

CALIFORNIA COASTAL COMMISSION

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June 22, 2017

Th17b**TO: COMMISSIONERS AND INTERESTED PERSONS****FROM: KARL SCHWING, DEPUTY DIRECTOR, SD COAST DISTRICT
GABRIEL BUHR, COASTAL PROGRAM MANAGER, SD COAST DISTRICT
ERIC STEVENS COASTAL PROGRAM ANALYST, SD COAST DISTRICT****SUBJECT: STAFF RECOMMENDATION ON CITY OF OCEANSIDE LOCAL COASTAL
PROGRAM AMENDMENT NO. LCP-6-OCN-17-0039-1 (Part B) (Craft
Breweries and Wineries) for Commission Meeting of July 12-14, 2017**

SYNOPSIS

The subject Local Coastal Program (LCP) implementation plan amendment was submitted on May 4, 2017 and filed as complete on June 1, 2017. The date by which the Commission must take action, absent an extension of the time limits by the Commission, is July 31, 2017. This report addresses the entire submittal. The proposed amendment will affect the certified LCP Implementation Plan only.

BACKGROUND

Currently the City of Oceanside utilizes two different zoning ordinances, one of which applies to lands within the coastal zone and serves as the City's certified Implementation Plan (IP), the second of which applies to lands outside the coastal zone. However, the City has initiated work to consolidate these two documents through a phased approach in order to ultimately have one zoning document that would apply Citywide; the Commission has already approved a few clean-up amendments of the LCP as a part of this process. The proposed IP revisions included in the subject Local Coastal Program Amendment (LCPA) affect both zoning articles that have already been approved by the Commission as a part of the update process and to articles that have been previously certified by the Commission and only apply to the Downtown District of the City. Thus, this IP amendment results in changes that are specifically targeted to address Craft Breweries and Wineries (CBWs) and does not include changes that would further merge the two zoning documents. The subject LCPA was determined not to qualify as minor because the proposal includes the certification of new zoning designations (Craft Breweries and Craft Wineries), which is considered to be a change in land use.

SUMMARY OF AMENDMENT REQUEST

The City is proposing to revise six articles related to Craft Breweries and Wineries (CBWs). Specifically, the City proposes to revise Article 4 (Use Classifications (Inland

and Coastal Districts – Exclusive of Downtown), Article 12 (Light Industrial Zone – (M-1 Zone), Article 31 (Off-street Parking and Loading Regulations (Citywide)), and Article 41c (Use Permits (Coastal Zone – Exclusive of Downtown)), which all apply Citywide or within the Coastal Zone, exclusive of Downtown. In addition, the City is proposing to revise Article 4a (Redevelopment Project Area (D-Downtown) Use Classifications and Article 12D (Downtown District) which both apply only to the Downtown area.

Currently in the City of Oceanside, CBWs are only permitted in industrial zoned areas or as an ancillary use to bona-fide restaurants. The revised zoning text would allow CBWs with associated tasting facilities in the General Commercial Zone (C-2) along Coast Highway and within certain commercial sub-districts within the downtown area. Specifically, CBWs would be allowed within the C-2 zoning district that extends from Seagaze Drive to Buena Vista Lagoon and most of the commercial sub-districts within the downtown area. The C-2 zoning district includes virtually all properties with frontage on Coast Highway between Seagaze and Buena Vista Lagoon.

SUMMARY OF STAFF RECOMMENDATION

Staff is recommending the Commission approve LCP Amendment No. LCPA-6-OCN-17-0039-1 (Part B) as submitted by the City. The only potential issue raised by the proposed revisions is the reduced parking requirements for craft breweries and wineries in comparison to bars and restaurants and the potential impact this could have on public access to the beach. However, the City has shown that there is ample on-street parking, that it is taking steps to improve transit and non-automobile transportation options, and that ride sharing services have increased in popularity and are a preferred transportation option for craft brewery and craft winery patrons.

No suggested modifications have been identified by Commission staff at this time. As such, the proposed amendment can be found consistent with the City's LUP, and can be approved as submitted.

The appropriate resolutions and motions begin on page 4. The findings for approval of the Implementation Plan Amendment as submitted begin on page 4.

ADDITIONAL INFORMATION

Further information on the City of Oceanside LCP amendment LCPA-6-OCN-16-0071-2 may be obtained from Gabriel Buhr, Coastal Program Manager, at (619) 767-2370.

EXHIBITS

[Exhibit 1 – Resolution LCPA 16-00001](#)

[Exhibit 2 – Ordinance 17-ORO122-1](#)

[Exhibit 3 – Articles Proposed for Revision \(Shown in Strike-Out/Double-Underline\)](#)

PART I. OVERVIEW

A. LCP HISTORY

The City of Oceanside first submitted its LCP Land Use Plan (LUP) to the Commission in July 1980, and it was certified with suggested modifications on February 19, 1981. This action, however, deferred certification on a portion of the San Luis Rey River valley where an extension of State Route 76 was proposed. On January 25, 1985, the Commission approved with suggested modifications the resubmitted LUP and Implementing Ordinances. The suggested modifications for this approval were related to the guaranteed provision of recreation and visitor-serving facilities, assurance of the safety of shorefront structures, and the provision of an environmentally sensitive routing of the proposed Route 76 east of Interstate 5. The suggested modifications to the Zoning/Implementation phase resulted in ordinances and other implementation measures that were consistent with the conditionally certified LUP policies.

With one exception, the conditionally certified LUP and Implementing Ordinances were reviewed and approved by the City on May 8, 1985. The City requested that certification be deferred on one parcel adjacent to Buena Vista Lagoon designated by the City for "commercial" use; the Commission's suggested modification designated it as "open space." On July 10, 1985, the Commission certified the City's LCP as resubmitted by the City, including deferred certification on the above parcel.

B. STANDARD OF REVIEW

Pursuant to Section 30513 of the Coastal Act, the Commission may only reject zoning ordinances or other implementing actions, as well as their amendments, on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified LUP. The Commission shall take action by a majority vote of the Commissioners present.

C. PUBLIC PARTICIPATION

The City has held Planning Commission and City Council meetings with regard to the subject amendment request on August 8, 2016 and March 15, 2017, respectively. All of those local hearings were duly noticed to the public. Notice of the subject amendment has been distributed to all known interested parties.

PART II. LOCAL COASTAL PROGRAM SUBMITTAL - RESOLUTIONS

Following a public hearing, staff recommends the Commission adopt the following resolutions and findings. The appropriate motion to introduce the resolution and a staff recommendation are provided just prior to each resolution.

- I. **MOTION:** *I move that the Commission reject the Implementation Program Amendment for the City of Oceanside LCPA No. LCP-6-OCN-17-0039-1 (Part B) as submitted.*

STAFF RECOMMENDATION OF CERTIFICATION AS SUBMITTED:

Staff recommends a **NO** vote. Failure of this motion will result in certification of the Implementation Program Amendment as submitted and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO CERTIFY IMPLEMENTATION PROGRAM AMENDMENT AS SUBMITTED:

The Commission hereby certifies the Implementation Program Amendment for the City of Oceanside as submitted and adopts the findings set forth below on grounds that the Implementation Program Amendment conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan, and certification of the Implementation Program Amendment will meet the requirements of the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Program Amendment on the environment, or 2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from certification of the Implementation Program.

PART III. FINDINGS FOR APPROVAL OF THE CITY OF OCEANSIDE IMPLEMENTATION PLAN AMENDMENT, AS SUBMITTED

A. AMENDMENT DESCRIPTION

The subject LCP amendment request includes the revision of six existing articles. The articles are being amended in order to allow CBWs with associated tasting facilities in the General Commercial Zone (C-2) along Coast Highway and within certain commercial sub-districts within the downtown area and to set general parameters for the approval of CBWs.

B. FINDINGS FOR APPROVAL

The standard of review for LCP implementation submittals or amendments is their consistency with and adequacy in carrying out the provisions of the certified LUP. The proposed changes are discussed separately and in greater detail in Subsection No. 1 (Articles Proposed for Revision).

1. Articles Proposed for Revision.

- a) Purpose and Intent of the Ordinance. The subject LCP amendment includes a number of articles proposed for revision, and the purpose and intent of each article is briefly described below. Strike-out/underline versions of these articles are included as [Exhibit 3](#).
- Article 4 (Use Classifications (Inland and Coastal Districts – Exclusive of Downtown): Use classifications describe one or more uses having similar characteristics.
 - Article 4a (Redevelopment Project Area (D-Downtown) Use Classifications: Use classifications describe one or more uses having similar characteristics.
 - Article 12 (Light Industrial Zone – (M-1 Zone): Describes industrial use regulations within the Coastal Zone. Separate industrial use regulations apply to the inland areas of the City. The City plans to merge these two articles in the future to create a citywide standard for industrial uses. Merging of the articles is not necessary for this LCP amendment as the affected geographic area is entirely within the Coastal Zone.
 - Article 12D (Downtown District): Policies to promote, protect, and enhance the downtown area and boating and water-dependent activities.
 - Article 31 (Off-street Parking and Loading Regulations (Citywide)): Details the parking requirements for new development.
 - Article 41c (Use Permits (Coastal Zone – Exclusive of Downtown)): Details uses in the Coastal Zone (exclusive of Downtown) that are subject to the review and issuance of a Conditional Use Permit (CUP).
- b) Major Provisions of the Ordinance.

As proposed, new language has been added to clarify that ancillary tasting facilities associated with CBWs are reviewed separate from bars and cocktail lounges. New text is also proposed to include two new uses, Craft Breweries and Craft Wineries, and specific requirements for the new uses. Requirements include a minimum floor area percentage for sampling and sale of beer/wine and related merchandise and maximum total floor

area, minimum and maximum barrel/case production limits and local permitting processes based on production levels, permitting requirements for amplified music, food trucks, and closing times later than 10 PM. Exterior signage other than the logo or business name, video machines, and happy hours are prohibited (Article 4 (Use Classifications (Inland and Coastal Districts – Exclusive of Downtown))).

The zoning ordinance was also amended to require to introduce the new CBWs uses and requirements in the Downtown area (Article 4a (Redevelopment Project Area (D-Downtown)) and “Breweries,” “Craft Breweries,” “Wineries,” and “Craft Wineries” have been added as permitted uses within the industrial zone and have all been specifically included to differentiate between the small scale CBWs and larger breweries and wineries (Article 12 (Light Industrial Zone – (M-1 Zone))). New language has also been added to restrict CBWs in Sub-district 9 of the Downtown area to only properties that front Coast Highway, and CBWs added to the zoning use matrix (Article 12D (Downtown District)).

Additionally, the City proposes to add new language to specify that 1 off-street parking space is required for each 800 sq. ft. of gross floor area devoted to production activities and 1 off-street space is required for each 125 sq. ft. of tasting/retails space for CBWs (Article 31 (Off-street Parking and Loading Regulations (Citywide))). Furthermore, text has been added to specify that an Administrative Conditional Use Permit may be granted in place of a Conditional Use Permit and CBWs have been added to the zoning use matrix for the Commercial C-2 zone (Article 41c (Use Permits (Coastal Zone – Exclusive of Downtown))).

- c) Adequacy of the Ordinance to Implement the Certified LUP Segments. The LCP amendment, as proposed, is adequate to implement the City’s certified Land Use Plan (LUP). The following listed policies are applicable and state:

I. Coastal Access

Objective: Adequate access to and along the coast shall be provided and maintained

VII. New Development and Public Works

1. The City shall deny any project which diminishes public access to the shoreline, degrades coastal aesthetics, or precludes adequate urban services for coastal-dependent, recreation, or visitor serving uses.

II. Recreational and Visitor Serving Facilities

C. Objectives and Policies

[...]

22. The City shall continue to monitor beach usage and parking availability and adjust policies as needed.

The only potential coastal resource impact identified by the Commission related to the City's proposal to allow CBWs within the C-2 Commercial Zone is the potential for impacts to public access through reduced parking requirements for CBWs as compared to bars, cocktail lounges, and restaurants. As proposed, CBWs will be required to provide 1 off-street parking space for each 800 sq. ft. of gross floor area devoted to production activities and 1 off-street space for each 125 sq. ft. of tasting/retails space for CBWs. In contrast, bars and cocktail lounges are required to provide 1 parking space per 2 seats or 1 space per 30 sq. ft. of area used for consumption of beverages with a 15 spaces minimum and full service restaurants are required to provide 1 space per 3 seats or 1 space per 45 sq. ft. of floor area used for food or beverage consumption with a 15 spaces minimum. As proposed, CBWs will be allowed primarily along Coast Highway for a stretch of approximately two miles. In Oceanside, Coast Highway parallels the coast and is located approximately ¼ mile from the beach. While some beach users may park this far from the coast to access the beach, the City has a large number of free and pay public parking lots and ample public street parking. Thus, the reduced parking required for CBWs is not expected to adversely impact coastal access.

In order to ensure that CBWs are not expanded in size to the point that they are no longer "craft" facilities, the City has limited CBWs to maximum of 15,000 sq. ft. and required that craft wineries and craft breweries produce no more than 10,000 cases of wine or 15,000 barrels of beer per year, respectively. Inversely, to ensure that beer or wine is in fact produced at CBWs, craft wineries and craft breweries are required to produce a minimum of 300 cases of wine or 250 barrels of beer per year, respectively. In addition, to safeguard that CBWs include production and provide a visitor serving use, CBWs are required to designate a minimum of 20 percent and a maximum of 40 percent of total floor area for product sampling or retail sales of beer or wine.

The City has submitted a summary of a recent field assessment of on-street parking resources within the study area that shows there is ample parking to serve current demand. Compared to other North San Diego County coastal cities, the City of Oceanside is served by a number of multi-modal transportation alternatives including Amtrak and Coaster rail services along the LOSSAN corridor, the Sprinter light rail line, which extends from eastern portions of the County to its terminus in Oceanside, NCTD coast bus routes, and active transportation corridors. Furthermore, the City is actively working towards making the C-2 Commercial Zone more walkable and transit-oriented in the future by increasing visitor and neighborhood-serving land uses, increasing housing, improving pedestrian and bicycle facilities, and enhancing transit services, with the goal of reducing demand for car trips and parking. Lastly, the use of ride sharing services (such as Uber and Lyft) has significantly increased in recent years, and those services would be encouraged as a safe alternative to access CBWs that would also result in lower parking demands.

The implementation plan amendments proposed by the City is limited in scope and location. Furthermore, available public parking lots, public street parking, and transportation options will help to ensure that CBWs do not adversely impact beach access. Commission staff has reviewed the above articles and have determined that the revision of these specific articles would not raise any LUP consistency concerns.

PART IV. CONSISTENCY WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Section 21080.9 of the California Environmental Quality Act (CEQA) exempts local government from the requirement of preparing an environmental impact report (EIR) in connection with its LCP. Instead, the Coastal Commission acts as lead agency for the purposes of fulfilling CEQA. The Commission's LCP review and approval program has been found by the Resources Agency to be functionally equivalent to the EIR process. Thus, under CEQA Section 21080.5, the Commission is relieved of the responsibility to prepare an EIR for each LCP submission. The City concluded that there was no possibility that the activity would have a significant effect on the environment and therefore determined that the LCP amendment was not subject to CEQA. (Cal. Code of Regs., tit. 14, § 15061(b)(3).)

Nevertheless, the Commission is required in an LCP submittal or, as in this case, an LCP amendment submittal, to find that the LCP, or LCP, as amended, does conform with CEQA provisions. This report has discussed the relevant coastal resource issues with the proposed amendment and found that the amendment would not result in an intensification of land uses, or have adverse impacts on coastal resources. The proposed amendment will not result in any significant environmental effects for which feasible mitigation measures have not been employed consistent with CEQA Section 21080.5(d)(2)(A).