the higher number of alcoholic beverage licenses are anticipated. In these active commercial areas where there is a demand for licenses beyond the allocated number and where an over-concentration of licenses is suggested, the ABC has recognized that high-activity retail and commercial centers and designation points within a community are supported by a significant employee population. The Department of Alcohol Beverage Control has the discretion to approve an application if there is evidence that normal operations will not be contrary to public welfare and will not interfere with the quiet enjoyment of property by residents.

According to statistics provided by the LAPD, which has jurisdiction over the subject property within Crime Reporting District No. 637, a total of 971 crimes were reported in 2015, compared to the citywide average of 181 crimes and the high crime reporting district average of 217 crimes for the same period. In 2015, there were 19 Narcotics, 299 Liquor Laws, 33 Public Drunkenness, 0 Disturbing the Peace, 13 Disorderly Conduct, and 44 Driving While Under the Influence (DWI) related arrests. These numbers do not reflect the total number of arrests in the subject reporting district over the accountable year. Arrests for this calendar year may reflect crimes reported in previous years. The site is located in a high crime

reporting district, however no evidence was submitted for the record by LAPD or adjacent residents indicating any link between the subject site and the neighborhood's crime rate. The negative impacts commonly associated with the sale of alcoholic beverages, such as criminal activity, public drunkenness, and loitering are mitigated by the imposition of conditions requiring surveillance, an LAPD approved security plan, a designated driver program and deterrents against loitering. The conditions will safeguard the welfare of the community.

6. **The proposed use will not detrimentally affect nearby residentially zoned communities in the area of the City involved, 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.**

The following sensitive uses were observed within a 1,000-foot radius of the subject property:

- Multi-family dwellings
- Church of Scientology, 6331 West Hollywood Boulevard
- Hollywood Education Literacy, 6336 West Hollywood Boulevard
- The American Musical and Dramatic Academy (AMDA), 1777 North Vine Street and 6305 Yucca Street
- Saint Stephen's Episcopal Church and Delaney Wright Fine Arts Preschool, 6125 Carlos Avenue
- Frances Howard Goldwyn Hollywood Regional Library, 1623 North Ivar Avenue
- The Oasis Zion Kids Club, 1725 Ivar Avenue
- Los Angeles Film School, 6363 West Sunset Boulevard
- First Presbyterian Church of Hollywood, 1760 North Gower Street

Consideration has been given to the distance of the use from residential buildings and the above-referenced sensitive uses. The grant has been well conditioned to protect the health, safety and welfare of the surrounding neighbors. As conditioned, the proposed project will contribute to the enhancement of the quality of life and economic revitalization of the area.

ADDITIONAL MANDATORY FINDINGS

7. 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, outside of the flood zone.
8. On September 14, 2016, a Negative Declaration (ENV-2016-2413-ND) was prepared for the proposed project. This Negative Declaration reflects the lead

agency's independent judgment and analysis of the project. On the basis of the whole of the record before the lead agency including any comments received, the lead agency finds that there is no substantial evidence that the proposed project will have a significant effect on the environment. I hereby adopt that action.

Inquiries regarding the matter shall be directed to the Project Planner, Kristen Gordon, at (213) 202-5445.



ALETA D. JAMES
Associate Zoning Administrator

AJ:IFA:KG

cc: Councilmember Mitch O'Farrell,
Thirteenth Council District
Adjacent Property Owners