



MEMORANDUM

TO: **PLANNING COMMISSION**

FROM: **SCOTT DRAPKIN, ASSISTANT DIRECTOR OF DEVELOPMENT SERVICES**

DATE: **April 14, 2025**

SUBJECT: **MINOR CONDITIONAL USE PERMIT (ZA-22-35) CONDITION OF APPROVAL NO. 28 - SIX-MONTH REVIEW ("ARENA OC")**

BACKGROUND

On August 12, 2024, Planning Application ZA-22-35 for a Minor Conditional Use Permit (MCUP) to amend the previously approved operations of a nightclub ("Arena OC"), that included entertainment, at 2968 Randolph Avenue was approved by the Planning Commission. Generally, the approved application expanded operations to allow dancing, extended the operating hours to open an hour earlier, and to operate on Sundays and major holidays. In addition, a "Finding of Public Convenience or Necessity" was made for the issuance of a Department of Alcoholic Beverage Control (ABC) Type 90 License. One of the provisions of the Type 90 License that differentiates it from the Arena OC's existing issued Type 48 license is that the Type 90 license does not limit occupants to over 21 years of age. Although customers under 21 years of age cannot be served alcohol, pursuant to this license type, these individuals can attend the approved music/entertainment venues.

The Planning Commission approved the expanded operations subject to certain conditions of approval. In summary, the Planning Commission conditions of approval included, but was not limited to, operational restrictions regarding parking lot security, security staff procedures, responsible beverage service (RBS) training for staff, noise mitigation, hours of operation limitations, a minimum age restriction of 18 years or older, under 21 customers are restricted to Thursdays only, specific designated areas for age restricted customers, wrist bands for identifying both customers under/over 21 years of age, and restricting under 21 years of age customers from attendance on major holidays such as New Years Eve, 4th of July and Halloween.

In addition, the Planning Commission approved Condition of Approval (COA) No. 28 which required:

"A review of this entitlement shall be conducted by the Planning Commission as soon as possible after both the sixth-month and one-year anniversary date of the project approval's effective date to determine if the business is operating in good faith and whether any modifications to business operations or conditions of approval are warranted. If the business is not operating in good faith or other adverse impacts are determined to exist, the Planning Commission may adjust existing conditions of approval or add new conditions to address the concern up to and including initiating a revocation of this use's entitlement."

A detailed description of the project is provided in the August 12, 2024, Planning Commission Agenda Report attached and linked below. The meeting minutes and video are also linked below:

- [August 12, 2024 Planning Commission Agenda Report](#)
- [August 12, 2024 Planning Commission Minutes](#)
- [August 12, 2024 Planning Commission Video](#)

ANALYSIS

The primary purpose of Condition of Approval No. 28 was for the Planning Commission to receive a review and update from staff relating to the unique operations of serving alcoholic beverages in an environment that also permits customers under the legal age limit to consume alcohol. As indicated above, two separate reviews are required by COA No. 28, which are to occur after the six-month and 12-month operational anniversary dates. Arena OC began operations pursuant to the revised use approval on August 19, 2024, and therefore the six-month operational anniversary date was on February 19, 2025. Thus, this memo is intended to respond to COA No. 28 required first six-month review.

In this regard, planning staff has reached out to the Costa Mesa Police Department to request a log of calls for service associated with the 2968 Randolph Avenue property. Between the effective date of approval of August 19, 2024, and the six-month anniversary date of February 19, 2025, there have been a total of 16 calls for service. These calls for service range from battery, to petty theft, to vehicle theft. Of the 16 calls for service on record, only two of the calls were determined to be on a Thursday night when the establishment would allow for under the age of 21 customers in attendance. Of the two "Thursday" calls, one did not involve any voice contact and the other involved a suspicious male. Neither call included a follow up incident report, as such there is no additional information to provide regarding the nature of the call or age of callers or person(s) involved. Lastly, there have been no code violations logged at this property and no applicable noise complaints logged by Costa Mesa Police.

CONCLUSION

Planning staff believes that, during this six-month review period, there has been no substantial increase in calls for service related to Arena OC, and the operations (both in regard to the under-age component and the general day-to-day operations) are consistent with project land use approvals and without issues of neighborhood compatibility. Further, the City's Police Department have indicated that the calls for service reported during this period related specifically to Arena OC are not considered excessive compared to similar establishments operating in the City, and are not adding any unique burden to Police operational resources.

In summary, based on review of Arena OC's operation for the first six-months of permitted modified operations, staff believes that the "business is operating in good faith" and no "modifications to business operations or conditions of approval are warranted" at this time. However, the six-month period is a relatively small sample size and as mentioned by the police representative in attendance at the August 12th Planning Commission hearing, the number of calls may be seasonal, and an uptick may be more apparent during the summer season with an increase in nightlife activity. Therefore, planning and police staff will continue to monitor the activity of this site and will compile the information necessary to provide the Planning Commission's 12 month review (tentatively scheduled for a Planning Commission hearing in September of 2025).

Attachments:

1. August 12, 2024, Agenda Report
2. August 12, 2024, ZA-22-35 Resolution
3. Calls for Service Log