

**CITY OF HERMOSA BEACH  
COMMUNITY DEVELOPMENT DEPARTMENT**

**MEMORANDUM**

**Date:** March 16, 2021

**To:** Honorable Mayor and Members of the City Council and Planning Commission

**From:** Ken Robertson, Community Development Director

**Subject:** March 16, 2021 Planning Commission Agenda Item 9

CUP 20-8 & PARK 20-5- Conditional Use Permit and Parking Plan amendment request to provide on-site sale, service, and consumption of general alcohol indoors only within the hotel lounge for registered guests only, 7 days a week 7:00 a.m. to 10:00 p.m. at an existing hotel (H2O Hermosa) and to allow charging a fee for on-site parking located at 1429 Hermosa Avenue, and determination that the project is categorically exempt from the California Environmental Quality Act (CEQA).

---

**Supplemental Response to Questions**

On March 16, 2021, the Planning Division received questions from the City Council regarding business operations of H2O Hermosa. The following are responses to the questions received:

1. ***What are the current hours of operation?***

Due to the pandemic, the hotel has limited their operation hours to Friday through Sunday for the months of February to March. Operations are anticipated to resume regular business hours starting Monday, March 22, 2021. Regular hours of operation consist of 24-hour services 7 days a week (Monday through Sunday).

2. ***What are the hotel room rates for H2O Hermosa and what are the rates of surrounding hotels? Under Section 8: Condition 12a) states "Employees shall not be prohibited from parking onsite". Since the applicant is proposing a fee for parking onsite, does that mean employees would pay \$20 to park? Should this language be eliminated?***

Hotel room rates vary depending on room availability, to travel season, and market rates in the area. Hotel management for H2O Hermosa, review market rates daily when determining the current room rates. The following room rates were reported for H2O Hermosa for the months of March and April:

- March 2021: \$199 per night
- April 2021: \$249 per night

The following table identifies room rates for surrounding hotels: (room type: 1 room and 2 adults)

Beach House Hotel (Hermosa Beach)	\$379 per night
The Shade Hotel (Redondo Beach)	\$179 per night
The Shade Hotel (Manhattan Beach)	\$269 per night
Portofino Hotel (Redondo Beach)	\$249 per night

3. ***What is the total number of seats in the Lobby Lounge?***

The 2015 approved plans show a total of 34 seats. However, the seating has been revised slightly and there are now a total of 33 seats. See the photos of the lounge below:



4. ***Does the subject site have a commercial kitchen?***

H2O Hermosa has patterned with Hermosa Brewing Company to provide a continental breakfast service for guests. This service has been temporarily suspended due to the pandemic. Due to their limited kitchen capacity, hot foods are not prepared or served to guests. Their kitchen currently consists of a refrigerator, a coffee maker, and ice machine and storage.

5. ***There is a large collection of wine bottles racked in what looks like a vertical glass fronted wine cellar in the Lobby lounge (visible through the windows). In addition, in the photo of the Coffee bar, there are wine glasses directly behind the server. Have they already been serving wine in this area? If yes, how long has this been happening?***

The applicant has shared that the wine is just for display and is part of the decor for the Lobby. No wine or alcohol services are currently offered in the lobby, as the operators are aware of the State of California Alcohol Beverage Control (ABC) laws and the ramifications of breaking them. The glasses in the bar area are washed in the bar's sink and utilized for the room service. Surplus glasses are stored in the bar area only.

6. ***As a follow up to the 2015 approval, was the \$28,9000 in-lieu fee paid for the loss of one on-street parking space as outlined in Section 8/Condition 11?***

In-lieu fees have been paid.

7. ***Is the applicant already charging for parking?***

Staff was unaware of the parking fee displayed on the business' website. The applicant has confirmed that they have been charging for parking, but has agreed to remove all mentions of the parking fee from their website and confirmed they will not charge for parking until further notice.

8. ***Will employees be encouraged to park on-site?***

The subject site has a total of 37 on-site parking spaces. The existing use is required 30 on-site parking spaces. Based on the number of parking spaces that existing on the site, sufficient parking for employees and guests is provided. Employees are not charged a parking fee and will not be charged a parking fee with the applicant's proposal.

9. ***What is applicant's current ABC license?***

The applicant has a type 66 (Controlled Access Cabinet Permits) and a type 70 (Restrictive Service) alcohol license. Type 66 alcohol licenses are issued to licensed hotels or motels and allow for the sale of packaged distilled spirits in guestrooms. The distilled spirits sold pursuant to these permits shall be in containers of 50 milliliters or less and must be secured in a locked cabinet. Type 70 alcohol licenses authorizes the sale or furnishing of beer, wine and distilled spirits for consumption on the premises to the establishment's overnight transient occupancy guests or their invitees. This license is normally issued to "suite-type" hotels and motels, which exercise the license privileges for guests' "complimentary" happy hour. Minors are allowed on the premises.

The applicant's request will not affect their current alcohol licenses. The request will allow the applicant to extent the alcohol sale, service, and consumption to the lounge.