

THE CITY OF SAN DIEGO

Report to the Hearing Officer

DATE ISSUED:	November 25, 2024	REPORT NO. HO-24-052
HEARING DATE:	December 18, 2024	
SUBJECT:	SPROUTS HORTON OFF-SITE ALCOHOL SALES	; Process Three Decision
PROJECT NUMBER:	<u>1115855</u>	
OWNER / APPLICANT:	SPC HORTON OWNER 1, LLC, SPC HORTON ON OWNER 3, LLC, SPC HORTON OWNER 4, LLC /	

<u>SUMMARY</u>

<u>Issue</u>: Should the Hearing Officer approve a Conditional Use Permit for the sale of alcoholic beverages for off-site consumption ("Project") at Sprouts Farmers Market, a proposed 26,385-square-foot grocery store located at 200 Horton Plaza, Suite 200 at the "Campus at Horton," a mixed-use development under construction on the site bounded by E Street, G Street, First Avenue and Fourth Avenue within the Employment/Residential Mixed Use land use district of the Centre City Planned District and the Horton/ Gaslamp neighborhood of the <u>Downtown Community Plan</u> area (Council District 3)?

Proposed Action: APPROVE Conditional Use Permit (CUP) No. 3292604.

Fiscal Impact Statement: No fiscal impact. The Project is privately owned and funded.

<u>Code Enforcement Impact</u>: No code enforcement impact. There are no active code enforcement cases on the property.

<u>Housing Impact Statement</u>: No housing impact. The Project proposes to sell alcohol for off-site consumption in a mixed-use development that is currently under construction.

<u>Community Planning Group Recommendation</u>: On September 18, 2024, the Downtown Community Planning Council voted 14-0 to recommend approval of the Project (Attachment 8).

Environmental Impact: The Development Services Department completed a California Environmental Quality Act (CEQA) review for the Project. On October 1, 2024, the Environmental Analysis Section (EAS) determined that the Project is consistent with the previously certified City of San Diego Downtown Environmental Impact Report (SCH# 2003041001). Development within the Downtown Community Planning area is covered under the following documents, referred to collectively as the "Downtown FEIR": (1) Final Environmental Impact Report (FEIR) for the San Diego Downtown Community Plan (DCP), Centre City Planned District Ordinance, and 10th Amendment to the Centre City Redevelopment Plan, certified by the former Redevelopment Agency ("Former Agency") and the City Council on March 14, 2006 (Resolutions R-04001 and R-301265, respectively); (2) Subsequent Addenda to the FEIR certified by the Former Agency and City Council on: August 3, 2007 (Resolution R-04193 and R-302932, respectively); April 13, 2010 (Council Resolution R-305759); April 21, 2010 (Former Agency Resolutions R-04509 and R-04510); August 3, 2010 (Former Agency Resolution R-04544 and Council Resolution R-30614); February 12, 2014 (City Council Resolution R-308724); July 14, 2014 (City Council Resolution R-309115); and (3) Final Supplemental Environmental Impact Report for the Downtown San Diego Mobility Plan certified by the City Council on June 21, 2016 (Resolution R-310561).

Development within the DCP area is also covered under the following documents, referred to collectively as the "CAP FEIR": FEIR for the City of San Diego Climate Action Plan (CAP) Project No. 416603/SCH No. 2015021053, certified by the City Council on December 15, 2015 (City Council Resolution R-310176), and the Addendum to the CAP, certified by the City Council on July 12, 2016 (City Council Resolution R- 310595).

The Downtown FEIR and CAP FEIR are "Program EIRs" prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168. The information contained in the Downtown FEIR and CAP FEIR reflects the independent judgment of the City of San Diego as the Lead Agency. The environmental impacts of the Project were adequately addressed in the Downtown FEIR and CAP FEIR; the Project is within the scope of the development program described in the Downtown FEIR and CAP FEIR; the Project is adequately described within each document for the purposes of CEQA; and, none of the conditions listed in CEQA Guidelines Section 15162 exist. Therefore, no further environmental documentation or review is required under CEQA. All environmental documents for the <u>DCP area</u> and <u>CAP FEIR</u>, are available on the City website.

BACKGROUND

The Project is located within a proposed 26,385-square-foot grocery store at 200 Horton Plaza, Suite 200 within the "Campus at Horton," a mixed-use development currently under construction on the site bounded by E Street, G Street, First Avenue and Fourth Avenue in the Horton/ Gaslamp neighborhood of the DCP area ("Downtown"). The Project site is within the Employment/ Residential (ER) Mixed Use land use district of the Centre City Planned District (Attachment 2). The site is surrounded by a mix of residential, commercial, and civic uses, including the high-rise Renaissance residential condominium towers to the southwest, mid-rise office buildings to the west, single-story Ralph's grocery store to the south.

The sale of alcoholic beverages for off-site consumption is identified as a separately regulated use in the Centre City Planned District Ordinance (CCPDO) of the San Diego Municipal Code (SDMC). Per Section 156.0315(b), off-site alcoholic beverage sales are required to obtain approval of a CUP in accordance with Process Three and are subject to the following regulations:

- A. No wine or distilled spirits shall be sold in containers of less than 750 milliliters.
- B. No malt beverage products shall be sold in quantities of less than a six-pack of 12-ounce bottles or other containers totaling a minimum of 64 ounces.

C. No alcoholic beverages shall be sold except between the hours of 10:00 a.m. and 10:00 p.m.

Per Section 156.0315(b)(1)(D), after conducting a public hearing, the Hearing Officer may approve exceptions to (C) above upon making the following findings:

- 1. The request for an exception was provided in the public notice for the hearing; and,
- 2. The proposed use and operations are compatible with existing and planned surrounding land uses.

A decision on an application for a CUP shall be made by the City Hearing Officer in accordance with Process Three and is appealable to the Planning Commission in accordance with Section 112.0506.

DISCUSSION

Project Description:

The Project is located within the 26,385-square-foot tenant space at 200 Horton Plaza, part of the mixed-use development, "Campus at Horton," currently under construction. The Applicant, Sprouts Farmers Market, states in their Letter of Request (Attachment 11) that the subject tenant space is proposed as Sprouts Farmers Market, a full-service grocery store. It will offer a wide range of products, including Sprouts-branded bakery goods, produce, a full-service meat counter and deli, seafood, baked goods, prepared foods, coffee and tea, juices, beer and wine, cheese, nutritional supplements, vitamins, body care, pet foods and household goods. As part of the grocery store, the Applicant proposes the sale of alcoholic beverages for off-site consumption. The grocery store is proposed to operate between the hours of 7:00 a.m. and 10:00 p.m. The Applicant anticipates approximately 250 SF of the retail floor area will be dedicated to the display of alcoholic beverages, which equates to less than two percent of the grocery store's total retail floor area of 14,760 SF. Per Table 156-0308-A of the CCPDO, retail sales are permitted in the Public/Civic district and off-site alcoholic beverage sales as permitted as an accessory use with approval of a CUP and subject to the provisions of Section 156.0315(b)(1). The Applicant is requesting deviations from Section 156.0315(b)(1) as listed in Table 1 below:

	Table 1 Requested Berlations	
	Requirement	Proposal
Minimum container size for wine or distilled spirits	No less than 750 milliliters	No less than 375 milliliters or multi-unit quantities of containers at least 375 milliliters
Minimum container size	No less than six-pack of 12-ounce	Singles; no minimum
for malt beverage	bottles or other containers	
products	totaling at least 64 ounces	
Sale hours	10:00 a.m. and 10:00 p.m.	7:00 a.m. to 10:00 p.m.

Table 1 - Requested Deviations	Table 1	- Requested	Deviations
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Within approximately a quarter of a mile around the Project site, there are seven establishments that have been granted CUPs for the sale of alcoholic beverages for off-site consumption, which can be seen in the map in Attachment 4 and listed in Table 2 below:

Permit Number	Name	Address
2014-68	Quick Stop Market	728 4 th Ave.
2012-49	Jimbo's Naturally (closed)	92 Horton Plaza
2014-65	CVS (closed)	37 Horton Plaza
2018-47	CVS	1023 Fourth Ave.
2011-46	The Emergency Room	538 4 th Ave
2016-14	Callaway Winery Tasting Room (closed)	517 4 th Ave.
2010-03	Bon Vin (closed)	542 5 th Ave.

Table 2 - Off-Site Alcoholic Beverage CUPs within One-Quarter Mile of the Project Site

Community Plan Analysis:

The Project site is located within the Horton/Gaslamp neighborhood of the DCP area. This neighborhood represents one of downtown's earliest success stories. The Horton/Gaslamp neighborhood offers a blend of specialty retail, movie theatres, performance venues and hotels, drawing local residents and tourists. Upon completion of the Horton Plaza Park, currently under construction, this neighborhood will continue to serve downtown residents, employees and the region at large, as well as attract a number of tourists and conventioneers. A principal objective of the DCP is to reinforce Horton/Gaslamp as the entertainment and shopping center for Downtown. The following are some key DCP goals and policies applicable to the Project:

- 3.1-G-2 Provide an overall balance of uses-employment, residential, cultural, government, and destination with a full compendium of amenities and services.
- 3.1-G-3 -Allow service and support commercial uses—such as small hospitals, produce markets that serve restaurants, and repair shops—in specific locations to ensure availability of essential services within downtown.
- 6.4-G-1 Maintain Horton/Gaslamp as an entertainment and shopping district with a broad mix of uses, high activity, and wide-ranging appeal.

Project-Related Issues:

As part of the requested CUP, the Applicant is requesting deviations from each of the three separately regulated use provisions for off-site alcohol beverage sales in Section 156.0315(b)(1), as listed in Table 1 above.

Exceptions to the standard hours of off-site alcoholic beverage sales in Section 156.0315(b)(1)(C) (10:00 a.m. to 10:00 p.m.) may be requested in accordance with Section 156.0315(b)(1)(D) of the CCPDO and are decided by the Hearing Officer after conducting a public hearing. The Applicant is seeking an exception from the standard sale hours to allow off-site alcohol beverage sales to occur from 7:00 a.m. to 10:00 p.m. seven days a week, which is consistent with the hours of operation of the grocery store itself. Since the year 2000, five exceptions to sales hours have been granted, all of which were for large-scale grocery stores, as listed in Table 3 below:

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Permit Number	Name	Address	Hours
2006-56	Albertson's	655 14 th St.	8:00 a.m. to 12:00 a.m.
2012-49	Jimbo's Naturally (closed)	92 Horton Plaza	8:00 a.m. to 10:00 p.m.
2014-65	CVS (closed)	37 Horton Plaza	8:00 a.m. to 10:00 p.m.
649856	Radian/Target (canceled)	659 Ninth Ave.	8:00 a.m. to 10:00 p.m.
3269869	Whole Foods (under construction)	201 West A St.	7:00 a.m. to 11:00 p.m.

Table 3 - Previously Granted CUPs with Deviations from Standard Hours in Downtown

Historically, City staff has supported deviations from the standard sale hours of off-site alcoholic beverages for large-scale grocery stores because the alcohol sales make up a very small portion of the overall inventory of the store and a small display footprint in relation to the store as a whole. For the Project, the Applicant proposes approximately 250 SF of retail floor area dedicated to the display of alcoholic beverages, which equates to less than 2% of the grocery store's 14,760 SF total retail floor area. As detailed in the draft findings (Attachment 5), the limited retail floor area of this and previous large-scale grocery store exceptions, combined with the typical conditions of approval for off-site alcoholic beverage sales, including conditions concerning security and loitering, contribute to the support for deviations from the standard alcohol sale hours.

The Applicant is also requesting deviations from Section 156.0315(b)(1)(A) and (B) to reduce the minimum container sizes for wine and distilled spirits and malt beverages. There is one example of a CUP granted to reduce the container sizes: CUP No. 3269869 for Whole Foods Market at 201 West A Street, approved by the City Hearing Officer on May 8, 2024. Additionally, the Ralph's grocery store at 101 G Street is allowed to sell products in container sizes less than the minimum size; however, this is a previously conforming use that has operated with off-site alcoholic beverage sales prior to the CCPDO requirement for a CUP. The proposed use is for a large-scale grocery store located within a property that will function as a mixed-use mall with limited entry points into the mall. Additionally, both the grocery store and the mall property will have security personnel.

A Notice of Application was published on June 26, 2024 and no public comments have been received. The Project was presented to the Downtown Community Planning Council on September 18, 2024, who voted 14-0 to recommend approval of the Project (Attachment 8). The San Diego Police Department (SDPD) provided a recommendation to approve the CUP with suggested conditions (Attachment 9) and included the allowance of a minimum 375-milliliters sized container for wine or distilled spirits, which have been incorporated into the draft permit (Attachment 6). Separately, the Applicant is also required to obtain all necessary permits and licenses from the SDPD and the California Department of Alcoholic Beverage Control.

<u>Conclusion</u>:

Staff has reviewed the Applicant's proposal and considered the potential impacts resulting from the proposed use. Based on the draft findings (Attachment 5), Staff recommends that the City Hearing Officer approve CUP No. 3292604, including the requested deviations, to allow the sale of alcoholic beverages for off-site consumption within the ground floor tenant space at 200 Horton Plaza, Suite 200, subject to conditions in the draft permit (Attachment 6).

ALTERNATIVES

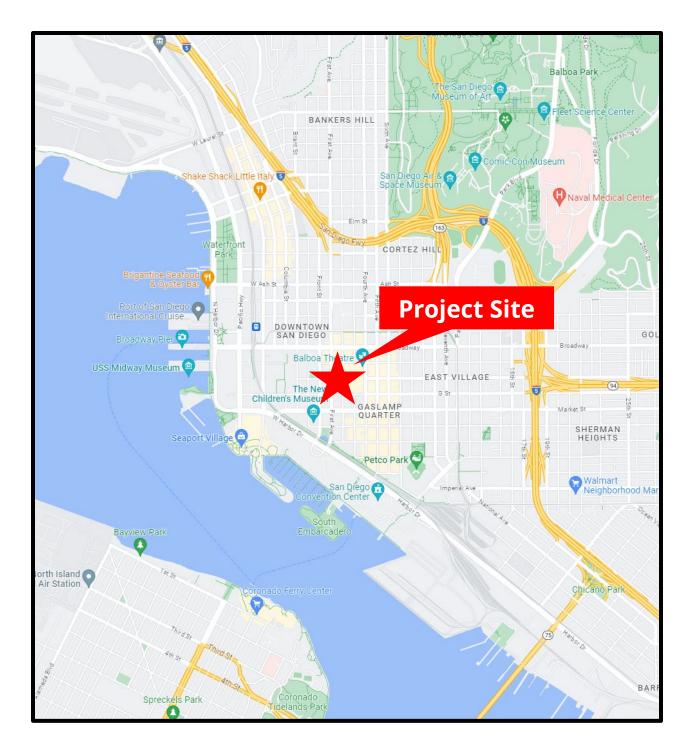
- 1. Approve CUP No. 3292604, with modifications.
- 2. Deny CUP No. 3292604, if the findings required to approve the project cannot be affirmed.

Respectfully submitted,

Carly Gagen-Cheeney, PE Senior Planner, Urban Innovation Division Development Services Department

Attachments:

- 1. Location Map
- 2. Land Use Map
- 3. Aerial Photo
- 4. Off-Site Alcoholic Beverage Sales Vicinity Map
- 5. Draft Resolution with Findings
- 6. Draft Permit with Conditions
- 7. Environmental Determination CEQA 15162 Memo
- 8. Community Planning Group Recommendation
- 9. SDPD Recommendation
- 10. Ownership Disclosure
- 11. Applicant Letter of Request
- 12. Project Plans

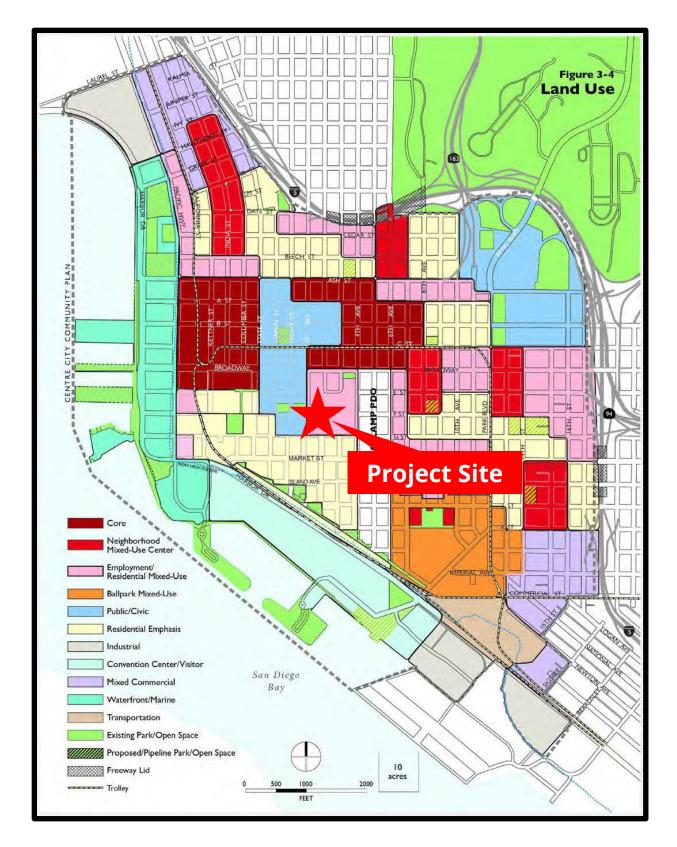




Project Location Map

Sprouts Horton Off-Site Alcohol Sales-Project No. 1115855 200 Horton Plaza, Suite 200



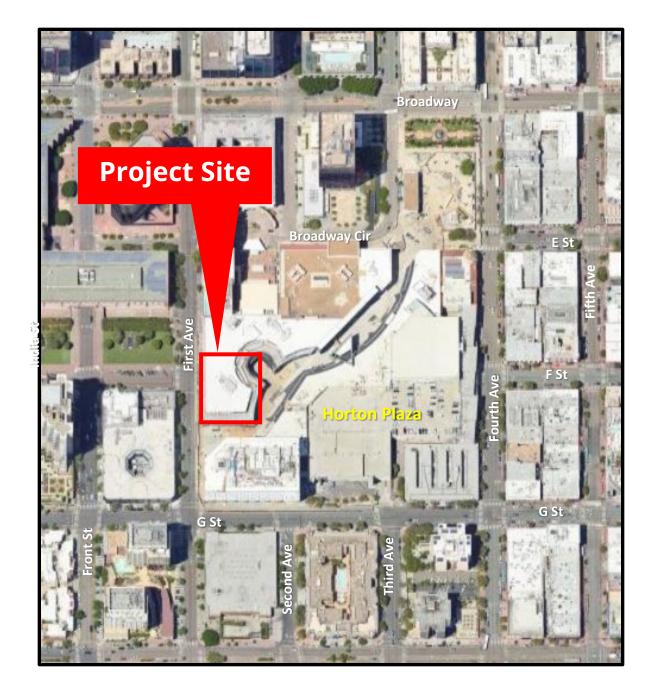




Land Use Map

Sprouts Horton Off-Site Alcohol Sales- Proj No. 1115855 200 Horton Plaza, Suite 200







<u>Aerial Photo</u>

Sprouts Horton Off-Site Alcohol Sales-Project No. 1115855 200 Horton Plaza, Suite 200





Off-Site Alcohol Sales Vicinity Map

The City of

DIEGO

Sprouts Horton Off-Site Alcohol Sales, Project No. 1115855 200 Horton Plaza, Suite 200



HEARING OFFICER RESOLUTION NO. _____ CONDITIONAL USE PERMIT NO. 3292604 SPROUTS HORTON OFF-SITE ALCOHOLIC BEVERAGE SALES - PROJECT NO. PRJ-1115855

WHEREAS, SPC Horton Owner 1, LLC, SPC Horton Owner 2, LLC, SPC Horton Owner 3, LLC, and SPC Horton Owner 4 (collectively, "Owner") and Sprout's Farmers Market (Permittee), filed an application for a Conditional Use Permit (CUP) with the City of San Diego ("City") for a permit to allow off-site alcoholic beverage sales ("Project") at Sprouts Farmers Market, a proposed 26,385-squarefoot grocery store located at the "Campus at Horton," a mixed-use development, as described in and by reference to the approved Exhibit "A" and corresponding conditions of approval for the associated CUP No. 3292604;

WHEREAS, the Project site is located at 200 Horton Plaza, Suite 200 in the Employment/ Residential Mix-Use land use district of the Centre City Planned District, within the Horton/ Gaslamp neighborhood of the Downtown Community Plan (DCP) area ("Downtown"), and legally described in Exhibit A;

WHEREAS, on October 1, 2024, the City determined that the Project is consistent with the previously certified Downtown Final Environmental Impact Report (Downtown FEIR) (SCH# 2003041001);

WHEREAS, development within the Downtown Community Planning area is covered under the following documents, referred to collectively as the "Downtown FEIR": (1) Final Environmental Impact Report (FEIR) for the San Diego Downtown Community Plan, Centre City Planned District Ordinance, and 10th Amendment to the Centre City Redevelopment Plan, certified by the former Redevelopment Agency ("Former Agency") and the City Council on March 14, 2006 (Resolutions R-04001 and R-301265, respectively); (2) subsequent addenda to the FEIR certified by the Former Agency and City Council on: August 3, 2007 (Resolution R-04193 and R-302932, respectively); April

13, 2010 (Council Resolution R-305759); April 21, 2010 (Former Agency Resolutions R-04509 and R-04510); August 3, 2010 (Former Agency Resolution R-04544 and Council Resolutions R-30614), February 12, 2014 (City Council Resolution R-308724); July 14, 2014 (City Council Resolution R-309115); and (3) Final Supplemental Environmental Impact Report for the Downtown San Diego Mobility Plan certified by the City Council on June 21, 2016 (Resolution R-310561);

WHEREAS, development within the DCP area is also covered under the following documents, referred to collectively as the "CAP FEIR": FEIR for the City's Climate Action Plan (CAP), certified by the City Council on December 15, 2015 (City Council Resolution R-310176), and the Addendum to the CAP, certified by the City Council on July 12, 2016 (City Council Resolution R- 310595);

WHEREAS, the Downtown FEIR and CAP FEIR are "Program EIRs" prepared in compliance with California Environmental Quality Act (CEQA) Guidelines Section 15168; the information contained in the Downtown FEIR and CAP FEIR reflects the independent judgment of the City as the Lead Agency; the environmental impacts of the Project were adequately addressed in the Downtown FEIR and CAP FEIR; the Project is within the scope of the development program described in the Downtown FEIR and CAP FEIR and is adequately described within each document for the purposes of CEQA; and none of the conditions listed in CEQA Guidelines Section 15162 exist;

WHEREAS, based on the foregoing, no further environmental documentation or review is required under CEQA.

WHEREAS, on December 18, 2024, the Hearing Officer of the City of San Diego considered CUP No. 3292604 pursuant to the City Land Development Code; NOW THEREFORE,

BE IT RESOLVED by the Hearing Officer of the City of San Diego, that it adopts the following findings with respect to CUP No. 3292604:

A. <u>CONDITIONAL USE PERMIT [SDMC Section 126.0305]</u>

1. <u>Findings for all Conditional Use Permits:</u>

a. The proposed development will not adversely affect the applicable land use plan.

The proposed use, off-site alcoholic beverage sales within a proposed 26,385-squarefoot grocery store located at 200 Horton Plaza of the mixed-use development, "Campus at Horton", currently under construction within the Employment Residential land use district of the Centre City Planned District, will not adversely affect the applicable land use plan because Table 156-0308-A of the Centre City Planned District Ordinance (CCPDO) of the San Diego Municipal Code (SDMC) allows retail sales, such as a grocery store, as a permitted use, and off-site alcoholic beverage sales as an accessory use to retail sales with approval of a CUP in accordance with Process 3.

The Project site is located within the Horton Plaza/ Gaslamp Quarter neighborhood of the Downtown Community Plan (DCP) area. The DCP states that the Horton Plaza/ Gaslamp Quarter neighborhood serves as the "premiere entertainment and celebration destination in San Diego", with robust shopping, dining, entertainment, cultural, and some residential activity (DCP, page 6-15). One of the goals of the Horton/Gaslamp neighborhood is to "Maintain Horton/Gaslamp as an entertainment and shopping district, with a broad mix of uses, high activity, and wide-ranging appeal" (G.4-G-1, page 6-18). The Marina neighborhood is adjacent to the project site on the south and is a predominantly residential neighborhood. One of the Guiding Principles of the DCP is to provide, "A collection of unique, diverse neighborhoods with a full complement of uses. The organizing concept of the DCP is walkable neighborhoods with a mix of uses and easy access to open space, shops, services, amenities, and cultural attractions that create opportunities for true urban living" (DCP, Guiding Principles, page 1-3). A grocery store with off-site alcoholic beverage sales in close walking distance to residences is an additional neighborhood-serving commercial use in a mixed-use neighborhood that will serve not just the surrounding residents, but employees and visitors to the area as well, which will in turn, increase the vitality and activity in both neighborhoods. The redevelopment of Downtown, specifically Horton Plaza, is to activate underutilized spaces continually. With the rehabilitation of Horton Plaza, it is essential to bring in active businesses to continue to support the goals of the DCP. Because the Project is proposed to be off-site alcoholic beverage sales within a large-scale grocer offering a variety of products, it will serve as an additional attraction for residents and employees of Downtown alike and as such, will add to the uses that already exist and are planned in the DCP area.

The Project aligns with the DCP's goals for the Horton/Gaslamp neighborhood and complies with the CCPDO; therefore, the proposed use will not adversely affect the applicable land use plan.

b. The proposed development will not be detrimental to the public health, safety, and welfare.

The proposed use, off-site alcoholic beverage sales, will not be detrimental to the public health, safety and welfare of the community because the sales will take place within a large-scale grocery store and the conditions of approval will mitigate and address impacts that have the potential to adversely impact public health, safety, and welfare. For example, the amount of retail square footage within the store dedicated to the sale of off-site alcoholic beverages is limited to no more than approximately 10% of the store's total retail floor area, which will ensure the proposed use is always a small component of the large-scale grocery store and not a primary attraction. The display area and footprint of the space will be minimal when compared to the overall store and therefore pose negligible detrimental effects. Additionally, to prevent public nuisances and unwanted behavior, conditions of approval require the owner/operator to maintain the premises and adjacent sidewalks free of litter and graffiti, post signage that prohibits loitering and open containers in and around the premises. The conditions of approval also create a process for violations of the CUP to be reported and reviewed. If any nuisances are reported to the Permittee by a member of the community, a condition of approval requires the Permittee to respond to complaints within 24 hours of receiving the complaint. If complaints persist and it is determined that the conditions of the CUP have been violated, then the CUP may be revoked at a public hearing. Further, the San Diego Police Department (SDPD) reviewed the proposal and provided conditions of approval for the draft permit, which required video surveillance to be available to law enforcement upon request and proper training for employees who will be responsible for alcohol sales, as well as language regarding the deviations to hours and container size and. The San Diego Police Department recommendation included the allowance of a minimum 375-milliliters sized container for wine or distilled spirits. These conditions of approval serve as safeguards to ensure that the alcohol sales uses are closely controlled and do not create a public nuisance. Therefore, the proposed use will not be detrimental to the public health, safety, and welfare for the residents, employees, and visitors of the Downtown community.

c. The proposed development will comply with the regulations of the Land Development Code including any allowable deviations pursuant to the Land Development Code.

The proposed use, off-site alcoholic beverage sales at a grocery store, is permitted with approval of a CUP as an accessory use to retail sales in the ER land use district of the CCPDO and subject to the separately regulated use provisions of Section 156.0315(b)(1), which include limiting the container sizes of wine, distilled spirits and limiting the hours of sales of alcoholic beverages. As part of the requested CUP, the Project includes deviations from each of these three separately regulated use provisions for off-site alcohol beverage sales in Section 156.0315(b)(1)(A), (B), and (C).

Exceptions to the standard hours of off-site alcoholic beverage sales in Section 156.0315(b)(1)(C) (which are 10:00 a.m. to 10:00 p.m.) may be requested in accordance with Section 156.0315(b)(1)(D) of the CCPDO and are decided by the Hearing Officer after public notice and a public hearing. As indicated in Supplemental Finding 2.a., incorporated here by reference, the request for an exception was provided in the public notice for this hearing. The Project proposes off-site alcohol beverage sales to occur from 7:00 a.m. to 10:00 p.m. seven days a week, which is consistent with the hours of operation of the grocery store itself.

Five exceptions within the DCP area have been granted to deviate from the standard alcohol sales hours, all of which were for large-scale grocery stores where the alcohol sales comprised a relatively small portion of the overall inventory of the store and, physically, a small display footprint in relation to the store as a whole: 1) Albertson's at 655 14th Street (CUP No. 2006-56), 2) Jimbo's Naturally (now closed) at 92 Horton Plaza (CUP No. 2012-49), 3) CVS (now closed) at 37 Horton Plaza (CUP No. 2014-65), 4) Target (project canceled) at 659 Ninth Avenue (CUP No. 649856), and 4) Whole Foods Market (under construction) at 201 West A Street (CUP No. 3269869).

The container size deviation proposes to reduce the minimum container size for wine or distilled spirits (SDMC 156.0315(b)(1)(A)) from 750 milliliters to 375 milliliters or multi-unit quantities of containers totaling at least 375 milliliters and for malt beverage products (SDMC 156.0315(b)(1)(B)) from six-packs of 12-ounce bottles to single containers with no minimum size. The proposed use is for a large-scale grocery store located within a property that will function as a mixed-use mall with limited entry points into the mall. Additionally, both the grocery store and the mall property will have security personnel. The limited entrances and security personnel will reduce the likelihood of theft because they limit the ability to leave the premises with unpaid items, such as an individual container of alcohol. There is one example of a CUP granted to reduce the container sizes: CUP No. 3269869 for Whole Foods Market currently under construction at 201 West A Street, approved by the City Hearing Officer on May 8, 2024. The Applicant's Letter of Request states that the grocery store will sell a wide range of products, including, but not limited to Sproutsbranded bakery goods, produce, a full-service meat counter and deli, seafood, baked goods, prepared foods, coffee and tea, juices, beer and wine, cheese, nutritional supplements, vitamins, body care, pet foods and household goods. In total, the retail floor area dedicated to the off-site alcoholic beverage sales area is proposed to be about 250 SF, which is less than 2% of the store's overall 14,760 SF retail floor area. The Project's off-site alcoholic beverage sales are a single component of a larger merchandise retailer that comprises a relatively small portion of the overall inventory of the store and, physically, a small display footprint in relation to the store as a whole. The diversity of products and small area dedicated to alcohol relative to the rest of the store means that the store's likely average customer will patronize the store to purchase grocery items and general merchandise and that alcohol sales are likely to only supplement other purchases.

The limited retail floor area of this use, the location of the off-site alcoholic beverage sales area adjacent to the cashiers and within close visual range of proposed

security, combined with the typical conditions of approval for off-site alcoholic beverage sales supported by the SDPD, such as clearing all litter and graffiti, prohibiting loitering and open containers, having video surveillance available to law enforcement, and providing proper training for employees responsible for alcohol sales, will ensure that the proposed deviations to extend sale hours and decrease the minimum container sizes do not become a public nuisance or create adverse health, safety, or welfare impacts to the neighborhood.

With the allowable deviation to the hours of operation, the Project will comply with the CCPDO, and all requested deviations are subject to the conditions of approval which ensure that the project with the proposed deviations does not become a public nuisance or create adverse health, safety, or welfare impacts to the neighborhood. Any proposed changes would be required to be reviewed by the City and obtain all necessary governmental approvals. Therefore, the proposed use complies with the regulations of the Land Development Code.

d. The proposed use is appropriate at the proposed location.

The Project site is located within the Horton Plaza/ Gaslamp Quarter (Horton/Gaslamp) neighborhood of the DCP area. The DCP states that the Horton/Gaslamp neighborhood serves as the "premiere entertainment and celebration destination in San Diego", with robust shopping, dining, entertainment, cultural, and some residential activity (DCP, page 6-15). One of the goals of the Horton/Gaslamp neighborhood is to "Maintain Horton/Gaslamp as an entertainment and shopping district, with a broad mix of uses, high activity, and wide-ranging appeal" (G.4-G-1, page 6-18). The proposed alcoholic beverage sales will take place within a large-scale grocery store located within a property that will function as a mixed-use mall with limited entry points and security. Both the grocery store and the mall property will have security personnel. The proposed use location within the mall, within the boundaries of the limited entrances and security personnel coverage, is appropriate because it will reduce the likelihood of theft because it limits the ability to leave the premises with unpaid items, such as an individual container of alcohol.

The Civic/ Core neighborhood surrounds most of the project site and much of the blocks surrounding the Project site contain office and other employment uses. Because the Project is proposed to be off-site alcoholic beverage sales within a large-scale grocer offering a variety of products, it will serve as an additional attraction for residents and employees of Downtown alike and as such, will reinforce the neighborhood's position as an entertainment center. Much of the blocks surrounding the Project site contain office and other employment uses, so a grocery store with off-site alcoholic beverage sales will service the surrounding office employees, which will increase the vitality and activity in Civic/ Core and Horton/Gaslamp. With this variety of existing uses in the Horton/Gaslamp neighborhood, the proposed use provides a service to the residents, employees, and visitors of the neighborhood. This strengthening of the mix of uses in Horton/Gaslamp advances the DCP goal to maintain Horton/Gaslamp as an

entertainment and shopping district, "with a broad mix of uses, high activity, and wide-ranging appeal" (G.4-G-1, page 6-18). This also to foster a rich mix of uses in all neighborhoods (DCP, Goal 3.5-G-2). Therefore, the proposed use is appropriate at the proposed location.

2. <u>Supplemental Findings – Exceptions to 156.0315(b)(1)(C) for Hours of Off-Site</u> <u>Alcoholic Beverage Sales</u>

a. The request for an exception was provided in the public notice for the hearing.

The Notice of Public Hearing for the Project was published on December 4, 2024 and included the following statement: "The CUP request includes deviations to 1) extend the standard off-site alcoholic beverage sales from between 10:00 a.m. and 10:00 p.m. to between 7:00 a.m. and 10:00 p.m., 2) reduce the minimum container size of wine and distilled spirits from 750 milliliters to 375 milliliters or manufacturer prepackaged multi-unit quantities with a total package volume of 375 milliliters, and 3) reduce the minimum container size of malt beverages from six-packs of 12-ounce bottles to single containers, no minimum." Therefore, the exception request was provided in the public notice for the hearing.

b. The proposed use and operations are compatible with existing and planned surrounding land uses.

The proposed use is off-site alcoholic beverage sales from 7:00 a.m. to 10:00 p.m. as an accessory use within a large-scale grocery store within a property that will function as a mixed-use mall development, The Campus at Horton, within the Horton/Gaslamp neighborhood. The DCP encourages a rich mix of uses in all neighborhoods (DCP, 3.5-G-2) and an overall balance of uses in Downtown (DCP, 3.1-G-2). With this vision, Downtown has become a vibrant community with a variety of uses that are active throughout the day and night. The Project site, as well as the blocks surrounding the Project site, include a mix of uses such as residential, office, small-scale commercial, and other employment uses. The DCP anticipates the Horton/ Gaslamp neighborhood will continue to redevelop with mixed-use developments. Since the year 2000, five other large-scale stores in Downtown that provide accessory off-site alcoholic beverage sales have also been granted similar extended hours, including: 1) Albertson's at 655 14th Street (CUP No. 2006-56), 2) Jimbo's Naturally (now closed) at 92 Horton Plaza (CUP No. 2012-49), 3) CVS (now closed) at 37 Horton Plaza (CUP No. 2014-65), 4) Target (project canceled) at 659 Ninth Avenue (CUP No. 649856), and 4) Whole Foods Market (under construction) at 201 West A Street (CUP No. 3269869). With the variety of existing uses in the Horton/ Gaslamp neighborhood and the surrounding mixed-use neighborhoods, a grocery retailer with accessory off-site alcoholic beverage sales from 7:00 a.m. to 10:00 p.m. provides a service to the residents, employees, and visitors of the neighborhood and therefore is compatible with existing and planned surrounding land uses.

The above findings are supported by the minutes, maps and exhibits, all of which are incorporated herein by this reference.

BE IT FURTHER RESOLVED that, based on these findings adopted by the Hearing Officer, CUP No. 3292604 is hereby GRANTED by the Hearing Officer to the referenced Owner/Permittee, in the form, exhibits, terms and conditions as set forth in CUP No. 3292604, a copy of which is attached hereto and made a part hereof.

Carly Gagen-Cheeney Senior Planner, Urban Innovation Division Development Services Department

Adopted on: December 18, 2024

IO#: 24009925

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 1:

PARCEL 1-A (APNS: 533-610-08-00; 533-610-13-00; 533-610-19-00; 533-610-22-00):

PARCELS 3 AND 8 OF PARCEL MAP NO. 15076, PARCEL 2 OF PARCEL MAP NO. 15803, AND PARCEL 1 OF PARCEL MAP NO. 21100, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY DECEMBER 18, 1987 AS INSTRUMENT NO. 87-695990, SEPTEMBER 21, 1989 AS INSTRUMENT NO. 89-509482, AND DECEMBER 11, 2013 AS INSTRUMENT NO. 2013-0715890, RESPECTIVELY, OF OFFICIAL RECORDS. PARCEL MAP NO. 15803 WAS AMENDED BY CERTIFICATE OF CORRECTION RECORDED APRIL 12, 1993 AS INSTRUMENT NO. 1993-0223222 OF OFFICIAL RECORDS.

PARCEL 1-B:

ALL EASEMENTS (INCLUDING ALL EASEMENTS OF USE, SUPPORT, ATTACHMENTS, ACCESS, PEDESTRIAN AND VEHICULAR PASSAGE, ENCROACHMENT, AND OF ERECTION AND MAINTENANCE OF UTILITY LINES) IN FAVOR OF AND FOR THE BENEFIT OF SAID PARCEL 3 OF PARCEL MAP NO. 15076 AND SAID PARCELS 2 AND 3 OF PARCEL MAP NO. 15803 OF PARCEL A OF THIS SCHEDULE, ALL AS SET FORTH AND DEFINED IN THAT CERTAIN CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT DATED AS OF AUGUST 01, 1985, EXECUTED BY HORTON PLAZA ASSOCIATES, MERVYN'S, NORDSTROM, INC., CARTER, HAWLEY, HALE STORES, INC., AND ADCOR REALTY CORPORATION, AND RECORDED ON JULY 24, 1986 AS INSTRUMENT NO. 86-308328 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY, CALIFORNIA, AND AMENDED JUNE 14, 1993 AS INSTRUMENT NO. 1993-0374208 OF OFFICIAL RECORDS, AND AMENDED DECEMBER 07, 1995 AS INSTRUMENT NO. 1995-0556390 OF OFFICIAL RECORDS.

PARCEL 1-C:

VARIOUS EASEMENTS DESCRIBED AS PARCELS "A" TO "M" ON EXHIBIT "B" ALL AS RESERVED AND SET FORTH AND DEFINED IN THAT CERTAIN GRANT DEED FROM HSD/HORTON ASSOCIATES, A CALIFORNIA GENERAL PARTNERSHIP, TO OLIVER MC MILLAN FOURTH AVENUE, LTD., A CALIFORNIA LIMITED PARTNERSHIP, RECORDED JUNE 14, 1993 AS INSTRUMENT NO. 1993-0374207 OF OFFICIAL RECORDS, OVER THE FOLLOWING DESCRIBEDPARCEL:

PARCEL 1 OF PARCEL MAP NO. 15803, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 21, 1989 AS INSTRUMENT NO. 89-509482 OF OFFICIAL RECORDS, AND AS CORRECTED BY CERTIFICATE OF CORRECTION RECORDED APRIL 12, 1993 AS INSTRUMENT NO. 1993-0223222 OF OFFICIAL RECORDS.

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 2:

PARCEL 2-A (APN: 533-610-07-00):

PARCEL 2 OF PARCEL MAP NO. 15076, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 18, 1987 AS INSTRUMENT NO. 87-695990 OF OFFICIAL RECORDS. PARCEL 2-B:

ALL EASEMENTS (INCLUDING ALL EASEMENT OF USE, SUPPORT ATTACHMENTS, ACCESS, PEDESTRIAN AND VEHICULAR PASSAGE, ENCROACHMENT, AND OF ERECTION AND MAINTENANCE OF UTILITY LINES) IN FAVOR OF AND FOR THE BENEFIT OF SAID PARCEL 2 OF PARCEL MAP NO. 15076 ALL AS SET FORTH AND DEFINED IN THAT CERTAIN CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT DATED AS OF AUGUST 01, 1985, EXECUTED BY HORTON PLAZA ASSOCIATES, MERVYN'S, NORDSTROM, INC., CARTER, HAWLEY STORES, INC., AND ADCOR REALTY CORPORATION, AND RECORDED ON JULY 24, 1986 AS INSTRUMENT NO. 86-308328 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY, CALIFORNIA AND AMENDED JUNE 14, 1993 AS INSTRUMENT NO. 93-0374208 OF OFFICIAL RECORDS, AND AMENDED DECEMBER 07, 1995 AS INSTRUMENT NO. 1995-0556390 OF OFFICIAL RECORDS.

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 3:

PARCEL 3-A (APN: 533-610-21-00):

PARCEL 4 OF PARCEL MAP NO. 15803, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY DECEMBER 18, 1987 AS INSTRUMENT NO. 87-695990, AND SEPTEMBER 21, 1969 AS INSTRUMENT NO. 89-509482, RESPECTIVELY, OF OFFICIAL RECORDS; PARCEL MAP NO. 15803 AMENDED BY CERTIFICATE OF CORRECTION RECORDED APRIL 12, 1993 AS INSTRUMENT NO. 1993-0223222 OF OFFICIAL RECORDS.

PARCEL 3-B:

ALL EASEMENTS (INCLUDING ALL EASEMENTS OF USE, SUPPORT, ATTACHMENTS, ACCESS, PEDESTRIAN AND VEHICULAR PASSAGE, ENCROACHMENT, AND OF ERECTION AND MAINTENANCE OF UTILITY LINES) IN FAVOR OF AND FOR THE BENEFIT OF SAID PARCEL 4 OF PARCEL MAP NO. 15803, ALL AS SET FORTH AND DEFINED IN THAT CERTAIN CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT DATED AS OF AUGUST 01, 1985, EXECUTED BY HORTON PLAZA ASSOCIATES, MERVYN'S, NORDSTROM, INC., CARTER, HAWLEY, HALE STORES, INC., AND ADCOR REALTY CORPORATION, AND RECORDED ON JULY 24, 1986 AS INSTRUMENT NO. 86-308328 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY, CALIFORNIA, AND AMENDED JUNE 14, 1993 AS INSTRUMENT NO. 1993-0374208 OF OFFICIAL RECORDS, AND AMENDED DECEMBER 07, 1995 AS INSTRUMENT NO. 1995-0556390 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

THOSE PORTIONS OF PARCELS 2 AND 3 OF PARCEL MAP NO. 15803, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 21, 1989 AS INSTRUMENT NO. 89-509482 OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID PARCEL 4, SAID POINT BEING ON THE NORTH LINE OF G STREET, 80 FEET WIDE; THENCE ALONG SAID NORTH LINE, SOUTH 89° 51' 03" WEST 6.15 FEET; THENCE CONTINUING ALONG SAID NORTH LINE, SOUTH 89° 49' 53" WEST 14.15 FEET; THENCE LEAVING SAID NORTH LINE, NORTH 00° 10' 00" WEST 120.07 FEET; THENCE NORTH 89° 50' 00" EAST 20.96 FEET; THENCE NORTH 00° 10' 00" WEST 35.33 FEET; THENCE SOUTH 89° 50' 00" WEST 0.67 FEET; THENCE NORTH 00° 10' 00" WEST 97.11 FEET; THENCE NORTH 44° 50' 00" EAST 82.98 FEET; THENCE NORTH 89° 50' 00" EAST 175.49 FEET; THENCE SOUTH 00° 10' 00" EAST 161.10 FEET; THENCE SOUTH 89° 51' 40" WEST 0.09 FEET; THENCE SOUTH 00° 09' 54" EAST 94.32 FEET TO THE NORTHEAST CORNER OF SAID AFOREMENTIONED PARCEL 4; THENCE ALONG THE NORTH AND WEST LINES OF SAID PARCEL 4; SOUTH 89° 50' 00" WEST CORNER OF PARCEL 4 AND POINT OF BEGINNING.

PARCEL 3-C:

VARIOUS EASEMENTS DESCRIBED AS PARCELS "A" TO "M" ON EXHIBIT "B" ALL AS RESERVED AND SET FORTH AND DEFINED IN THAT CERTAIN GRANT DEED FROM HSD/HORTON ASSOCIATES, A CALIFORNIA GENERAL PARTNERSHIP, TO OLIVER MC MILLAN FOURTH AVENUE, LID., A CALIFORNIA LIMITED PARTNERSHIP, RECORDED JUNE 14, 1993 AS INSTRUMENT NO. 1993-0374207 OF OFFICIAL RECORDS, OVER THE FOLLOWING DESCRIBED PARCEL:

PARCEL 1 OF PARCEL MAP NO. 15803, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 21, 1989 AS INSTRUMENT NO. 89-509482 OF OFFICIAL RECORDS, AND AS CORRECTED BY CERTIFICATE OF CORRECTION RECORDED APRIL 12, 1993 AS INSTRUMENT NO. 1993-0223222 OF OFFICIAL RECORDS.

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 4: (APN: 533-610-11)

PARCEL 4-A:

PARCEL 6 OF PARCEL MAP NO. 15076, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY DECEMBER 18, 1987 AS FILE NO. 87-695990 OF OFFICIAL RECORDS.

PARCEL 4-B:

ALL EASEMENTS (INCLUDING ALL EASEMENT OF USE, SUPPORT ATTACHMENTS, ACCESS, PEDESTRIAN AND VEHICULAR PASSAGE, ENCROACHMENT, AND OF ERECTION AND MAINTENANCE OF UTILITY LINES) IN FAVOR OF AND FOR THE BENEFIT OF SAID PARCEL 6 OF PARCEL MAP NO. 15076, ALL AS SET FORTH AND DEFINED IN THAT CERTAIN CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT DATED AS OF AUGUST 01, 1985, EXECUTED BY HORTON PLAZA ASSOCIATES, MERVYN'S, NORDSTROM, INC., CARTER, HAWLEY STORES, INC., AND ADCOR REALTY CORPORATION AND RECORDED ON JULY 24, 1986 AS FILE NO. 86-308328 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY, CALIFORNIA AND AMENDED BY FIRST AMENDMENT TO CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT RECORDED JUNE 14, 1993 AS FILE NO. 93-0374208 OFFICIAL RECORDS, SECOND AMENDMENT TO CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT RECORDED DECEMBER 07, 1995 AS FILE NO. 1995-0556390 OF OFFICIAL RECORDS, AND THIRD AMENDMENT TO CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT RECORDED FEBRUARY 03, 2014 AS FILE NO. 2014-0046209, OF OFFICIAL RECORDS.

RECORDING REQUESTED BY CITY OF SAN DIEGO DEVELOPMENT SERVICES PERMIT INTAKE, MAIL STATION 501

PROJECT MANAGEMENT PERMIT CLERK MAIL STATION 501

INTERNAL ORDER NUMBER: 24009925

SPACE ABOVE THIS LINE FOR RECORDER'S USE

CONDITIONAL USE PERMIT NO. 3292604 SPROUTS HORTON OFF-SITE ALCOHOLIC BEVERAGE SALES - PROJECT NO. PRJ-1115855 HEARING OFFICER

This Conditional Use Permit (CUP) No. 3292604 is granted by the Hearing Officer of the City of San Diego ("City") to SPC Horton Owner 1, LLC, SPC Horton Owner 2, LLC, SPC Horton Owner 3, LLC, SPC Horton Owner 4, LLC (collectively, "Owner") and Sprout's Farmers Market (Permittee), pursuant to San Diego Municipal Code (SDMC) Section 126.0301 to allow off-site alcoholic beverage sales ("Project") at Sprouts Farmers Market, a proposed 26,385-square-foot (SF) grocery store located at 200 Horton Plaza, Suite 200 at the "Campus at Horton," a mixed-use development under construction on the full-block site in the Employment/Residential (ER) Mixed Use land use district of the Centre City Planned District and within the Downtown Community Plan area. The Project site is legally described in the attachment "Exhibit A".

Subject to the terms and conditions set forth in this Permit, permission is granted to the Owner/Permittee to allow off-site alcoholic beverage sales, conditioned upon the issuance of a license from the State Department of Alcoholic Beverage Control and subject to the City's land use regulations described and identified by size, dimension, quantity, type, and location on the approved exhibits (Exhibit "B") dated December 18, 2024 on file in the Development Services Department.

The Project shall include:

- **a.** Off-site alcoholic beverage sales for a grocery store located within the tenant space at 200 Horton Plaza, Suite 200;
- **b.** Public and private accessory improvements determined by the Development Services Department to be consistent with the land use and development standards for this site in accordance with the adopted community plan, the California Environmental Quality Act (CEQA) and the CEQA Guidelines, the City Engineer's requirements, zoning regulations, conditions of this Permit, and any other applicable regulations of the SDMC.

STANDARD REQUIREMENTS:

1. This permit must be utilized within thirty-six (36) months after the date on which all rights of appeal have expired. If this permit is not utilized in accordance with Chapter 12, Article 6,

Division 1 of the SDMC within the 36-month period, this permit shall be void unless an Extension of Time has been granted. Any such Extension of Time must meet all SDMC requirements and applicable guidelines in effect at the time the extension is considered by the appropriate decision maker. This permit must be utilized by **December 18, 2027**.

- 2. No permit for the construction, occupancy, or operation of any facility or improvement described herein shall be granted, nor shall any activity authorized by this Permit be conducted on the premises until:
 - a. The Owner/Permittee signs and returns the Permit to the City; and
 - b. The Permit is recorded in the Office of the San Diego County Recorder.
- 3. While this Permit is in effect, the subject property shall be used only for the purposes and under the terms and conditions set forth in this Permit unless otherwise authorized by the appropriate City decision maker.
- 4. This Permit is a covenant running with the subject property and all of the requirements and conditions of this Permit and related documents shall be binding upon the Owner/Permittee and any successor(s) in interest.
- 5. The continued use of this Permit shall be subject to the regulations of this and any other applicable governmental agency.
- Issuance of this Permit by the City does not authorize the Owner/Permittee for this Permit to violate any Federal, State or City laws, ordinances, regulations or policies including, but not limited to, the Endangered Species Act of 1973 (ESA) and any amendments thereto (16 U.S.C. § 1531 et seq.).
- 7. The Owner/Permittee shall secure all necessary building permits. The Owner/Permittee is informed that to secure these permits, substantial building modifications and site improvements may be required to comply with applicable building, fire, mechanical, and plumbing codes, and State and Federal disability access laws.
- 8. All of the conditions contained in this Permit have been considered and were determined necessary to make the findings required for approval of this Permit. The Permit holder is required to comply with each and every condition in order to maintain the entitlements that are granted by this Permit.
- 9. If any condition of this Permit, on a legal challenge by the Owner/Permittee of this Permit, is found or held by a court of competent jurisdiction to be invalid, unenforceable, or unreasonable, this Permit shall be void. However, in such an event, the Owner/Permittee shall have the right, by paying applicable processing fees, to bring a request for a new permit without the "invalid" condition(s) back to the discretionary body which approved the Permit for a determination by that body as to whether all of the findings necessary for the issuance of the proposed permit can still be made in the absence of the "invalid" condition(s). Such hearing shall be a hearing de

novo, and the discretionary body shall have the absolute right to approve, disapprove, or modify the proposed permit and the condition(s) contained therein.

10. The Owner/Permittee shall defend, indemnify, and hold harmless the City, its agents, officers, and employees from any and all claims, actions, proceedings, damages, judgments, or costs, including attorney's fees, against the City or its agents, officers, or employees, relating to the issuance of this permit including, but not limited to, any action to attack, set aside, void, challenge, or annul this development approval and any environmental document or decision. The City will promptly notify Owner/Permittee of any claim, action, or proceeding and, if the City should fail to cooperate fully in the defense, the Owner/Permittee shall not thereafter be responsible to defend, indemnify, and hold harmless the City or its agents, officers, and employees. The City may elect to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification. In the event of such election, Owner/Permittee shall pay all of the costs related thereto, including without limitation reasonable attorney's fees and costs. In the event of a disagreement between the City and Owner/Permittee regarding litigation issues, the City shall have the authority to control the litigation and make litigation related decisions, including, but not limited to, settlement or other disposition of the matter. However, the Owner/Permittee shall not be required to pay or perform any settlement unless such settlement is approved by Owner/Permittee.

PLANNING/DESIGN REQUIREMENTS:

- 11. The primary use of the establishment shall be a 26,385 SF grocery store, with 14,760 SF devoted to retail floor area. The off-site alcohol beverage sales shall be accessory to the primary use. The intended uses must be in conformance with permitted uses outlined in the Centre City Planned District Ordinance and all other relevant regulations in the SDMC. Any proposed change in use shall be reviewed and approved by the City.
- 12. The business shall maintain a valid State Department of Alcohol Beverage Control liquor license. The business shall be in compliance with all conditions of said license at all times.
- 13. No more than 10% of the store's approximately 14,760 SF retail floor area shall be devoted to the display of alcoholic beverages for off-site consumption.
- 14. No wine or distilled spirits shall be sold in containers of less than 375 milliliters or manufacturer pre-packaged multi-unit quantities with a total package volume of less than 375 milliliters.
- 15. Off-site alcoholic beverage sales shall be limited to between the hours of 7:00 a.m. and 10:00 p.m. each day of the week.
- 16. No more than 30% of the square footage of the windows and transparent doors of the premises shall bear advertising or signs of any sort, and all advertising and signage shall be placed and maintained in a manner that ensures that law enforcement personnel have a clear and unobstructed view of the interior of the establishment.

- 17. Window signs that advertise alcoholic beverage products are not allowed.
- 18. The owner or operator shall maintain the premises and adjacent public sidewalks free of litter and graffiti at all times.
- 19. The owner and operator shall post a prominent, permanent sign stating, "NO LOITERING, CONSUMPTION OF ALCOHOLIC BEVERAGES, OR OPEN ALCOHOLIC CONTAINERS ARE ALLOWED INSIDE THE PREMISES, ON THE PUBLIC SIDEWALKS ADJACENT TO THE PREMISES." This condition is not intended to prohibit tastings pursuant to a Type 86 ABC License.
- 20. The Permittee shall respond to complaints pertaining to this Permit by members of the community within 24 hours of receiving the complaint. A current point of contact shall be maintained with the City of San Diego for the premises to ensure full compliance with this condition.
- 21. This Permit may be revoked by the City of San Diego if there is a material breach or default in any of the conditions of this permit. If the business creates a nuisance to the surrounding neighborhood, based on a determination of the City of San Diego, this permit may be revoked after the holding of a public hearing.

ADDITIONAL POLICE DEPARTMENT REQUIREMENTS:

- 22. Video surveillance shall be recording and available to law enforcement upon request covering the interior and public access points of the premises. Upon request of law enforcement, video surveillance shall not be deleted, voided, or destroyed. Recordings shall be maintained for a minimum of 30 days absent a request of law enforcement.
- 23. Employees responsible for alcohol sales are trained in California Department of Alcoholic Beverage Control (ABC) regulations (LEAD/RBS), theft deterrence, and policies against the sales of alcoholic beverages to those under 21 years of age and/or intoxicated.

INFORMATION ONLY:

- The issuance of this discretionary permit alone does not allow the immediate commencement or continued operation of the proposed use on site. Any operation allowed by this discretionary permit may only begin or recommence after all conditions listed on this permit are fully completed and all required ministerial permits have been issued and received final inspection.
- Any party on whom fees, dedications, reservations, or other exactions have been imposed as conditions of approval of this Permit, may protest the imposition within ninety days of the approval of this development permit by filing a written protest with the City Clerk pursuant to California Government Code-section 66020.
- This development may be subject to impact fees at the time of construction permit issuance.

APPROVED by the Hearing Officer of the City of San Diego on December 18, 2024 and Resolution No.

Permit Type/Approval No.: CUP No. 3292604 Date of Approval: December 18, 2024

AUTHENTICATED BY THE CITY OF SAN DIEGO DEVELOPMENT SERVICES DEPARTMENT

Carly Gagen-Cheeney Senior Planner, Urban Innovation Division Development Services Department

NOTE: Notary acknowledgment must be attached per Civil Code section 1189 et seq.

The undersigned Owner/Permittee, by execution hereof, agrees to each and every condition of this Permit and promises to perform each and every obligation of Owner/Permittee hereunder.

SPC Horton Owner 1, LLC, SPC Horton Owner 2, LLC, SPC Horton Owner 3, LLC, SPC Horton Owner 4, LLC Owner

Ву ___

(Signature)

PRINT NAME: TITLE:

SPROUTS FARMERS MARKET Permittee

Ву _____

(Signature)

PRINT NAME: TITLE:

NOTE: Notary acknowledgments must be attached per Civil Code section 1189 et seq.

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 1:

PARCEL 1-A (APNS: 533-610-08-00; 533-610-13-00; 533-610-19-00; 533-610-22-00):

PARCELS 3 AND 8 OF PARCEL MAP NO. 15076, PARCEL 2 OF PARCEL MAP NO. 15803, AND PARCEL 1 OF PARCEL MAP NO. 21100, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY DECEMBER 18, 1987 AS INSTRUMENT NO. 87-695990, SEPTEMBER 21, 1989 AS INSTRUMENT NO. 89-509482, AND DECEMBER 11, 2013 AS INSTRUMENT NO. 2013-0715890, RESPECTIVELY, OF OFFICIAL RECORDS. PARCEL MAP NO. 15803 WAS AMENDED BY CERTIFICATE OF CORRECTION RECORDED APRIL 12, 1993 AS INSTRUMENT NO. 1993-0223222 OF OFFICIAL RECORDS.

PARCEL 1-B:

ALL EASEMENTS (INCLUDING ALL EASEMENTS OF USE, SUPPORT, ATTACHMENTS, ACCESS, PEDESTRIAN AND VEHICULAR PASSAGE, ENCROACHMENT, AND OF ERECTION AND MAINTENANCE OF UTILITY LINES) IN FAVOR OF AND FOR THE BENEFIT OF SAID PARCEL 3 OF PARCEL MAP NO. 15076 AND SAID PARCELS 2 AND 3 OF PARCEL MAP NO. 15803 OF PARCEL A OF THIS SCHEDULE, ALL AS SET FORTH AND DEFINED IN THAT CERTAIN CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT DATED AS OF AUGUST 01, 1985, EXECUTED BY HORTON PLAZA ASSOCIATES, MERVYN'S, NORDSTROM, INC., CARTER, HAWLEY, HALE STORES, INC., AND ADCOR REALTY CORPORATION, AND RECORDED ON JULY 24, 1986 AS INSTRUMENT NO. 86-308328 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY, CALIFORNIA, AND AMENDED JUNE 14, 1993 AS INSTRUMENT NO. 1993-0374208 OF OFFICIAL RECORDS, AND AMENDED DECEMBER 07, 1995 AS INSTRUMENT NO. 1995-0556390 OF OFFICIAL RECORDS.

PARCEL 1-C:

VARIOUS EASEMENTS DESCRIBED AS PARCELS "A" TO "M" ON EXHIBIT "B" ALL AS RESERVED AND SET FORTH AND DEFINED IN THAT CERTAIN GRANT DEED FROM HSD/HORTON ASSOCIATES, A CALIFORNIA GENERAL PARTNERSHIP, TO OLIVER MC MILLAN FOURTH AVENUE, LTD., A CALIFORNIA LIMITED PARTNERSHIP, RECORDED JUNE 14, 1993 AS INSTRUMENT NO. 1993-0374207 OF OFFICIAL RECORDS, OVER THE FOLLOWING DESCRIBEDPARCEL:

PARCEL 1 OF PARCEL MAP NO. 15803, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 21, 1989 AS INSTRUMENT NO. 89-509482 OF OFFICIAL RECORDS, AND AS CORRECTED BY CERTIFICATE OF CORRECTION RECORDED APRIL 12, 1993 AS INSTRUMENT NO. 1993-0223222 OF OFFICIAL RECORDS.

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 2:

PARCEL 2-A (APN: 533-610-07-00):

PARCEL 2 OF PARCEL MAP NO. 15076, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, DECEMBER 18, 1987 AS INSTRUMENT NO. 87-695990 OF OFFICIAL RECORDS. PARCEL 2-B:

ALL EASEMENTS (INCLUDING ALL EASEMENT OF USE, SUPPORT ATTACHMENTS, ACCESS, PEDESTRIAN AND VEHICULAR PASSAGE, ENCROACHMENT, AND OF ERECTION AND MAINTENANCE OF UTILITY LINES) IN FAVOR OF AND FOR THE BENEFIT OF SAID PARCEL 2 OF PARCEL MAP NO. 15076 ALL AS SET FORTH AND DEFINED IN THAT CERTAIN CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT DATED AS OF AUGUST 01, 1985, EXECUTED BY HORTON PLAZA ASSOCIATES, MERVYN'S, NORDSTROM, INC., CARTER, HAWLEY STORES, INC., AND ADCOR REALTY CORPORATION, AND RECORDED ON JULY 24, 1986 AS INSTRUMENT NO. 86-308328 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY, CALIFORNIA AND AMENDED JUNE 14, 1993 AS INSTRUMENT NO. 93-0374208 OF OFFICIAL RECORDS, AND AMENDED DECEMBER 07, 1995 AS INSTRUMENT NO. 1995-0556390 OF OFFICIAL RECORDS.

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 3:

PARCEL 3-A (APN: 533-610-21-00):

PARCEL 4 OF PARCEL MAP NO. 15803, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY DECEMBER 18, 1987 AS INSTRUMENT NO. 87-695990, AND SEPTEMBER 21, 1969 AS INSTRUMENT NO. 89-509482, RESPECTIVELY, OF OFFICIAL RECORDS; PARCEL MAP NO. 15803 AMENDED BY CERTIFICATE OF CORRECTION RECORDED APRIL 12, 1993 AS INSTRUMENT NO. 1993-0223222 OF OFFICIAL RECORDS.

PARCEL 3-B:

ALL EASEMENTS (INCLUDING ALL EASEMENTS OF USE, SUPPORT, ATTACHMENTS, ACCESS, PEDESTRIAN AND VEHICULAR PASSAGE, ENCROACHMENT, AND OF ERECTION AND MAINTENANCE OF UTILITY LINES) IN FAVOR OF AND FOR THE BENEFIT OF SAID PARCEL 4 OF PARCEL MAP NO. 15803, ALL AS SET FORTH AND DEFINED IN THAT CERTAIN CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT DATED AS OF AUGUST 01, 1985, EXECUTED BY HORTON PLAZA ASSOCIATES, MERVYN'S, NORDSTROM, INC., CARTER, HAWLEY, HALE STORES, INC., AND ADCOR REALTY CORPORATION, AND RECORDED ON JULY 24, 1986 AS INSTRUMENT NO. 86-308328 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY, CALIFORNIA, AND AMENDED JUNE 14, 1993 AS INSTRUMENT NO. 1993-0374208 OF OFFICIAL RECORDS, AND AMENDED DECEMBER 07, 1995 AS INSTRUMENT NO. 1995-0556390 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

THOSE PORTIONS OF PARCELS 2 AND 3 OF PARCEL MAP NO. 15803, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 21, 1989 AS INSTRUMENT NO. 89-509482 OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID PARCEL 4, SAID POINT BEING ON THE NORTH LINE OF G STREET, 80 FEET WIDE; THENCE ALONG SAID NORTH LINE, SOUTH 89° 51' 03" WEST 6.15 FEET; THENCE CONTINUING ALONG SAID NORTH LINE, SOUTH 89° 49' 53" WEST 14.15 FEET; THENCE LEAVING SAID NORTH LINE, NORTH 00° 10' 00" WEST 120.07 FEET; THENCE NORTH 89° 50' 00" EAST 20.96 FEET; THENCE NORTH 00° 10' 00" WEST 35.33 FEET; THENCE SOUTH 89° 50' 00" EAST 20.96 FEET; THENCE NORTH 00° 10' 00" WEST 97.11 FEET; THENCE SOUTH 89° 50' 00" EAST 82.98 FEET; THENCE NORTH 00° 10' 00" WEST 97.11 FEET; THENCE NORTH 44° 50' 00" EAST 82.98 FEET; THENCE NORTH 89° 50' 00" EAST 175.49 FEET; THENCE SOUTH 00° 10' 00" EAST 161.10 FEET; THENCE SOUTH 89° 51' 40" WEST 0.09 FEET; THENCE SOUTH 00° 09' 54" EAST 94.32 FEET TO THE NORTHEAST CORNER OF SAID AFOREMENTIONED PARCEL 4; THENCE ALONG THE NORTH AND WEST LINES OF SAID PARCEL 4; SOUTH 89° 50' 00" WEST 234.08 FEET AND SOUTH 00° 10' 00" EAST 55.77 FEET TO SAID AFOREMENTIONED SOUTHWEST CORNER OF PARCEL 4 AND POINT OF BEGINNING. PARCEL 3-C:

VARIOUS EASEMENTS DESCRIBED AS PARCELS "A" TO "M" ON EXHIBIT "B" ALL AS RESERVED AND SET FORTH AND DEFINED IN THAT CERTAIN GRANT DEED FROM HSD/HORTON ASSOCIATES, A CALIFORNIA GENERAL PARTNERSHIP, TO OLIVER MC MILLAN FOURTH AVENUE, LID., A CALIFORNIA LIMITED PARTNERSHIP, RECORDED JUNE 14, 1993 AS INSTRUMENT NO. 1993-0374207 OF OFFICIAL RECORDS, OVER THE FOLLOWING DESCRIBED PARCEL:

PARCEL 1 OF PARCEL MAP NO. 15803, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER 21, 1989 AS INSTRUMENT NO. 89-509482 OF OFFICIAL RECORDS, AND AS CORRECTED BY CERTIFICATE OF CORRECTION RECORDED APRIL 12, 1993 AS INSTRUMENT NO. 1993-0223222 OF OFFICIAL RECORDS.

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 4: (APN: 533-610-11)

PARCEL 4-A:

PARCEL 6 OF PARCEL MAP NO. 15076, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY DECEMBER 18, 1987 AS FILE NO. 87-695990 OF OFFICIAL RECORDS.

PARCEL 4-B:

ALL EASEMENTS (INCLUDING ALL EASEMENT OF USE, SUPPORT ATTACHMENTS, ACCESS, PEDESTRIAN AND VEHICULAR PASSAGE, ENCROACHMENT, AND OF ERECTION AND MAINTENANCE OF UTILITY LINES) IN FAVOR OF AND FOR THE BENEFIT OF SAID PARCEL 6 OF PARCEL MAP NO. 15076, ALL AS SET FORTH AND DEFINED IN THAT CERTAIN CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT DATED AS OF AUGUST 01, 1985, EXECUTED BY HORTON PLAZA ASSOCIATES, MERVYN'S, NORDSTROM, INC., CARTER, HAWLEY STORES, INC., AND ADCOR REALTY CORPORATION AND RECORDED ON JULY 24, 1986 AS FILE NO. 86-308328 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY, CALIFORNIA AND AMENDED BY FIRST AMENDMENT TO CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT TO CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT TO CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT RECORDED JUNE 14, 1993 AS FILE NO. 93-0374208 OFFICIAL RECORDS, SECOND AMENDMENT TO CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT RECORDED DECEMBER 07, 1995 AS FILE NO. 1995-0556390 OF OFFICIAL RECORDS, AND THIRD AMENDMENT TO CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT AGREEMENT RECORDED FEBRUARY 03, 2014 AS FILE NO. 2014-0046209, OF OFFICIAL RECORDS.



THE CITY OF SAN DIEGO

MEMORANDUM

DATE:	October 1, 2024
TO:	Environmental/Project File Development Services Department
FROM:	Courtney Holowach, Senior Planner, Development Services
SUBJECT:	Sprouts Horton Off-Site Alcohol Sales (Project No. 1115855) California Environmental Quality Act – Section 15162 Evaluation

The Development Services Department (DSD) has completed a California Environmental Quality Act (CEQA) Section 15162 – Subsequent Environmental Impact Reports and Negative Declarations consistency evaluation for the proposed Sprouts Horton Off-Site Alcohol Sales project (project). See 14 C.C.R. §15162.

This evaluation was performed to determine if conditions specified in CEQA Guidelines Section 15162 would require the preparation of additional CEQA review for the proposed project. As outlined in the evaluation, DSD has determined that the proposed Project is consistent with the original Final Environmental Impact Report (FEIR) for the Downtown Community Plan, Centre City Planned District Ordinance (CCPDO), 10th Amendment to the Centre City Redevelopment Plan (State Clearinghouse (SCH) No. 2003041001) and subsequent addenda to the FEIR, and the Final Supplemental Environmental Impact Report (SEIR) for the Downtown San Diego Mobility Plan; and would not result in new impacts.

BACKGROUND

The purpose of the Downtown Community Plan was to establish the land use vision and development polices for the downtown community as a component of the City of San Diego's General Plan. The Community Plan provides strategies and specific implementation actions that allow the vision to be accomplished. In addition, the Community Plan also provides a basis for evaluating whether specific development proposals and public projects are consistent with Plan policies, standards and the FEIR.

The Final Environmental Impact Report (FEIR) for the Downtown Community Plan, Centre City Planned District Ordinance (CCPDO), and 10th Amendment to the Centre City Redevelopment Plan (State Clearinghouse (SCH) No. 2003041001) was certified by the former Redevelopment Agency (Former Agency) and the Council of the City of San Diego (City Council) on March 14, 2006 (Resolutions R-04001 and R-301265, respectively); and subsequent addenda to the FEIR certified by Page 2 Environmental/Project File October 1, 2024

the Former Agency on August 3, 2007 (Former Agency Resolution R- 04193), April 21, 2010 (Former Agency Resolutions R-04508 and R-04510), August 3, 2010 (Former Agency Resolution R-04544) and certified by City Council on February 12, 2014 (Resolution R-308724) and July 14, 2014 (Resolution R309115), and November 17, 2020 (Resolution R-313302); and the Final Supplemental Environmental Impact Report (SEIR) for the Downtown San Diego Mobility Plan (SCH No. 2014121002) certified by the City Council on July 6, 2016 (Resolution R-310561). The Downtown FEIR is a Program EIR prepared in compliance with the California Environmental Quality Act ("CEQA") Guidelines Section 15168.

PROJECT DESCRIPTION

The project is a Conditional Use Permit for the sale of alcoholic beverages for off-site consumption within a proposed 26,385-square-foot grocery store located at "Campus at Horton" at 200 Horton Plaza, Suite 200, on the site bounded by E Street, G Street, First Avenue and Fourth Avenue within the Employment Residential land use district of the Centre City Planned District and the Horton/Gaslamp neighborhood of the Downtown Community Plan area (Council District 3).

CEQA 15162 CONSISTENCY EVALUATION

DSD conducted a review pursuant to CEQA Guidelines Section 15162 to determine consistency with the previously certified original Final Environmental Impact Report (FEIR) for the Downtown Community Plan, Centre City Planned District Ordinance (CCPDO), 10th Amendment to the Centre City Redevelopment Plan (State Clearinghouse (SCH) No. 2003041001) and subsequent addenda to the FEIR, and the Final Supplemental Environmental Impact Report (SEIR) for the Downtown San Diego Mobility Plan. It was determined that the project would not result in a change in environmental impacts relative to those assessed in the EIR and subsequent addenda. In addition, live entertainment within the enclosed ground floor restaurant does not constitute a change in circumstances and would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects. In addition, there is no new information of substantial importance that was not known at the time of the EIR approval. As previously noted, there is no change in impact or impact severity relative to that identified in the EIR and subsequent addenda, and no new or different mitigation that would substantially reduce one or more significant effects that the applicant has declined to adopt.

CONCLUSION

Overall, implementation of the proposed would not result in any significant direct, indirect or cumulative impacts over and above those disclosed in the previously certified EIR.

Section 15162 of the CEQA Guidelines states:

When an EIR has been certified or a negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

- (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
- (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
 - (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
 - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

Based upon a review of the current project, none of the situations described in Sections 15162 of the State CEQA Guidelines apply. No changes in circumstances have occurred, and no new information of substantial importance has manifested, which would result in new significant or substantially increased adverse impacts because of the project. This evaluation, therefore, supports the use of the previously certified environmental impact report, under CEQA Guidelines Section 15162, in that both environmental documents adequately covers the proposed project.

Courtney Holowach Senior Planner

CH/ch

cc: Carly Gagen-Cheeney, Development Project Manager, Development Services Department

Page 3	City of S	an Diego · Inf	ormation Bulletir	620	Augu	st 2018
SD	City of San I Developme 1222 First Av San Diego, C	nt Services re., MS-302	Comr Commit	nun tee	ity Plann Distribut Fo	ing ion orm
Project Name: Sprouts Off-Site Alc Community: Down		D	Project Numbe PRJ-1115855	er:		
	log into Op	enDSD at <u>http</u>	mation (project m s://aca.accela.com he Project Numbe	/SANDIE		tion.
 Vote to Approv Vote to Approv Vote to Approv Vote to Deny 	e with Conditi		ow nendations Listed E	Below	Date of Vote: September 18	, 2024
# of Members Yes 14		# of Member	s No 0	# of Me	embers Abstain 0	
Conditions or Reco	ommendations	::				
	g., Need further inf	formation, Split vo	te, Lack of quorum, etc	.)		
NAME: Manny Roc	lriguez					
TITLE: Chair, Dow	ntown Commu	nity Planning C	ouncil	DATE:	September 19, 20)24

Visit our web site at<u>www.sandiego.gov/development-services</u>. Upon request, this information is available in alternative formats for persons with disabilities. DS-5620 (08-18) ONLINE FORM

SAN DIEGO POLICE DEPARTMENT CONDITIONAL USE PERMIT RECOMMENDATION

PREMISE ADDRESS:	200 Horton Pla	za Ste 200, San Diego, CA 921	01	
TYPE OF BUSINESS:	Grocery Store			
FEDERAL CENSUS TRACT:	53.00/53.02			
NUMBER OF ALCOHOL LICENSES	ALLOWED:	2		
NUMBER OF ALCOHOL LICENSES	EXISTING:	5 (over-concentrated)		
CRIME RATE IN THIS CENSUS TRA (Note: Considered High Crime If Exce		1,504.4% - High Crime vide Average)		
THREE OR MORE REPORTED CRIN	MES AT THIS PRE	MISE WITHIN PAST YEAR	YES	🛛 NO
IS THE PREMISE WITHIN 600 FEET	OF INCOMPATIE	BLE FACILITY	🛛 YES	🗌 NO
IS THE PREMISE WITHIN 100 FEET	OF RESIDENTIA	LLY ZONED PROPERTY	YES	🛛 NO
ABC LICENSE REVOKED AT THIS	PREMISE WITHIN	N PAST YEAR	YES	🛛 NO
HAS APPLICANT BEEN CONVICTE	ED OF ANY FELO	NY	YES	🛛 NO
WILL THIS BUSINESS BE DETRIM AND WELFARE OF THE COMMUN		UBLIC HEALTH, SAFETY,	YES	🛛 NO

COMMENTS/OTHER FACTORS CONSIDERED:

The premises is located within census tract 53.00 for crime stats and 53.02 for concentration. The reported crime rate for 2022 within Census Tract 53.00 was 1,504.4% and the alcohol crime rate was 4,493.2%.

This is a large retail space, approx. 26,000 square feet, in Horton Plaza on the south west portion of the plaza.

The San Diego Police Department agrees with the issuance of a CUP for the Off-Sale of alcohol, Type 21 alcohol license, at this location. The San Diego Police Department is aware of SDMC 156.0315 (b)(1) relating to the Off-Sale of alcohol in the Center City District and is agreeable to the below listed conditions if the Planning Commissioner deems is appropriate and acceptable. This is due to the location, size, and character of the retail space.

SUGGESTED CONDITIONS:

Due to the high crime rate and alcohol rate cupled with the overconcentration of Off-Sale alcohol licenses, the San Diego Police Department agrees with the issuance of a Conditional Use Permit so long as the following conditions are incorporated:

1. The area devoted to alcohol sales does not exceed 10 percent of the gross floor area of the entire retail premises.

2. Sales of alcoholic beverages shall be permitted only between the hours of 7AM to 11 PM each day of the week.

74 572

3. No wine or distilled spirits shall be sold in containers of less than 375 milliliters. The sale of manufacturer pre-packaged multi-unit quantities with a total package volume of 375 milliliters or more is not a violation of this condition.

4. Video surveillance shall be recording and available to law enforcement upon request covering the interior and public access points of the premises. Upon request of law enforcement video surveillance shall not be deleted, voided, or destroyed. Recordings shall be maintained for a minimum of 30 days absent a request of law enforcement.

5. Litter and any unauthorized graffiti will be removed promptly.

6. Employees responsible for alcohol sales are trained in ABC regulations (LEAD/RBS), theft deterrence and policies against the sales of alcoholic beverages to those under 21 years of age, and/or intoxicated.

SAN DIEGO POLICE DEPARTMENT RECOMMENDATION:

APPROVE 1/

Benjamin /4 (u) Name of SDPD Vice Sergeant (Print) Lurry

Signature of SDPD Vice Sergeant

DENY <u>(19-531-2973</u> Telephone Number

<u>9-11-24</u> Date of Review

Attachment 10



Γ.

City of San Diego Development Services 1222 First Ave., MS 302 San Diego, CA 92101 (619) 446-5000

	FORM
Ownership Disclosure Statement	DS-318

October 2017

Approval Type: Check appropriate box for type of ap Comparison Development Permit Comparison Comparison Developm	elopment Permit 🖸 Planned Developm	ent Permit 🛽	Conditional Use Pe	ent Permit ermit 🗅 Variance
Project Title: SPROUTS FARMERS MARKET - CAMPUS AT HORTON		Project No	. For City Use Only	·
Project Address: 200 HORTON, SUITE 200		<u>-</u>		
SAN DIEGO, CA 92101				
Specify Form of Ownership/Legal Status (please				
Corporation 🛽 Limited Liability -or- 🗆 General	- What State?Corporate	Identificatior	1 No	
🗆 Partnership 🗅 Individual				
By signing the Ownership Disclosure Statement, the with the City of San Diego on the subject proper owner(s), applicant(s), and other financially interest individual, firm, co-partnership, joint venture, asso with a financial interest in the application. If the individuals owning more than 10% of the shares. officers. (A separate page may be attached if nece ANY person serving as an officer or director of A signature is required of at least one of the pro- notifying the Project Manager of any changes in ownership are to be given to the Project Manager accurate and current ownership information could	ty with the intent to record an encum sted persons of the above referenced p ociation, social club, fraternal organizat applicant includes a corporation or par if a publicly-owned corporation, includ essary.) If any person is a nonprofit org the nonprofit organization or as trus perty owners. Attach additional page ownership during the time the applica at least thirty days prior to any public	brance agair property. A f clon, corpora truership, ind le the names anization or sitee or bene s if needed. tion is being hearing on t	nst the property. P inancially interested tion, estate, trust, r clude the names, tit s, titles, and address a trust, list the nam ficiary of the nonp Note: The applicar processed or cons	lease list below the d party includes any eceiver or syndicate les, addresses of all ses of the corporate es and addresses of rofit organization. it is responsible for idered. Changes in
Property Owner			-	
Name of Individual:	2, LLC; SCP HORTON OWNER 3, LLC; SCP HORTON OWNER 4, LLC	🖪 Owner	Tenant/Lessee	Successor Agency
Street Address: 11601 WILSHIRE BLVD STE 1750				
City: LOS ANGELES			State: <u>CA</u>	Zip:
Phone No.:	Fax No.:	Email:	ER@STOCKDALECAPITAL.CO	M
Signature:		Date: MARCH	4, 2024	
Additional pages Artached:	⊠ No			
Applicant				
Name of Individual:Brandon Lombari, Sprouts Farmer	s Market	Owner 🛛	Tenant/Lessee	Successor Agency
Street Address: 5455 E. High St., Suite 111				
City: Phoenix		_	State: AZ	Zip: 85054
Phone No.: _ 480-814-8016	Fax No.: 480-339-5996	Email: tina	kim@sprouts.com	
Signature:		Date:	3/11/200	ЭЧ
Additional pages Attached: Yes	凶 No			
Other Financially Interested Persons				
Name of Individual:		Owner 🛛	Tenant/Lessee	Successor Agency
Street Address:				
City:			State:	Zip:
Phone No.:	Fax No.:	Email:		Ξ.
Signature:		Date:		
Additional pages Attached: 🛛 Yes	□ No			

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CGR DEVELOPMENT

July 27, 2024/Revised 10.1.2024

Carly Gagen-Cheeney, PE Senior Planner City of San Diego Urban Innovation Division Development Services Department Via Online Portal

Re: PRJ (1115855)

Dear Ms Gagen-Cheeney,

Please accept this application for a Conditional Use Permit (Process 3) for the sale of alcoholic beverages for off-site consumption within a proposed 26,385-square-foot grocery store located at "Campus at Horton" at 200 Horton Plaza, Suite 200, on the site bounded by E Street, G Street, First Avenue and Fourth Avenue within the Employment Residential land use district of the Centre City Planned District and the Horton/Gaslamp neighborhood of the Downtown Community Plan area (Council District 3).

As part of the requested CUP, the Applicant requests deviations from each of the three separately regulated use provisions for off-site alcohol beverage sales in Section 156.0315(b)(1)(A), (B), and (C). Sprouts requests a deviation from 156.0315(b)(1)(A) and 156.0315(b)(1)(B) to allow wine sales in quantities no less than 375 milliliters or multi-unit quantities of containers at least 375 milliliters and malt beverage sales in four-packs of 16-ounce containers and single containers 16-ounces or larger. Sprouts requests a deviation from 156.0315(b)(1)(C) to allow alcohol sales from 7 a.m. to 10 p.m. daily.

REQUESTED DEVIATIONS

	Required	Proposed
156.0315(b)(1)(A) Minimum container size for wine or distilled spirits	No less than 750 milliliters	No less than 375 milliliters or multi-unit quantities of containers at least 375 milliliters
156.0315(b)(1)(B) Minimum container size for malt beverage products	No less than six-pack of 12- ounce bottles or other containers totaling at least 64 ounces	Four-pack of 16-ounce containers and single containers 16-ounces or larger.
156.0315(b)(1)(C) Sale hours	10 a.m. to 10 p.m.	7 a.m. to 10 p.m.

Additionally, Sprouts requests a Finding of Public Convenience and Necessity for over concentration. There are currently five (5) active licenses in census tract 53.02 where two (2) licenses are allowed. The addition of Sprouts Farmers Market will bring the total of active licenses to six (6).

Spouts is a full-service grocery store, that specializes in farm-fresh produce purchased from local growers. Sprouts offers a full line of grocery products, including a Sprouts Private label of bakery goods, a full-service meat counter and deli, seafood, baked goods, prepared foods, coffee and tea, juices, beer and wine, cheese, nutritional supplements, vitamins, body care, pet foods and household goods. The stores feature natural, organic and favorite indulgence foods at a great value. Sprouts Farmers Market gives neighboring residents and workers a supermarket alternative for their shopping needs. A variety of goods and services is vital for the growth of any neighborhood and with an increase in retail choices, neighborhoods become more desirable to new residents. Sprouts Farmers Market offers an extensive (but not prescriptive) mix of natural, organic and great-tasting mainstream foods with a strong emphasis on value. Sprouts Market has carved out that magical middle ground between conventional supermarkets and healthy food superstores, making this a unique retailer in this neighborhood.

The gross building square footage is 26,385. Of that, the retail area is 14,760 square feet, the back of house is 8,436 square feet and the remaining 3,189 square feet is for service and miscellaneous uses. In total, the retail floor area dedicated to the off-site alcoholic beverage sales area is proposed to be 250 square feet, which is less than 2% of the store's overall 14,760 SF retail floor area.

For the convenience of their patrons, Sprouts is open, and alcohol will be sold from 7 am to 10 pm daily.

Alcohol Sales

The sale of beer and wine is imperative to stay competitive within the marketplace. The sales area for beer and wine is approximately 250 square feet, less than 2.0% of the total retail square footage and, on average, the sale of beer and wine is less than 5% of Sprouts' total sales volume. In other Sprouts Markets in California, beer is approximately 0.05% of total sales and wine is approximately 2.0% of overall sales, making the sale of beer and wine a small, although very important, percentage of total sales.

Products for sale include single beers ranging from 16 - 25.4 ounces, such as growlers and 4 pack multiples of beers, which are typically a local craft brew or an imported brand. Additionally, Sprouts sells Kombucha, a fermented tea, which is technically consider "alcoholic" and is therefore required to be labeled as beer. Kombucha is sold in single 10-ounce bottles. For wines, typically the smallest products are bottles of Saki and Prosecco; these are sold in bottles of 180 milliliters or 8.5 ounces.

Sprouts takes the privilege of selling alcohol very seriously. All staff must complete the State Alcoholic Beverage Control's mandated training, as well as an internal training on the sale of alcohol as part of their new employee orientation. The internal training model/course used for all new personal is the BARS Program. More information on this training program can be found

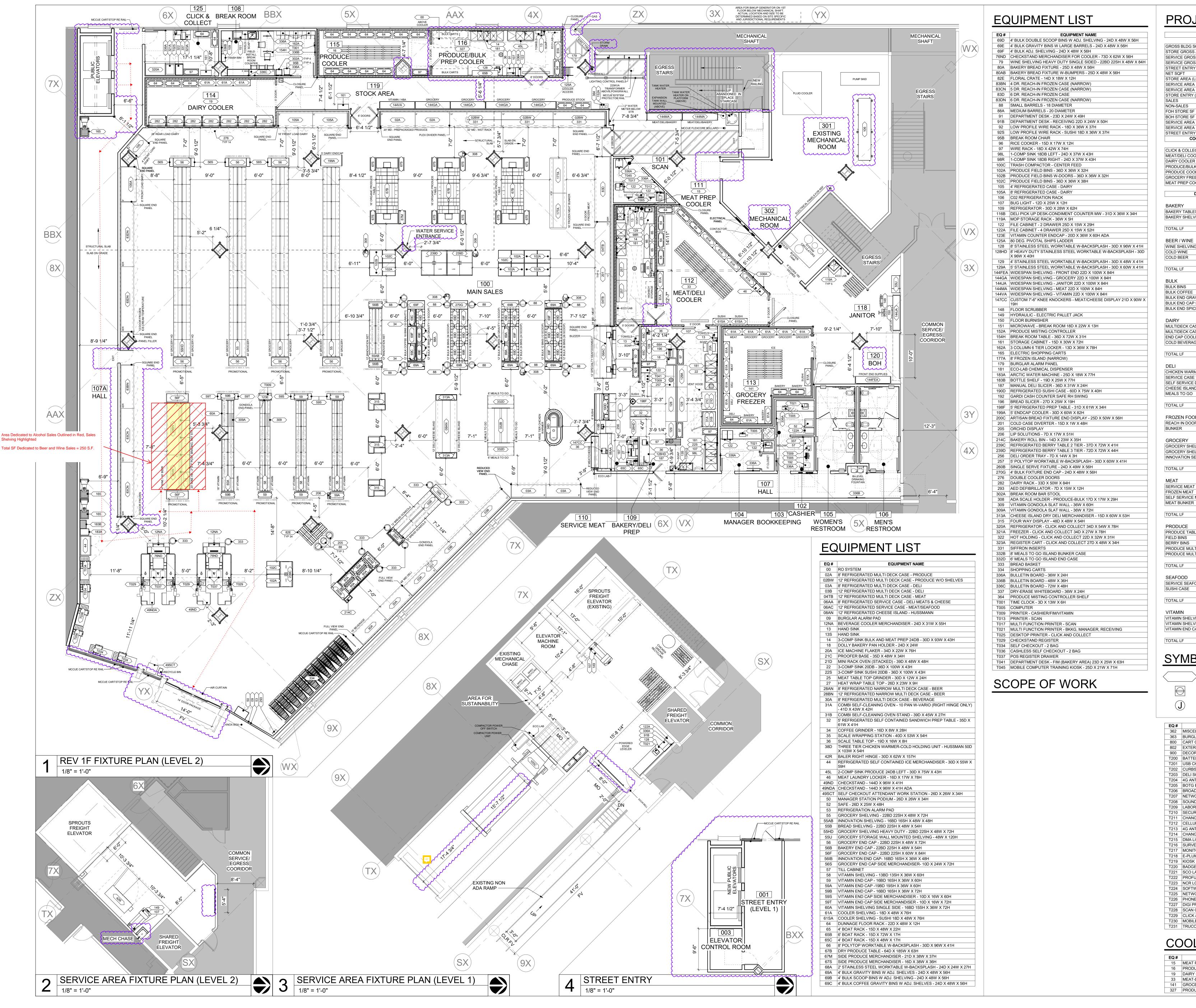
on the BARS Program website at http://www.barsprogram.com. Additionally, all staff selling alcohol will be over 21 years of age.

Sprouts Farmers Market is a growing retailer, with 133 stores in California. This retailer is strong and will continue to grow. The economic welfare of a community depends on healthy and viable commerce and strong businesses and the grocery store, as proposed, will provide the community with an economically viable and respected commercial establishment as part of its neighborhood-serving retail. The proposed project will establish a full-service grocery store that will serve the community. This, in turn, will contribute to the economic vitality of the site and to the City's tax base. Finally, the grocery store will employee approximately 100 people, which will provide employment for local residents and help the jobs-housing balance desired by the City of San Diego and promoted in the General Plan.

Sincerely,

Terri Dickerhoff

Terri Dickerhoff



PROJECT DATA

OVERALL

GROSS BLDG SQFT
STORE GROSS AREA (LEVEL 2)
SERVICE GROSS AREA (LEVEL 1)
SERVICE GROSS AREA (LEVEL 2)
STREET ENTRY GROSS (LEVEL 1)
NET SQFT
STORE AREA (LEVEL 2)

SERVICE AREA (LEVEL 2) SERVICE AREA (LEVEL 1 STORE ENTRY (LEVEL 1 NON-SALES

FOH STORE SF BOH STORE SF SERVICE AREA (LEVEL 2)

SERVICE AREA (LEVEL 2) STREET ENTRY (LEVEL 1 COOLER/FREEZER

CLICK & COLLEC MEAT/DELI COOLER DAIRY COOLER PRODUCE/BULK PREP COOLE PRODUCE COOLER GROCERY FREEZER

MEAT PREP COOLER DEPARTMEN

BAKERY BAKERY TABLES BAKERY SHELVING

TOTAL LF

BEER / WINE WINE SHELVING COLD WINE

TOTAL LF

BULK BULK BINS

BULK COFFEE BULK END GRAVITY BULK END CAP SCOOP BULK END SPICES

DAIRY

MULTIDECK CASE REAR FILL (XX DOORS) MULTIDECK CASE FRONT FILL (XX DOORS) END CAP COOLER COLD BEVERAGES

TOTAL LF

CHICKEN WARMER SERVICE CASE "DELI MEATS & CHEESE" SELF SERVICE DELI CASE HIGH CHEESE ISLAND CASE

TOTAL LF

FROZEN FOOD REACH IN DOOR CASES BUNKER

GROCERY GROCERY SHELVING GROCERY SHELVING END CAP INNOVATION SET SHELVING

TOTAL LF MEAT

SERVICE MEAT CASE FROZEN MEAT SELF SERVICE MEAT CASE

MEAT BUNKER TOTAL LF

PRODUCE

PRODUCE TABLES FIELD BINS BERRY BINS

PRODUCE MULTIDECK WET PRODUCE MULTIDECK PACKAGED

TOTAL LF

SEAFOOD SERVICE SEAFOOD CASE SUSHI CASE

TOTAL LF

VITAMIN

VITAMIN SHELVING LOW VITAMIN SHELVING VITAMIN END CAPS

TOTAL LF

 \bigcirc

SYMBOLS LEGEND

EQUIPMENT TAG

FLOOR ELECTRICAL OUTLETS

ELECTRICAL BOX

 (\mathbf{J}) EQUIPMENT NAME EQ # 362 MISCELLANEOUS EQUIPMENT KIT 2 363 BURGLAR ALARM INSTALL 800 CART CORRALS - 168D X 72W X 96H 802 EXTERIOR SIGN PACKAGE 900 DECOR PACKAGE T200 BATTERY CHARGER CASES FOR CLICK & COLLECT PICKERS T201 USB CHARGERS FOR CLICK & COLLECT PICKERS

- T214 CHANGE CUPS/COUNTERFEIT DETECTOR
- T216 SURVEYS T217 MONITORS AND PERIPHERALS
- T219 KIOSK LICENSE 3
- T224 SOFTWARE LICENSING
- T226 PHONE SWITCH
- T227 DIGI PROBES T228 SCAN GUNS/SOFTWARE
- T229 CLICK & COLLECT SCANNER & PRINTER T231 TRUCOMMERCE SOLUTION

COOLER/FREEZER

- EQ # EQUIPMENT NAME 15 MEAT PREP COOLER 16 PRODUCE COOLER 19 DAIRY COOLER 33 MEAT-DELI COOLER 141 GROCERY FREEZER
- T215 DMA LICENSING
- T220 BADGE LAMINATOR

- T230 MOBILE MARKDOWN PRINTERS

- 327 PRODUCE-BULK PREP COOLER

- T202 CURBSIDE PICKERS T203 DELI SCALES/LABOR/SUPPORT* T204 4G ANTENNA T205 BOTG ENGINEERING AND C3 PM T206 BROADBAND CONSTRUCTION T207 NETWORK T208 SOUND SYSTEM T209 LABOR/TRAVEL/EQUIPMENT
- T210 SECURITY CAMERAS T211 CHANGE ORDERS

- T212 CELLULAR BOOSTERS

- T213 4G ANTENNA W/ ROOF MOUNT
- T218 E-PLUM/RECIPE MANAGER/FRESH TRAX /PERISCOPE
- T221 SCO LANE SIGNS T222 PROFUSION DEVICE T223 NCR LOYALTY SOFTWARE
- T225 NETWORK EQUIPMENT/LICENSE

