



# Agenda Item

## Planning Commission

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Item #: 4.1.

7/7/2025

File #: 25-0405

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**TO:** Chair and Members of the Planning Commission

**THRU:** Hayden Beckman, Planning Manager

**FROM:** Arlen Beck, Associate Planner

### 1. SUBJECT

Continued Public Hearing to consider an ordinance amending provisions in Title 17 of the Orange Municipal Code relating to the sale and service of alcoholic beverages in conjunction with the operation of a bona fide restaurant, subject to special use regulations. (Continued from June 2, 2025)

### 2. SUMMARY

On June 2, 2025, the Planning Commission continued this item to the July 7, 2025, regularly scheduled Planning Commission meeting to allow more time for staff to provide additional information requested in order for the Planning Commission to make a recommendation to the City Council.

The proposed Ordinance amends certain provisions of Title 17 (Zoning Ordinance) of the Orange Municipal Code (OMC) to allow the sale and service of alcoholic beverages in conjunction with the operation of a bona fide restaurant as a permitted land use in certain zoning districts, subject to special use regulations.

### 3. RECOMMENDED ACTION

1. Conduct and close the Public Hearing.
2. Adopt Planning Commission Resolution No. PC 05-25 recommending that the City Council adopt an Ordinance amending Title 17 of the Orange Municipal Code to allow the sale and service of alcoholic beverages in conjunction with the operation of a bona fide restaurant as a permitted use in certain zoning districts subject to special use regulations.

### 4. AUTHORIZING GUIDELINES

OMC Section 17.08.020 authorizes the Planning Commission to review and make advisory recommendations to the City Council on Zoning Ordinance Amendments.

### 5. PROJECT BACKGROUND

The project background remains as presented in the June 2, 2025, PC staff report (Attachment 3). This project is returning to the PC to provide additional information and clarification, as outlined in the Project Analysis section of this report.

### 6. PROJECT DESCRIPTION

The project description remains as presented in the June 2, 2025, PC staff report (Attachment 3).

### 7. PROJECT ANALYSIS

At the June 2, 2025, meeting the Planning Commission request additional information and clarification for the following items:

1. Revise the operating hours in condition 12 to correct the inconsistency in the hours specified.
2. Tie the Alcohol Exemption Permit to Business Operator and requiring a new Alcohol Exemption Permit upon a change in operator.
3. Specify a sales records submission timeline in condition 4.
4. Add a distance requirement from sensitive receptors (residential, schools, churches) where outdoor dining would not be allowed.
5. Specify the minimum standard for the security cameras pursuant to condition 35.
6. Change the definition of "Meals" found in the proposed ordinance for clarity.
7. Clarification on "Happy Hour" restrictions, in regard to condition 20.
8. A potential public noticing requirement for Alcohol Exemption Permit applications.

Staff has made the following changes in response to the request listed above:

1. The operating hours in condition 12 have been revised to correct the inconsistency previously noted, the condition now states, "The business indoor hours shall be limited to Sunday - Thursday 7:00am to 10:00pm and Friday and Saturday 7:00am to 12:00am. The hours of the outdoor area shall be limited to 7:00am to 10:00pm daily. These hours do not restrict employees from being on the premises before opening for preparations and deliveries or after closing for clean-up. Clean-up may not be conducted by patrons."
2. Staff did not include language to tie the Alcohol Exemption Permit to the business owner or operator. The intent of the ordinance is to implement an Alcohol Exemption Permit as a ministerial action and is to be administered as any other use subject to special use regulations found in OMC Section 17.13.040.
3. A sales record submission timeline was added to condition 4, the condition now states, "The quarterly gross sales of alcoholic beverages shall not exceed the gross sales of merchant items that include food within the restaurant during the same time period. The licensee shall at all times maintain records that reflect separately the gross sales of food and the gross sales of alcoholic beverages of the licensed business. Said records shall be kept on a quarterly basis and shall be made available **within 10 calendar days of a written request.**"
4. Condition number 27 was added into the proposed ordinance to provide a distance requirement from sensitive receptors, and states, "Alcohol service is not allowed for outdoor dining areas that are located within 100 feet of a sensitive receptor (residential uses, schools, parks, or religious institutions), where the outdoor dining area is oriented to face such sensitive receptor."
5. Condition 35 (now condition 36) is updated to include a standard for the required security cameras. Condition 36 states, "Lighting in the parking area of the premises shall be directed, positioned and shielded in such a manner so as not to unreasonably illuminate the window area of nearby residences. The owner shall install and maintain a security camera system capable of readily identifying facial features, and stature of all patrons entering the

establishment during hours of operation and monitoring the rear of the premises, **to the satisfaction of the Police Department**. The camera system shall keep a minimum 30-day library of events, which shall be available for downloading and inspection by the Orange Police Department.”

6. The definition of “Meals” for Section 17.04.032 was changed, and now states, ““Meals” means the usual assortment of foods commonly ordered at various hours of the day **when prepared within suitable interior kitchen facilities, containing the necessary appliances for washing, preparing, and cooking an assortment of foods**.”
7. Condition 20 was updated to clarify “Happy Hour” restrictions, Condition 20 now states, “There shall be no generic drink specials or **happy hour promotions**, such as: “half off drinks, two for one drinks, buy one get one free, etc.” ~~No alcoholic beverages will be discounted more than 30% off it’s regular price. The establishment may offer alcoholic beverages only in combination with non-alcoholic beverages at a reduced rate.~~”
8. A public noticing requirement was not included in the proposed ordinance. The intent of the ordinance is to implement an Alcohol Exemption Permit as a ministerial action and is proposed to be administered as any other use subject to special use regulations found in OMC Section 17.13.040, which do not have public noticing requirements.

## 8. PUBLIC NOTICE

This item does not require a public hearing notice because the item was continued to a date certain at the June 2, 2025, Planning Commission meeting.

## 9. ADVISORY BOARD ACTION

No advisory board action was necessary for this ordinance.

## 10. ATTACHMENTS

- Attachment 1 - Planning Commission Resolution No. PC 05-25 with Draft City Council Ordinance XX-25 (Clean)
- Attachment 2 - Draft City Council Ordinance XX-25 (Redlined)
- Attachment 3 - Planning Commission Staff Report, June 2, 2025