



**City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Planning Commission Staff Report
April 14, 2025**

Topic: Conditional Use Permit No. 2025-02 – Ole City Market (1623 W. Seventeenth Street)

RECOMMENDED ACTIONS

1. Adopt a resolution approving Conditional Use Permit No. 2025-02 as conditioned; and
2. Authorize staff to issue a Letter of Public Convenience or Necessity to the State Department of Alcoholic Beverage Control.

EXECUTIVE SUMMARY

David Oh with Top Food Makers, Inc. (applicant), on behalf of Bolsa-Bushard, LLC (Property Owner), is requesting approval of Conditional Use Permit (CUP) No. 2025-02 and a determination of Public Convenience or Necessity (PCN) to allow the sale of beer, wine and distilled spirits, for off-premises consumption through the operation of a Type-21 Alcoholic Beverage Control (ABC) license at a proposed neighborhood grocery store (Ole City Market) proposed to be located at 1623 W. Seventeenth Street. Pursuant to Section 41-196 of the Santa Ana Municipal Code (SAMC), establishments wishing to sell alcoholic beverages for off-premises consumption require approval of a CUP. In addition, Section 41-645.5 of the SAMC and Section 23958.4 of the Business and Professions Code require a determination of PCN in the event that a business requesting a CUP for an off-sale alcohol license is located within an area deemed to have an “undue concentration” of said licenses, as determined by the California Department of Alcoholic Beverage Control (ABC).

Staff is recommending approval of the applicant’s request because the use will be consistent with the General Plan land use designation as well as several goals and policies. Moreover, the proposed use would help generate additional economic growth and stability in the City and would be an added amenity to the neighborhood. In addition, staff is recommending approval considering the site is located away from sensitive land uses and the property’s history of compliance with City codes and regulations. Lastly, the proposed market and ancillary alcohol sales is anticipated to serve the public by offering a convenient one-stop, full grocery store experience without resulting in detrimental impacts to the surrounding neighborhood.

Planning Commission Action March 10, 2025

On March 10, 2025, the Planning Commission held a duly noticed public hearing for the proposed project. Prior to the public hearing, staff received two written comment letters regarding the project. The letters posed questions about the application process, Police Department review, the number of liquor licenses in the area (i.e., overconcentration), and General Plan consistency. At the public hearing, the Planning Commission engaged in dialogue and posed questions to staff regarding operating hours, the number of liquor licenses in the area (i.e., overconcentration), the alcohol display area proposed compared to the previous grocery store at the same location, loading and unloading requirements, build-out process, and overall community outreach.

During the public comments section, two members of the public spoke in opposition of the project, citing concerns regarding community outreach, overconcentration and the impacts generated as of a result of having a grocery store with liquor sales. Moreover, the public speakers requested that the Planning Commission continue the public hearing until the applicant conducted additional community outreach, which is described in the “Public Notification and Community Outreach” section of this report. After additional discussion, the Planning Commission motioned to continue the public hearing to a date uncertain, which was approved unanimously. This action required re-noticing of the project for the April 14, 2025, Planning Commission public hearing.

DISCUSSION

Project Description

The applicant is requesting approval of a CUP to allow the sale of beer, wine and distilled spirits, for off-premises consumption at a commercial tenant space addressed as 1623 W. Seventeenth Street. The tenant space is located on the northeast corner of Seventeenth Street and College Avenue, within an existing multi-tenant commercial center approximately 4.3-acres in size. The commercial center is comprised of two clusters of commercial buildings. One cluster of buildings is located along the southern portion of the property and comprised of three separate buildings and multiple tenants, including Orange Tech, Don Roberto Jewelers, and a 98-Cent Store. The second cluster of buildings is located towards the north (rear) of the property, and is occupied by The Hacienda Restaurant and Good Habits Dental Care, among other commercial tenants.

As proposed, the applicant is seeking to establish a new neighborhood grocery store called Ole City Market. The space proposed to be occupied by the market is approximately 11,861 square feet in size and was formerly a Northgate Gonzales Market. To establish the new market, the applicant is proposing a complete interior renovation that includes demolition of existing interior walls, furnishing, fixtures, etc., and the construction of new partition walls, ADA restrooms, new paint and flooring, new electrical, plumbing, and mechanical. The improvements would include displays for fresh produce, meats, seafood, deli items, frozen foods, groceries, and beverages. As shown on Exhibit 4 of this staff report, the total alcohol storage area is limited to 184 square feet of the overall gross floor area, or approximately 1.55-percent. This includes a 154-square-foot beer and wine cooler area and a 30-square-foot liquor cabinet. The hours of operation are proposed to be Monday through Sunday from 7:00 a.m. to 10:00 p.m. After-hours operations are not being requested at this time.

Separate from the interior work proposed by the applicant, the site property owner is also proposing an extensive exterior remodel and various site improvements, to include resurfacing of the parking lot, new parking lot striping, and improvements to lighting, landscaping, and signage. The exterior remodel would be limited to the cluster of buildings on the south end of the property, closest to Seventeenth Street. Preliminary plans shared with the Planning and Building Agency (PBA) highlight removal of a dated architectural design from the 1950s, including the round arches, awnings, and mismatched roof parapets, including a mission-style inspired roof parapet (remnant of the Northgate Market). Per the preliminary plans, the exterior remodel and site improvements are proposed to be of a cohesive design with modern features and color scheme comprised of various shades of grey and accent colors, reflecting the Ole City Market branding. Landscaping would also be planted in compatible, neutral above-ground planters, as well as in planter beds throughout the site, featuring a variety of colorful flowering shrubs, soft foliage,

accent shrubs and evergreen shrubs. Overall, the improvements would include solid construction materials that will ensure that the project ages well for the duration of the building's lifetime.

At the time this report was printed, the applicant has not submitted the tenant improvement (TI) plans nor the exterior façade remodel plans to the PBA. However, issuance of the CUP approval would be subject to completion of all proposed construction work, subject to adherence with all City and California Building Code (CBC) requirements, and subject to issuance of a Certificate of Occupancy for Ole City Market. Staff is also recommending various conditions of approval to ensure that the site is improved accordingly, including parking improvements, new trash enclosure, refurbished landscaping and light standards, and improved signage.

Table 1: Project and Location Information

Item	Information	
Project Address and Council Ward	1623 W. Seventeenth Street – Ward 3	
Nearest Intersection	Seventeenth Street and College Avenue	
General Plan Designation	General Commercial (GC)	
Zoning Designation	General Commercial (C2)	
Surrounding Land Uses	North	Professional and Medical Offices
	East	Commercial Shopping Center
	South	Santa Ana College
	West	Professional Office (OC Health Agency)
Item	Information	
Property Size	4.275 acres (186,235 sq. ft.)	
Existing Site Development	The subject site is developed with a two separate multi-tenant commercial buildings and a surface parking lot.	
Unit Size	11,861 sq. ft.	
Use Permissions	Allowed with approval of a CUP	
Zoning Code Sections Affected	Uses	SAMC sections 41-196(a), 41-365(a), 41-377(a) & 41-645.5
	Operational Standards	SAMC Section 41-196(f)
Census Tract and ABC License Information	Census Tract No.	753.02
	No. of Allowed and Existing Licenses (off-sale)	2 Allowed & 4 Existing

Table 2: Operational Standards

Standards	Permissible by SAMC	Proposed
Hours of Operation for Alcohol Sales	Monday through Sunday from 7:00 a.m. to 12:00 a.m. (midnight), unless extended by a separate after-hours CUP	Monday through Sunday from 7:00 a.m. to 10:00 p.m.; Complies
Window Display	25% of Window Coverage	Complies

Project Background

The project site was developed in the 1950s as an office building for State agencies. Since then several permits have been issued for interior and exterior tenant improvements. In the 1970s and 1980s, the subject building was occupied by child welfare offices. In 1994, Northgate Gonzales Market began occupying the site. The same year, Northgate Market received approval of a conditional use permit for a Type 20 ABC license to allow the off-premise sale of beer and wine.

On March 9, 2015, Northgate Market received approval of CUP No. 2015-04 to upgrade from a Type 20 ABC license to a Type 21 ABC license in order to distilled spirits for off-premise consumption, in addition to its existing beer and wine sales. Northgate Market remained in operation at the location until the end of 2022 and the tenant space has remained vacant since. Northgate Market transferred their Type 21 ABC license in November 2022 to their new location at 2603 W. Westminster Avenue.

Ole City Market is a supermarket chain with four locations in Los Angeles County. The company's origins trace back to 1998 with the establishment of Villa Market in Long Beach. In 2003, the company expanded by acquiring Best Bargain in Inglewood, a 25,000-square-foot market that originally opened as an Alpha Beta in the late 1960s. The establishment is dedicated to providing competitively priced, high-quality goods in a convenient and welcoming shopping environment. Product offerings include fresh produce, meats, seafood, deli items, frozen foods, groceries, beverages, and a selection of beer and liquor.

Project Analysis

Conditional Use Permit Analysis

CUP requests are governed by Section 41-638 of the SAMC. CUPs may be granted when it can be shown that the proposed project will not adversely impact the community. If these findings can be made, then it is appropriate to grant the CUP. Conversely, the inability to make these findings would result in a denial. The purpose of regulating establishments that sell alcoholic beverages is to set forth operating practices and procedures and to minimize impacts to surrounding areas. Staff has reviewed the applicant's request and has determined that the sale of alcoholic beverages for off-premises consumption at the subject location will not be detrimental to the health, safety, or welfare of the community.

Pursuant to Section 41-196(c) and 41-196(d) of the SAMC, the subject site is exempt from separation requirements for off-sale establishments, as the subject tenant space exceeds 10,000 square feet in size. Given that the market is over 10,000 square feet in size, it is also not subject to the maximum alcohol storage and display area for off-sale establishments of five-percent (5%). Although not subject to this requirement, the applicant is proposing an alcohol storage and display area of less than two percent (2%). Furthermore, the site will be in compliance with all standards of SAMC Section 41-196(f) for the off-premise sale of alcoholic beverages, which can also be found as part of Exhibit 1. These operational standards will mitigate potential impacts on the adjacent uses and ensure the use does not become an attractive nuisance to the community.

The proposed sale of alcoholic beverages for off-premises consumption will provide an ancillary service to Ole City Market customers by allowing them the ability to purchase a wider variety of alcoholic beverages in conjunction with groceries. This would allow the market to remain economically viable and compete with nearby stores offering the same type of services, and would allow the market to better serve the community by providing an added convenience and a "one-stop" shopping experience. Moreover, the use will not be detrimental to persons residing and working in the area as the operation standards will ensure that the use will not create any negative or adverse impacts. Ole City Market is an established grocery chain with established policies and procedures focused on security and alcohol responsibility, which will help ensure that alcohol sales are handled in a responsible manner and in a manner in compliance with all applicable laws.

Lastly, the subject site is located in a commercial zone, which abuts a larger commercial shopping center to the east containing three businesses that also offer sale of alcoholic beverages for off-premises consumption. These business locations are further discussed in Table 3 of the staff report, below. Moreover, the market is not in close proximity to any parks, playgrounds, religious institutions, or schools primarily attended by minors. The establishment will comply with the operational standards set forth in Section 41-196(f) of the SAMC, thereby mitigating impacts to public health, safety, and welfare. Furthermore, the City has not received any complaints or issued any notice of violations to the property owner or previous tenants, including when the Northgate Market occupied the site and was also selling alcoholic beverages for off-premises consumption.

General Plan Consistency

The approval of the proposed project will be consistent with the General Plan land use designation of General Commercial (GC), which allows for the development of highly visible and accessible shopping opportunities along arterial corridors. The proposed use would provide an added amenity and would promote a land use that enhances the City's economic fiscal viability and mitigates any potential impacts to the surrounding community. Furthermore, approval of this application would be consistent with several goals and policies of the General Plan, specifically Goals 1, 2 and 3 of the Land Use ("LU") Element and Goals 1 and 3 of the Economic Prosperity ("EP") Element as discussed below.

Goal LU-1 encourages land use plans that improve the quality of life and respects our existing community. Moreover, Policy 1.1 of the LU encourages compatibility between land uses to enhance livability and promote healthy lifestyles. As a full-service grocery store with ancillary alcohol sales, Ole City Market would provide a much-needed service to Santa Ana residents and visitors, thereby improving the quality of life. Specifically, Ole City Market is dedicated to providing competitively priced, high-quality goods in a convenient and welcoming shopping environment. Their product offerings include fresh produce, meats, seafood, deli items, frozen foods, groceries, beverages, and a selection of beer and liquor. As such, the market will be compatible with the surrounding businesses as it supports the residential environment by providing additional food options and ancillary alcohol selection.

Goal LU-2 encourages a balance of land uses that meet Santa Ana's diverse needs and Policy 2.7 supports land use decisions that encourage the creation, development, and retention of businesses in Santa Ana. The proposed use is consistent with Goal LU-2 and Policy 2.7 as it actively contributes to fostering land use decisions that promote the establishment, growth, and sustainability of business in Santa Ana. The establishment of a new grocery store along a major corridor will continue to encourage a wide range of commercial uses that benefit the existing neighborhood and the surrounding community. Moreover, the location of the proposed market will provide for an enhancement to the immediate surrounding area, as the tenant space is currently vacant and the commercial site underutilized.

Goal LU-3 supports preservation and improvement of the character and integrity of existing neighborhoods and districts. Moreover, Policy 3.1 supports new development, which provides a net community benefit and contributes to neighborhood character and identity. The proposed project is consistent with Goal 3 and Policy 3.1 as it is designed to revitalize the currently underutilized site, presenting a tangible improvement that will greatly benefit the neighboring community. Moreover, the proposed interior and exterior improvements to the building, as well as the future site improvements, will assist the integrated commercial site by bringing in new

customers. Additionally, the introduction of the new grocery market will also strengthen the commercial viability and enduring success of the establishment.

Goal EP-1 promotes a dynamic local economy that provides and creates employment opportunities for all residents in the City. Policy 1.2 encourages new job-producing businesses and retention of existing job-producing businesses that provide living-wage employment opportunities. The project is consistent with Goal EP-1 and Policy 1.2, as the proposed use and proposed improvements would help generate additional economic growth and stability in the City by further activating an underutilized site and helping generate sales tax revenue. Furthermore, the proposed project would help create a job-producing establishment thereby providing employment opportunities to Santa Ana residents.

Goal EP-3 promotes a business friendly environment where businesses thrive and build on Santa Ana's strengths and opportunities. Policy 3.7 promotes a solution-based customer focus in order to facilitate additional development and investment in the community. Moreover, Policy 3.8 encourages a balance of fiscal and qualitative community benefits when making land use decisions. The project would be consistent with Goal EP-3 and Policies 3.7 and 3.8, as it provides for a new grocery store tenant at an existing underutilized commercial center and promotes a use that would provide services to the community and visitors. Moreover, proposed use is anticipated to improve economic growth by generating additional sales tax revenue. This additional revenue would improve the financial health of the business itself and contribute to the broader economic sustainability of the City. Lastly, the sale of alcohol beverages for off-premises consumption at this site will provide an additional location in Santa Ana where residents can purchase alcohol, which will ensure local spending.

Public Convenience or Necessity Analysis

PCN requests are governed by Section 41-645.5 of the SAMC and Section 23958.4 of the Business and Professions Code. A PCN determination is required for this project because Ole City Market is located in a census tract where the ratio of existing retail off-premises alcohol licenses to population in the census tract exceeds the ratio of retail off-premises alcohol licenses to population in the county, resulting in an over concentration as determined by ABC. Ole City Market is located in Census Tract No. 753.02, which ABC allows a maximum of two off-premises alcohol licenses, while there are currently four active licenses per ABC. Per ABC, an "undue concentration" would occur if more than two off-premises licenses were within this census tract. Table 3 below and Exhibit 5 identify the location of the existing off-premises alcohol licenses. The licensed establishments are located intermittently throughout the census tract, with all four of the licensed premises located approximately less than 0.3 miles from the proposed Ole City Market.

Table 3: Off-Premises ABC Licenses within Census Tract No. 753.02

Premises	Location	License Type	Distance
(1) Parks Dairy	1927 W. Seventeenth Street	Type 20	0.3 miles
(2) Target	1441 W. Seventeenth Street	Type 21	0.2 miles
(3) Smart & Final	1523 W. Seventeenth Street	Type 21	0.1 miles
(4) CVS	1545 W. Seventeenth Street	Type 21	0.1 miles

PCN requests are governed by Section 41-645.5 of the SAMC, and certain findings must be made in order to grant the PCN. Conversely, the inability to make these findings would result in a denial.

Ole City Market will mitigate any potential detrimental effects, should any arise, by enforcing policies protocols, and alcohol-related training initiatives, to ensure that alcohol sales are handled in a responsible manner to deter crime, loitering, and any other activity that could be detrimental to the surrounding community. The ability to purchase alcoholic beverages with other grocery items will offer customers a more complete shopping experience and will provide a service to Ole City Market customers by eliminating the need for an additional shopping trip to other off-sale alcoholic beverage establishments nearby. The proposed sale of alcoholic beverages for off-premises consumption would improve the overall functions of the business by enhancing the complete grocery store experience. The addition of alcoholic beverages for off-premises consumption at this Ole City Market location ensures the store will remain economically viable and that it can offer a full selection of items that grocery customers expect. Because of this, staff recommends that the Planning Commission grant a determination of PCN and authorize staff to issue a Letter of PCN to ABC.

Police Department Analysis

The Police Department has reviewed this request and has no concerns, as the operational standards applicable to off-premises ABC licenses will mitigate any potential impacts to the surrounding community. The Police Department reviews such applications for the sale of alcoholic beverages in order to ensure that the potential crime and nuisance behaviors associated with alcohol consumption are mitigated to the greatest extent possible. For off-premises licenses, the Police Department analyzes the crime rate in the area using the standards and definitions contained in the Business and Professions Code Section 23948.4(c)(2), which are also utilized by ABC. This section defines “reported crimes” as criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny theft, and motor vehicle theft, combined with all arrests for other crimes, both felonies and misdemeanors, except traffic citations.

The Police Department then compares the number of such crimes in the reporting district as compared to the number of crimes in other reporting districts. In keeping with the standard used by ABC and Business and Professions Code, should the Police Department determine that the reporting district has a 20 percent greater number of reported crimes than the average number found in all reporting districts, the Police Department will consider this information in making its recommendation. As part of the application process, the application was reviewed by the Police Department. Based on its review, the Police Department has no issues of concern regarding this application.

Table 4: Police Department Analysis and Criteria for Recommendation

Police Department Analysis and Criteria for Recommendation	
Police Grid No. and Rank	Police Grid No. 124; ranked 69 out of 102 Police Reporting Grids (68th percentile).
Threshold for High Crime	This reporting district is below the 20 percent threshold established by the State for high crime.
Police Department Recommendation	As part of the review approval process, this application has been analyzed by the Santa Ana Police Department. Based on our most recent Citywide Incident Ranking Report, the Police Department has no concerns regarding activity in the area, as no significant events have occurred. The Police Department is satisfied with the operational standards applicable for a Type 21 ABC license and conclude that the conditions set forth will mitigate any potential negative impact to the surrounding community, and therefore does not oppose the granting of a CUP modification.

Public Notification and Community Outreach

Project notifications for the March 10, 2025, public hearing were posted, published, and mailed in accordance with City and State regulations. Copies of the public notice, including a 1,000-foot notification radius map, and the site posting are provided in Exhibit 6. The project site is located within the Riverview Neighborhood Association and adjacent to the Artesia-Pillar Neighborhood Association. Staff contacted the presidents of the neighborhood associations to identify any areas of concerns due to the proposed application request. As previously discussed, staff received two public comment letters from a member of the public representing the Riverview Neighborhood Association. The comments were received prior to the public hearing, posing questions and concerns regarding the project.

Since the March 10, 2025, public hearing, the applicant has worked with Planning Division staff to address concerns regarding community outreach. The applicant organized and held a community meeting on Wednesday April 2, 2025, at 5:30 p.m. at the Newsong Church at 1010 W. Seventeenth Street. Notification for this meeting included flyers mailed out to property owners within 2,000-feet of the proposed project area (1623 W. Seventeenth Street). In addition, Planning Division staff assisted by emailing and notifying representatives of the Riverview Neighborhood Association and Artesia-Pillar Neighborhood Association. Lastly, Newsong Church advertised the meeting through their social media accounts.

The community meeting was attended by a mix of participants who were at Newsong Church for unrelated activities, and by a group of community leaders who were in attendance specifically for the Ole City Market information. The applicant provided information to the community regarding their existing stores and the store offerings. In addition to a short presentation, the applicant met in a small group with select community leaders to discuss their concerns. Concerns brought up by the community leaders included ongoing crime and transient activities at the location and general area, as well as overconcentration of alcohol sales. Through additional information provided, the community leaders were made aware that the proposed project would be a bona fide grocery store and not a discount market.

The continued public hearing required re-noticing, based on the Planning Commission's actions at the March 10, 2025, public hearing. As such, project notifications were posted, published, and mailed in accordance with City and State regulations. Copies of the public notice for the April 14, 2025, public hearing, including a 1,000-foot notification radius map, and the site posting are provided in Exhibit 7. Again, staff contacted the presidents of the Riverview Neighborhood Association and Artesia-Pillar Neighborhood Association. At the time this report was printed, no additional issues of concern were raised regarding the proposed CUP.

ENVIRONMENTAL IMPACT

In accordance with the California Environmental Quality Act (CEQA) and the CEQA Guidelines, the project is categorically exempt from further review pursuant to Section 15301 (Class 1 – Existing Facilities) of the CEQA Guidelines. Class 1 exemption applies to the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use as determined by the lead agency. The project proposes to allow the sale of beer, wine, and distilled spirits, at an existing commercial tenant space located at 1623 W. Seventeenth Street. Moreover, the commercial tenant space was previously occupied

with a different grocery store, which also sold beer, wine, and distilled spirits, for off-premises consumption. As such, a Notice of Exemption, Environmental Review No. 2025-03, will be filed for this project.

FISCAL IMPACT

There is no fiscal impact associated with this action.

EXHIBITS

1. Resolution
2. Vicinity Zoning and Aerial View
3. Site Photos
4. Architectural Plans
5. Map of Off-Sale ABC Licenses within Census Tract No. 753.02
6. Copy of Public Notices – March 10, 2025
7. Copy of Public Notices – April 14, 2025

Submitted By:
Pedro Gomez, AICP, Principal Planner

Approved By:
Ali Pezeshkpour, AICP, Acting Executive Director of Planning and Building Agency