



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: PUBLIC HEARING TO CONSIDER AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, ENACTING ZONING ORDINANCE TEXT AMENDMENT ("ZTA") NO. 25-04 AMENDING TITLE 19 (ZONING) OF THE COMMERCE MUNICIPAL CODE ("CMC") TO ALLOW ENTERTAINMENT ESTABLISHMENTS IN CERTAIN MANUFACTURING ZONES, CREATE PARKING REQUIREMENTS FOR THIS USE, AND REVISE THE DEFINITION FOR ENTERTAINMENT ESTABLISHMENTS

MEETING DATE: October 14, 2025

RECOMMENDATION:

It is recommended that the City Council consider:

1. Opening the public hearing and taking testimonial and documentary evidence;
2. After closing the public hearing and considering the submitted evidence:
 - a. Introducing and waiving first reading of Ordinance No. _____ enacting Zoning Ordinance Text Amendment ("ZTA") No. 25-04 amending the Commerce Municipal Code ("CMC") to allow entertainment establishments in certain manufacturing zones, create parking requirements for this use, and revise the definition for entertainment establishments; and
 - b. Adopting a Categorical Exemption under the provisions of the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA Guidelines") (CEQA Guidelines § 15060(c)(2), § 15378(b)(5), § 15301, § 15303 and § 15061(b)(3)); and
3. Taking such additional, related, action that may be desirable.

PUBLIC NOTICE REQUIREMENTS:

Chapter 19.39.140 of the CMC requires the City of Commerce (the "City") to publish a notice of the public hearing including the time and place of the public hearing in a newspaper of general circulation in the City not less than ten (10) days prior to the date of the public hearing. Said notice was published in the Los Cerritos Community News on September 24, 2025.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

Pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. “CEQA”) and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the “CEQA Guidelines”), the City reviewed the environmental impacts of the proposed Ordinance. No additional environmental review is required for this Ordinance pursuant to CEQA Guidelines § 15060(c)(2), § 15378(b)(5) § 15301 § 15303 and § 15061(b)(3). The proposed Ordinance is exempt from CEQA because it is a ZTA which regulates entertainment establishments Citywide, which will not have a direct or reasonably foreseeable indirect physical change in the environment and does not qualify as a “project” under CEQA because it will not make physical changes to the environment. The proposed Ordinance is also exempt from CEQA under the common sense exemption that it will not affect the environment. All future proposals will require their own environmental review as outlined by CEQA guidelines.

BACKGROUND:

On August 20, 2025, the Planning Commission held a public hearing to consider a proposed ZTA allowing entertainment establishments in certain manufacturing zones in the City. During the hearing, the Planning Commission posed several questions regarding distance requirements to buffer entertainment establishments from sensitive receptors such as residential properties. Following staff presentations and public input, the Planning Commission continued the item to the September 17, 2025 meeting to allow time for staff to revise the Ordinance and address the concerns raised.

At a continued public hearing on September 17, 2025, the Planning Commission voted 4-0-1 to recommend that the City Council approve a ZTA No. 25-04.

Tim Cam, Owner of Dirt Dog Inc. (“Applicant”), submitted this ZTA application because he seeking to introduce entertainment uses within an existing restaurant called Dirt Dog located at 2909 Supply Street, within the Heavy Manufacturing (“M-2”) zone. This restaurant has operated as a bona fide restaurant for the past four (4) years and holds an on-sale beer and wine license (Type 41).

On July 19, 2023, the Planning Commission granted Conditional Use Permit (“CUP”) No. 23-05, authorizing on-site beer and wine sales at Dirt Dog, the restaurant in question, owned and operated by the Applicant. According to the Applicant, Dirt Dog has continued operations since 2023; however, a decline in patronage following the pandemic has led to a notable decrease in customers.

In response, on July 12, 2024, the Applicant submitted a proposal to amend the original CUP, seeking to extend permitted alcohol service hours, introduce live entertainment, and provide remote parking options for larger events. The Applicant sought to continue operating Dirt Dog while adding additional uses such as vendor markets, sports viewing, live music, and shows as part of its regular offerings. During the review of this application, it was determined that a ZTA would also be necessary to permit such uses Citywide. Since then, the Planning Staff has worked closely with the Applicant to facilitate the required entitlements.

On June 24, 2025, the City Council approved a Temporary Use Permit (TUP), allowing Dirt Dog to host live entertainment events temporarily while the CUP and ZTA applications are processed as a permanent solution. This TUP approval has enabled the restaurant to remain open and operational with entertainment offerings while seeking permanent authorization.

Existing Regulations: The CMC currently allows various types of recreation and entertainment uses such as outdoor recreation, movie theaters, bars, nightclubs and others in the manufacturing zones. Additionally, CMC Section 19.45.060 defines “entertainment establishment” as:

"Entertainment establishment" means a place of business that provides any form of live performance, exhibition, show, or act, including but not limited to the playing of musical instruments; singing; dancing; performing in a play, sketch, or scene; reciting prose or poetry; or exhibiting any clothing, wearing apparel, or costumes for the purpose of gaining, diverting, or holding the attention of guests, patrons, or invitees. A business or use shall be considered an entertainment establishment if such entertainment is either the primary business conducted on the premises or is provided in conjunction with any other primary business.

Although these standards are in place, “entertainment establishment” is not listed in Table 19.11.030A, *Uses in Industrial Districts*, which lists the allowed and conditionally allowed uses in the manufacturing zones. Additionally, there are no parking regulations for “entertainment establishment”. As a result, the Applicant’s proposal to allow live entertainment events in conjunction with the restaurant operations is not permitted on a permanent basis under the existing regulations.

A ZTA is required to allow entertainment establishments in manufacturing zones, add new regulations for this use and amend the definition of “entertainment establishment”.

ANALYSIS:

Currently, the Zoning Code permits certain forms of entertainment within the manufacturing zones. The Applicant seeks to provide flexibility by including additional entertainment uses in this area. As previously noted, indoor or outdoor live entertainment has become a popular strategy for enhancing restaurant businesses. However, the current regulations do not permit indoor or outdoor entertainment events to be used as a primary or secondary use in the manufacturing zones. Therefore, a ZTA has been proposed to address and facilitate this need.

Entertainment Establishments Allowed in C/M-1 and M-2 Zones

As part of the draft Ordinance, entertainment establishments are proposed to be allowed in Commercial-Manufacturing (C/M-1) and M-2 zones and will not be allowed in the Light Manufacturing (“M-1”) zone given that properties with an M-1 zoning designation often serve as buffers between heavy industrial uses and residential uses. Allowing entertainment establishments within C/M-1 and M-2 zones are most appropriate because of they allow greater intensity uses and are located along major corridors in the City such as Atlantic Boulevard and Washington Boulevard.

Planning staff recommends amending CMC Table 19.11.030A which outlines the uses permitted within industrial districts to add “Entertainment Establishment” as an allowed use in the C/M-1 and M-2, subject to approval of a CUP and Development Agreement (“DA”). Requiring a CUP will help protect the public health, safety and welfare because the City will have discretion over this use and have the ability to impose conditions as necessary. The Planning Commission will be the approving body on a CUP and City Council will review if the application is appealed.

A DA will also be required for approval of an entertainment establishment. The City will have the ability to apply any additional appropriate standards and require negotiation of public benefits. The Planning Commission will be the recommending body on a DA and the City Council will be the approving body.

Below is an excerpt from the manufacturing zone regulations highlighting the recommended language to allow entertainment establishments.

Revised Table 19.11.30A to add 12.6 Entertainment Establishment.

Use	C/M-1	M-1	M-2	*Notes and Exceptions
<u>12.6 Entertainment Establishment</u>	<u>C</u>	<u>X</u>	<u>C</u>	<p><u>a. A Development Agreement is required with appropriate standards and public benefits negotiated with the city, pursuant to the procedures set forth in this code.</u></p> <p><u>b. Entertainment establishments are subject to the requirements set forth in Division 24, Section 19.31 of this title.</u></p>

Text in red (row identified as 12.6 “Entertainment Establishment”) reflects added language.

Parking Requirement for *Entertainment Establishments*

To address the proposed use, parking requirements must also be considered. The current CMC does not specifically address parking standards for live, indoor, or outdoor entertainment events. After reviewing regulations in nearby cities, staff did not identify any standardized methods for calculating parking specific to these uses. Typically, parking for such venues is determined using the Uniform Building Code occupancy load.

Given this, staff proposes that CMC Table 19.21.040A be amended to require a comprehensive parking study prior to the approval of any entertainment establishment to determine the amount of required parking for this use. This study may account for on-site parking, street parking, remote parking, and parking available on adjacent properties to satisfy the required parking. To utilize adjacent property parking, the business owner must secure a shared parking agreement permitting use of those spaces and develop a

transportation plan for remote parking situated further than 1,000 feet away. A licensed engineer with expertise in parking analysis must prepare the parking study to ensure thoroughness and accuracy.

Below is an excerpt from the parking regulations highlighting the recommended parking requirements for entertainment establishments.

Revised Table 19.21.040A, Off-Street Parking Requirement to Add Parking Requirements for Entertainment Establishments Under Commercial Parking Standards

Land Use	Required Off-Street Parking Spaces	
	Resident/Guest/Employee Parking	Compact/Truck Parking
Manufacturing		
<u>Entertainment Establishments</u>	<u>A parking study prepared by a licensed engineer is required to determine parking for an entertainment establishment. To utilize off-site parking, a shared parking agreement is required between the applicant and other affected property owners must be executed and filed with the City, permitting use of those spaces. A transportation plan is required for remote parking situated further than 1,000 feet away.</u>	<u>Compact: Maximum 10% where 20+ spaces are provided</u> <u>All ADA spaces required for each event must be provided on-site pursuant to current accessibility regulations.</u>

Text in red (column identified as “Entertainment Establishments”) reflects added language.

Amendment to Definition of *Entertainment Establishment*

Under the existing definition for entertainment establishments in CMC Section 19.45.020, it includes several entertainment uses. As part of the Applicant’s request, outdoor events are being proposed as part of the uses for the restaurant. Below is the current definition for entertainment establishment with proposed deletions shown with red strikeouts and proposed new language shown with bold red text:

""Entertainment establishment" means a place of business that provides any form of **indoor or outdoor entertainment such as** live performance, **sporting events**, exhibitions, shows, or acts, including but not limited to the playing of musical instruments; singing; dancing; performing in a play, sketch, or scene; **concerts**; reciting prose or poetry; or exhibiting any clothing, wearing apparel, or costumes for the purpose of gaining, diverting, or holding the attention of guests, patrons, or invitees. A business or use shall be considered an entertainment establishment if such entertainment is either the **primary business principal use or an accessory use** conducted on the premises or is provided in conjunction with any other **primary-business principal use.**”

Added Definition of *Sensitive Noise Receptors*

A definition of Sensitive Noise Receptors is proposed to be added to CMC Section 19.45.200 ("S" Definitions) to read as follows:

"Sensitive Noise Receptors" means locations where people live, work, or gather and where the presence of unwanted, excessive or prolonged sound may adversely affect activities or may be detrimental to the health and welfare of individuals. These locations typically include residential uses, hospitals, schools, libraries, parks, places of public assembly and nursing homes."

Added Division 24 – *Entertainment Establishments* to Chapter 19.31 *Standards for Specific Land Uses*

Division 24 – *Entertainment Establishments* is proposed to be added to Chapter 19.31 *Standards for Specific Land Uses* to provide requirements for entertainment establishments for indoor and outdoor events, such as:

1. Distance Requirement to Sensitive Noise Receptors:
 - a. Distance requirement for indoor events: 200-feet, except properties on Atlantic Boulevard and Washington Boulevard are exempt; and
 - b. Distance requirement for outdoor events: 500-feet.
2. Limited hours of operation:
 - a. If within 200 feet of sensitive noise receptors, entertainment establishments must avoid disruption and excessive noise between 10 p.m. and 7 a.m. Through the development agreement process, City Council can approve or modify hours of operation.
3. Parking findings: If the City approves use of street parking or remote, off-site parking, the decision-making body must address the following:
 - a. Justify street, remote, and off-site parking for entertainment establishments.
 - b. Demonstrate that street parking will not negatively affect sensitive noise receptors or surrounding businesses.
 - c. Ensure that using remote parking locations will not compromise public health, safety, or welfare.

The City may approve and/or modify conditions of approval on a case-by-case basis through the development agreement process to allow entertainment establishments to operate in the City.

The proposed amendments are designed to increase flexibility for business owners interested in operating entertainment establishments, while protecting the community from potential impacts. These amendments will benefit both City residents and visitors from surrounding communities, while also contributing to the City's sales tax revenue.

FISCAL IMPACT

This activity can be carried out without additional impact on the current operating budget.

ALTERNATIVES:

1. Approve recommendation;
2. Reject recommendation; or
3. Provide staff with further direction.

RELATIONSHIP TO STRATEGIC GOALS:

This item relates to the 2016 Strategic Action Plan's goal of: Economic growth - Guiding Principles 1 to "Create and strengthen our identity, as a community that promotes opportunity and success for business that meets the strategic focus for economic growth, will have a positive impact on the quality of life and the City's financial sustainability," and 3 "Support a long-range planning vision through the City's General Plan, zoning ordinance, and related land use planning documents that incorporate community and stakeholder input and provide a compass for strategic economic growth, infrastructure investments and city fiscal planning."

Recommended by: Jessica Serrano, Director of Community Development
Approved as to form: Noel Tapia, City Attorney
Respectfully submitted: Ernie Hernandez, City Manager

ATTACHMENTS:

1. Ordinance No. _____
2. Notice of Categorical Exemption