

SOUTH GATE CITY COUNCIL SPECIAL MEETING AGENDA

Monday, November 30, 2009 at 5:30 p.m.

CALL TO ORDER:

Henry C. Gonzalez, Mayor

ROLL CALL:

Carmen Avalos, City Clerk

MAYOR

Henry C. Gonzalez

CITY CLERK

Carmen Avalos

VICE MAYOR

Gregory Martinez

CITY TREASURER

Maria Belen Bernal

COUNCIL MEMBERS

Bill De Witt

Gil Hurtado

Maria Davila

CITY MANAGER

Ronald Bates

CITY ATTORNEY

Raul F. Salinas

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office

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In compliance with the American with Disabilities Act, if you need special assistance to participate in the City Council Meetings, please contact the Office of the City Clerk. Notification 48 hours prior to the City Council Meeting will enable the City to make reasonable arrangements to assure accessibility.

1. Discussion on Economic Development

The City Council will consider: (CD)

- a. Accepting the presentation on economic development; and
- b. Removing the City's hiring freeze and hire the Economic Development Manager position.

2. Discussion of Code Amendment Regarding Mobile Vendors/Catering Trucks and Code Interpretation Related to Alcohol Licenses for Restaurants

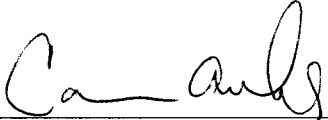
The City Council will consider discussing and providing direction on a possible code amendment regarding mobile vendors/ catering trucks and a code interpretation related to alcohol licenses for restaurants. (CD)

3. Chamber of Commerce Sponsored South Gate Children's Christmas Lane Parade

The City Council will consider discussing the parade and take no further action. (ADMIN)

4. Adjournment

I, Carmen Avalos, City Clerk, certify that a true and correct copy of the foregoing Meeting Agenda was posted on November 25, 2009 at 4:00 p.m., as required by law.



Carmen Avalos, City Clerk

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NOV 25 2009

CITY OF SOUTH GATE
OFFICE OF THE CITY MANAGER

Item No. 1

City of South Gate

CITY COUNCIL

AGENDA BILL

For the Special Meeting of: November 30, 2009

Originating Department: Community Development

Dept. Head: Steve Lefever

City Manager: Ronald Bates

SUBJECT: DISCUSSION ON ECONOMIC DEVELOPMENT

ACTION:

- a) Accept presentation on economic development; and
- b) Remove the City's hiring freeze and hire the Economic Development Manager position.

FISCAL IMPACT: If the Council approves the filling of the Economic Development Manager position, the annual cost including benefits would be \$125,370, which would be a cost to the Redevelopment Agency.

REPORT SUMMARY: At the request of the City Council, staff will be presenting information on the City's efforts regarding economic development in the past few years. A panel of experts has been assembled to share their experiences in economic development, the impacts of the current economy, and provide information on the development process in general. Panelists will include representatives from the public sector, and the real estate and development industries. Below is a discussion summarizing the City's economic activities over the last six years and a brief narrative on the impacts created by the current economic conditions and the limitations of the financial market.

Economic Development Efforts

Since 2004 the City, has re-energized, revamped and expanded its economic development efforts. Over the last six years the City has approved approximately 800,000 square feet of new retail and service uses, and about 210,000 square feet of new light industrial and manufacturing uses. The amount of new retail approved to date is equal to that of the El Paseo, Sam's Club/Towne Center and Target Center combined. Unfortunately, due primarily to economic conditions and the difficulties in the financial markets, only a fraction of the new developments have been submitted into plan check or built.

As part of its efforts to attract more mainstream development to the community, the City and its development team led by Kosmont & Associates have conducted outreach efforts and met (sometimes on numerous occasions) with dozens of developers and property owners, and over 50 different major retailers and restaurants (see attached list). Given their business models, many of the larger stores need about 12 to 15 acres to make their site plans work, and prefer to buy versus lease, making it difficult to find locations. Further complicating the site search is the fact that many of the larger properties that may potentially serve their needs are not within the Redevelopment Project Area, thereby limiting the City's ability to assist.

The current economic conditions and instability of the housing market, has had a major impact on the retail/services sector forcing a number of well known firms into bankruptcy and causing many others to consolidate and/or abandon expansion plans. Those who are still in the market place are demanding lower rents. Developers and property owners have also been heavily impacted, with many either going out of businesses, selling their major assets to gain necessary capital, or altering their business plan from that of a developer to an asset manager.

The developer for the El Portal is no exception. The developer, Allied Red Mountain, has defaulted on their loan with the company and the bank reportedly taking a combined loss on the project which may well be in excess of \$20 million dollars. At this juncture, the existing lender has preliminarily agreed to a term sheet and is negotiating the sale of the project to another development team. The City has simultaneously begun discussions with the development team on the project. Efforts to build the El Portal have taken approximately three (3) years to this point, which includes delays brought about by litigation and the economic recession. If current efforts are successful, it is anticipated that the first phase of the El Portal will open in the summer/fall of 2011.

On the east side of town, the litigation with the owner of the El Paseo, a remnant of the Albert Robles administration, is soon expected to come to a close. In anticipation of this event, the owner of the shopping center and the City have initiated discussions on another renovation effort that is intended to stem the decline of the shopping center. The proposal could include a redesign of the property, including the potential to remove the retail shops and restaurants across from the theater and the introduction of one or more new tenants. Despite the improvement plans, due to the challenging financial and leasing marketplace, meaningful improvements to this center are likely at least a year away. In regards to timing, it should be noted that the City needed nearly five (5) years, from start to finish, to build El Paseo.

The developers for the Atlantic Park Plaza, the second largest shopping center to be approved in the last few years, have yet to secure any tenants. After redesigning the site three times, the developer has reported that the only recent interest in the property has been from medical/dental clinics. In September, the City expanded its efforts to assist in attracting retailers to the site. Staff was recently informed that Fresh and Easy Markets, who was considered a prime candidate as the anchor tenant, has passed on the site - the sixth site in the City they have considered and turned down. Drug stores have also considered and passed on the site. IN-N-OUT Burgers is still considering it, but as a second priority site after all opportunities at the El Portal have been exhausted.

Meanwhile, staff continues to pursue every option available to us. In addition to retail and restaurants, the City's business attraction efforts have also included auto dealers, equipment dealers, manufacturers, hospitals, private colleges, state and county agencies. As an extension of our General Plan Update and new Healthy Community Element, we have partnered with Supervisor Molina's Office to court Kaiser Hospitals to build either a hospital or major medical clinic in the City. We've also had conversations with a couple of private colleges, including the University of La Verne, about establishing extension campuses in South Gate. We also pursued a County office complex and are currently pursuing the new Southeast Los Angeles Courthouse, a 9 to 15 court room complex that will serve South Gate and the surrounding southeast cities.

Economic Development Manager

While the City will benefit from having an additional position it is important to note that having this individual on staff will not suddenly create new development opportunities. With the expertise and connections Kosmont & Associates brings to the City, South Gate is already doing a great deal to generate interest from developers. An Economic Development Manager may certainly assist Kosmont & Associates in these efforts, but could not replace them at this critical time, especially given their specialized expertise which the City could not afford to replicate with full-time staff.

Where an Economic Development Manager will be able to assist is in areas the City has not had time to pursue, such as the marketing/rebranding effort of the City's image and outreach to foreign companies. This position will also help to relieve the Community Development Director of some of the day-to-day functions that require his attention. There is no question that the Community Development Department needs additional staffing. The City of Downey, which is slightly larger in area, and similar in population size, currently maintains a CRA/Economic Development/Planning staff of 10 full time professionals, many in senior level positions, 15 people if you include clerical and interns. Providing the same services, South Gate operates with a full-time equivalent of 3 people, performing both professional and clerical services, about 20%-25% of Downey's staffing.

Conclusion

The City continues to apply a significant amount of resources to economic development in South Gate. Where other communities have assistance from redevelopment funding to attract new projects, South Gate's Redevelopment Agency is limited in the availability of additional funds, and an Economic Development Manager in the long run, may help overcome the funding limitation.

ATTACHMENTS: List of businesses/companies the City has contacted

Retail Outlets/Restaurants/Grocery Stores Contacted

Kohl's
Mervyn's
Best Buy
Fry's
Wal-Mart/Sam's Club
Steve and Berry's
Costco
Target
Lowe's
Ross
CVS
Rite Aid
Walgreens
Stater Bros.
Albertson's/Lucky's
Ralph's/Food for Less
Fresh and Easy
El Super
Fox Sports Grill
ESPN Sports Zone
California Pizza Kitchen
Johnny Carino's
Lucilles
Applebees
Famous Dave's
In and Out Burger
Sonic
WingStop

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City of South Gate

CITY COUNCIL

NOV 25 2009

AGENDA BILL

CITY OF SOUTH GATE
OFFICE OF THE CITY MANAGER

For the Special Meeting of: November 30, 2009

Originating Department: Community Development

Dept. Head: Steve Lefever

City Manager: Ronald Bates

SUBJECT: POSSIBLE CODE AMENDMENT REGARDING MOBILE VENDORS/CATERING TRUCKS AND A CODE INTERPRETATION RELATED TO ALCOHOL LICENSES FOR RESTAURANTS

ACTION: Discuss and provide direction on a possible code amendment regarding mobile vendors/catering trucks and a code interpretation related to alcohol licenses for restaurants.

FISCAL IMPACT: No impact to the General Fund.

REPORT SUMMARY: At the request of Mayor Gonzalez, this report is being presented to facilitate a discussion on two issues, 1) whether the City should consider a code amendment to allow mobile vendors/catering trucks to sell from commercial sites on a permanent basis and; 2) affirm a code interpretation that restaurants are not subject to the separation requirements required of other on-sale alcohol serving businesses, such as bars and cocktail lounges.

Mobile Vendors/Catering Trucks

A business owner has approached the City with a request to allow catering trucks/motorized vendors to operate, as a permitted use on their property. The owner is looking to expand the tenanting/revenue opportunities for their property and has received a proposal by a mobile vendor/catering company to operate on-site, on a daily basis, essentially establishing their catering truck as a restaurant/fast food outlet. In summary, if the City Council was inclined to allow mobile uses as a permitted use on commercial properties numerous sections within the Municipal Code would need to be amended. Below is a sampling of the various code sections that regulate restaurants and mobile vending:

Title 2, Chapter 2.44 'Sales from Motorized Vehicles Restricted' defines and regulates operations, parking, vending, and exemptions related to motorized vendors. See Attached. Section 2.44.040-Vending Restrictions states: " No person shall engage in vending from a motorized vehicle at any one location for a period of time exceeding thirty (30) minutes and , regardless of the length of time that vending occurred at such location, shall not vend again for a period of four (4) hours within five hundred feet (500) of such locations. The restrictions on vending contained herein shall apply to vending on private property as well as vending on public streets. . ."

The Zoning Ordinance, Title 11, defines restaurants, fast food and take-out food establishments but, assumes these uses operate from fixed/land based facilities, see attached. The Zoning Ordinance also stipulates in numerous sections throughout the Code that “all [commercial] uses shall be conducted wholly within an enclosed building”. A sample from the Code of this land use restriction is attached. The term ‘building’ is defined under Section 11.04.080 – as “. . . any structure having a roof, but excluding all forms of vehicles even though immobilized. . .”

Exceptions to the enclosed building requirement in commercial zones include: parking lots sales, drive-in restaurants, garden supplies, parking areas, petroleum products services stations, electric transmission and distribution substations, and horticultural nurseries.

Staff is concerned that by allowing mobile vendors and catering trucks to locate permanently on private property, local restaurants will be negatively affected. Further, enforcing the statutes regarding illegal street vendors may become more difficult as some of these vendors apply for permanent locations.

Restaurants and Liquor Service

Recently, a local restaurant inquired as to the requirements to secure city approval of an on-sale liquor license. The Community Development Department’s Planners, who are relatively new to the City, expressed confusion over the interpretation of the ordinance as it relates to the requirement to impose a mandatory separation requirement. The matter has been resolved, (no separation requirement is mandated for restaurants) but Mayor Gonzalez has asked that the matter be presented to the City Council for discussion and confirmation of the current interpretation.

The Municipal Code, Title 11, Chapter 11.39 regulates the sale of alcoholic beverages in the City. The Code defines a “bona fide public eating place, sets the requirement that the use/sale of alcohol is subject to a Conditional Use Permit, and establishes a series of development requirements, mandatory conditions of approval, operational standards, and grounds for suspension/revocation of any violations to City Code related to the sale of alcohol. The Code clearly requires a locational/distance requirement for on-sale establishments and lists the uses and alcohol license types. What is left unsaid, though implied, is that the locational requirement does not apply to restaurants (defined in the state code as bona fide public eating places). Copies of the applicable excerpts of the Municipal Code, with the appropriate sections highlighted, are attached for your convenience.

- ATTACHMENTS:**
- A) City Code, Title 2, Chapter 2.44 – Sales from Motorized Vehicles Restricted
 - B) City Code, Title 11- Definitions – Restaurants and Take-Out Establishments
 - C) City Code, Title 11- Limitations on Permitted Uses
 - D) City Code, Title 11- Definition of Building
 - E) City Code, Title 11, Chapter 11.39 – Alcohol Sales and Service

Attachment A

Chapter 2.44

SALES FROM MOTORIZED VEHICLES RESTRICTED

Sections:

- 2.44.010 Definitions.
- 2.44.020 Operating restrictions.
- 2.44.030 Parking restrictions.
- 2.44.040 Vending restrictions.
- 2.44.050 Exemptions.

2.44.010 Definitions.

For the purposes of this chapter, the following words shall be defined as follows:

A. "Delivery" means and include leaving, handing over or surrendering any goods, wares, merchandise, or materials previously ordered or purchased by a patron or customer.

B. "Vending" means and includes preparing to sell, soliciting to sell or selling any food, beverages, goods, wares or merchandise from a vehicle, but shall not apply to any vehicle operated and used for the purpose of making pickups from and deliveries to any building or structure of goods, wares or merchandise previously ordered or purchased by a patron or customer, or for the purpose of delivering materials to be used in the repair, alteration, remodeling or construction of any building or structure for which a building permit has previously been obtained.

(Ord. 1921 § 1 (part), 7-28-92)

2.44.020 Operating restrictions.

No person shall operate upon any street in a residential zone, or upon such other streets as may be designated by resolution of the city council, a commercial vending vehicle having a gross weight, including the vehicle's load, in excess of three tons.

(Ord. 1921 § 1 (part), 7-28-92)

2.44.030 Parking restrictions.

No person shall park a commercial vending vehicle in a residential zone between the hours of six p.m. and eight a.m. of the next succeeding day.

(Ord. 1921 § 1 (part), 7-28-92)

2.44.040 Vending restrictions.

A. No person shall engage in vending from a motorized vehicle at any one location for a period of time exceeding thirty minutes and, regardless of the length of time that vending occurred at such location, shall not vend again for a period of four hours within five hundred feet of such location. The restrictions on vending contained herein shall apply to vending on private property, as well as vending on the public streets.

B. For purposes of protecting the public safety, and pursuant to Vehicle Code Section 22455, no person or entity shall park a commercial vending vehicle on a street, or any portion thereof, designated as a through street, between the hours of eight a.m. and six p.m. of any day.

C. Between the hours of six p.m. and nine a.m. of any day, no person shall, from a motorized vehicle on any public streets in the City, engage in the vending of any of the following: ice cream, ice cream bars, ice cream cones or rolls, sherbet, sherbet bars, sherbet cones or rolls, iced fruit juice (natural or artificial), iced fruit juice bars, iced fruit juice cones or rolls, or other similar food substances or products packaged or otherwise prepared or intended for consumption by an individual customer.

(Ord. 1928 § 1, 11-10-92; Ord. 1921 § 1 (part), 7-28-92)

2.44.050 Exemptions.

This chapter shall not apply to any person engaged in produce sales conducted in connection with the operations of a state-certified open-air market.

(Ord. 1921 § 1 (part), 7-28-92)

Attachment B

11.04.412 Restaurants.

A RESTAURANT is any land use on which, as a regular course of business, food (including beverages) is prepared for human consumption and is offered to persons for compensation.

(Ord. 1783 § 1, 1-23-89; Ord. 1694 § 1, 4-14-86; Ord. 1075 § 1, 5-27-68)

11.39.020 Definitions.

Except where the context otherwise requires, the definitions hereafter set forth shall govern the construction and interpretation of this chapter:

A. "Bona fide public eating place" means a business enterprise, operated as a restaurant, which is conducted, or is proposed to be conducted, in compliance with the following requirements:

1. The issuance by the California Department of Alcoholic Beverage Control of a type 41 or a type 47 license;
2. A kitchen and a dining area that constitute permanent and identifiable portions of the business premises;
3. A printed menu which is provided to patrons for the purpose of ordering meals;
4. Not less than fifty-one percent of the gross annual income of the business enterprise is derived from the sale of food and nonalcoholic beverages;
5. At least one full-time cook is engaged by the business enterprise to prepare meals for patrons on the premises during the permissible hours of operation;
6. The business premises do not contain any drive-up or take-out windows;
7. Any bar or cocktail lounge operated by the business enterprise is separated from the dining area by a wall or other partition;
8. The business premises do not contain any pool tables, video games, or other coin-operated amusement devices.

B. "Minimart" means a business establishment not connected with a petroleum products service station which has a building area of five thousand square feet or less and which is characterized by retail sales of prepackaged food products, household items, or food items, such as fresh meat or produce.

C. "Off-sale liquor establishment" means any establishment which is making application for or which has obtained a retail liquor license from the California Department of Alcoholic Beverage Control authorizing the sale of alcoholic beverages for consumption off the premises in original, sealed containers. Such retail liquor licenses include type 20 (off-sale beer and wine) and type 21 (off-sale general).

D. "On-sale liquor establishment" means any establishment wherein alcoholic beverages are sold, served or given away for consumption on premises

licensed, or proposed to, be licensed, by the California Department of Alcoholic Beverage Control. Such retail liquor licenses include:

- Type 40 (On-Sale Beer);
- Type 41 (On-Sale Beer and Wine Eating Establishment);
- Type 42 (On-Sale Beer and Wine Public Premises--No Minors);
- Type 47 (On-Sale General Eating Establishment--Beer, Wine and Distilled Spirits);
- Type 48 (On-Sale General Public Premises--Beer, Wine, Distilled Spirits--No Minors);
- Type 51 (Club);
- Type 52 (Veterans Club);
- Type 63 (Hospital--Beer and Wine).

E. "Take-out restaurant" shall mean a business enterprise, operated as a restaurant, which is conducted, or proposed to be conducted, in the following manner:

1. The principal business consists of the preparation and sale of food or meals for off-site consumption;
2. The business premises contain a drive-up, walkup, or take-out window;
3. Disposable eating utensils and containers, whether of plastic, paper, styrofoam, or other similar materials, are provided to patrons of the business enterprise in conjunction with the sale of food or meals.

(Ord. 1923 § 1 (part), 10-27-92)

Attachment C

Chapter 11.18
C-3 GENERAL COMMERCIAL ZONE

Sections:

<u>11.18.010</u>	Permitted uses.
<u>11.18.020</u>	Limitations on permitted uses.
<u>11.18.030</u>	Permitted height.
<u>11.18.040</u>	Permitted floor area.
<u>11.18.050</u>	Required open space.
<u>11.18.060</u>	Lot area.
<u>11.18.070</u>	Lot width.

11.18.010 Permitted uses.

In the C-3 zone the following uses only are permitted and as hereinafter specifically provided and allowed by this chapter, subject to the off-street parking and loading area requirements and the general provisions and exceptions set forth beginning with Chapter 11.30. Subject to the issuance of a conditional use permit, a portion of a commercial structure may contain a sleeping room and bathroom for the exclusive use of a caretaker or watchman, but no kitchen or cooking facilities shall be permitted. (Ord. 1287 § 2, 4-26-76; Ord. 824 § 900, 2-8-60)

(1) Any uses permitted in the R-4, C-C, C-2 zones except residential uses and family day care homes but permitting single room occupancy apartments and residential motels. (Ord. 2184 § 1 (part), 10-26-04; Ord. 1859 § 8, 1-28-91; Ord. 1855 § 1, 11-26-90)

(1.5) Adult-Oriented Business.

(a) Adult-oriented business, as defined in Section 11.04.027, provided the following requirements are complied with:

(1) The requested use will be consistent with the general plan of the city, any other adopted plan of the city, and the adopted plan of any other governmental agency.

(2) The requested use at the proposed location will not be located within a one thousand foot radius to any area zoned for residential purposes (hereinafter "residential zone.") The distance between a requested use and a residential zone shall be measured between the nearest property line or lease line of the requested use and the nearest lot line defining the residential zone, along a straight line extended between the two points.

(3) The requested use at the proposed location will not be located within a one thousand foot radius of any adult-oriented business or any other massage establishment. The distance between a requested use and any adult-oriented business or any other massage establishment shall be measured between the nearest property line or lease line of the requested use and the nearest property or lease line of the massage establishment along a straight line extended between the two points. (Ord. 2217 § 3, 9-12-06)

(4) The requested use at the proposed location will not be located within a one thousand five hundred foot radius of any existing educational institution utilized by minors, park, playground, church, or any noncommercial