



AGENDA
CITY OF SEASIDE
WATER ALLOCATION

VIRTUAL ONLY
SPECIAL MEETING
Monday, August 2, 2021
9:00 AM

This meeting is compliant with Governor Newsom's Executive Order N-29-20 which allows local legislative bodies to hold public meetings electronically only, without a physical location for public participation, accessible only telephonically or otherwise electronically (video conferencing) to all members of the public seeking to observe and address the local legislative body, in order to avoid public gatherings, and until further notice.

REMOTE PUBLIC COMMENTS To make a public comment, the following options are available:

- Before the Meeting via Email: Written comments can be emailed to CityClerk@ci.seaside.ca.us Include the following subject line: "Public Comment Item # (insert the agenda item number relevant to your comment). Written comments must be received by 4:00 p.m. on the day before the meeting. All submitted comments will be provided to the Committee for consideration and compiled as part of the record.
- During the Meeting via Oral Comments: When the Chair calls for public comment, attendees can queue to speak with the "Raise Hand" feature. On the Zoom application, click the "Raise Hand" button. On the phone, press *9. The Clerk will call speaker names and unmute speaker microphones (on the phone, press *6). You may have up to 3 minutes to provide your comments, with time set by the discretion of the Chair.

VIRTUAL MEETING ACCESS

This meeting can be watched via the City of Seaside You Tube channel:

https://www.youtube.com/channel/UC1Cu7854Ohtjpr_XV1tDvRg

Or by joining the Zoom webinar link: <https://us02web.zoom.us/j/88022526792>

Or call in phone number: 669-900-9128

Webinar ID: 880 2252 6792

1. CALL TO ORDER

2. ROLL CALL

Amanda Rotella, Assistant City Manager – Community Development

Trevin Barber, Assistant to the City Manager – Economic Development

Leslie Llantero, Assistant Engineer

3. PUBLIC COMMENT

4. BUSINESS ITEMS

A. WATER ALLOCATION COMMITTEE: WAC-21-03 - REQUEST TO ALLOCATED 0.226 AF WATER FROM THE CITY'S SMALL COMMERCIAL WATER ALLOCATION FUND FOR NEW RESTAURANT BUSINESS LOCATED AT 1130 FREMONT BLVD, #210B.

RECOMMENDATION: Scott Evers (AO Restaurants LLC), applicant, and Seaside Plaza LLC, property owner, are requesting for the allocation of 0.226 acre feet (AF) of water for AO restaurants LLC Cloud Kitchen located at 1130 Fremont Blvd, Unit 210B. A copy of the application has provided as Attachment 2.

The project is exempt Class 1, Section 15301.A from the California Environmental Quality Act (CEQA) guidelines.

It is recommended that the Water Allocation Committee (WAC) approve allocating 0.226 AF of water and approve WAC-21-03. Conditions of approval are provided as Attachment 1 to the staff report for this item.

5. STAFF COMMUNICATION

6. ADJOURNMENT

The City of Seaside is committed to providing accessible facilities and accommodating people with disabilities in all of its services programs and activities. If special considerations are needed by any person to fully participate in this meeting, contact the City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.



**CITY OF SEASIDE
STAFF REPORT**

Item No.: 4.A.

TO: Water Allocation Committee

BY: Associate Planner, Dana Morrison

DATE: August 2, 2021

SUBJECT: Water Allocation Committee: WAC-21-03 - Request to allocated 0.226 af water from the City's Small Commercial water allocation fund for new business located at 1130 Fremont Blvd, #210B.

PURPOSE & RECOMMENDATION

Scott Evers (AO Restaurants LLC), applicant, and Seaside Plaza LLC, property owner, are requesting for the allocation of 0.226 acre feet (AF) of water for AO restaurants LLC Cloud Kitchen located at 1130 Fremont Blvd, Unit 210B. A copy of the application has provided as Attachment 2.

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It is recommended that the Water Allocation Committee (WAC) approve allocating 0.226 AF of water and approve WAC-21-03. Conditions of approval are provided as Attachment 1 to the staff report for this item.

BACKGROUND

Water Allocation Request:

The water allocation request is for a cloud restaurant with shared space to prepare delivery, take-out and sit-down food services for multiple food operators. The previous business was a dental clinic and, as such, had a water allocation of 0.121 AF. The proposed food use requires a higher water allocation; proposed Water Use – Food shop (pizza, deli, bakery): $1734\text{sf} \times 0.00002 = 0.347$.

Amount Needed = $0.347 - 0.121 = \mathbf{0.226 AF}$

STAFF ANALYSIS

Generally, projects which involve an increase in water use above the water allocation from a previous use are evaluated in accordance with a Point System contained in Ordinance 1064. Projects receiving 20 points will be awarded water per the available amount of water from the City’s Commercial Water Category. Per the Point Criteria, City staff finds that the proposed project would receive the following points:

	Determination	Points Received
<p><u>Revenue Generation</u> Up to \$5,000 = 1 point \$5,001-\$10,000 = 3 points \$10,001-\$15,000 = 5 points \$15,001 or more = 7 points</p>	<p>Total: \$1, City's share Property Tax Revenue 0.18 % of \$3,124,303 = \$5,624</p> <p>City's Share of Sales Tax Revenue 1% of total = \$12,000-15,000</p>	5
<p><u>Jobs Creation</u> 1-9 part time = 1 point 10 or more part time = 3 points 1-9 full time = 5 points 10 or more full time = 7 points</p>	<p>The business will create 2-5 part time jobs and 12-15 full time jobs</p>	8
<p><u>Projects on Major Thoroughfares</u> All other commercial areas = 1 point Fremont, Broadway, Del Monte = 5 points</p>	<p>The project is located along Fremont Blvd.</p>	5
<p><u>Removal of Blight</u> Occupied Bldg, remodel existing structure = 1 pt Vacant Bldg, remodel of existing structure = 3 pts Occupied Bldg, full demo & redevelopment = 5 pts Vacant Property, complete</p>	<p>The property is currently vacant.</p>	3

redevelopment = 7 pts		
<u>Business Retention</u> Seven (7) points will be awarded for projects which, if not approved, would result in the loss of an existing business, which generates revenue for the City and/or significant employment.	Not applicable	0
Total		21

It has been determined that the proposed project exceeds the minimum standard of 20 points, with 21 points total.

There is currently 5.075 AF of water in the Small Commercial Allocation Account. If this project is approved, the total remaining water allocation for the Small Commercial Account will be 4.849 AF.

RECOMMENDATION

It is recommended that the Water Allocation Committee (WAC) approve allocating 0.226 AF of water from the City’s Small Commercial water allocation fund and approve WAC-21-03. Conditions of approval are provided as Attachment 1 to the staff report for this item.

ATTACHMENTS

1. Attachment 1 - Conditions of Approval
2. Attachment 2_Application, Floor Plan and Location Map

Conditions of Approval
File No. WAC-21-03
August 2, 2021

Project Specific:

Planning:

1. Except as modified by required conditions of approval, plans submitted for a building permit shall substantially conform to the plans identified as "AO Restaurants LLC".
2. The water allocation is valid only for the implementation of 1734 sf food service, classified as Group II water use, in the amount of 0.226 acre feet. Any change in the land use at this site prior to a Certificate of Occupancy shall cause the water permit to become null and void. Any change in the use of the church to a higher water use in the future must be approved by the Water Allocation Committee.
3. Applicant must secure a Certificate of Occupancy for the improvements within one year from the issuance of the Water Permit.
4. Alcohol service shall require the approval of City Use Permit and any required ABC approval.

Standard:

5. Water Allocation approval shall be valid for a period of one (1) year from the date of approval of this project in accordance with SMCS 17.54.080. Project approval will become null and void if a building permit is not exercised within one (1) year from date of approval.
6. Proposed changes to the approved application(s) must receive approval from the Zoning Administrator.
7. The applicant agrees as a condition and in consideration of the approval of this discretionary permit that it will defend, indemnify and hold harmless the City of Seaside or its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul this approval. The applicant will reimburse the City for any court costs and attorney's fees, which the City may be required by a court to pay as a result of such action. City may, at its sole discretion, participate in the defense of such action; but such participation shall not relieve applicant of his obligations under this condition. The City shall promptly notify the applicant of

any such claim, action, or proceeding, and the City shall cooperate fully in the defense thereof.

8. The project shall be responsible for all applicable local and/or regional development and/or impact fees including, but not limited to, sewer, water, and traffic fees, which shall be paid prior to building permit issuance.
9. The proposed project shall comply with the applicable requirements of the Monterey Peninsula Water Management District for the installation of any new water fixtures and landscape irrigation equipment.
10. The issuance of building permits shall be required for the new modular building proposed.
11. If any new water fixtures are installed they shall be water conservation fixtures.

WATER ALLOCATION APPLICATION NO. WAC-21-03

This permit is hereby accepted upon the express terms and conditions hereof, and shall have no force or effect unless and until agreed to, in writing, by the applicant and property owner(s).

The undersigned hereby acknowledge the approved terms and conditions and agree to fully conform to, and comply with, said terms and conditions within the time frames approved by the City of Seaside Water Allocation Committee.

Applicant's Signature

Date

Property Owner's Signature

Date

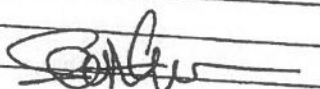
City of Seaside Water Allocation Application

Due to limited availability of water allocated to Seaside, it is necessary to establish procedures for the allocation of water credits for commercial and institutional projects. The Seaside City Council has established criteria to clearly evaluate application for new water allocated. The entire criteria in Ordinance No. 892 are attached (Exhibit "A").

General Information:

Project Address or Location: 1130 Fremont Blvd, #210B Seaside, CA 93955
Assessor's Parcel Number(s): 012-371-061 Zoning District _____
Site Description (Is building or property occupied or vacant?): Vacant
Project Description (Provide conceptual site plan showing all buildings with internal layout, parking, and landscape areas):
See site plans for floorplan, existing parking and existing landscape areas.
Is a Conditional Use Permit and/or Variance Required? Yes
Date of Submitted Application: June 28, 2021
Water Allocation Request (Refer to Exhibit "B" and complete the Monterey Peninsula Water Management District Water Release Form): 0.226 Acre Feet


Applicant Information:

Name: Scott Evers (AO RESTAURANTS LLC)
Mailing Address: 2100 Garden Road, Monterey, CA 93940
Telephone Number(s): 831-264-3443 Signature: 

Property Owner Information:

Name: Seaside Plaza LLC
Mailing Address: c/o PGI Management, 1006 N. Main St., Salinas, CA 93906
Telephone Number(s): (831) 449-4472 Signature: _____
x2

Property Owner's Statement: "By my signature, I hereby state that I am the legal owner of record of the property identified in this application and that all data, information, plans and evidence submitted as part of this application is true and correct to the best of my knowledge."

Signature and Date:  6/23/2021

POINT SYSTEM CRITERIA

A. Revenue Generation Points Requested: 5
Applicant's Taxable Sales (Previous Year or Projection): \$1,200,000-\$1,500,000
If Taxable Sales is Unknown, Gross Receipts (Previous Year or Projections): _____
City's Share of Sales Tax Revenue (1% of Taxable Sales): \$12,000-\$15,000
Assessed Value of Property: \$1,688,975 Assessed Value of Structure: \$1,435,628
If structure is proposed, provide Building Type: NA
Date of Assessed Value Information: 2020
City's Share of Property Taxes (Approximately 0.18% of Combined Assessed Value):
\$5,624
Other Sources of Revenue: Licensing fees, kitchen rental, equipment rental.

B. Jobs Creation Points Requested: 8
Number of New Part-Time Jobs Created: 2-5
Number of New Full-Time Jobs Created: 12-15

C. Project in Major Thoroughfare Points Requested: 5

D. Removal of Blight Points Requested: 3

E. Business Retention Points Requested: 0

See Addendum A

If necessary, please attach any additional information that describes your application. Include any additional information that provides clarification and/or justification for your water allocation request. Ordinance No. 892 does not authorize the Water Allocation Committee to consider additional benefits your project offers to Seaside and/or Seaside residents. This information could, however be considered by the Seaside City Council for projects that do not fully meet the 20 point requirement.

Note: Once the Water Allocation Committee grants the water allocation request, per Ordinance No. 892, the applicant has sixty (60) days from that time to submit the appropriate development permit applications associated with their project to the Planning Division. The applicant must complete all work within 12 months of the date of issuance of a building permit, or, for those projects that do not require a building permit, within 12 months of the date of issuance of a permit from the City of Seaside or other governmental agency which permits the project to commence construction.



POINT SYSTEM CRITERIA
Addendum A

Cloud kitchens are centralized commercial food production facilities where anywhere from one or two to dozens of operations share space to prepare delivery-optimized menu items.

Cloud kitchens will likely define the restaurant industry over the next decade. The food delivery business has been growing for about a decade and the rise of cloud kitchens was already a trend prior to the pandemic. But COVID-19 has massively accelerated this trend and greatly expanded the market. It is widely predicted that by 2030, food delivery will account for up to a third of consumer's \$3 trillion food spend globally. That includes roughly 50% of drive-thru business, and 50% of takeout. It will also take share from frozen meals (35%), packaged cooking ingredients (30%), dine-in (25%) and packaged snacks (15%).

Based on the city's water allocation criteria, it appears special attention is given to projects which increase revenue and employment for Seaside. We believe AO KITCHENS, the first cloud kitchen in the area, has particular merit in this regard as it provides an alternative to an otherwise scarce resource in Seaside, the capacity for new restaurant businesses due to lack of water.

Not only will AO Restaurants share resources for multiple operations, but we will provide space for restauranteurs and crew looking for a means to do business in Seaside. The concept allows for multiple businesses to team and share resources and operate as a virtual food court under the AO umbrella brand. Shared physical resources consume less water.

Our aim is to establish a dozen food service businesses under one roof. Initial businesses opening within the first year will include:

1. Alexandre Olivetti Pizzas - custom pizzas
2. Piatto Pasta - custom pasta bowls
3. Good Dog Bad Dog Sausages - custom hot dogs
4. Deez Wings - a selection of chicken products and sauces
5. Midnight Grocery - a bakery and packaged snacks
6. The Duffer's Sandwich Shop - baked submarine sandwiches
7. @greens - a virtual salad bar
8. LKUID - a soda and liquor store (beer & wine)





REVISED 7/14/21

MPWMD WATER RELEASE FORM AND WATER PERMIT APPLICATION

For: AO RESTAURANTS LLC

Location: 1130 Fremont Blvd, #210B

Project Description (per item #5)

We will be utilizing the existing floor plan retooled as a cloud kitchen to produce multiple food brands: i.e. pizza, salads, sandwiches, hot dogs, pastas, beverages, bakery items, etc. the final product packaged in disposable takeout containers .

There will be limited seating and table service for 17-20 persons.

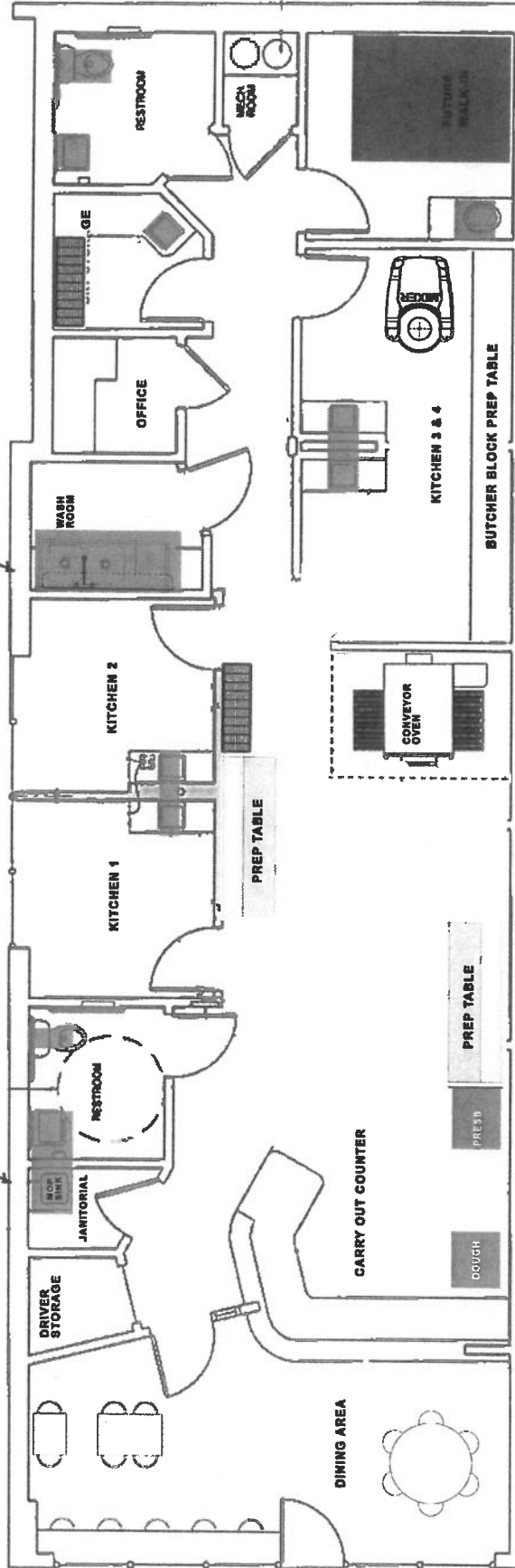
Of the existing sinks we will convert one to a 3-compartment sink and another to a mop sink.

See attached floor plan.

PROPOSED

Single hand sink replaced by a mop sink.

Single hand sink replaced by a 3-compartment sink.



AO RESTAURANTS LLC
1130 FREMONT BLVD #210B

REVISED 7/14/21

