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November 12, 2019

73 Market Lessee, LLC (A)
373 Park Avenue South
New York, New York 10016

73 Market Street, LLC (O)
10876 Wilshire Boulevard, 10th Floor
Los Angeles, CA 90291

City Land Use (R)
15303 Ventura Boulevard
Sherman Oaks, CA 91403

CASE NO. ZA 2019-2484(CUB)
CONDITIONAL USE BEVERAGE,
73 East Market Street
Venice Planning Area
Zone : CM-1
D. M. : 108A143
C. D. : 11 - Bonin
CEQA : ENV-2019-2485-CE
Legal Description: Lot FR 15-17, Block
A, Venice of America Tract

Pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15061, I hereby DETERMINE:

based on the whole of the administrative record, that the Project is exempt from CEQA pursuant to CEQA Guidelines, Section 15301 (Class 1) and there is no substantial evidence demonstrating that an exception to a categorical exemption pursuant to CEQA Guidelines, Section 15300.2 applies; and

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

a Conditional Use to allow the sale and dispensing of a full-line of alcoholic beverages for on-site consumption in conjunction with a private creative office use/club.

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 Zoning 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. 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 for inclusion in case file.
7. Authorized herein is the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with a private membership creative office use, subject to the following limitations:
 - a. Hours of operation shall be limited to 7:00 a.m. to 11 p.m.
 - b. No smoking shall be permitted anywhere on the premises, including the roof-top deck. No smoking signs shall be posted on the premises, including the roof-top deck.
 - c. The trash bins located to the rear of the building shall be enclosed and screened from view and shall be secured with a tamper-proof locking system. The trash area shall be equipped with a catch bin or drainage system to prevent leakage and still water. The trash area shall be maintained in sanitary condition to prevent odors and rodent infestation. Trash collection shall be scheduled to prevent trash from overflowing.
8. In order to minimize potential noise and protect the privacy of adjoining residential uses, the applicant shall comply with the following requirements:

- a. An approximately 6-foot high wall or screen shall be constructed along the northerly property of the roof-top deck. The wall or screen shall be constructed of materials capable of reducing sound.
 - b. The applicant shall install opaque materials or window coverings on windows located on the building's north (rear) elevation facing the alley.
9. Prior to the utilization of this grant, a camera surveillance system shall be installed 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 30 days.
10. Lighting shall be installed in all areas within the business in conformance with the Los Angeles Municipal Code. The lighting shall be such that it renders all objects and persons clearly visible within the establishment.
11. **Complaint Log.** Prior to the utilization of this grant, a phone number and an email address shall be provided for complaints or concerns from the community regarding the operation. The phone number and email address shall be posted at the following locations:
 - a. Entry, visible to pedestrians.
 - b. Customer service desk, front desk or near the cash registers.

The applicant shall maintain a log of all calls and emails, 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 of City Planning. Complaints shall be responded to within 24 hours.

12. **STAR/LEAD/RBS Training.** Within the first six months of operation, all employees involved with the sale of alcohol shall enroll in the Los Angeles Police Department "Standardized Training for Alcohol Retailers" (STAR) or Department of Alcoholic Beverage Control "Licensee Education on Alcohol and Drugs" (LEAD) training program or the Responsible Beverage Service (RBS) Training Program. Upon completion of such training, the applicant shall request the Police Department or Department of Alcohol Beverage Control to issue a letter identifying which employees completed the training. STAR or LEAD or RBS training shall be conducted for all new hires within three months of their employment.
13. Parking shall be provided in compliance with the code to the satisfaction of the Department of Building and Safety. No variance from the parking requirements has been requested or granted herein.
14. The applicant shall be responsible for monitoring both patron and employee conduct on the premises and within any parking areas under their control to assure behavior that does not adversely affect or detract from the quality of life for adjoining residents, property owners, and businesses.

15. Loitering is prohibited on or around these premises or the area under the control of the applicant.
16. The applicant shall be responsible for maintaining free of debris or litter the area adjacent to the premises over which they have control, including the sidewalk in front of the establishment.
17. Coin operated game machines, pool tables or similar game activities or equipment shall not be permitted. Official California State lottery games and machines are allowed.
18. 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.
19. An electronic age verification device shall be retained on the premises available for use during operational hours. This device shall be maintained in operational condition and all employees shall be instructed in its use.
20. 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 or truancy occur.
21. Any music, sound or noise 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.
22. There shall be no Adult Entertainment of any type pursuant to LAMC Section 12.70.
23. No conditional use for dancing has been requested or approved herein. Dancing is prohibited.
24. The exterior windows and glass doors of the location shall be maintained substantially free of signs and other materials from the ground to at least six (6) feet in height above the ground so as to permit surveillance into the location by

Police and private security. Notwithstanding this condition, exterior windows and glass doors of the location may be covered by sheer roll-up shades or other mechanisms to shield the patrons from excessive glare of the sun, if necessary.

25. Prior to the beginning of operations, 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 beer and wine for on-site consumption, in conjunction with the private office club known as _____ agree to abide and comply with said conditions.

26. 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.

ADMINISTRATIVE CONDITIONS

27. 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 here with 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.
28. At any time during the period of validity of this grant, if it is determined that the 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 Zoning Administrator reserves the right to require that the owner or operator file a Plan Approval application, in association with the appropriate fees, and a 500-foot notification radius. 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.

29. **MViP – Monitoring Verification and Inspection Program.** Prior to the effectuation of this grant, fees required per LAMC Section 19.01-E,3 for Monitoring of Conditional Use Permits and Inspection and Field Compliance Review of Operations shall be paid to the City.

- a. Within 24 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.
- b. The owner and 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.

30. **INDEMNIFICATION AND REIMBURSEMENT OF LITIGATION COSTS.**

Applicant shall do all of the following:

- a. 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.
- b. 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.
- c. 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 \$50,000. 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 (b).
- d. 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 (b).

- e. 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 **NOVEMBER 27, 2019**, 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:

Downtown
 Figueroa Plaza
 201 North Figueroa Street,
 4th Floor
 Los Angeles, CA 90012
 (213) 482-7077

San Fernando Valley
 Marvin Braude San Fernando
 Valley Constituent Service
 Center
 6262 Van Nuys Boulevard,
 Room 251
 Van Nuys, CA 91401
 (818) 374-5050

West Los Angeles
 West Los Angeles
 Development Services
 Center
 1828 Sawtelle Boulevard,
 2nd Floor
 Los Angeles, CA 90025
 (310) 231-2598

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 subsequent contact regarding this determination must be with the staff assigned to this case. This would include clarification, verification of condition compliance and plans or building permit applications, etc., and shall be accomplished **BY APPOINTMENT ONLY**, in order to assure that you receive service with a minimum amount of waiting. You should advise any consultant representing you of this requirement as well.

FINDINGS OF FACT

After thorough consideration of the statements contained in the application, the plans submitted therewith, and the statements made at the public hearing on September 9, 2019, 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 approval under the provisions of Section 12.24-W have been established by the following facts:

BACKGROUND

The subject property consists of three lots (approximately 6,917 square feet in area) located at the northwest corner of Pacific Avenue and Market Street and is developed with a two-story, 11,162 square-foot, commercial building, built in 1922. The site is approximately one City block east of Ocean Front Walk extending from the public beach and recreation areas.

The applicant has requested a Conditional Use Permit to allow the sale and dispensing of a full-line of alcoholic beverages in conjunction with service to all 11,162 square feet of membership-office space. The project offers, conference rooms, private and shared offices, and collaborative spaces. As a convenience, the office space will include an accessory cafeteria on the second floor for members to enjoy a quick meal. In addition to meals, members will be able to purchase a full line of alcoholic beverages.

The property is located within the Venice Community Plan, which designates the property for Limited Manufacturing land uses, corresponding to the CM, MR1, and M1 Zones. The property is zoned CM-1. The Project site is also located within the North Venice subarea of the Venice Coastal Zone Specific Plan. The project is also located within Los Angeles Coastal Transportation Corridor and a Transit Priority Area.

The surrounding land uses consists of primarily commercial uses along both sides of Market Street and Pacific Avenue with some residential uses located to the north. The subject property is developed with a two-story office building constructed in 1922.

Properties to the north are zoned RD1.5-1 and are improved with two and three-story residential buildings.

Properties to the west are zoned CM-1 and are improved with one-story commercial retail, restaurant, and office uses.

Properties to the south across Market Street are zoned CM-1 and are improved with one- and two-story commercial office uses and surface parking.

Properties to the east across Pacific Avenue are zoned C4-1 and are improved with two-story multi-family residential uses.

Market Street is a local Street, dedicated to 60 feet and improved with asphalt roadway and concrete curb, gutter and sidewalk.

Pacific Avenue is an Avenue II, dedicated to 80 feet and improved with asphalt roadway and concrete curb, gutter and sidewalk.

Previous Cases, Affidavits, Permits, and Orders on the applicant's Property:

N/A

Previous Cases on Surrounding Properties:

Case No. ZA-2018-3595-CU-CUB-ZV – On June 20, 2018, an application was filed for Conditional Uses to permit the on-site sale of a full line of alcoholic beverage in conjunction with a proposed 3,410 square-foot restaurant in the CM-1 Zone located at 78 East Market Street. The public hearing was held on May 2, 2019. A decision has not been rendered.

Case No. ZA-2017-395-CUB-ZV– On September 7, 2017, the Zoning Administrator approved a Conditional Use and Zone Variance to permit the continued sale and dispensing of a full line of alcoholic beverages and to permit four required parking spaces to be provided off site via lease in conjunction with the continued operation of an existing restaurant located at 80 East Windward Avenue.

Case No. ZA-2013-879-CUB – ON July 6, 2013, the Zoning Administrator approved a Conditional Use to permit the sale and dispensing of full line of alcoholic beverages for on-site consumption with live entertainment in conjunction with an existing restaurant located at 22-28 East Windward Avenue.

Case No. ZA-2013-2732-CUB – On March 20, 2014, the Zoning Administrator approved a Conditional Use to permit the continued sale of beer and wine for off-site consumption in conjunction with an existing market located at 105 East Windward Avenue.

Case No. ZA-2011-252-CUB – On September 9, 2011, the Zoning Administrator approved a Conditional Use to allow the on-site sale of beer and wine in conjunction with an existing restaurant located at 1611 South Pacific Avenue.

Case No. ZA-2010-913-CDP-CUB-ZV-SPP – On January 12, 2011, the Zoning Administrator approved various entitlements in junction with the conversion, use and maintenance, of an office space to expanded restaurant space located at 1607 South Pacific Avenue.

Public Hearing

The public hearing was conducted on September 9, 2019 at the West Los Angeles Municipal Building. The hearing was attended by the applicant, Josh Wyatt, by the applicant's representatives, Laurette Healey and Marcie Davalos, and by several adjacent residents, property owners and stakeholders.

Ms. Healey conducted a power point presentation and provided an overview of the site's location, the scope of the project and outreach efforts undertaken on behalf of the applicant. She stated that the applicant is requesting a Conditional Use to allow the sale of a full line of alcoholic beverages in conjunction with a private creative office use/club. She noted that over one dozen letters of support were submitted from immediate neighbors and stated that a Community Meeting to review the request was held on July 31, 2019 which was noticed to all properties within a 500' radius of the subject site.

Ms. Healey stated that a meeting was held with adjoining neighbors across the alley to review the project and address neighbors concerns. She also noted that the project received unanimous support from the Venice Neighborhood Council land use committee and was pending review by the full Board.

Ms. Healey noted that the site is located at 73 Market Street at the corner of Pacific Avenue in the Venice Community. The site is improved with a two-story building containing 11,162 square feet that was constructed in 1922. The property is zoned CM-1 and abuts a major highway and is therefore subject to the Commercial Corner Development regulations (which restrict hours of operation). Ms. Healey noted that the proposed hours of operation are from 7 a.m. to 11 p.m. daily in conformance to Commercial Corner regulations and no deviations were requested from the Commercial Corner regulations. The building was issued a Certificate of Occupancy in 1982 for an office use.

Ms. Healey described the proposed private club as a member driven co-working space similar to WeWork. Coworkers are not employees of the same organization but are entrepreneurs or independent contractors. The private co-working space provides a cost efficient alternative for members where expenses and overhead costs are shared.

Ms. Davalos stated that the private office club will function similar to a Country Club with private membership. 95% of members are anticipated to reside within a three mile radius of the subject site. Hot desks will be available on a first come first serve basis. The private co-working space is not open to the general public. However, members are allowed to bring a guests subject to a door charge and for a maximum of three hours.

Ms. Davalos noted that the sale of alcoholic beverages will be an accessory use dispensed at a food and beverage counter. Alcoholic beverages are not expected to exceed more than 5% of food and beverage sales. Hours of operation are limited from 7 a.m. to 11 p.m. and no live entertainment or dancing are proposed.

Mr. Broido testified that he and his wife (Lynnette Lalonde) live directly behind the subject site across the alley. He noted that they recently renovated their home and he was

concerned about potential quality of life impacts due to the proximity of the site to their home. He stated that he met the applicant and CEO Josh and Zoey in person. After meeting with the applicant, they are supportive of the request and welcome the new addition to the neighborhood. He noted that the applicant was very willing to address his concerns.

Mr. Wyatt stated that the business concept is a co-working model for creative entrepreneurs that seeks to foster a community of artists, science, media and hospitality professionals. The sale of alcohol is only an amenity. He stated that outreach was conducted to the neighborhood council and he also met with the adjoining neighbors in August. He stated that he agreed to incorporate requests made by his adjoining neighbors to address noise and privacy concerns and operational issues such as sound and sight mitigation, properly maintaining the trash area to prevent odors and vermin infestation, ensure no smoking on the deck and to provide a barrier and landscaping to screen the roof top deck to protect the privacy of his neighbors, as well as frosting windows facing the alley.

The Zoning Administrator inquired if the applicant was amenable to incorporating the described measures he proposed to implement to address noise, privacy and trash as conditions of the grant. The applicant was agreeable. The Zoning Administrator requested that the applicant furnish a list of the measures to be added as conditions of the grant.

Mr. Hoffman stated that he has lived in the community for 35 years, the last 15 to 20 as a property owner. He noted that the building on the subject site was previously occupied by film editors. The proposed use is a modern version of this use and is a benefit to a younger generation of creatives who can't afford their own building. He stated that the concept was great and he had no objection to the sale of alcohol.

Mr. Murez stated that he has lived in the community for 35 years and is a Board member of the Venice Neighborhood Council, however, he was speaking today as an individual, not on behalf of the Neighborhood Council. He stated that he wants to see the project succeed but is reluctant due to the fact that the project is the first of its kind. He was concerned about the sale of alcoholic beverages in connection with the use which is not a hospitality. Given the nature of the use, he was also concerned about allowing the sale of alcoholic beverages beginning at 7 a.m. He also expressed concerns that the venue not be used to host special events that would draw larger crowds, noise and create parking problems. He was also concerned about the roof-top deck and possible noise. He was also concerned about loitering if the use is to capacity and no desks are available, that might lead to loitering and drinking on the exterior.

Mr. Yerkovich testified that he lives four lots and across the street from the subject sit. He stated he was not concerned about people drinking at 7 a.m. He stated that the business' ability to function should not be hamstrung by imposing restrictions. He stated the applicant has a good track record and was not concerned about the request.

Mr. Sullivan testified that he occupies the adjoining building and shares a wall with the building on the subject site. His building overlooks the roof-top deck and he has no issues or concerns with the request or with the applicant hosting special events.

Public Correspondence

An e-mail dated August 29, 2019 was submitted by Alex Kohner, a property owner across the site, in support of the request and expressing excitement and enthusiasm for the proposed use that will draw working professionals and creative people to the neighborhood.

An e-mail dated August 29, 2019 was submitted by Steve Heuman, a property owner and business owner (including a restaurant with a full line of alcoholic beverages) located in the immediate area on Ocean Front Walk. The e-mail noted that the project has many positive aspects.

An e-mail dated September 3, 2019 was submitted by Anthony Yerkovich in support of the request. The e-mail expressed a positive sentiment about the project and stated that the applicant has an excellent reputation and track record.

An undated letter was submitted by Brian Sullivan in support of the request. The letter noted that he owns property on Market Street near the site and has met with the applicant and reviewed the plans and is certain the project will have very positive effect on the neighborhood.

A letter dated September 4, 2019 was submitted by Elizabeth Kitchen, a nearby resident and property owner on Market Street. She was in support of the project and asked that the request be approved.

Two separate e-mails dated September 6, 2019 in support of the request were submitted by Randi and Harlan Steinberger in support of the project and the requested entitlement.

An e-mail dated September 10, 2019 was submitted by Dennis Smith in opposition to the request. The e-mail stated that he is a 30 year resident on Market Street adjacent to the subject site where he lives and works. His bedroom on the second floor has a direct view of the open patios on the roof top of the project site. He is seriously concerned about the noise levels and losing privacy and is deeply concerned about the request for a full bar that would operate until 11 p.m. in connection with an office space and questioned the need for alcoholic beverages in an office space. He expressed concern that this project may devalue his property.

Subsequent to the hearing, an e-mail dated September 25, 2019 was submitted by the applicant's representative, Marcia Davalos with a list of operational and design measures that the applicant agreed to implement in consultation with the adjoining neighbor to the north and incorporate as conditions to the grant. The measures included were as follows:

- No smoking will be permitted on the premises.
- No smoking signs shall be posted on the premises.
- Trash bins shall be enclosed and locked with a tamper-proof locking system.
- The trash bin shall be equipped with a catch bin or drainage system to prevent leakage and still water.
- Trash collection schedule shall be adjusted to prevent trash from overflowing.
- An approximately 6-foot high wall will be constructed along the northerly property line of the roof-top deck constructed of materials capable of reducing sound.

- The applicant shall install opaque materials or window coverings on windows located on the building's north (rear) elevation facing the alley.

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.

They may include those identified during hearing testimony, received as part of correspondence via stakeholder groups, city agency, other responsible agency, Council District, Mayor's office, etc.)

- No conditions were submitted for consideration.

BASIS FOR CONDITIONAL USE PERMITS

A particular type of development is subject to the conditional use 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 Conditional Use 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 subject property consists of three lots (approximately 6,917 square feet in

area) located at the northwest corner of Pacific Avenue and Market Street and is developed with a two-story, 11,162 square-foot, commercial building, built in 1922. The site is approximately one City block east of Ocean Front Walk extending from the public beach and recreation areas.

The property is located within the Venice Community Plan, which designates the property for Limited Manufacturing land uses, corresponding to the CM, MR1, and M1 Zones. The property is zoned CM-1. The Project site is also located within the North Venice subarea of the Venice Coastal Zone Specific Plan. The project is also located within Los Angeles Coastal Transportation Corridor and a Transit Priority Area. The surrounding land uses consists of primarily commercial uses along both sides of Market Street and Pacific Avenue with some residential uses located to the north.

The applicant is requesting a Conditional Use to permit the sales and service of a full-line of alcoholic beverages in conjunction with the operations of the membership-based office building. No changes to the interior or exterior of the structure is being proposed by the Applicant. It is anticipated that the overall mode and character of the use would be maintained. The introduction of a creative office use will activate the area and will improve public safety. The use will attract creative professionals around the clock and stimulate activity in the area.

As such, the membership office/club with a full line of alcoholic beverages for on-site consumption will offer a convenient location for a unique experience for local workers and visitors and will perform a function and provide a service that is beneficial to the surrounding community.

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 subject property consists of three lots (approximately 6,917 square feet in area) located at the northwest corner of Pacific Avenue and Market Street and is developed with a two-story, 11,162 square-foot, commercial building, built in 1922. The site is approximately one City block east of Ocean Front Walk extending from the public beach and recreation areas. located within Los Angeles Coastal Transportation Corridor and a Transit Priority Area. The surrounding land uses consists of primarily commercial uses along both sides of Market Street and Pacific Avenue with some residential uses located to the north.

The revitalization of the existing office will be desirable to public welfare as it is near both residential and commercial uses and is zoned for such. The existing office is in a convenient location where residents have access by walking, driving or public transit. There is no addition of square footage, and the interior spaces will undergo tenant improvement, while maintaining the primary facades of the structure. The property is consistent with the community in terms of the use and density. The introduction of a 24-hour creative office use will activate the area and will improve public safety. The use will attract creative professionals around the clock and stimulate activity in the area. Given the nature of the use, the on-site

sale of a full line of alcoholic beverages in conjunction with a member-based creative office complex is not anticipated to result in nuisance activity or contribute to the area's crime rate

The private office club will operate from 7 a.m. to 11 p.m. daily and does not consist late night hours. No dancing or live entertainment will be conducted on the premises. The Zoning Administrator has imposed operational conditions to encourage responsible management and to deter criminal activity such as, electronic age verification machines, and STAR/LEAD/RBS training to ensure the sale of alcoholic beverages in conjunction with the private membership office/club remains compatible with surrounding improvements. The applicant met in person with adjoining residential neighbors prior to the hearing and agreed to implement design features and operational conditions to protect the privacy of, and minimize potential noise impacts on neighboring residences. These measures have been incorporated under Condition Nos. 7 and 8.

As conditioned, the operation with the sale and dispensing of a full line of alcoholic beverages for on-site consumption will not adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, welfare and safety and the development 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 elements of the General Plan establish policies that provide for the regulatory environment in managing the City and for addressing concerns and issues. The majority of the policies derived from these Elements are in the form of Code Requirements of the Los Angeles Municipal Code (LAMC). Except for the entitlement described herein, the project does not propose to deviate from any of the requirements of the LAMC.

The subject property is located in the CM-1 Zone with a Limited Manufacturing land use designation within the Venice Community Plan area. The coastal zone areas of the Venice Community Plan are also regulated by the Venice Coastal Land Use Plan and the Venice Coastal Zone Specific Plan, which is divided into subareas. The project site is located within the North Venice Subarea in the heart of the central commercial district of Venice Beach. The General Plan designation and zone classification provides land for commercial purposes subject to appropriate planning regulations and standards. An approval would further the goals of the Plan to promote the economic well-being of the community.

The Los Angeles Municipal Code authorizes the Zoning Administrator to grant the requested conditional use in the zones corresponding to the Plan land use designation. The proposed project is a permitted use by the Plan land use category in the Venice Community Plan. The conditional authorization for the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with the proposed membership-office space is allowed through the approval of the Zoning Administrator subject to findings made and conditions of approval that relate to the operation of the business. The required findings in support of the Venice Community Plan have been made herein.

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

The approval of the conditional use request will not adversely affect the welfare of the community. The membership-office space is permitted by-right in the CM-1 Zone and sale and dispensing of a full line of alcoholic beverages is a secondary amenity. Given the scope of the conditions and limitations established herein, the surrounding land uses will not be significantly impacted by the proposed conditional use.

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 responsible management and deterrents against loitering. Employees will undergo training on the sale of alcoholic beverages, including training provided by the Los Angeles Police Department Standardized Training for Alcohol Retailers (STAR) Program. The operations of the existing bar/lounge be managed by compliance with imposed conditions and City requirements regarding noise, including the City's noise ordinance. Additionally, other conditions related to excessive noise, noise prevention, and litter will safeguard the residential community. Therefore, with the imposition of such conditions, the sale and dispensing of a full line of alcoholic beverages at this location will not adversely affect the welfare of the surrounding 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.**

According to the State of California Department of Alcoholic Beverage Control (ABC) licensing criteria, two (2) on-sale and one (1) off-sale licenses are allocated to subject Census Tract No. 2735.02. There is currently 16 active licenses (12 on-sale and four (4) off-site licenses) in this Census Tract.

As reported by the Los Angeles Police Department's Pacific Division Vice Unit, within Crime Reporting District No. 1431, which has jurisdiction over the subject property, a total of 1,204 crimes were reported in 2018 (371 Part I and 833 Part II crimes), compared to the Citywide Average of 185 crimes and the High Crime Reporting District Average of 222 crimes for the same period. Alcohol related Part II Crimes reported include Narcotics (23), Liquor Laws (219), Public Drunkenness (35), Disturbing the Peace (36), Disorderly Conduct (1), Gambling (0), DUI related (1), Moving Vehicles (9), and other offenses (70). 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.

Concentration can be undue when the addition of a license will negatively impact a neighborhood. Concentration is not undue when the approval of a license does not negatively impact an area, but rather such license benefits the public welfare and convenience. The project will not adversely affect community welfare because the membership-office space is a desirable use in an area designated for commercial uses. In this case, the proposed project will provide a convenience to workers and visitors in the immediate neighborhood and as conditioned, will not negatively impact the area. The Zoning Administrator has incorporated numerous operational conditions to the grant that address noise, safety and security to ensure the proposed use is conducted with due regard for surrounding properties and to reduce any potential crime issues or nuisance activity.

Moreover, while the crime rate within the reporting district where the site is located is higher than the citywide average, no evidence was submitted for the record establishing any link between the subject site and the crime rate in the community. The site has no history of criminal or nuisance activity and no calls for service were reported by LAPD. Furthermore, LAPD has stated no opposition to the request. The Zoning Administrator has incorporated numerous operational conditions to the grant that address noise, safety and security to ensure the proposed use is conducted with due regard for surrounding properties and to reduce any potential crime issues or nuisance activity.

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 are within 1,000 feet of the subject property:

- Single-Family Residences
- Multi-Family Residences
- Westminster Dog Park at 1234 Pacific Avenue.
- Venice Beach Recreational Center and Ocean Front Walk

Although the subject site is in close proximity to sensitive uses, the site's operations, these sensitive uses are located a reasonable distance from the subject site and will not be adversely affected by the sale of alcoholic beverages on the site. Consideration has been given to the distance of the subject establishment from the above-referenced sensitive uses. The grant has been well conditioned, which should protect the health, safety and welfare of the surrounding neighbors. The potential effects of excessive noise or disruptive behavior have been considered and addressed by imposing conditions related to noise and loitering. The project is consistent with the zoning and keeping with the existing uses adjacent to the development. This project will contribute to a neighborhood and will serve the neighboring resident and the local employees as well as visitors. Therefore as conditioned, the project will not detrimentally affect residentially zoned properties or any other sensitive uses in 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, which are areas identified on the flood map as areas of moderate or minimal hazard from the principal source of flood.

Inquiries regarding this matter should be directed to **Jordann Turner** at (213) 978-1365, Planning Staff for the Office of Zoning Administration.



FERNANDO TOVAR
Associate Zoning Administrator

FT:JT:bk

cc: Councilmember Mike Bonin
Eleventh District
Adjoining Property Owners
Interested Parties