



# **PLANNING COMMISSION AGENDA REPORT**

MEETING DATE: JANUARY 25, 2016

ITEM NUMBER: PH-3

**SUBJECT:** PLANNING APPLICATION PA-15-50 TO OPERATE A MICRO-BREWERY/BLENDERY WITH A TASTING ROOM AND WITH OUTDOOR PATIO AT 2960 RANDOLPH AVENUE.

**DATE:** JANUARY 15, 2016

**FROM:** PLANNING DIVISION/DEVELOPMENT SERVICES DEPARTMENT

**PRESENTATION BY:** RYAN LOOMIS, ASSOCIATE PLANNER

**FOR FURTHER INFORMATION CONTACT:** RYAN LOOMIS, (714) 754-5608  
ryan.loomis@costamesaca.gov

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## **PROJECT DESCRIPTION**

A conditional use permit for a proposed microbrewery with a tasting room (Gunwhale Ales) in a 3,710 square-foot lease area at 2960 Randolph Ave. The proposed business involves:

- **Tasting Room.** In conjunction with the brewing of artisan ales, proposed microbrewery will feature a 1,818 square-foot public area, comprised of an 898 square-foot indoor tasting room, 500 square-foot barrel room (used for occasional events), and a 420 square-foot outdoor patio space. In addition, the food and beverage service and retail sales in the tasting room are proposed to be ancillary to the manufacturing of the microbrews.
- **Food supply from third party vendor.** The proposal does not include a commercial kitchen; food trucks, local restaurants, or outside catering businesses are intended to supply the food for the tasting room.
- **Alcohol sales for on-site and off-site consumption.** The use proposes alcohol sales for both on-site and off-site consumption. The business is subject to approval of a State Alcoholic Beverage Control (ABC) License Type 23 (Small Beer Manufacturer).
- **Hours of Operation:** For Microbrewery Operations: Proposed hours of operation are from 5AM to 12PM daily for brewing/blending of the artisanal products. For Tasting Room: Proposed hours of operation for the tasting room is 11AM to 12 midnight, Sunday through Wednesday, and 11AM to 8:30PM, Thursday through Saturday.
- **Parking.** The tasting room shall expressly not be open during the approved business hours for The Commissary Lounge, however will be open along with other uses that share parking, including 5 Elements MMA and Grand Prix Performance wheel shop. Code requires 24 parking spaces; 48 parking spaces are provided.
- **Deviation from Front Street Setback:** The proposal includes a request to encroach 2 feet into the front street setback for outdoor patio (10 feet required; 8 feet proposed).

**APPLICANT OR AUTHORIZED AGENT**

The authorized agent is John Wallace, an authorized agent of the property owner Jerry Palanjian.

**RECOMMENDATION**

Approve by adoption of Planning Commission resolution, subject to conditions of approval.

## **BACKGROUND**

### ***Project Site***

The property is zoned MG (General Industrial District) and has a general plan land use designation of LI (Light Industrial). The property is also located within the South Bristol Entertainment & Cultural Arts (SoBECA) Urban Plan area; however, the proposed project does not require master plan approval and does not activate any of the provisions in the urban plan since the request does not involve a new development project.

The property is located approximately midblock between Baker Street and Bristol Street on the east side of Randolph Avenue. The site contains an existing industrial building with surface parking. The property shares a common driveway with 2968 Randolph Avenue to the north, which contains a one-story, 16,000 square-foot industrial building occupied by various uses. A total of 48 on-site parking spaces are indicated on the site plan.

## **ANALYSIS**

### ***Conditional Use Permit/ Revised Project Description***

The authorized agent is proposing to use 3,710 square feet of the existing 7,500-square foot building as a microbrewery. Breweries/distilleries are a conditionally permitted uses in the MG (General Industrial District) zone. As part of the small beer manufacturer (Brewery), the floor plans include a maximum 1,818 square feet of public area, and 1,892 square feet as industrial use. The table below provides breakdown of floor plan.

**Table 1. Gunwhales Ales Floor Area Totals**

<b>PUBLIC AREA</b>	<b>SQ. FT.</b>
<b>First Floor</b>	
Tasting Room	692 SF
Hallway	70 SF
Outdoor Patio	420 SF
Temperature Controlled Barrel Room	500 SF
Restrooms	136 SF
<b>Public Area Total</b>	<b>1,818 SF</b>
<b>INDUSTRIAL USE AREA</b>	
<b>First Floor</b>	
Cold Storage	336 SF
Brewing Production	704 SF
<b>Second Floor</b>	
Office	538 SF
Lab/Storage	260 SF
Restroom	54 SF
<b>Industrial Area Total</b>	<b>1,892 SF</b>
<b>TOTAL</b>	<b>3,710 SF</b>

The ABC License (Type 23) for a small beer manufacturer allows sales of alcoholic beverages for both on-site consumption (tasting) and off-premise consumption. ABC does not require a finding of public necessity or convenience for a type 23 license.

*Hours of Operation*

The table below shows hours of operation for the proposed Gunwhales Ales and existing uses that share parking lot at 2968 and 2960 Randolph Avenue. The original request for Gunwhales Ales was a closure of 9PM, Thursday through Saturday, however staff informed the applicant that a 9PM closure would conflict with the hours of operation for The Commissary Lounge. The revised request for Gunwhales Ales closing time is 8:30PM, Thursday through Saturday. These hours of operation are compatible with parking requirements of the existing uses located at 2968 and 2960 Randolph Avenue, as described below.

**Table 2. Hours of Operation for Businesses at 2968 and 2960 Randolph Avenue**

Use	Address	Hours of Operation	Permit #
The Commissary	2968 Randolph Ave	9PM-2AM, Thu-Sat	PA-12-26
5 Elements MMA	2968 Randolph Ave	6AM-8PM, M-F 9AM-1PM, Sat-Sun	ZA-15-06
Grand Prix Performance	2960 Randolph Ave	8AM – 5PM, M-Sat (Not open to public)	
Gunwhales Ales	2960 Randolph Ave	<u>Original Request</u> Brewery Operations- 5AM-12PM, daily Tasting Room- 12PM-12AM, Sun-Wed 12PM-9PM, Thu-Sat  <u>Revised Request</u> Brewery Operations- 5AM-12PM, daily Tasting Room- 12PM-12AM, Sun-Wed 12PM-8:30PM, Thu-Sat	PA-15-50

*Outdoor Dining Patio*

A two-foot encroachment into the required street front setback along Randolph Avenue is proposed to accommodate a 420 square-foot outdoor patio to be used as a portion of the tasting room (10 ft. front setback required; 8 feet requested). Per Code (Sec. 13-47), outdoor seating areas for establishments where food or beverages are served require a minor conditional use permit versus a variance or administrative adjustment when these areas encroach into required street setback. Consequently, this request is included as part of the conditional use permit. Staff believes the open patio will provide for interest and vibrancy along the pedestrian right-of-way in the SoBECA area. To reduce noise, a condition of approval requires the patio to be enclosed by a 6-foot wall, including a 3-foot solid wall with 3-foot transparent material above, such as glass. The glass will allow visibility to pedestrians walking by, and will minimize visual impacts to the streetscape. In addition, a condition of approval will also require enhanced landscaping at a maximum height of 3 feet in front of the patio along the remaining landscaped area within the front setback.

*Parking*

Gunwhales Ales proposes to locate within a 7,500 square-foot building that includes an existing separate use. The remaining portion of the industrial building is occupied by Grand Prix Performance wheel shop (3,790 SF). Per discussions with the owner, Jerry Palanjian, this wheel shop location is not open to the public. The project also shares a common driveway and parking lot with 2968 Randolph Avenue to the north. The neighboring industrial building includes the Commissary Lounge (nightclub) and 5 Elements MMA (fitness gym), which are regulated by a Conditional Use Permit (PA-12-26) and Minor Conditional Use Permit (ZA-15-06), respectively.

There are a total of 48 on-site parking spaces, including 28 on-site parking spaces for 2968 Randolph Avenue and 20 on-site parking spaces for 2960 Randolph Avenue. The table below shows parking requirements for both existing and proposed uses. The conditional use permits for Commissary Lounge and 5 Elements MMA regulate required parking for those uses.

Gunwhales Ales parking requirements are based on 1,818 SF of maximum public area (10 spaces per 1,000 SF of public area where food/beverages served) and 1,892 SF for industrial/office use (3 spaces per 1,000 SF of industrial use). It should be noted that the 1,818 square feet of public area represents a worst case scenario, as this includes the 500 square-foot temperature controlled barrel room, which will be opened only during occasional special events.

**Table 3. Parking Requirements**

Use	Parking Space Requirements		
	Sun-Sat 5AM-8:30PM	Sun-Wed 8:30pm- midnight	Thu-Sat 8:30PM- 2AM
Commissary Lounge*	0	0	48
5 Elements MMA**	7	0	0
Grand Prix***	11	0	0
Proposed Gunwhales Ales****	18 – public area 6 – industrial use <b>24 total</b>	18 – public area 6 – industrial use <b>24 total</b>	0
<b>Required Parking</b>	<b>42</b>	<b>24</b>	<b>48</b>
Total Parking Supply	48	48	48
<b>Surplus</b>	<b>+6</b>	<b>+24</b>	<b>0</b>
* Commissary open only Thu-Sat, 9PM to 2AM, but has exclusive rights to 48 spaces starting at 8:30pm Thu. through Sat. per CUP PA-12-26 **5 Elements MMA allocated 7 spaces max per MCUP ZA-15-06 ***Parking based on 3 spaces per 1,000 SF for remaining 3,790 SF of industrial use **** Parking based on 1,818 SF of max public area and 1,892 industrial use. Closed at 12AM, Sun-Wed, and 8:30PM Thu-Sat			

Based on the parking table above, the proposed use would not create a shortage in parking. As part of the conditions of approval, Gunwhale Ales will be required to close during the Commissary Lounge business hours. Any future modifications related to business hours may require Planning Commission approval and shared parking analysis.

## Noise

Although the proposed use and property is more than 200 feet from residentially zoned properties, noise impacts from surrounding uses has been an ongoing problem in the SoBECA area. According to Code Enforcement, noise monitoring has been ongoing to determine the source of the noise. The proposed use does not include live entertainment; however, light background music within the tasting room area is proposed. The background music will be conducted entirely within the existing building, and shall not be permitted within the outdoor patio. In addition, the outdoor patio will be enclosed by a 6-foot wall, which includes a 3-foot solid wall and 3-foot of transparent material, such as glass. This will help buffer the noise emanating from the tasting room and outdoor patio, so noise impacts to the surrounding properties should be mitigated.

## Catering/Food

No food preparation is proposed on-site; however, a food truck, or the delivery of food from local commercial kitchens and nearby restaurants for on-site consumption from nearby businesses is proposed to arrange food pairings or private beer/culinary experiences. Per the conditions of approval, only one food truck at a time may visit the site, and the food truck will be required to park on-site and not within the public right-of-way. Adequate parking should remain, based on the operating hours and surplus parking shown in Table 3 above.

## Staff Justifications for Approval

Staff supports the above requests based on the following:

- The proposed use, as conditioned, is compatible with surrounding uses and uses promoted by the SoBECA Urban Plan. One of the objectives of the SoBECA Area Plan is to develop a full array of land use types and structures, including reuse of existing structures, to create an active city life and enhance business activities. The SoBECA Urban Plan is an area with a growing blend of eclectic uses, including breweries, artisan studios, small-business entrepreneurs, and unique food and beverage experiences. The proposed use will add to the growing number of businesses encouraged by the SoBECA Area Plan.

The property is more than 200 feet away from the residentially-zoned property across Baker Street, and abuts industrially developed properties to the north, south, and west, as well as commercially developed properties to the east (The Camp). Surrounding uses include warehouses, night club, art gallery (DAX art gallery), auto related uses, brewery (Barley Forge), and The Camp. The proposed use will fit in with these existing uses.

Compliance with the conditions of approval will allow this use to operate with minimal impact on surrounding properties and uses. The proposed use, as conditioned, will not generate adverse noise, traffic, or parking impacts that are

unusual for industrially-zoned properties. Conditions of approval require noise sources be confined indoors and buffered by a 6-foot wall.

- The outdoor patio, as conditioned, will be compatible with surrounding uses and provide for interest and vibrancy along the pedestrian right-of-way in the SoBECA area. Although outdoor patios are uncommon along Randolph Ave, staff believes the proposed patio will provide for interest and vibrancy along the pedestrian right-of-way in the SoBECA area. Currently, Rooster Café (750 St. Clair) is the only use that provides a similar outdoor patio area along front setback.

Although the proposed patio will encroach two feet into required street setback, conditions of approval require landscaping along the wall and remaining portion of the front setback to enhance the front portion of the property. In addition, the open patio will be conditioned to be enclosed by a 6-foot wall (3-foot solid; 3-foot translucent material) to minimize noise issues. No music or amplified sound is permitted within the outdoor patio.

- The site landscaping will be required to be repaired/replaced in conjunction with this use. Staff is requiring that the site landscaping be provided per Code and installed prior to occupancy of the proposed use within the building.
- Police Department does not have any objection to the use. The Police Department has reviewed the proposed use and has no objections to the approval of the application. As of the date of this report, the City has not received any complaints from the public regarding the proposed use. As a condition of approval, lighting of sufficient power to illuminate and make easily discernable the appearance and conduct of all persons on or about the parking lot is required. In addition, conditions of approval require on-site security be provided in the future if any security problems occur with the proposed use.
- The proposed use will operate in compliance with existing uses approved at 2960 and 2968 Randolph Avenue, therefore no adverse parking impacts are anticipated. The proposed business shares a common driveway with 2968 Randolph Avenue to the north, which contains a one-story, 16,000 square-foot industrial building occupied by various uses. A total of 48 on-site parking spaces are located within the shared parking lot. The operating hours of the tasting room are also limited to 8:30 p.m., Thursday through Saturday, which will not interfere with the regular business hours of the Commissary Lounge; The Commissary Lounge has exclusive rights to the entire parking lot at 8:30PM, Thursday through Saturday. Per conditions of approval, customer and employee parking is required to occur on-site and not within surrounding streets. Also, any food truck visiting the property will be required to park on-site within a space designated for the use, and only one food truck at a time is permitted.
- Any change in the operational characteristics including, but not limited to, the hours of operation and additional services provided, shall require review by the Planning

Division and may require an amendment to the conditional use permit, subject to either Zoning Administrator or Planning Commission approval, depending on the nature of the proposed change. The recommendation of approval for the proposed use was due in large part to the offset business hours of The Commissary Lounge. Per conditions of approval, any future request to expanded business hours during the same operating time as The Commissary Lounge will require Planning Commission approval. In addition, a shared parking study and written approval from existing uses that share the common parking lot would be required to justify the request for expanded hours. No changes to the operational hours should be authorized at staff level. Also, the regular use of the cold storage area (336 SF) and/or brewing production area (704 SF) for expanded seating and/or tasting events is expressly prohibited.

## **GENERAL PLAN CONFORMANCE**

The proposed brewery is permitted in the MG zone with a conditional use permit. Subject to conditions, the proposed use is in conformance with the 2000 General Plan. Specifically the project complies with the following Land Use Objectives:

LU-1A.1 Provide for the development of a mix and balance of housing opportunities, commercial goods and services, and employment opportunities in consideration of the needs of the business and residential segments of the community.

The proposed use will provide for a new entrepreneurial business in Costa Mesa and provide new employment opportunities in the community.

LU-1F.1 Protect existing stabilized residential neighborhoods, including mobile home parks (and manufactured housing parks) from the encroachment of incompatible or potentially disruptive land uses and/or activities

The project will protect existing residential neighborhoods as the proposed use is more than 200 feet from residentially zone property, and therefore should have minimal noise impacts to the surrounding neighborhood. Conditions of approval require no music outdoors, and provide noise mitigation measures related to the outdoor patio.

## **ENVIRONMENTAL DETERMINATION**

If approved, the project would be exempt from the provisions of the California Environmental Quality Act under Section 15301 for Existing Facilities. If the use is denied, they would be exempt from the provisions of the California Environmental Quality Act (CEQA) Section 15270(a) for projects which are disapproved.

## **LEGAL REVIEW**

The draft resolutions have been reviewed and approved as to form by the City Attorney's Office.

**PUBLIC NOTICE**

Pursuant to Title 13, Section 13-29(d), of the Costa Mesa Municipal Code, three types of public notification have been completed no less than 10 days prior to the date of the public hearing:

1. Mailed notice. A public notice was mailed to all property owners within a 500-foot radius of the project site. The required notice radius is measured from the external boundaries of the property. (See attached Notification Radius Map.)
2. On-site posting. A public notice was posted on each street frontage of the project site.
3. Newspaper publication. A public notice was published once in the Daily Pilot newspaper.

As of January 15, 2016, application PA-15-50 has not received a communication from any property owner located within a 500-foot radius of the project site.

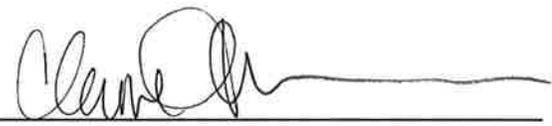
**ALTERNATIVES**

Resolution of approval or denial are attached. The denial of the request for a conditional use permit shall include denial findings by the Planning Commission, as expressed at the public hearing.

**CONCLUSION**

The proposed use, with the recommended conditions of approval, will be consistent with the City's Zoning Code and General Plan. The proposed project, as conditioned, will not have an adverse impact to surrounding properties. Therefore, staff supports the authorized agent's request.

  
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 RYAN LOOMIS  
 Associate Planner

  
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 CLAIRE FLYNN, AICP  
 Asst. Development Services Director

- Attachments:
1. Location Map, Zoning Map, and Radius Map
  2. Site Photos
  3. Authorized Agent's Project Description
  4. Draft Planning Commission Resolutions
  5. Plans

cc: Director of Economic & Development / Deputy CEO  
 Sr. Deputy City Attorney  
 Public Services Director

City Engineer  
Transportation Services Manager  
Fire Protection Analyst  
File (2)

John Wallace  
312 Santa Ana Ave  
Newport Beach, CA 92663

Jerry Palanjian  
2960 Randolph Ave  
Costa Mesa, CA 92627

# ATTACHMENT 1

City of Costa Mesa

VICINITY MAP: 2960 RANDOLPH AVE - [Created: 1/11/2016 5:23:29 PM] [Scale: 369.89] [Page: 8.5 x 11 / Portrait]

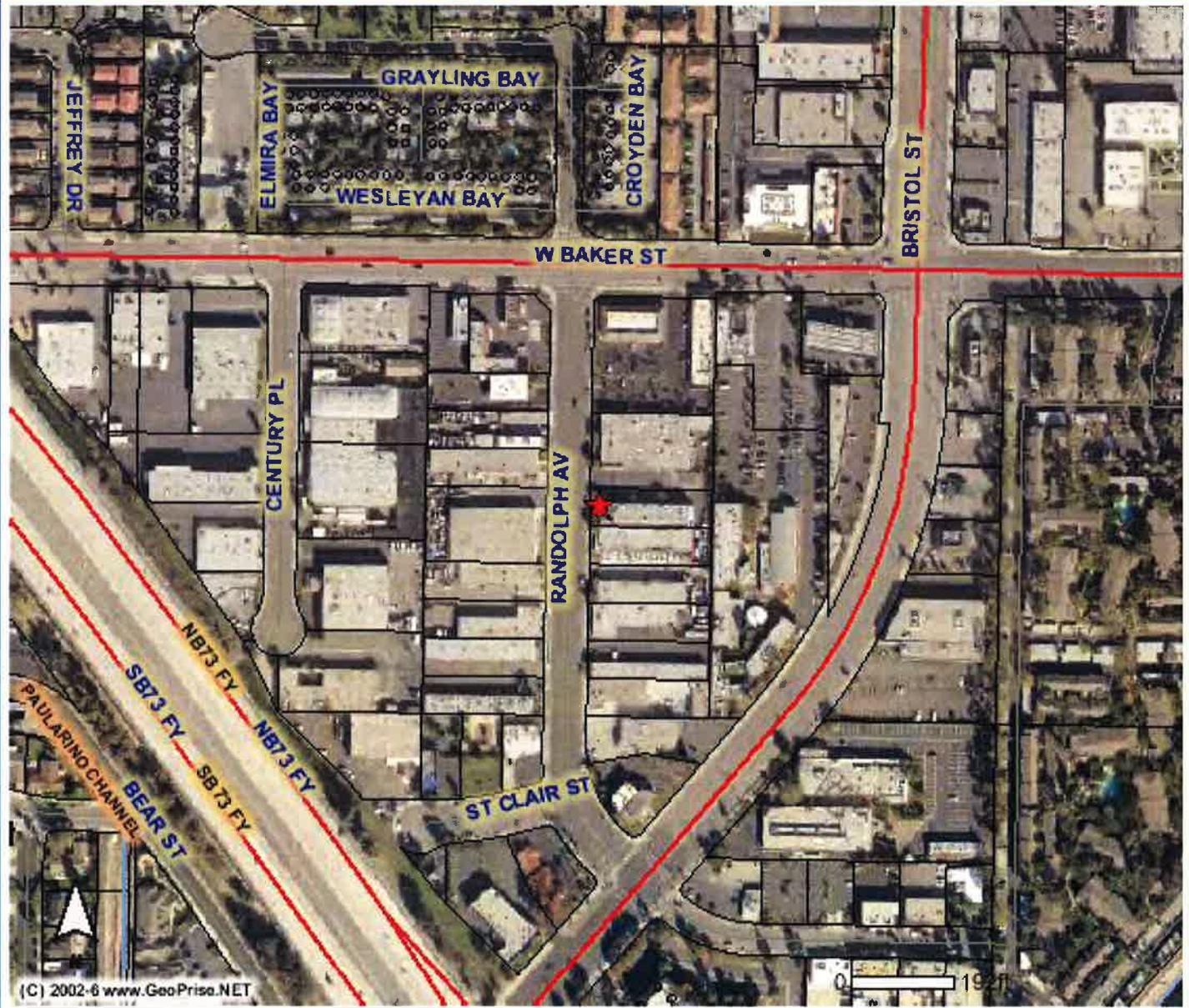
## Overview Map

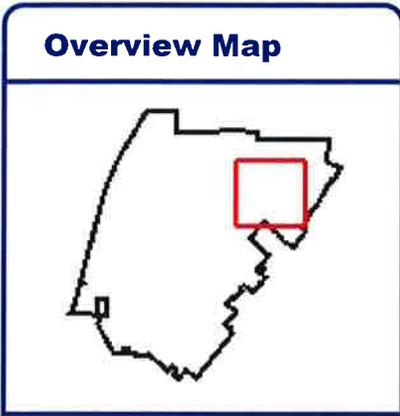


## Legend

- |                |                          |                    |                              |
|----------------|--------------------------|--------------------|------------------------------|
| Address Points | Roads                    | Major Newport BLVD | SECONDARY Hydrology Channels |
| Freeway        | Collector Freeway (cont) | Primary (cont)     |                              |

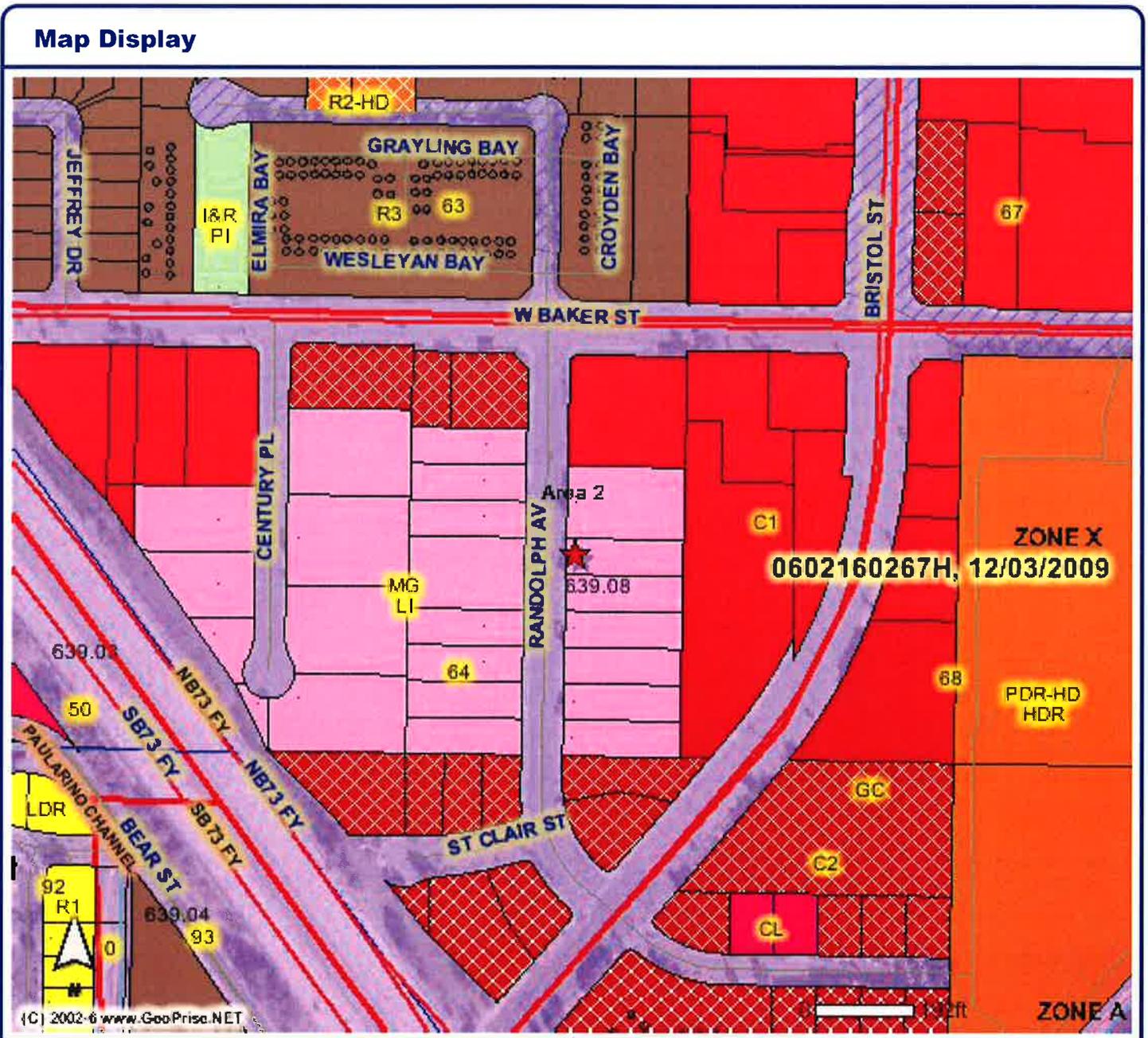
## Map Display





### Legend

	Address Points		Newport BLVD		Parcel Lines		C1-S
	Freeway Roads		Primary		City Boundary		C2
	Collector Freeway		SECONDARY Hydrology Channels		Water Ways		CL
	Major (cont)		Street Names		Zoning		I&R
			Street Centerlines		AP		I&R-S
					C1 (cont)		MG
							MP
							P
							PDC (cont)



15 MAP WAS PREPARED FOR ORANGE COUNTY ASSESSOR DEPT. PURPOSES ONLY. THE ASSESSOR MAKES NO GUARANTEE AS TO THE ACCURACY NOR ASSUMES ANY LIABILITY IN OTHER USES. NOT TO BE REPRODUCED. ALL RIGHTS RESERVED. COPYRIGHT ORANGE COUNTY ASSESSOR 2011

YELLOWSTONE DRIVE

141-07

PAULARINO AVENUE

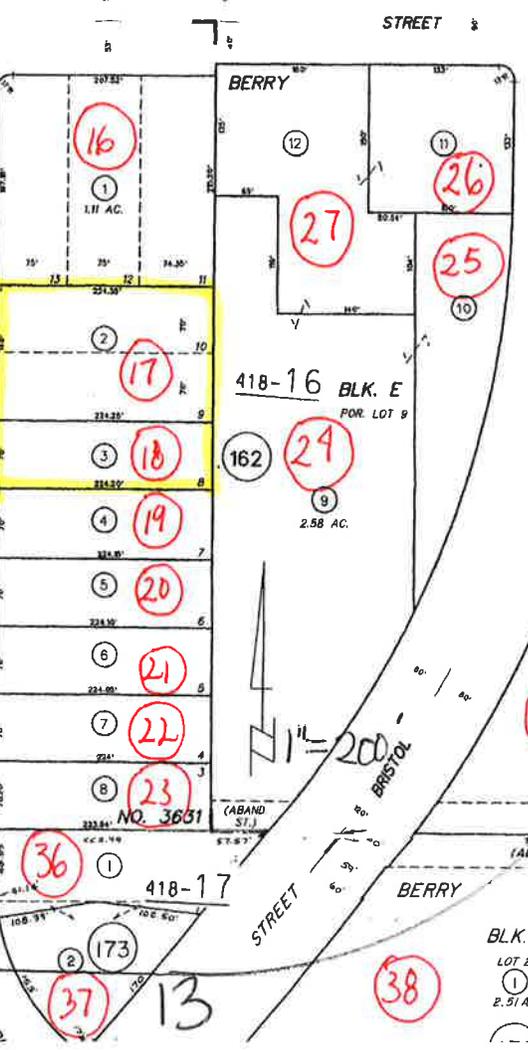
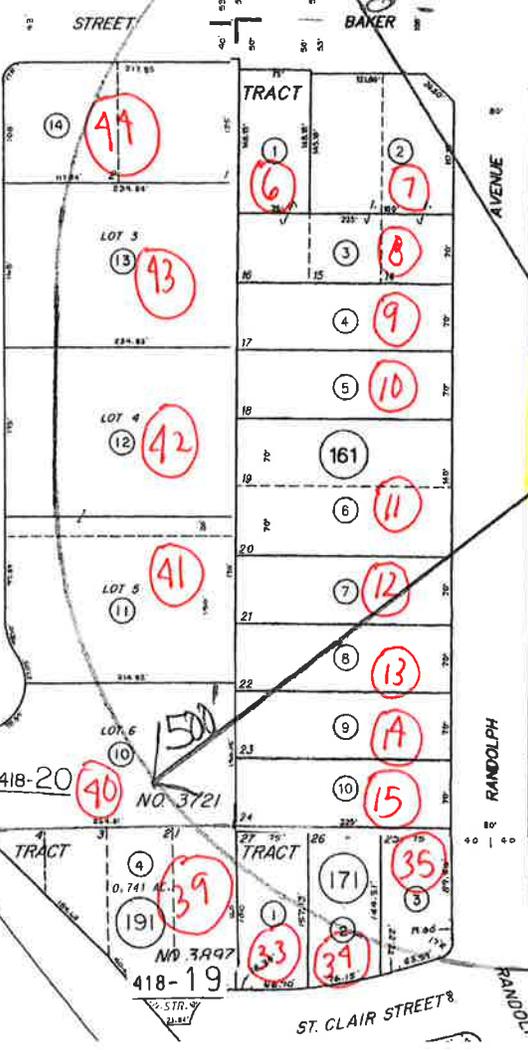
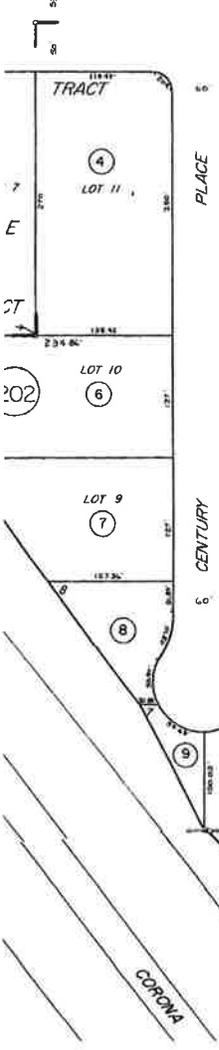
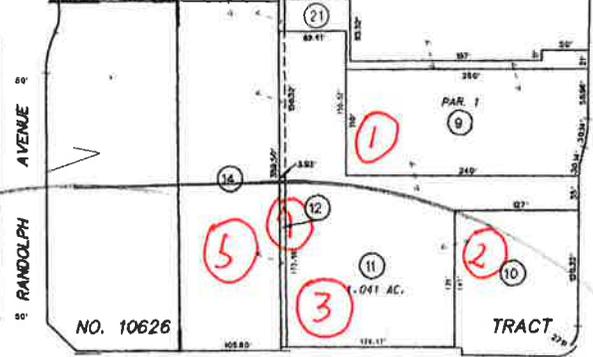
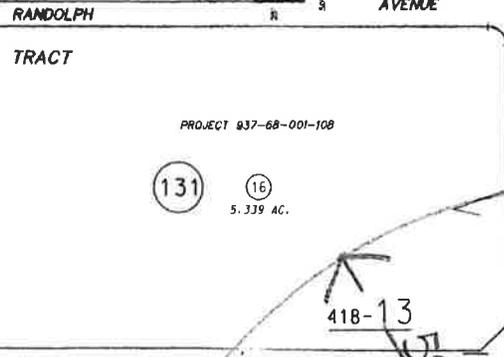
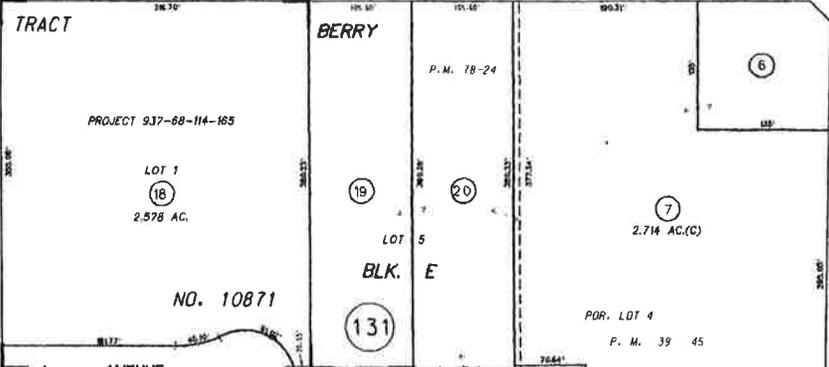
AVENUE

STREET

22

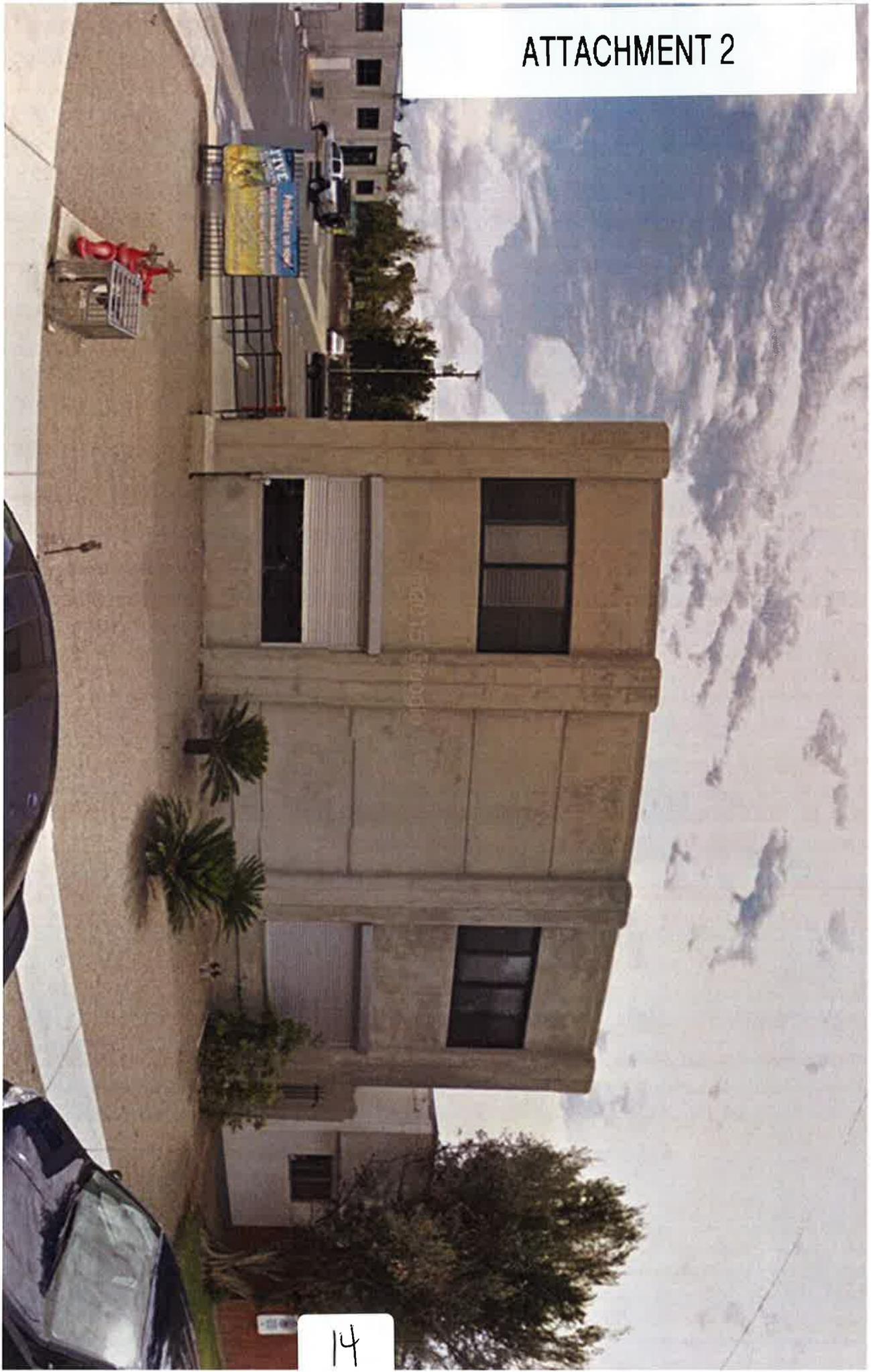
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12



ST. CLAIR STREET

BLK. F  
LOT 2  
2.51 AC.



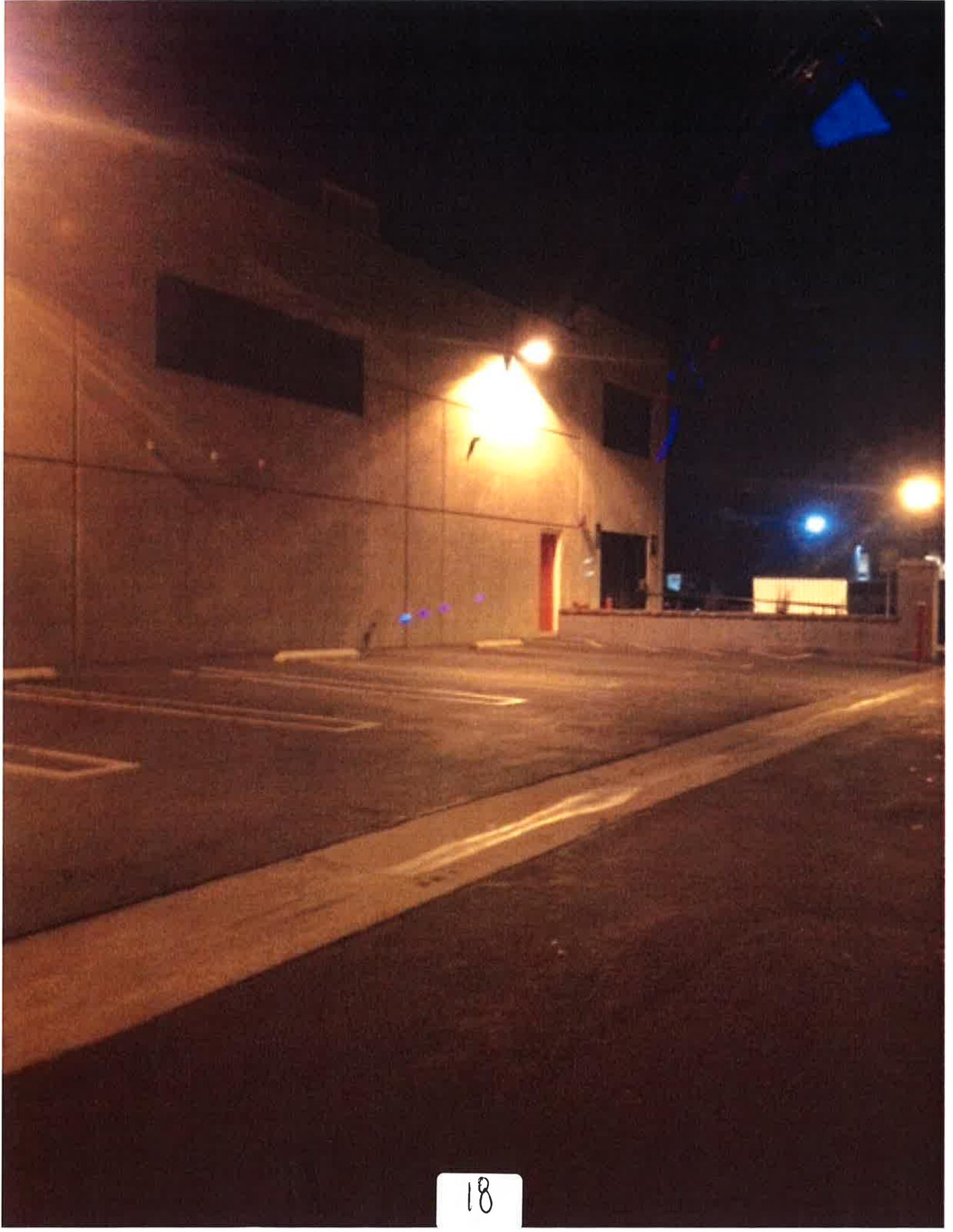


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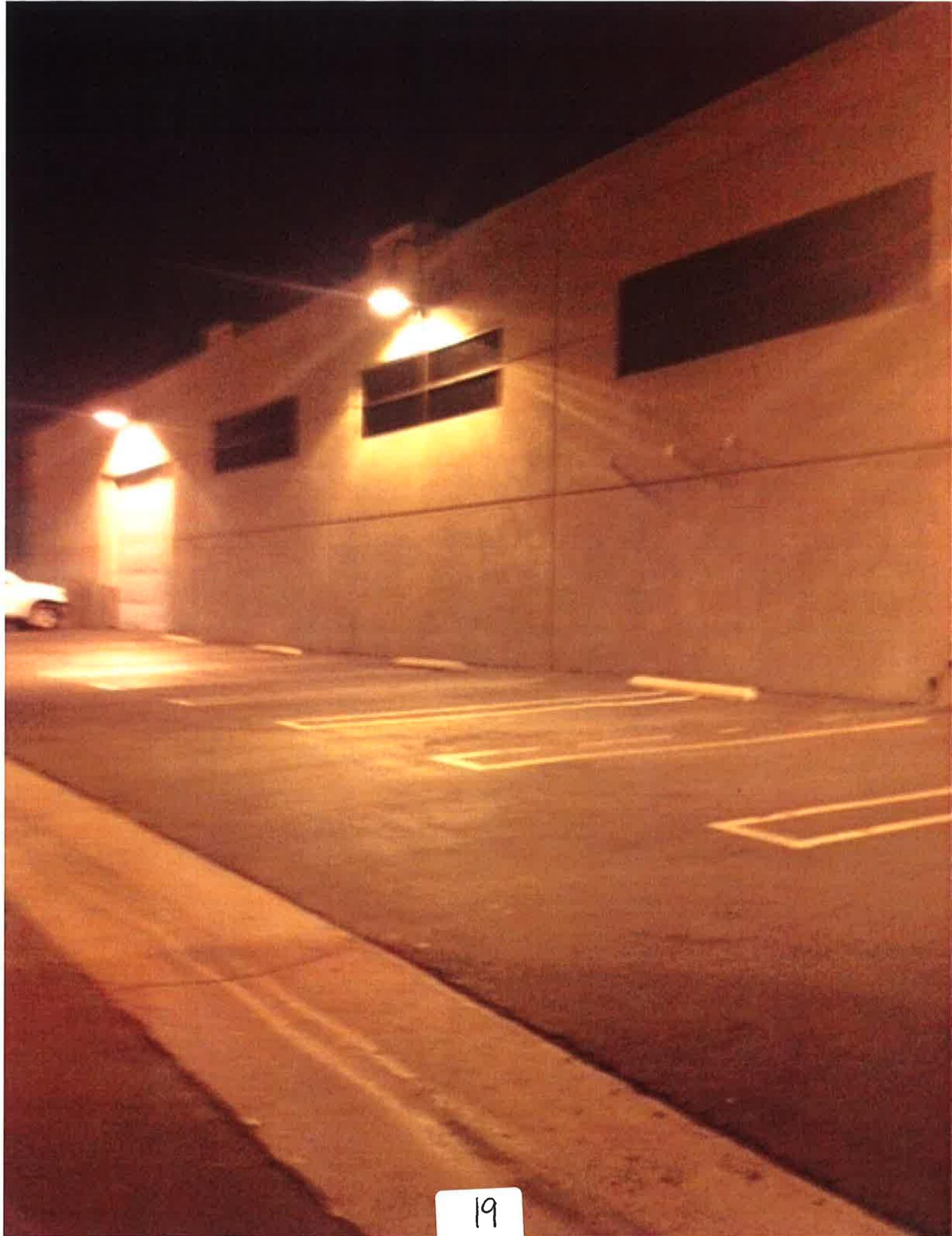


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## CONDITIONAL USE PERMIT : GUNWHALE ALES APPLICANT STATEMENT

### PROJECT DESCRIPTION

Supply House, LLC will be operating as “Gunwhale Ales”, a production craft brewery/blendery of approximately 3710 sq ft, including an ancillary retail space to permit the sale of beer brewed by us for both on-site and off-site consumption. Gunwhale Ales proposes the manufacturing of small batch artisanal ales subject to federal approval through the TTB as well as through the State Alcoholic Beverage Control (ABC) License Type 23 (Small Beer Manufacturer). We will be occupying a 7500 sq foot industrial building at the address 2960 Randolph Avenue.

The applicants are Justin Miller, JT Wallace, and Robert Fitzgerald, representing Supply House, LLC as managing members. We are an agent of property owner Jerry Palanjian.

### APPLICATION SUMMARY

Gunwhale Ales is a newly formed craft brewery, specializing in the making and selling of outstanding “farmhouse” style ales. Our beer strikes a balance between the raw, wild spirit of European farmhouse brewing, and the pioneering hop forward styles of California. We have an obsession with yeast driven Saisons, hop forward IPAs, and other rustic, wild and sour beers. Gunwhale will make beers that reflect the culinary and cultural heritage of the West Coast. This gives our beers uncommon qualities that are both surprisingly delicate and nuanced, yet refined and robust in their simplicity. We call them “Coastal Ales.”

### PROCESS

Our model takes advantage of the over-capacity of craft brewer’s kettles and allows our facility to be predominantly a place for the fermentation, aging, blending, packaging, and storage facility for beers which often require conditioning and aging. Traditional craft breweries require much more space for a brewing system and large distribution needs.

We plan to contract with several existing craft breweries to produce wort (a beer intermediate), using our recipes and labor on their brew kettles. By using this process, we can eliminate the “bakery” type odors typical for a brewery. We will then transport the wort in a stainless steel tank (loaded on our truck) back to our facility. At our facility, we will move the wort into 10 barrel fermentation tanks (stainless steel), and inoculate with yeast and bacteria to induce primary fermentation. After one to two weeks, the wort becomes beer without further intervention. We will then pump the beer into a series of either wine barrels, 10 barrel wooden foeders, or serving tanks for conditioning and aging. The beer in foeders and wine barrels will be racked in the facility to allow aging from a few months to a few years. We repeat this process, and the beer will be inspected weekly to ensure quality and to decide when the product is ready for service. When the beer is properly aged, we may blend and package into bottles or kegs, and store them until pending sale. Fermentation, barrel tending, blending, packaging, and distribution will occur during normal business hours.

The finished beer will be sold in the tasting room, for both on-site and off-site consumption. Gunwhale Ales will include a variety of styles, with flavors ranging from rustic to dry to roasty to funky and sour. The experience of visiting breweries, enjoying product, talking with brewers, and taking home bottles has proven to be a popular model for “beer geeks” and regular customers alike. These customers tend to become advocates for brands they like, sharing enthusiasm with their

friends. Due to premium pricing (\$5-8 per 12oz pour and \$10-20 per 750ml bottle), our customers are not the typical bar drinker.

Unfortunately, craft brewers receive less than half of the retail value of their beer when they use traditional methods of distribution. Therefore, a retail experience of the brand and the resulting sales contribute crucial revenue with a high profit margin which are necessary for a brewery's survival. For these reasons, the ability to sell beer directly to customers for on-site consumption is integral to the success and growth of Gunwhale Ales.

## **TEAM**

Gunwhale Ales will be managed by its three co-founders, Justin Miller, JT Wallace, and Robert Fitzgerald, all avid and experienced homebrewers. They bring a strong mix of experience in the food/beverage industry, with manufacturing, design, and marketing skills to ensure overall success of the venture. Brewing operations and management of the tasting room will be directed by Justin Miller, experienced Executive Chef of Costa Mesa's Pizzeria Ortica (award-winning chef/restauranteur David Myers). The production facility, equipment, and maintenance will be overlooked by JT Wallace, a veteran in construction and manufacturing. Robert Fitzgerald, a 16 year veteran artist / designer for Sony, will act as Director of Marketing and Sales, overseeing the brand, distribution, outreach strategies, and information technology. We have consulted with Basile Studio, a highly awarded designer, as well as numerous other breweries, for the buildout of the facility.

## **MISSION**

Gunwhale Ales sees beer in a larger context. We have a goal of building our brand, but we really hope to foster a community and a culture. We mean this in the same way that food, music, art, and design are created, by the artisan and shared with the masses. We see a lack of local breweries and venues to experience the resurgence of craft beer, but furthermore, a lack of brands that speak to the farming history of Orange County, to the coastal lifestyle, and to complex but approachable beer styles. Gunwhale Ales will be anchored by the tasting room that is a place that not just offers better beer product, but an environment that strives to incubate meaningful interaction and ideas. The tasting room will be a crucial sales tool, allowing access to the full experience of the brand, very much in similar fashion to a winery tasting room. Instead of adding to the noise, we will promote collaboration, constructive discourse, and transparency, with hopes to bring along the community on our beer making adventure. We hope we can do our part in affecting the culture around food and beverage, in raising the bar for sustainable and premium quality and in responsible consumption. This is a culture that celebrates independence and encourages community, and we hope to make the community of Costa Mesa our own.

## **CONDITIONAL USE PERMIT**

The property at 2960 Randolph Ave is zoned MG (General Industrial District) and has a general plan land use designation of Light Industrial. The property is located within the South Bristol Entertainment & Cultural Arts (SoBECA) Urban Plan. The property is located approximately mid-block on the east side of Randolph Avenue between Baker Street and Bristol Street. The mixed-use area surrounding this property consists of industrial and manufacturing uses as well as a few office and commercial uses, including cafes, bars, and a nightclub. The site contains an existing industrial building with surface parking. The property shares a common driveway with 2968 Randolph Avenue to the north, which contains a one-story 20,000 sq foot building occupied by Commissary Lounge and a martial arts studio.

We propose to use this site as a production craft brewery. Breweries/distilleries are conditionally permitted for use in the General Industrial district. In conjunction with the manufacturing of artisan ales, we propose a floor plan that includes 1112 sq. ft tasting area. This area will consist of 692 sq ft indoors and 420 sq ft of outdoor patio space. The tasting area will be considered ancillary to the

primary use, but will be crucial to expose customers to a new brand and to create demand for a product that is underserved in Costa Mesa and in Orange County in general. The patio space will be a renovation to the front exterior of the building on Randolph Ave.(for which we will seek a permit), similar to other quality renovations on this street due to market changes in this area. It will be a partly covered patio space, enclosed in adherence to all ABC regulations. The ABC License Type 23 allows for both onsite consumption (tasting) and off-premise consumption (packaged beer to go). No food service is to be provided, however, we would hope to program food trucks or delivery of food for on-site consumption from nearby businesses. We would like to arrange food pairings or private beer/culinary experiences with local commercial kitchens and nearby restaurants. We see this as a unique neighborhood experience for Costa Mesa's craft beer aficionados.

We believe this use will complement the mixed-use strategy in the SoBECA Urban Plan by revitalizing the area through creative industrial uses that serve the community without exceeding the development capacity of the General Plan. The proposed use is compatible with other existing food/beverage/retail concepts, especially targeting artists, designers, craftspeople, and young professionals. We believe Gunwhale Ales will compliment some of these other concepts including cafes, restaurants, and bars in proximity such as those along Randolph Avenue and those located in the Camp and Lab on adjacent Bristol Ave. Due to the existence of the successful venture Barley Forge Brewing (across the street) and newly opened Windsor Homebrew, we believe the City of Costa Mesa can begin to compete in the craft beer boom that other cities are enjoying through the synergy of similar entrepreneurial ventures. We believe Gunwhale Ales can improve the retail options in order to serve the neighborhood, but it also brings well-paying manufacturing jobs, provides a gathering place around the idea of artisanal food and beverage, and contributes important tax revenue to the City of Costa Mesa.

The proposed hours of operation for the small beer manufacturer are from 5:00 a.m. to 12:00 a.m. daily. We propose the hours of operation for the retail tasting room as: Sunday through Wednesday 11:00 a.m. to 12:00 a.m. and Thursday through Saturday 11:00 a.m. to 8:30 p.m. The proposed hours of operation are compatible with what has been approved at Barley Forge Brewing at 2957 Randolph Avenue and at Commissary Lounge located next door. The proposed site shares access and parking with the property to the north, 2968 Randolph Avenue, under the same ownership. The businesses in the adjacent property also include Commissary Lounge, which is open only Thursday, Friday, and Saturday from 9:00 pm-2:00 am and a martial arts studio, which will be closed in the evening. Therefore, there will be no overlapping hours of operation with the lounge. Of the 48 on-site parking spaces in the lot, all additional spots but those dedicated to the martial arts studio (11 during the week, 22 on the weekend) will be dedicated to our use. The whole lot becomes available exclusively to our use when these businesses are closed. There will be low parking demand during the day since the facility will be used mostly for brewing and will be operated by a few employees (3 production employees early in the day and 2 sales staff in the evening). On-street parking is also available on Randolph Ave. We plan to operate a valet parking plan and will employ security during later hours in the tasting room if necessary.

# ATTACHMENT 4

## RESOLUTION NO. PC-16-\_\_\_

### A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA APPROVING CONDITIONAL USE PERMIT PA-15-50 FOR OPERATION OF A MICROBREWERY (GUNWHALES ALES).

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA HEREBY RESOLVES AS FOLLOWS:

WHEREAS, an application was filed by John Wallace, representing Supply House, LLC (Gunwhales Ales), and authorized agent for Jerry Palanjian, owner of property located at 2960 Randolph Avenue, for a conditional use permit for operation of a microbrewery (small beer manufacturer). The proposed hours of operation are from 5AM to noon daily for brewing/blending, and proposed hours of operation for retail tasting is 11AM to midnight Sunday through Wednesday, and 11AM to 8:30PM, Thursday through Saturday.

WHEREAS, a duly noticed public hearing was held by the Planning Commission on January 25, 2016, with all persons having the opportunity to speak for and against the proposed project.

BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit A, the Planning Commission hereby **APPROVES** PA-15-50 for operation of a small beer manufacturer.

BE IT FURTHER RESOLVED that the Costa Mesa Planning Commission does hereby find and determine that adoption of this Resolution is expressly predicated upon the activity as described in the staff report for PA-15-50 and upon authorized agent's compliance with each and all of the conditions contained in Exhibit B as well as with compliance of all applicable federal, state, and local laws. Any approval granted by this resolution shall be subject to review, modification or revocation if there is a material change that occurs in the operation, or if the authorized agent fails to comply with any of the conditions of approval.

**PASSED AND ADOPTED this 25th day of January, 2016.**

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Robert L. Dickson Jr., Chair  
Costa Mesa Planning Commission



**EXHIBIT A****FINDINGS**

- A. The proposed project complies with Costa Mesa Municipal Code Section 13-29(e) because:

**Finding:** A compatible and harmonious relationship exists between the proposed use and existing buildings, site development, and uses that exist or have been approved for the general neighborhoods.

**Facts in Support of Findings:** The proposed use is compatible and harmonious with uses both on site as well as those on surrounding properties. The proposed use is located in an industrial area which includes a variety of uses, including manufacturing, warehousing, fitness studio, nightclub, brewery, and auto-related uses. There are no anticipated traffic or parking impacts to surrounding properties during normal business operation. The proposed use's hours of operation, and parking requirements reflect those of the adjacent uses that share the parking lot. The outdoor patio will be enclosed by a 6-foot wall (3 feet solid/3 feet transparent material) to help mitigate noise issues.

**Finding:** Safety and compatibility of the design of the parking areas, landscaping, luminaries, and other site features including functional aspects of the site development such as automobile and pedestrian circulation have been considered.

**Facts in Support of Findings:** All staff and regular customer parking shall be on the subject properties. Outdoor lighting is to be provided for the parking lot to improve safety.

**Finding:** Compliance with any performance standards as prescribed elsewhere in Zoning Code.

**Facts in Support of Findings:** The proposed use is compliant with performance standards as prescribed in the Zoning Code. The proposed brewery and associated tasting room will be conditioned to operate as described in the submitted business description and, therefore, is compliant with Zoning Code.

**Finding:** The use is consistent with the General Plan.

**Facts in Support of Findings:** The project is consistent with the General Plan land use designation of Light Industrial. This designation is intended to permit a wide range of industrial uses to serve local and regional needs and should be insulated from sensitive uses through buffers or onsite mitigation measures. The proposed project is insulated from sensitive land uses, and abuts industrial uses on the north, south, and west, and commercial uses on the east. The nearest residentially zoned property is located more than 200 feet away, across Baker Street. The proposed use

will provide for a new entrepreneurial business in Costa Mesa and provide new employment opportunities in the community. Also, the project will protect existing residential neighborhoods as the proposed use is more than 200 feet from residentially zone property, and therefore should have minimal noise impacts to the surrounding neighborhood. Conditions of approval require no music outdoors, and provide noise mitigation measures related to the outdoor patio.

**Finding:** The planning application is for a project-specific case and is not to be construed to be setting a precedent for future development.

**Facts in Support of Findings:** The planning application is for a project-specific case and does not establish a precedent for future development. Approval will apply to this project-specific location. Conditions have been included that are specific to the proposed project.

- B. The information presented substantially complies with Costa Mesa Municipal Code Section 13-29(g)(2) in that:

**Finding:** The proposed use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.

**Facts in Support of Finding:** The proposed use, as conditioned, is compatible with the uses in the surrounding area. Compliance with the conditions of approval will allow this use to operate with minimal impact on surrounding properties and uses. The proposed use, as conditioned, will not generate adverse noise, traffic, or parking impacts that are unusual for industrially-zoned properties. The proposed use's operation reflect the adjacent uses that share the common parking lot; consequently, adequate parking will be provided. The patio will be enclosed by a 6-foot wall (3 feet solid/3 feet transparent material) to help mitigate any noise issues.

**Finding:** Granting the conditional use permit will not be materially detrimental to the health, safety, and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.

**Facts in Support of Finding:** The proposed use, as conditioned, will not generate adverse noise, traffic, or parking impacts that are unusual for industrially-zoned properties. The property is more than 200 feet away from the nearest residentially-zoned properties (across Baker Street). The Police Department has reviewed the proposed use and has no objections to the approval of the application. The hours of operation for the tasting room reflect adjacent uses that share the common parking lot. Customer and employee parking will be required to occur on-site and not on surrounding streets. The site landscaping will be required to be repaired/replaced in conjunction with this use.

**Finding:** Granting the conditional use permit will not allow a use, density, or intensity which is not in accordance with the General Plan designation and any

applicable specific plan for the property.

**Facts in Support of Finding:** The Light Industrial land use designation is intended to permit a wide range of industrial uses, including breweries. The majority of the businesses within the area are general industrial uses such as manufacturing, warehousing, fitness studio, nightclub, brewery, and auto-related uses. The proposed brewery will be located within an area that already has established breweries (Barley Forge). The proposed use is buffered from sensitive land uses, in that it is surrounded on three sides by industrial zoned properties, and on the remaining side (easterly property line) by commercial development. The property is also located within the South Bristol Entertainment & Cultural Arts (SoBECA) Urban Plan; however, the proposed project does not require master plan approval and does not activate any of the provisions in the urban plan since the request does not involve a new development project.

- C. The project is exempt from the provisions of the California Environmental Quality Act under Section 15301 (Class 1) for Existing Facilities. Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.
- D. The project, as conditioned, is consistent with Chapter XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code, in that the development project's traffic impact will be mitigated by the payment of traffic impact fees. Per the Transportation Division, the traffic impact fee is \$31,639.00 for the proposed use.

**EXHIBIT B****CONDITIONS OF APPROVAL**

- Plng.
1. The use shall be limited to the type of operation as described in the authorized agent's letter of description and staff report. Any change in the operational characteristics including, but not limited to, the hours of operation and additional services provided, shall require review by the Planning Division and may require an amendment to the conditional use permit, subject to either Zoning Administrator or Planning Commission approval, depending on the nature of the proposed change. The authorized agent and/or business owner agent is reminded that Code allows the Planning Commission to modify or revoke any planning application based on findings related to public nuisance and/or noncompliance with conditions of approval [Title 13, Section 13-29(o)].
  2. Hours of operation shall be limited to the hours of are from 5AM to noon daily for brewing/blending, and proposed hours of operation for retail tasting is 11AM to midnight Sunday through Wednesday, and 11AM to 8:30PM, Thursday through Saturday. Any change in the business description, hours or days of operation, etc. shall require the assessment of additional traffic impact fees. In addition, any change in hours of operation may require a parking study and written approval from existing uses that share the parking lot.
  3. The conditions of approval and ordinance or code provisions of planning application PA-15-50 shall be blueprinted on the face of the site plan as part of the plan check submittal package.
  4. A copy of the conditions of approval for the conditional use permit must be kept on premises and presented to any authorized City official upon request. New business/property owners shall be notified of conditions of approval upon transfer of business or ownership of land.
  5. The authorized agent and/or business owner shall contact the Planning Division to arrange Planning inspection of the site prior to the release of occupancy/utilities. This inspection is to confirm that the conditions of approval and code requirements have been satisfied.
  6. The licensee shall not employ or use the services of any full- or part-time active or reserve peace officer currently employed by the City of Costa Mesa or any contiguous agency for security purposes.
  7. This Conditional Use Permit does not include the allowance for live entertainment. Live entertainment may only be permitted subject to approval of a Minor Conditional Use Permit City and issuance of a "public entertainment permit". Contact Planning and Code Enforcement for application information.
  8. All special events shall be reviewed by Planning Division for approval prior to the event, and may require a "Special Event Permit" from the Finance Department prior to the event.
  9. The maximum occupancy, as determined by provisions of the Uniform Building Code or other applicable codes, shall be posted in public view within the premises, and it shall be the responsibility of management to ensure that this limit is not exceeded at any time. Occupant loads for the open patio area and the enclosed building area shall be calculated and posted separately.
  10. The business shall be conducted, at all times, in a manner that will allow the quiet enjoyment of the surrounding neighborhood. The authorized agent and/or business owner shall institute whatever security and operational measures are

necessary to comply with this requirement. On-site security shall be provided in the future, in the event that security problems or complaints develop as a result of the brewery and tasting room operations.

11. No live music, amplified music, or music speakers permitted within outdoor patio area.
12. On-site signs shall comply with the provisions of the Costa Mesa Sign Ordinance
13. The parking lot shall be posted with signs directing customers and employees to use consideration when entering their cars and leaving the parking lot.
14. The parking area shall be equipped with lighting of sufficient power to illuminate and make easily discernable the appearance and conduct of all persons on or about the parking lot.
15. Customer and employee parking shall occur on-site and not on surrounding public streets.
16. If parking problems arise, the operator shall institute whatever operational measures are necessary to minimize or eliminate the problem, including, but not limited to, reducing the tasting room area and/or modification to the operational hours of the tasting room, providing free on-site valet service, and/or acquisition of off-site parking area.
17. All sales and service staff (within 90 days of hire) shall complete Responsible Beverage Service (RBS) training with a provider approved by the California Department of Alcoholic Beverage Control. A copy of the training certificates shall be kept on premises and presented to any authorized City official upon request.
18. The authorized agent and/or business owner shall maintain free of litter all areas of the premises under which authorized agent and/or business owner has control.
19. No on-site food preparation is permitted; however food provided by one food truck at a time, or food delivered by outside vendors, shall be allowed to be consumed on site (within the tasting room). The food truck shall park within a parking space designated for the use.
20. The outdoor patio shall be enclosed by a 6-foot wall, including a 3-foot maximum solid wall and remaining 3 feet as glass or other solid transparent material.
21. Enhanced landscaping is required within the front setback under the direction of Planning Staff. Landscaping should not exceed 3 feet in height in front of the patio wall.
22. The regular use of the cold storage area (336 SF) and/or brewing production area (704 SF) for expanded seating and/or tasting events is expressly prohibited.
23. The authorized agent and/or business owner shall defend, indemnify, and hold harmless the City, its elected and appointed officials, agents, officers and employees from any claim, action, or proceeding (collectively referred to as "proceeding") brought against the City, its elected and appointed officials, agents, officers or employees arising out of (1) City's approval of the project, including but not limited to any proceeding under the California Environmental Quality Act. The indemnification shall include, but not be limited to, damages, fees and/or costs awarded against the City, if any, and cost of suit, attorney's fees, and other costs, liabilities and expenses incurred in connection with such proceeding whether incurred by the authorized agent and/or business owner, the City and/or the parties initiating or bringing such proceeding. This indemnity provision shall include the authorized agent and/or business owner's obligation

to indemnify the City for all the City's costs, fees, and damages that the City incurs in enforcing the indemnification provisions set forth in this section.

### **CODE REQUIREMENTS:**

The following list of federal, state and local laws applicable to the project has been compiled by staff for the authorized agent and/or business owner's reference. Any reference to "City" pertains to the City of Costa Mesa.

- Plng.
1. Approval of the planning application is valid for one year from the effective date of this approval and will expire at the end of that period unless authorized agent and/or business owner establishes the use by obtaining a business license and legally establishes the business. If the authorized agent and/or business owner is unable to establish the use within the one-year time period, the authorized agent and/or business owner may request an extension of time. The Planning Division must receive a written request for the time extension prior to the expiration of the planning application.
  2. If construction is proposed, noise-generating construction activities shall be limited to 7 a.m. to 7 p.m. Monday through Friday and 9 a.m. to 6 p.m. Saturday. Noise-generating construction activities shall be prohibited on Sunday and the following Federal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.
  3. Permits shall be obtained for all signs according to the provisions of the Costa Mesa Sign Ordinance.
  4. All areas or structures in which such operations are conducted shall be located or treated as to prevent annoyance or a detriment to any other existing on-site uses and surrounding properties.
  5. Use shall comply with all requirements of Articles 5 and 9, Chapter V, Title 13 of the Costa Mesa Municipal Code relating to industrial development standards.
  6. Street address shall be displayed on the fascia or store front adjacent to the main entrance of the building, in a manner visible to the public street. Numerals shall be a minimum 12" in height with not less than 3/4" stroke and shall contrast sharply with the background. Identification of individual units shall be provided adjacent to the unit entrances. Letters or numerals shall be 4" in height with not less than 1/4" stroke and shall contrast sharply with the background.
  7. Parking stalls shall be double-striped in accordance with City standards.
  8. Trash enclosure(s) or other acceptable means of trash disposal shall be provided. Design of trash enclosure(s) shall conform to City standards. Standard drawings are available from the Planning Division.
  9. All exits shall be clearly marked with "EXIT" signs.
  10. All conditions of the California Alcoholic Beverage Control Board shall be complied with.
  11. Two (2) sets of detailed landscape and irrigation plans, which meet the requirements set forth in Costa Mesa Municipal Code Sections 13-101 through 13-108, shall be required as part of the project plan check review and approval process. Plans shall be forwarded to the Planning Division for final approval prior to issuance of building permits. Landscaping per the above conditions of approval shall be installed in accordance with the

- approved plans prior to final inspection or occupancy clearance.
- Bldg. 12. Comply with the requirements of the 2013 California Building Code, 2013 California Residential Code, 2013 California Electrical Code, 2013 California Mechanical Code, 2013 California Plumbing Code, 2013 California Green Building Standards Code and 2013 California Energy Code (or the applicable adopted, California Building Code, California Residential Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Green Building Standards, and California Energy Code at the time of plan submittal or permit issuance) and California Code of Regulations also known as the California Building Standards Code, as amended by the City of Costa Mesa.
13. Requirements for accessibility to sites, facilities, buildings and elements by individuals with disability shall comply with chapter 11B of the 2013 California Building Code.
1. Accessibility shall be to and through the front door and to the commercial space from the public sidewalk.
  2. Accessible restrooms/bathrooms in the commercial space.
  3. Accessible parking.
  4. Accessible entry door, ramps, landings, sidewalks, hallways, strike edge clearances and elevation changes.
  5. Additional access requirements maybe required as per 2013 California Building Code
14. Fulfill mitigation of off-site traffic impacts at the time of issuance of occupancy by submitting to the Planning Division the required traffic impact fee pursuant to the prevailing schedule of charges adopted by the City Council. The traffic impact fee is calculated including credits for all existing uses. At the current rate per trip end, the traffic impact fee is \$31,639.00. NOTE: The Traffic Impact Fee will be recalculated at the time of issuance of building permit/certificate of occupancy based upon any changes in the prevailing schedule of charges adopted by the City Council and in effect at that time.
15. Customer shall contact the Mesa Water District – Engineering Desk- and submit an application and plans for project review. Customer must obtain a letter of approval and a letter of completion from Mesa Water District.
- Bus. Lic. 16. A completed “Application for Business License” is required for all persons conducting business within the City.
17. If construction is proposed, all contractors and subcontractors must have valid business licenses to do business in the City of Costa Mesa. Final inspections, final occupancy and utility releases will not be granted until all such licenses have been obtained.

### **SPECIAL DISTRICT REQUIREMENTS**

The requirements of the following special districts are hereby forwarded to the authorized agent and/or business owner:

- AQMD 1. Authorized agent and/or business owner shall contact the Air Quality Management District (AQMD) at (800) 288-7664 for potential additional conditions of development or for additional permits required by AQMD.
- CDFA 2. Comply with the requirements of the California Department of Food and

Agriculture (CDFA) to determine if red imported fire ants exist on the property prior to any soil movement or excavation. Call CDFA at (714) 708-1910 for information.

- OCHD 3. Provide a plan to the County of Orange Health Department for review and approval.

**RESOLUTION NO. PC-16\_\_**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE  
CITY OF COSTA MESA DENYING CONDITIONAL USE  
PERMIT PA-15-50**

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA HEREBY  
RESOLVES AS FOLLOWS:

WHEREAS, an application was filed by John Wallace, representing Supply House, LLC (Gunwhales Ales), and authorized agent for Jerry Palanjian, owner of property located at 2960 Randolph Avenue, for a conditional use permit for operation of a microbrewery (small beer manufacturer). The proposed hours of operation are from 5AM to noon daily for brewing/blending, and proposed hours of operation for retail tasting is 11AM to midnight Sunday through Wednesday, and 11AM to 8:30PM, Thursday through Saturday.

WHEREAS, a duly noticed public hearing was held by the Planning Commission on January 25, 2016, with all persons having the opportunity to speak for and against the proposed project.

BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit A, the Planning Commission hereby **DENIES** PA-15-50 with respect to the property described above.

**PASSED AND ADOPTED this 25th day of January, 2016.**

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Robert L. Dickson Jr., Chair  
Costa Mesa Planning Commission



## EXHIBIT A

### FINDINGS (DENIAL)

- A. The proposed project does not comply with Costa Mesa Municipal Code Section 13-29(e) because:
  - 1. A compatible and harmonious relationship does not exist between the proposed use and existing buildings, site development, and uses on surrounding properties.
  - 2. The proposed use is not consistent with the General Plan or Redevelopment Plan.
  
- B. The information presented does not comply with Costa Mesa Municipal Code Section 13-29(g)(2) with regard to the conditional use permit amendment in that the proposed use is not compatible with developments in the same general area. Granting the request will be materially detrimental to the health, safety, and general welfare of the public or otherwise injurious to properties or improvements within the immediate neighborhood.
  
- C. The Costa Mesa Planning Commission has denied Planning Application PA-15-50, Pursuant to Public Resources Code Section 21080(b)(5) and CEQA Guidelines Section 15270(a) CEQA does not apply to this project because it has been rejected and will not be carried out.
  
- D. The project is exempt from Chapter XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

ATTACHMENT 5

**GUNWHALE ALES BREWERY & TASTING ROOM**  
 2968 RANDOLPH AVE, COSTA MESA 92626

**SITE PLAN** JT WALLACE : 949.350.2900 R.FITZGERALD : 858.220.2380

GRAVEL YARD  
 RAMP  
 GRAVEL YARD

EXISTING PROPERTY TO REMAIN AS IS  
 2968 RANDOLPH AVE  
 (COMMISSARY LOUNGE) (5 ELEMENTS MMA)

32  
 33  
 34  
 35  
 36  
 37  
 38  
 39  
 40  
 41  
 42

GATED LOT  
 GATE

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

PARKING LOT : 48 SPACES  
 TYPICAL DIMENSION 7'W X 15.5'L

PROPERTY LINE 227'

SIDEWALK  
 GRAVEL FRINGE

STREET CENTER LANE

RANDOLPH AVE

DRIVEWAY

16 17 18 19 20 21 22 23 24 25 26 27 28 29

30 31

TRASH ENCLOSURE  
 23'L x 17.5' W  
 STORAGE

EXISTING PROPERTY TO REMAIN AS IS  
 (GRAND PRIX PERFORMANCE)

PROPOSED PATIO  
 12' x 35'  
 ENCLOSED WALL 6' HIGH (3' GLASS)

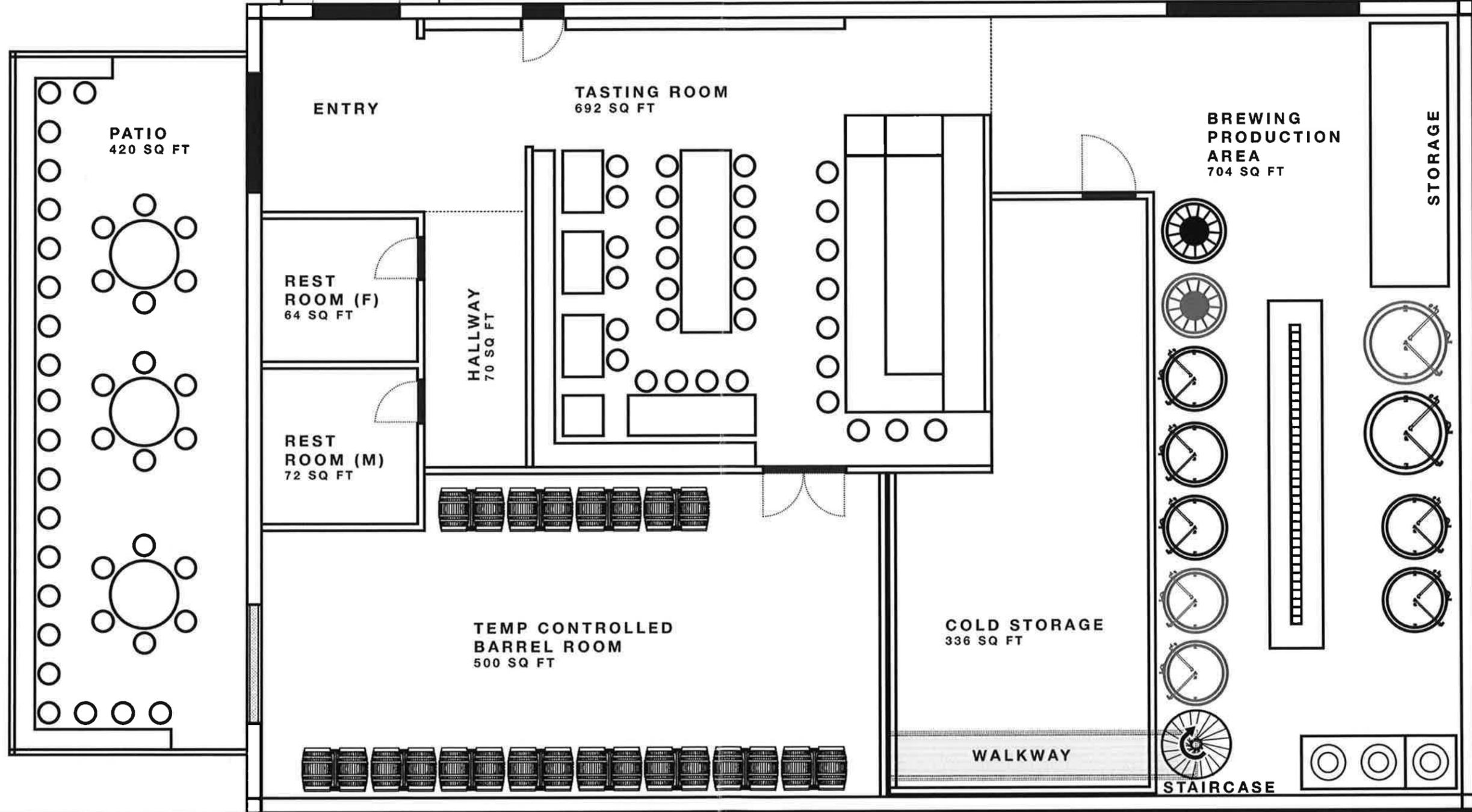
PROPERTY LINE 70'

PROPERTY LINE 227'

40' BETWEEN PROPERTY LINE AND CENTER LINE

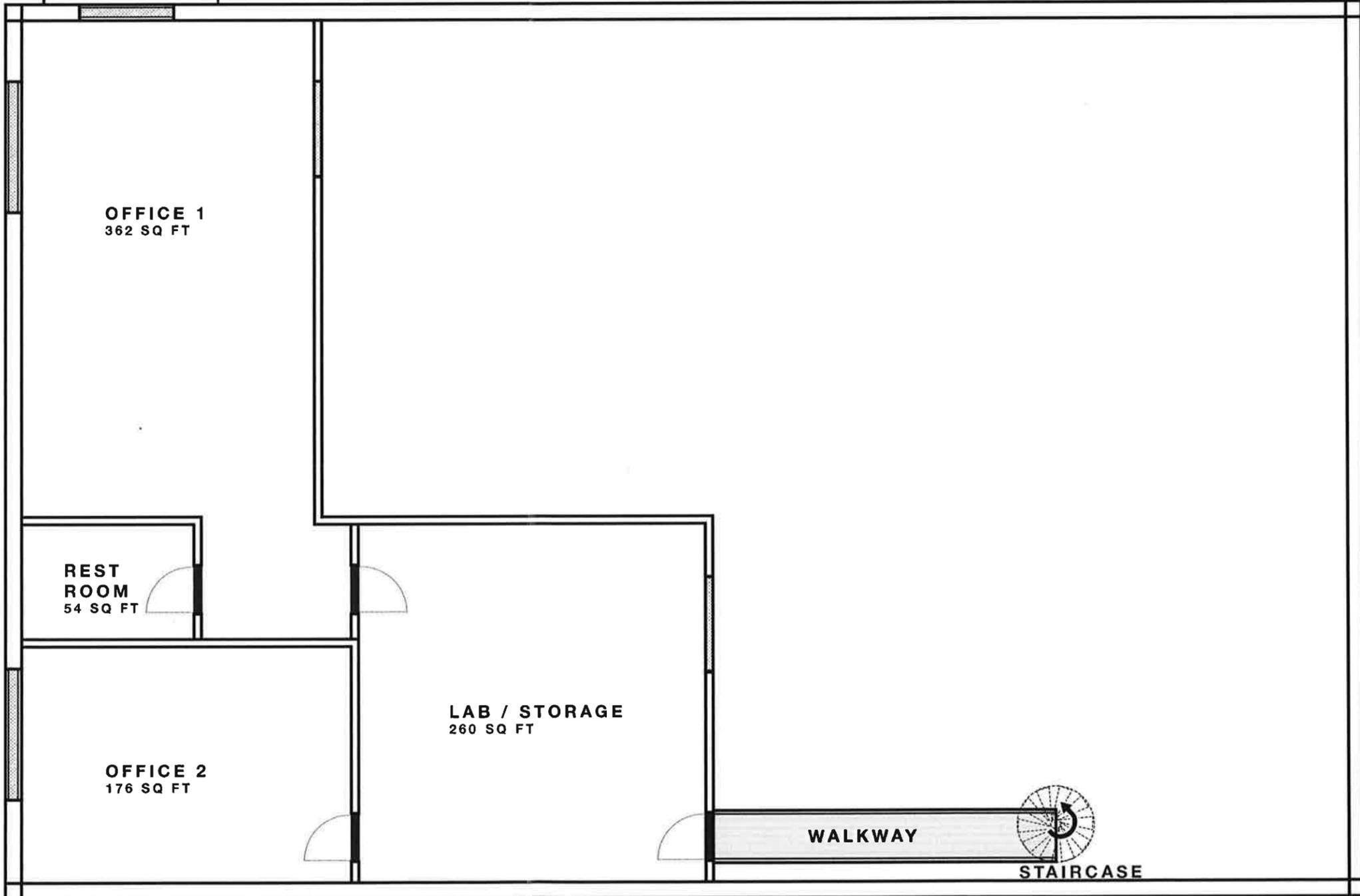
PROPERTY LINE 70'

36



GROUND LEVEL TOTAL : 2858 SQ FT

SECOND STORY  
WINDOWS



UPPER LEVEL TOTAL : 852 SQ FT

**LOOMIS, RYAN**

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**Subject:** FW: Gunwhale Ales

**From:** Anne Younglove [mailto:anne.younglove@gmail.com]  
**Sent:** Thursday, January 21, 2016 12:36 PM  
**To:** clair.flynn@costamesaca.gov; LOOMIS, RYAN <RYAN.LOOMIS@costamesaca.gov>  
**Subject:** Gunwhale Ales

Dear Planning Commission Members Loomis and Flynn,

I am a resident of Costa Mesa for 31 years and supportive and dedicated to the culinary growth of our city. I am thrilled to hear you are reviewing the opportunity of expanding our culinary diversity in our great city.

I have read about Gunwhale Ales an up and coming brewery offering yet another alternative to an outstanding culinary experience. A create venue with an interactive experience to learn about the complexities of the artisan's brewing process.

We are thrilled with the new restaurant options in this area of Costa Mesa and are in hopes a micro brew will join the ranks of excellent food option in Costa Mesa.

Thank you for your time.

Sincerely,

Annie Younglove  
229 Robin Hood Pl  
Costa Mesa,  
Ca. 92627

ref:  
PA-15-50 : Conditional Use Permit for a Microbrewery and Tasting Room at 2960 Randolph Ave  
<http://www.costamesaca.gov/ftp/planningcommission/agenda/2016/2016-01-25/PH-3.pdf>

PH 3

**LOOMIS, RYAN**

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**Subject:** FW: Gunwale Ales

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**From:** Bryan Marseilles [<mailto:bryan@seaworthcoffee.com>]  
**Sent:** Thursday, January 21, 2016 12:45 PM  
**To:** LOOMIS, RYAN <[RYAN.LOOMIS@costamesaca.gov](mailto:RYAN.LOOMIS@costamesaca.gov)>  
**Cc:** FLYNN, CLAIRE <[CLAIRE.FLYNN@costamesaca.gov](mailto:CLAIRE.FLYNN@costamesaca.gov)>  
**Subject:** Gunwale Ales

Hello Ryan and Claire,  
I wanted to drop a quick note in support of Gunwale Ales CUP for a microbrewery at 2960 Randolph Ave. We are a 3 year old Costa Mesa based company and embrace other businesses that have a positive impact on Costa Mesa's rich culture and economy. We feel that having them here will be an asset to our community.

Kind regards,  
Bryan Marseilles  
Cofounder  
Seaworth Coffee Co.  
[bryan@seaworthcoffee.com](mailto:bryan@seaworthcoffee.com)  
(949) 887-8733 c.

PH-3

1-20-2016 Delivered by U.S. Express Mail - Next Day Delivery  
To: Costa Mesa Planning Department  
City of Costa Mesa  
Development Services Department  
Planning Division  
P.O. Box 1200  
Costa Mesa, CA 92628  
[ 77 Fair Drive Second Floor ]  
From: Dr. Harold Cozen  
1600 Cataluna Place  
Palos Verdes Estates, CA 90274  
Re: PA-15-50  
2960 Randolph Ave.  
Hearing Date: January 25, 2016

REC'D JAN 21

I am the owner of property addressed as 2941 Randolph Ave. [AP418-161-10]. 2960 Randolph Ave. is across the street from 2941 Randolph and two buildings closer to Baker.

As you are aware, parking is in short supply in this area. I would like to be reassured that should this conditional use permit be approved, the conditions for approval include language that prohibits and prevents any parking on my 2941 Randolph Ave. property at any time.

Thank you,



Dr. Harold Cozen

**COLGAN, JULIE**

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**From:** David Smith <onedjsmith@gmail.com>  
**Sent:** Thursday, January 21, 2016 12:00 PM  
**To:** PLANNING COMMISSION  
**Cc:** Kitty; Jeannine Hawkes; Wesley Boothe; kelly.kat; Colin Zarbough  
**Subject:** PA-15-50 CUP for microbrewery at 2960 Randolph Avenue Costa Mesa

Ladies and Gentlemen of the Planning Commission,

I am a homeowner at 788 Wesleyan Bay, Costa Mesa in the near vicinity of the above proposed project.

I object to the conditions of approval for the above referenced project as now proposed, specifically:

- Hours of Operations proposed: 11 Am to midnight, Sunday though Wednesday (due to shared parking with the Commissary and their hours) - I am opposed to these extended hours which would allow them permission for special events on weekdays. The hours of operation should be set as 11 Am to 8:30 Pm ALL days.
- Shared Parking: While I am not opposed to shared parking where there are parking uses that are not being used at night, etc. - The shared parking agreements and valet agreements in the SOBECA area are not working. Parking/zoning regulations and their amounts per use are minimal to begin with, when shared parking comes in play adequate parking in the real world is never met. The area is becoming very busy and, besides noise and nuisance complaints (due to drunk patrons leaving venues) and too many police actions, the root of the problem in the area is non-adequate parking - which spills over and affects the neighboring residential communities. The area needs to fix the parking challenge and I am not convinced that shared parking agreements are the way to go.
- Food Trucks for outside vending: the CUP should include specific areas for parking these trucks, which do not use the parking spaces that are required. Also a loading area should be allowed for "delivery of catering from outside restaurants" as proposed - again not using the parking spaces that are required.
- Former Conditions of Approval: The Conditions of Approval for the Commissary and the Grand Prix complex have never been completely complied with, nor has the City enforced them - specifically: their landscape was to be upgraded and street trees replaced; they were to submit an acoustical study and upgrade the Commissary to the stipulations of that study in order to reduce noise to the adjacent neighborhoods. Until those conditions are met, I am opposed to these new conditions being approved.
- Traffic: As asked for many times in the past, and not specific to this CUP but that needs to be mentioned: Traffic in the area is problematic, speeding and incidents with pedestrians are constant and we have even had deaths on Baker as well as many bad accidents. We remain advocates and supporters of a traffic light or lighted crosswalks at Randolph and Baker to help mitigate these challenges, slow down traffic, and give access to the neighborhood through a legal intersection/crosswalk that, without marking, is unknown to traffic to be legal (therefore traffic does not slow down and stop as is the law - corner to corner of cross streets).

I remain an advocate of fair and planned development in this area as it evolves. However, the City has not done their job in enforcing the agreements that are in place nor are the City's planning efforts adequate in long term planning towards the area development. The piece meal approach that is evolving is not working. It is affecting our neighborhood and property values. We want to remain good neighbors to the area development and want the area development to be good neighbors to us. As a representative of Pentridge Cove I Homeowner's Association and its Board of Directors, I am open to discussions and input into the area planning with City officials and business owners.

Thank you in advance for taking these points into consideration when changing/granting this CUP.

--

**David Jordan Smith, AIA, CSI**  
Architecture - Construction Management  
788 Wesleyan Bay  
Costa Mesa, CA 92626  
(714) 392-3834 Cell  
[onedjsmith@gmail.com](mailto:onedjsmith@gmail.com)

**LOOMIS, RYAN**

---

**From:** Marice H. DePasquale <marice@mconsensus.com>  
**Sent:** Friday, January 22, 2016 12:50 PM  
**To:** rdickson.cmpc@gmail.com; colinkmccarthy@yahoo.com; aventrue@ca.rr.com; sandranian@yahoo.com; twsesler@gmail.com  
**Cc:** LOOMIS, RYAN  
**Subject:** Re: Objections by Barley Forge Brewing Company, LLC to CUP Application No. PA-15-50 by Gunwhale Ales/John Wallace, Supply House LLC

Planning Commissioners:

As some of you recall, I represented Barley Forge now some time ago before you on the matter of obtaining their CUP. As you are all aware, there is another brewery on Randolph with an application before the Commission next week, and Mr. Nysten has sent you a letter outlining his concerns and objections.

I am reaching out to you to provide what I hope is a concise snapshot of the issues. First, Nysten is not opposed, and welcomes the vitality to the area. When reading the staff report there are a few things that are concerning, and it appears that the Barley Forge Staff Report and hearing were not reviewed, so I'm going to provide some details as context. Below are my topics for your consideration:

#### Food Trucks

We were absolutely told - by the community, public input and the Planning Commission this would not be allowed, nor would customers bringing in outside food - we took a condition that states as much. What has changed, the area is still the same, the traffic and parking are still at a premium? This should not be allowed and a condition like the one on Barley Forge should apply here as well.

#### Traffic Fees

The fees for the the proposed CUP before you are less than Barley Forge paid, for a space that is twice the size? Why aren't the traffic fees double what Barley Forge was assessed? This seems very unfair and I wonder if there just isn't a simple math error that needs to be corrected? We would like clarification as to how the fees were calculated and so much less.

#### Hours of Operation

Without getting in to the multiple issues the surrounding neighbors have with the existing Commissary, the new brewery is proposed to close a mere 30 minutes before the Commissary opens? How can one guarantee that the parking will free up so quickly, that patrons won't leave their cars and walk to The Camp (which is one of the great benefits of the SOBECA area - park, go to one place, walk to another); and where will the Commissary patrons who arrive at least an hour early to line up to get it park?

#### Patio

The Commissary applied for and was denied a patio if my memory serves me correctly - this CUP in essence gives them one. There is no way to enforce them to not use it. The community has voiced their concerns on this issue in the past. This request for an encroachment is not merited here, and a comparison to the Rooster, which is closed more hours than it is open is not the same. Further, The Rooster do not allow alcohol or smoking.

I hope these points are helpful to you in making your decision and weighing the facts. Again, my client encourages new, vital uses, bringing folks to the area, he'd just like a level playing field, and as the staff report reads right now, that does not seem to be the case.

I am around all day and weekend. Please feel free to give me a call or shoot me an email.

All the best, Marice

--

Marice H. DePasquale

Principal

MConsensus

3609 W. MacArthur Blvd., Suite 812

Santa Ana, CA 92672

(949) 433-4261

PH-3

**LOOMIS, RYAN**

---

**From:** Ryan Johnson <ryanjusc@gmail.com>  
**Sent:** Friday, January 22, 2016 9:58 AM  
**To:** LOOMIS, RYAN; FLYNN, CLAIRE  
**Subject:** PA-15-50: Conditional Use Permit for a Microbrewery and Tasting Room at 2960 Randolph Ave

I live at 287 Sherwood Street in Costa Mesa and am writing in support of the above referenced application. I feel that our City has grown tremendously in the creative culinary scene and feel that this project would be a perfect compliment to the ever evolving tapestry of the City. The project would not only bring tax dollars to the City but would further foster the ends of community among the residents. I strongly support this project and encourage the Commission to approve this project.

Sincerely,  
Ryan Johnson

--  
Ryan Johnson



2957 Randolph Avenue, Unit B  
Costa Mesa, CA 92626  
(310) 701-3406  
greg.nylen@barleyforge.com

January 22, 2016

Chair Robert L. Dickson, Jr.  
Vice Chair Jeff Mathews  
Commissioner Stephan Andranian  
Commissioner Colin McCarthy  
Commissioner Tim Sesler  
Costa Mesa Planning Commission  
City Hall, Second Floor  
77 Fair Drive  
Costa Mesa, California

Re: Objections By Barley Forge Brewing Co. To CUP Application No. PA-15-50 By John Wallace, Supply House LLC/Gunwhale Ales

Dear Chair Dickson, Jr., Vice Chair Mathews, and Commissioners Andranian, McCarthy and Sesler:

I am the President and Co-Founder of Barley Forge Brewing Company ("Barley Forge"), located at 2957 Randolph Avenue in Costa Mesa. In 2014, I left a long career as a full-time lawyer at a prestigious law firm and my wife left her career as a custom jeweler and educator, risking everything to open Barley Forge. We also uprooted our family and left Los Angeles to open our brewery, choosing to locate in Costa Mesa for a variety of reasons. One of those reasons was the support we received from the City of Costa Mesa, both in the CUP application process and since we opened.

In the process of opening, the City required Barley Forge to pay substantial Traffic Impact Fees and to make sure we were adequately parked pursuant to the City's zoning ordinances. We understand why this is critically important given the general lack of parking in the SoBECA mixed-use overlay.

I am writing the Planning Commission with respect to the application by John Wallace, Supply House LLC/Gunwhale Ales ("Gunwhale Ales") for a Conditional Use Permit to be allowed to open a brewery at 2960 Randolph Avenue (the "Proposed Location"), directly across the street from our brewery. While I do not oppose the opening of another brewery in Costa Mesa as a general matter, and while I applaud others who choose to enter my profession, I want to make sure that Gunwhale Ales is held to the same exacting parking requirements and standards Barley Forge was required to meet in obtaining its Conditional Use Permit. I have serious concerns about how those standards can be met at the Proposed Location, and for that reason Barley Forge Brewing Company, LLC and I object to Gunwhale Ale's CUP application. My primary concerns are outlined below.

### **Prior Issues With Patrons Of The Commissary**

Parking is at a premium in Barley Forge's parking lot and it is critical that it is available to Barley Forge patrons. We meet all the parking requirements on-site for our operations, however, like most businesses, we are not equipped to accommodate off-site use parking demands. On numerous occasions patrons of The Commissary have parked in our parking lot and then walked over to The Commissary, which is located in a building owned by an individual whom I understand is also apparently a partner in Gunwhale Ales. This has been an ongoing issue, and I have left my card with bouncers at The Commissary when the problem occurs and asked them to inform the owner of the business and never heard anything back. I am very concerned that Gunwhale Ale's patrons will do the same and park in our parking lot and exacerbate an already difficult parking situation.

### **Compliance With The Commissary's CUP**

The Commissary's CUP provides that its opening hours are from 9 p.m. - 2 a.m. Thursday through Saturday, and states on page 5 that "[t]he combined total of 48 parking spaces shall be *exclusively available to the proposed Commissary Lounge at least 30 minutes prior to the opening of the lounge for business on the approved business days.*" (Emphasis added). In its CUP application, Gunwhale Ales proposes closing at 8:30 p.m. from Thursday through Saturday. For a number of reasons, it is impossible for Gunwhale Ales to close at 8:30 p.m. and then immediately make all of the 48 parking spaces at the Proposed Location "exclusively available" to The Commissary. First, patrons often may also linger well after closing to finish their beer and socialize, and to linger in the parking lot. Those patrons will therefore occupy a number of the 48 spaces well after 8:30 p.m. at a time they are supposed to be "exclusively available" to The Commissary.

Second, we presume that as with Barley Forge, the City will require Gunwhale Ales to require its employees to park only in spaces at the Proposed Location and not park on city streets, on which parking is already extremely limited. Those

employees will thus park in some of the 48 spaces that must be available to The Commissary at 8:30 p.m. However, as is the case at Barley Forge and in our experience, it will take those employees a significant amount of time (usually an hour to an hour and a half minimum) to complete their closing duties after being open for seven plus hours before they can leave for the evening and vacate their parking spaces to free them up for The Commissary's exclusive use. These closing duties include, without limitation: counting and balancing cash drawers; reconciling credit card receipts and tips; trash collection and disposal; tap faucet cleaning; floor mopping and other general cleanup.

Similarly, The Commissary's employees will necessarily arrive well in advance of the businesses' 9 p.m. opening time to perform opening duties, including roping off portions of the parking lot for crowd control (often by midnight there is a long line of patrons extending beyond The Commissary parking lot).

Therefore, I request that as a condition of Gunwhale Ale's CUP, the brewery must be required to close at 7:30 p.m. at the absolute latest on Thursday through Saturday nights.

#### **Food Trucks And Other Outside Food**

In its CUP application, Gunwhale Ales proposes using "food trucks, local restaurants or outside catering businesses" to supply its patrons with food at the Proposed Location. When Barley Forge initially applied for a CUP, the Staff Report issued by the City before the hearing provided that all food prepared off-site, including by outside vendors (i.e. food trucks) and catering companies, would be prohibited. This proposed restriction was based in part on the significant traffic problems caused by food trucks in general, because they take up significant parking on city streets (thus doing business on a public right-of-way) or alternatively in private parking lots and create lines of people standing in those lots and on the street. In addition, food trucks are not required to pay traffic impact fees to mitigate their substantial off-site traffic impact, which creates an unfair advantage to them over licensees such as Barley Forge that are required to pay such fees. In any event, the City ultimately allowed Barley Forge to have food prepared onsite because we were opening our own restaurant contained within our brewery and *not* bringing in outside food or having food trucks in our vicinity.

Accordingly, I request that Gunwhale Ales not be allowed to use food trucks or catering businesses to supply its patrons with food at the Proposed Location, or to otherwise allow its patrons to bring in any outside food for the same reasons the City would not allow Barley Forge to bring in outside food.

**Patio**

The Commissary's CUP provides in Condition No. 17 that "[n]o outdoor seating or patio area shall be permitted," undoubtedly based on concerns over noise and the risk that patrons would take alcoholic beverages outside such an area. Gunwhale Ales requests permission to have a 420 square foot outdoor patio space, and a deviation of two feet from the required 10-foot setback from Randolph Avenue for this patio. My greatest concern with allowing a patio is there is no way to prevent The Commissary's patrons from using the patio and loitering there in violation of the Commissary's CUP. Moreover, Gunwhale Ales does not provide any plan or method for how patrons will be prevented from taking alcoholic beverages outside this patio or how it will otherwise be secured.

I therefore request that this patio not be permitted as part of Gunwhale's application either, for the same reason the City would not allow The Commissary to have a patio.

**Parking Ratio And Traffic Impact Fees**

Gunwhale Ales claims that it is adequately parked with 24 spaces, but I want to make sure the City is including the patio mentioned above and the 500 foot "barrel room" Gunwhale Ales intends to include as part of its public spaces in determining if this use is adequately parked. While Gunwhale Ales contends that this "barrel room" space will be used for "occasional events," it doesn't specify what such events would include or how often they will occur. If they are private events, they are likely to be the type that will require the most intensive parking because everyone arrives and departs in the same time frame and the groups are large in size. This will have a significant additional impact on the area as made evident at similar private events held recently at art galleries on the street that have leased out their space for public events.

In addition, Barley Forge was required to pay \$54,300.00 in traffic impact fees to mitigate off-site traffic impacts from its tasting room of 980 square feet. Out of fairness, I request that the City require Gunwhale Ales to pay proportional traffic impact fees relative to the square footage of the tasting room they seek to have approved (1,818 square feet, roughly double the size of Barley Forge's tasting room, assuming a patio is allowed).

**SCAQMD**

As a condition of its CUP, Barley Forge was required to contact the South Coast Air Quality Management District to determine if it was required to obtain a permit, and Barley Forge did in fact obtain such a permit at significant time, effort and expense after working extensively with the SCAQMD. I request that Gunwhale Ales be

Costa Mesa Planning Commission  
Objections by Barley Forge Brewing Co. to CUP Application PA-15-50  
January 22, 2016

required to do the same, as I want to ensure that adding another brewery across the street will not impact Barley Forge's ability to either continue to operate or expand its operations in future in the estimation of the SCAQMD.

**Mesa Water District Permit And Fees**

Barley Forge was understandably required as part of its CUP to apply to the Mesa Water District for a permit, and ultimately ended up paying \$14,357.06 in fees for our fixtures, most of which relate to the brewery operation. We request that the City require Gunwhale Ales to have to obtain a similar permit and pay any required fees as a condition of its CUP.

**Fire Department Inspection And Approval**

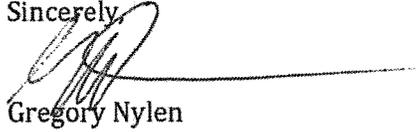
Barley Forge was required to undergo fire department inspection and approval, and we request the City require Gunwhale Ales do the same as a condition of its CUP.

**Police Department Approval**

Finally, as Barley Forge was required to do, we request that the City require Gunwhale Ales obtain approval from the Costa Mesa Police Department to open for business.

Thank you for your consideration. If you would like to call me to discuss, please feel free to call me at (310) 701-3406. You can also email me at [greg.nylen@barleyforge.com](mailto:greg.nylen@barleyforge.com).

Sincerely,



Gregory Nylen  
President and Managing Member  
Barley Forge Brewing Company, LLC

cc: Ryan Loomis (via email)

**LOOMIS, RYAN**

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**From:** Dana Mesenbrink <dana@thesportssyndicate.com>  
**Sent:** Friday, January 22, 2016 10:09 AM  
**To:** LOOMIS, RYAN; FLYNN, CLAIRE  
**Subject:** Gunwhale Brewery

Good Morning Ryan and Claire,

I am writing you to show my support for PA-15-50 : Conditional Use Permit for a Microbrewery and Tasting Room at 2960 Randolph Ave.

I have grown up with the founders of Gunwhale Breweries and I have nothing but respect for all of them. For the past couple of years, I have been watching them brainstorm and create Gunwhale. As Costa Mesa continues to grow it's culinary and artisan scene, I'm confident Gunwhale will be a welcomed addition.

Their combined experience in Manufacturing, Brewing, Marketing and Food culture is a perfect recipe for a successful brewery.

Thank you for your consideration.

Regards,

Dana Mesenbrink

Dana Mesenbrink  
McClellan Nichols Sports Syndicate  
20411 Birch Street. Suite 350  
Newport Beach, CA 92660  
(949) 752-6151 Office  
(949) 752-7617 Fax  
(949) 903-1435 Mobile  
[dana@thesportssyndicate.com](mailto:dana@thesportssyndicate.com)



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**From:** STEVEN RORICK <srorick@hotmail.com>  
**Sent:** Sunday, January 24, 2016 5:43 PM  
**To:** LOOMIS, RYAN  
**Subject:** Brewery

Hi my name is Steve Rorick and I am a local business owner who has operated my own small business for almost 10 years. I have always believed that small business at its core is one of the things that makes Costa Mesa such a great city to live and work in. This brewery is a perfect match for our town and would definitely attract other people in surrounding areas i.e. Newport Beach, Huntington Beach, Irvine, etc. I believe that it will be a great revenue stream when it comes to tax for the city as well as capitalizing on the popularity of micro brews. This is a great opportunity for our city and I definitely feel that we should welcome these types of original business ideas. We should never turn a blind eye to a person that is willing to take the leap into small business. Thank you for your time and hope you will take this into consideration.

Steve Rorick  
MB Elite & MB Elite Motor Cars

Sent from my iPad

PH-3

**LOOMIS, RYAN**

---

**From:** Lee Hernandez <Lee@grandprixperformance.com>  
**Sent:** Friday, January 22, 2016 4:38 PM  
**To:** LOOMIS, RYAN; FLYNN, CLAIRE  
**Subject:** RE: PA-15-50: Conditional Use Permit for a Microbrewery and Tasting Room at 2960 Randolph Ave

Greetings,

The purpose of this email is to lend support to the idea of the proposed Brewery at 2960 Randolph Ave from both a business/economic prospective and for my own personal enjoyment. In regards to a positive business and economical impact the budding brewery industry is taking off and this proposed area of Costa Mesa seems to be highly synonymies with hip, new things that could be seen as a bastion center for this industry. Most breweries that are located in the Orange County area find themselves in Anaheim which is a fair city, but not nearly as beautiful and pleasant as Costa Mesa. Not only would this brewery bring new jobs, city revenue, and further boost other local business but it could also give this industrial type area a bit of a facelift and further enhance the appeal of this great city that I have had the pleasure to grow up in my entire life.

If done responsibly I strongly believe this could be a great asset to our great city and show the rest of the brewery centric city's around Southern California that there is a new city on the rise that takes it's fine culinary history to new levels. This brewery idea is a win-win idea and I hope you give it strong consideration.

Thanks,

Lee B. Hernandez  
Grand Prix Performance  
1718 Newport Blvd, Costa Mesa, CA  
949-645-7022

PH-3

**LOOMIS, RYAN**

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**From:** Marice H. DePasquale <marice@mconsensus.com>  
**Sent:** Sunday, January 24, 2016 9:09 AM  
**To:** rdickson.cmpc@gmail.com; colinkmccarthy@yahoo.com; aventrue@ca.rr.com; sandranian@yahoo.com; twsesler@gmail.com  
**Cc:** LOOMIS, RYAN  
**Subject:** Re: Objections by Barley Forge Brewing Company, LLC to CUP Application No. PA-15-50 by Gunwhale Ales/John Wallace, Supply House LLC  
**Attachments:** Barley Forge CUP Staff Report.pdf

In reviewing the Gunwhale application further, and going back to the Barley Forge approval, I want to flag a few quick items for you. For your reference I have also attached the Barley Forge staff report and note that the item before you does not have conditions of approval other than ones written within the report which don't outline all the specifics of the use and the conditions by city department, while Barley Forge had a hefty list of both standard and specific conditions.

Again, I'm just trying to level the playing field. It's about being consistent and if the same rules are applied to Gunwhale - great!

Right now that does not appear to be the case, specifically with respects to Food Trucks/Outside Food (see Barely Forge Condition 10) and Traffic Fee (we paid \$38k on 980 sq.ft., they are being assessed \$31k on 1800+ sq.ft.?).

One last point, they aren't actually brewing beer, they are fermenting beer, which is essentially storage. Was this use evaluated that way - it does not make it a brewery, it would seem like a bar with beer storage for evaluation purposes, there is no brewing going on. Do they qualify for a Type 23 liquor license then?

Thank you in advance for your time and consideration.

MD

--

Marice (White) DePasquale  
 Principal  
 MConsensus  
 (949) 433-4261

*Planning Staff note:  
 Please go to the link  
 below for the Barley  
 Forge Staff report*

<http://www.costamesaca.gov/ftp/planningcommission/agenda/2013/2013-11-12/PH-3.pdf>

On Fri, Jan 22, 2016 at 12:49 PM, Marice H. DePasquale <marice@mconsensus.com> wrote:

- > Planning Commissioners:
- >
- > As some of you recall, I represented Barley Forge now some time ago
- > before you on the matter of obtaining their CUP. As you are all
- > aware, there is another brewery on Randolph with an application before
- > the Commission next week, and Mr. Nysten has sent you a letter
- > outlining his concerns and objections.
- >
- > I am reaching out to you to provide what I hope is a concise snapshot
- > of the issues. First, Nysten is not opposed, and welcomes the vitality
- > to the area. When reading the staff report there are a few things
- > that are concerning, and it appears that the Barley Forge Staff Report

> and hearing were not reviewed, so I'm going to provide some details as  
> context. Below are my topics for your consideration:

>

> Food Trucks

> We were absolutely told - by the community, public input and the  
> Planning Commission this would not be allowed, nor would customers  
> bringing in outside food - we took a condition that states as much.  
> What has changed, the area is still the same, the traffic and parking  
> are still at a premium? This should not be allowed and a condition  
> like the one on Barley Forge should apply here as well.

>

> Traffic Fees

> The fees for the the proposed CUP before you are less than Barley  
> Forge paid, for a space that is twice the size? Why aren't the traffic  
> fees double what Barley Forge was assessed? This seems very unfair and  
> I wonder if there just isn't a simple math error that needs to be  
> corrected? We would like clarification as to how the fees were  
> calculated and so much less.

>

> Hours of Operation

> Without getting in to the multiple issues the surrounding neighbors  
> have with the existing Commissary, the new brewery is proposed to  
> close a mere 30 minutes before the Commissary opens? How can one  
> guarantee that the parking will free up so quickly, that patrons won't  
> leave their cars and walk to The Camp (which is one of the great  
> benefits of the SOBECA area - park, go to one place, walk to another);  
> and where will the Commissary patrons who arrive at least an hour  
> early to line up to get it park?

>

> Patio

> The Commissary applied for and was denied a patio if my memory serves  
> me correctly - this CUP in essence gives them one. There is no way to  
> enforce them to not use it. The community has voiced their concerns  
> on this issue in the past. This request for an encroachment is not  
> merited here, and a comparison to the Rooster, which is closed more  
> hours than it is open is not the same. Further, The Rooster do not  
> allow alcohol or smoking.

>

> I hope these points are helpful to you in making your decision and  
> weighing the facts. Again, my client encourages new, vital uses,  
> bringing folks to the area, he'd just like a level playing field, and  
> as the staff report reads right now, that does not seem to be the  
> case.

>

> I am around all day and weekend. Please feel free to give me a call  
> or shoot me an email.

>

> All the best, Marice

>

>

> --

>

> Marice H. DePasquale  
>  
> Principal  
>  
> MConsensus  
>  
> 3609 W. MacArthur Blvd., Suite 812  
>  
> Santa Ana, CA 92672  
>  
> (949) 433-4261

--

Marice H. DePasquale

Principal

MConsensus

3609 W. MacArthur Blvd., Suite 812

Santa Ana, CA 92672

(949) 433-4261

PH-3

**COLGAN, JULIE**

---

**Subject:** PA-15-50

**From:** J Richards [<mailto:johnxrenoair@hotmail.com>]

**Sent:** Monday, January 25, 2016 9:04 AM

**To:** LOOMIS, RYAN <[RYAN.LOOMIS@costamesaca.gov](mailto:RYAN.LOOMIS@costamesaca.gov)>; FLYNN, CLAIRE <[CLAIRE.FLYNN@costamesaca.gov](mailto:CLAIRE.FLYNN@costamesaca.gov)>

**Subject:** PA-15-50

I have read over and support the proposal PA-15-50. John Richards

PH-3

**LOOMIS, RYAN**

---

**From:** Kathy Karlheim <kakarlheim@sbcglobal.net>  
**Sent:** Monday, January 25, 2016 12:50 PM  
**To:** Aventrue@ca.rr.com; rdickson.cmpc@gmail.com; sandrian@yahoo.com; colinkmccarthy@yahoo.com; twsesler@gmail.com; LOOMIS, RYAN  
**Subject:** Fw: Bar & Food Trucks Proposed on Randolph  
**Attachments:** PH-3.pdf

Hello!

I am reaching out to you as it has come to our HOA's attention that at the Planning Commission TONIGHT there is a bar being proposed on Randolph, with an outdoor patio, as well as: proposal to serve no food but have the bar food provided by food trucks.

This is very concerning - more traffic, parking impacts and food trucks - who have a life and following of their own. Food trucks are often on twitter and other social media trucks advertise their location(s). We have to all live harmoniously, together. Yet, these areas are both residential and business alike. The CM planning commission not only has to improve its ability to plan, but forecast future challenges.

Presently, there is insufficient parking to accommodate the number of patrons in the areas, which include: The Camp, Anti-Mall and the Sobeca areas. Likewise, the traffic on Bristol and Baker is a thoroughfare. Not to mention, how is this establishment planning on accommodating additional parking spaces for their patrons? The trucks would need to park on the premises of this establishment and not CM city property/streets as this would be a liability for the city. Likewise, safety measures as to crowd control/security officers would need to be in place at the expense of the retail establishment. How many patrons can this establishment legally presently serve at any given time and it's near impossible to know or control the influx of potential patrons based on the size of their square footage/lot size.

No one pays attention to appropriate locations to cross the streets and the safety for drivers, residents and the street pedestrians is paramount. It's a "free for all" Thursday evening through Sunday evening. I suspect you are already "in the know" or you wouldn't be in the positions you all hold. If not, best to do your "homework". HO'S and residents residing near the intersection of Baker/Randolph and other residential and business areas have always been challenged entering into the flow of traffic on Baker St.

Thank you...

Kathy Karlheim  
Pentridge Cove II HOA  
Costa Mesa, CA



# **PLANNING COMMISSION**

## **SUPPLEMENTAL MEMO**

MEETING DATE: JANUARY 25, 2016

ITEM NUMBER P14-3

**SUBJECT:** PLANNING APPLICATION PA-15-50 TO OPERATE A MICRO-BREWERY/BLENDERY WITH A TASTING ROOM AND WITH OUTDOOR PATIO AT 2960 RANDOLPH AVENUE.

**DATE:** JANUARY 25, 2016

**FROM:** RYAN LOOMIS, ASSOCIATE PLANNER *RL*

**FOR FURTHER INFORMATION CONTACT:** RYAN LOOMIS (714)754-5608  
ryan.loomis@costamesaca.gov

---

The purpose of this memo is to provide information related to issues/concerns raised in the public correspondence received:

- **Parking and Traffic Impact Fees Concerns/Issues:**

Regarding the comments concerning visitors of the Commissary and other uses in area parking within parking lots not approved for shared parking, the property owner has the right to provide signs for vehicle towing of vehicles that are not associated with uses on their property.

A Total of 1,818 SF Calculated for Public Seating Area and 1,892 SF for Industrial Uses

Regarding the comment about what square footages were used for parking for Gunwhales Ales, the staff report indicated parking requirements are based on 1,818 SF of maximum public area (10 spaces per 1,000 SF of public area where food/beverages served) and 1,892 SF for industrial/office use (3 spaces per 1,000 SF of industrial use). The 1,818 square feet of public area includes the 500 square-foot temperature controlled barrel room, which will be opened only during occasional special events. Per Condition of Approval #8, "All special events shall be reviewed by Planning Division for approval prior to the event, and may require a "Special Event Permit" from the Finance Department prior to the event". This condition can be modified to limit the number of "special events" on a yearly basis.

Traffic Impact Methodologies Consistent with Brewing Uses

In regards to the comment concerning traffic impact fees, condition of approval #14 indicates the traffic impact fee is \$31,639.00 per Transportation Division. This impact fee was based on the total size of the proposed use, and was calculated similar to other brewery uses in the area; this included calculations based on the portion of the brewery considered as a high turnover restaurant (tasting room), and the portion used for brewing operations. Gunwhales Ales calculation was based on 3,710

square foot suite, including 1,818 square feet for high turnover restaurant (tasting room), and 1,892 for brewing operations (general light industrial use).

Regarding concerns of traffic and incidents along Baker and Randolph, the project will require payment of traffic impact fees. These traffic impact fees are used for improvements and capacity enhancements along roadway segments and intersections throughout the City.

- **Compliance with Commissary's CUP Concerns/Issues:**

Regarding the comment about compliance with Commissary's CUP, the Commissary Lounge has exclusive rights to the entire parking lot at 8:30PM, Thursday through Saturday. However, the Commissary hours of operation start at 9PM, providing a half hour for Gunwhales Ales to shut down operations and the Commissary to begin operations. It is anticipated that patrons visiting the Commissary will occur gradually as the night progresses, and will not reach capacity until after Gunwhales Ales has closed. In addition, the Gunwhales Ales employees will be required to park on-site, per conditions of approval #15.

- **Food Trucks and Catering Concerns/Issues:**

Regarding the comment concerning food trucks and catering, staff requested Gunwhales Ales to provide a complete project description highlighting the nature of the business. The business owners requested providing occasional food trucks or catering to pair food with beer selections. As discussed in the staff report, a surplus of parking was determined during all business hours. As such, staff believes a parking space could accommodate a food truck. Per condition of approval #19, only one food truck at a time is permitted, and food delivered by outside vendors shall be allowed to be consumed on site (within the tasting room). In addition, the food truck or vehicle delivering food shall park within a parking space designated for the use. Per Transportation Division, food trucks are not assessed a traffic impact fee due to not increasing building square footage.

- **Patio Concerns/Issues:**

Regarding concerns over the proposed 420 square-foot patio, staff has required a condition of approval stating the outdoor patio shall be enclosed by a 6-foot wall, including a 3-foot maximum solid wall and remaining 3 feet as glass or other solid transparent material. In addition, enhanced landscaping is required along the front setback. The combination of wall and landscaping will help reduce noise levels. As shown in Attachment X, the proposed use is approximately 500 feet from nearest residentially zoned property. In regards to the comment concerning outside visitors loitering on the proposed patio, the 6-foot wall will ensure the patio will not be accessible to the public who are not visiting Gunwhales Ales.

- **SCAQMD Concerns/Issues:**

Regarding concerns over SCAQMD requirements, the conditions of approval require Gunwhales Ales business owners to contact the Air Quality Management District (AQMD) for potential additional conditions of development or for additional permits required by AQMD.

- **Mesa Water District Permit Fees Concerns/Issues:**

Regarding concerns over Mesa Water requirements, the conditions of approval require Gunwhales Ales to contact the Mesa Water District and submit an application and plans for project review.

- **Fire Inspection and Approval Concerns/Issues:**

Regarding concerns over Fire inspections and approval, Gunwhales Ales will be required to comply with all Building and Fire Codes and requirements.

- **Police Department and Approval Concerns/Issues:**

Regarding concerns Police approval, staff has received an email from Lieutenant Victor Bakkila stating Costa Mesa Police has no incidents to support prohibiting the use.

**Attachments:**

1. 500 foot-buffer map
2. Email from Lieutenant Victor Bakkila from Police

**Distribution:** Chief Executive Officer  
Assistant Chief Executive Officer  
Director of Economic & Development/ Deputy CEO  
City Attorney  
Public Services Director  
City Engineer  
Transportation Services Manager  
City Clerk (9)  
Staff (7)  
File (2)

Owner: Jerry Palanjian  
2960 Randolph Ave  
Costa Mesa, CA 92627

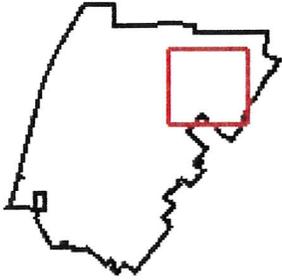
Authorized Agent: John Wallace  
312 Santa Ana Ave  
Newport Beach, CA 92663

# ATTACHMENT 1

City of Costa Mesa

500 FOOT BUFFER MAP: 2960 RANDOLPH AVENUE - [Created: 1/22/2016 3:46:05 PM] [Scale: 542.37] [Page: 8.5 x 11 / Portrait]

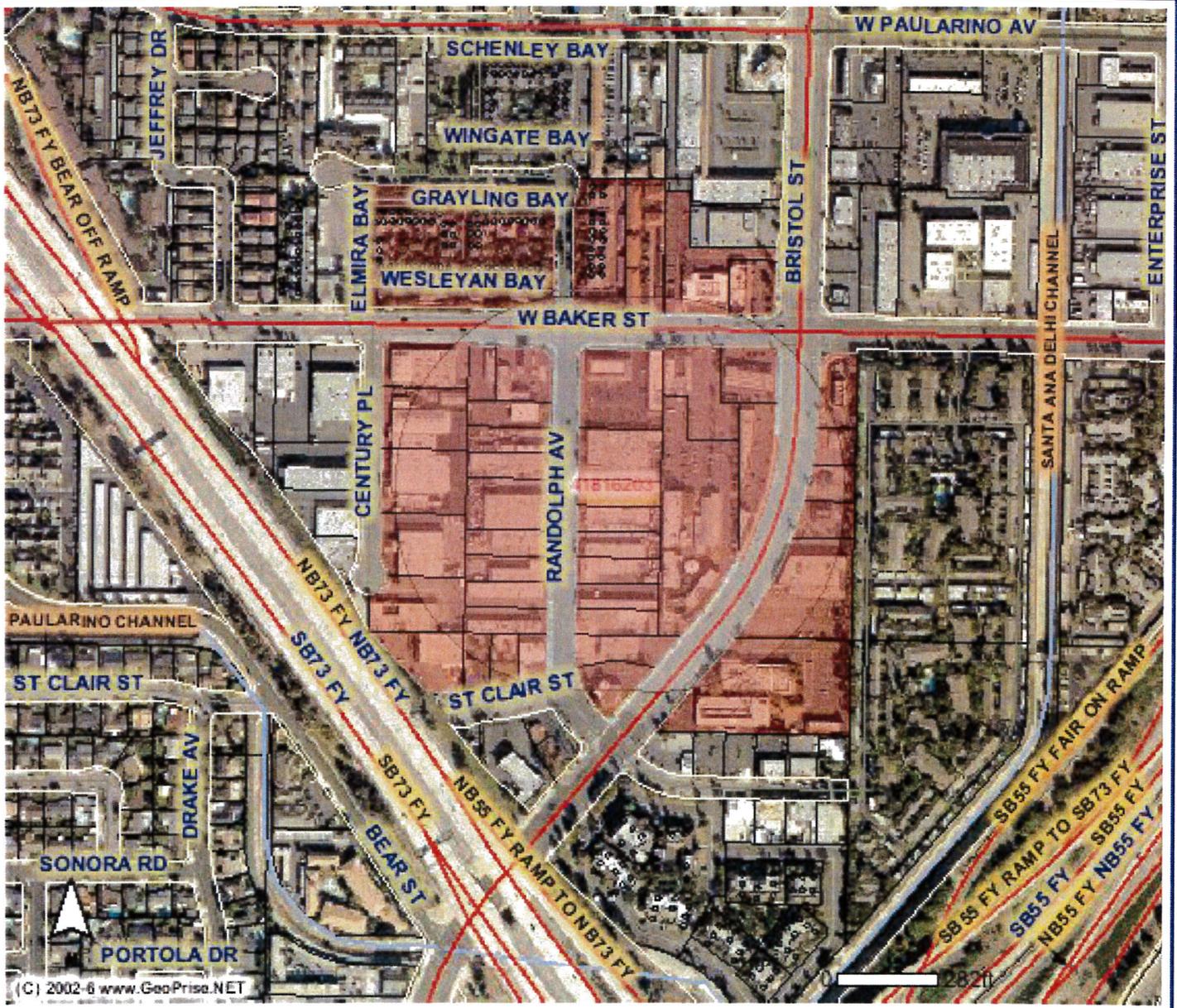
## Overview Map

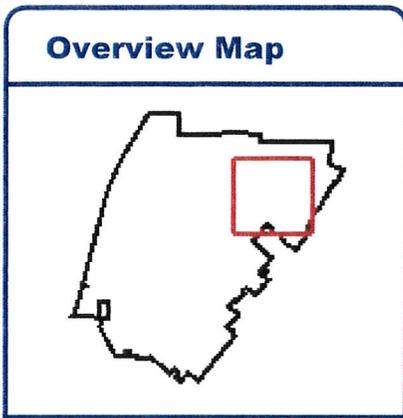


## Legend

- |                |                            |                       |                                    |
|----------------|----------------------------|-----------------------|------------------------------------|
| Address Points | Roads<br>Collector         | Major<br>Newport BLVD | SECONDARY<br>Hydrology<br>Channels |
| Freeway        | Roads<br>Freeway<br>(cont) | Primary<br>(cont)     |                                    |

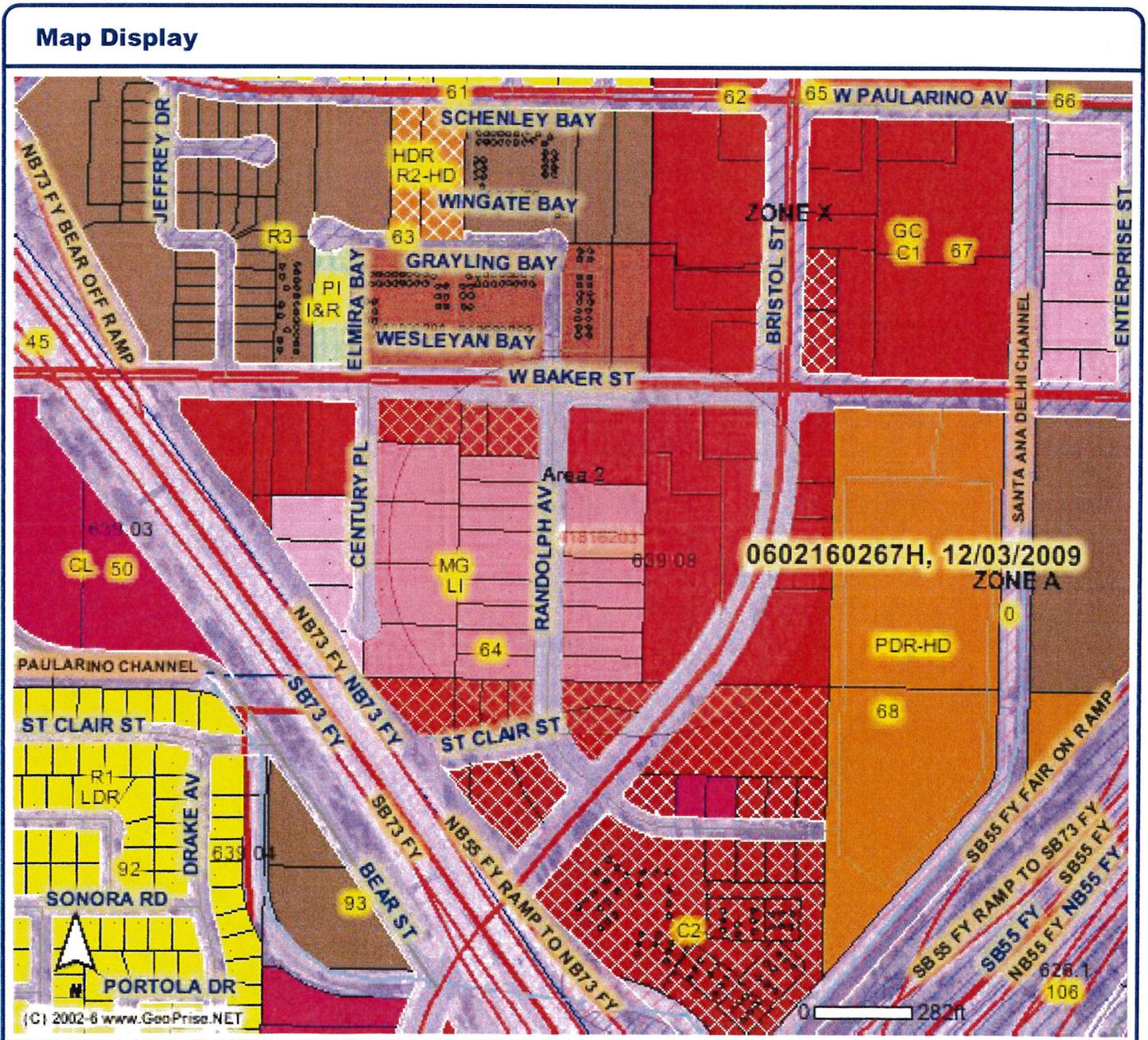
## Map Display





### Legend

Address Points	Newport BLVD	ROW Lines	C1
Freeway	Primary	Parcel Lines	C1-S
Roads	SECONDARY	City Boundary	C2
Collector	Hydrology	Water Ways	CL
Freeway	Channels	Zoning	I&R
Major (cont)	Street Names	MG	MP
	Street Centerlines	P (cont)	P (cont)
		AP (cont)	



# ATTACHMENT 2

**LOOMIS, RYAN**

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**Subject:** FW: Al Forno Caffee Restaurant- 1525 Mesa Verde East, Suite 124/125

**From:** BAKKILA, VICTOR  
**Sent:** Tuesday, January 12, 2016 4:01 PM  
**To:** LOOMIS, RYAN <RYAN.LOOMIS@costamesaca.gov>  
**Subject:** RE: Al Forno Caffee Restaurant- 1525 Mesa Verde East, Suite 124/125

Ryan,  
The CMPD has no incidents that would support prohibiting the request at 2960 Randolph.

**VICTOR M. BAKKILA | LIEUTENANT**  
City of Costa Mesa | Police Department  
Phone 714.754.4812 | Fax 714.754.5124  
[vbakkila@costamesaca.gov](mailto:vbakkila@costamesaca.gov)

**From:** LOOMIS, RYAN  
**Sent:** Tuesday, January 12, 2016 9:55 AM  
**To:** GAMBOA, FIDEL; BAKKILA, VICTOR  
**Subject:** RE: Al Forno Caffee Restaurant- 1525 Mesa Verde East, Suite 124/125

Fidel,  
Thanks for insight. I will wait to see if PD has any concerns. Also, have you received any code or PD complaints at 2960 Randolph Avenue. This is near Barley Forge area. There is another application I am working on for a new brewery with tasting room at 2960 Randolph Avenue, which is next to Commissary. Any PD complaints too or concerns for new brewery with tasting room going in at that location? Does Barley Forge get many calls or complaints?

Ryan

PH-3

**COLGAN, JULIE**

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**Subject:** Writing in support of Gunwhale Ales and other local greats trying to get started

**From:** lverdin@hidglobal.com [mailto:lverdin@hidglobal.com]

**Sent:** Friday, January 22, 2016 10:41 AM

**To:** LOOMIS, RYAN <RYAN.LOOMIS@costamesaca.gov>; FLYNN, CLAIRE <CLAIRE.FLYNN@costamesaca.gov>

**Subject:** Writing in support of Gunwhale Ales and other local greats trying to get started

Dear Mr. Loomis and Ms. Flynn,

Being an OC local, I am eager and excited to see local craft beers, markets, and eatery get rooted in and around my area. I believe that many Orange County residents are bored of the same corporate chains, and crave a different cultural experience found local culinary scenes.

I was happy to learn that Gunwhale Ales is in the process of opening a micro brewery and tasting room in 2960 Randolph Ave Costa Mesa. I think their vision of raising the scene, educating the market in brewing, and adding creative and culinary energy to a great area is commendable and inspiring. I hope you grant their conditional permit request, because it will not only help open jobs, but their operation will also boost a booming and hip scene that other cities like Santa Ana and San Diego are enjoying.

I'm referencing:

PA-15-50 : Conditional Use Permit for a Microbrewery and Tasting Room at 2960 Randolph Ave  
<http://www.costamesaca.gov/ftp/planningcommission/agenda/2016/2016-01-25/PH-3.pdf>

Thank you,  
Ivy Verdin