

CITY OF TEMPE DEVELOPMENT REVIEW COMMISSION

Meeting Date: 05/28/2024

Agenda Item: 2

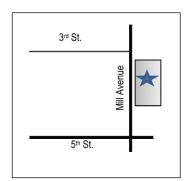
ACTION: Request a Use Permit to allow entertainment (singing, dancing, stand-up comedy, DJ, trivia/games) for **HIGH MAINTENANCE SMOKE SHOP**, located at 411 South Mill Avenue, Suite 103. The applicant is HMSS LLC.

FISCAL IMPACT: N/A

RECOMMENDATION: Staff – Approve, subject to conditions

BACKGROUND INFORMATION: HIGH MAINTENANCE SMOKE SHOP (PL240069) is an existing tobacco retailer with a private smoking lounge located on the east side of Mill Avenue, between 3rd and 5th Streets. The Use Permit to allow a tobacco retailer (PL210009 / ZUP210005) was granted by the Development Review Commission at its meeting of February 9, 2021. The subject request includes the following:

ZUP240023 Use Permit to allow entertainment (singing, dancing, stand-up comedy, DJ, trivia/games)



Property Owner MILL ALLEY PARTNERS
Applicant Jason Horn, High Maintenance Smoke Shop

Zoning District(s) CC, TOD (City Center, Transportation Overlay

District) 3,026 s.f. 2,945 s.f.

Suite Floor Area 2,945 s.f.
Lot Coverage 68.8% (NS% max. allowed)
Building Height 28' (50' max. allowed)
Vehicle Parking No change in demand

Hours of Operation 11 a.m. to 11 p.m. Sunday-Thursday, 11 a.m. to 2

a.m. Friday & Saturday

Building Code Occupancy A-2

ATTACHMENTS: Development Project File

STAFF CONTACT(S): Lily Drosos, Planner II (480) 350-8245

Site Area

Department Director: Jeff Tamulevich, Community Development Director

Legal review by: N/A

Prepared by: Lily Drosos, Planner II

Reviewed by: Michelle Dahlke, Principal Planner

COMMENTS

The High Maintenance Smoke Shop is an existing tobacco retailer that has a private smoking lounge open to members. The existing tobacco retailer Use Permit for the business (PL210009) allows the consumption of tobacco and related products within the premises. One of the conditions of that Use Permit required that live entertainment on the site had to be approved through a separate Use Permit process.

The applicant proposes entertainment uses including singing, dancing, stand-up comedy, a DJ, and event nights such as trivia, painting, and board games. All of the proposed entertainment uses will take place indoors only.

On April 24, 2024, the Code Compliance Division notified the business owner of two violations. The first was for the installation of rear patio railing which did not receive City approval. The second was for the intensification of the tobacco retailer Use Permit, which included the consumption and distribution of marijuana products. Staff is recommending a condition of approval which would require permits and clearances for the patio modifications prior to commencement of the entertainment use. If the applicant intends to operate as a private club to allow the consumption of marijuana, they will need to submit for and receive approval of a separate Use Permit.

PUBLIC INPUT

Since the writing of this report, staff has not received any public comments regarding the entertainment Use Permit.

POLICE INPUT

An updated Security Plan is required.

USE PERMIT

The proposed use requires a Use Permit to allow entertainment use within the CC TOD zoning and overlay districts.

Section 6-308(E) Approval criteria for Use Permit (in italics):

- 1. Any significant increase in vehicular or pedestrian traffic; the entertainment use will be taking place indoors sat an existing business and will not create an adverse impact on vehicular or pedestrian traffic.
- 2. Nuisance arising from the emission of odor, dust, gas, noise, vibration, smoke, heat or glare at a level exceeding that of ambient conditions; events and performances will take place indoors only. There are no anticipated nuisances exceeding that of ambient conditions.
- 3. Contribution to the deterioration of the neighborhood or to the downgrading of property values, which is in conflict with the goals, objectives or policies for rehabilitation, redevelopment or conservation as set forth in the city's adopted plans or General Plan; per Zoning and Development Code Section 3-202A (Permitted Uses in Commercial and Mixed-Use Districts), entertainment is permitted in the CC zoning district. Therefore, the use does not conflict with the City's goas, objectives, or policies for rehabilitation, redevelopment and conservation.
- 4. Compatibility with existing surrounding structures and uses; the addition of performances and events at this site will be compatible with the existing surrounding uses and structures because there are several existing entertainment uses on Mill Avenue.
- 5. Adequate control of disruptive behavior both inside and outside the premises which may create a nuisance to the surrounding area or general public; while the entertainment use is not expected to cause disruptive behavior, the business is prepared to work with the Tempe Police Department and security team to address any issues if necessary.

REASONS FOR APPROVAL:

Based on the information provided by the applicant, the public input received and the above analysis staff supports approval of the requested Use Permit. This request meets the required criteria and will conform to the conditions.

SHOULD AN AFFIRMATIVE ACTION BE TAKEN ON THIS REQUEST, THE FOLLOWING NUMBERED CONDITIONS OF APPROVAL SHALL APPLY, BUT MAY BE AMENDED BY THE DECISION-MAKING BODY.

CONDITION(S) OF APPROVAL: (Non-standard conditions are identified in bold)

EACH NUMBERED ITEM IS A CONDITION OF APPROVAL. THE DECISION-MAKING BODY MAY MODIFY, DELETE OR ADD TO THESE CONDITIONS.

- 1. This Use Permit for entertainment does not modify the previous Use Permit for a tobacco retailer (PL210009). All conditions of that approval remain in effect. An expansion of the tobacco retailer use requires a separate Use Permit.
- 2. All existing site modifications, including the rear patio fencing, that have not received City approvals must receive permits and pass inspections prior to the entertainment use becoming effective.
- 3. During performances and events, windows and doors shall be closed with speakers pointing away from building entrances/exits.
- 4. The Use Permit is valid only after a Building Permit has been obtained, the required inspections have been completed and a Final Inspection has been passed. As part of the Building Permit process, on-site storm water retention may be required to be verified or accomplished on this Site.
- 5. The Use Permit is valid for the plans as submitted within this application. Any additions or modifications may be submitted for review during the building plan check process.
- 6. Return to the appropriate decision-making body for review of compliance with conditions of approval within six (6) months. The timing for the six-month review period to commence begins when the business is in full operation. Advise Community Development staff when in full business operation.
- 7. The live entertainment use shall take place inside only. No live entertainment will be allowed outside.
- 8. Live entertainment to cease at 10:55 p.m. Sunday-Thursday and 1:55 a.m. Friday and Saturday.
- 9. The applicant shall contact the City of Tempe Crime Prevention Unit for a security plan within 30 days of this approval. Contact 480-858-6409 before June 27, 2024.
- 10. Hours of operation to end no later than 11:00 p.m. Sunday-Thursday and 2:00 a.m. Friday and Saturday.
- 11. All nonconforming building lighting shall be removed and replaced with compliant light fixtures. Details can be resolved during Building Safety Plan Review.
- 12. Security vision panels shall be installed in all rear exit doors. Details to be approved through Building Safety Plan Review.

CODE/ORDINANCE REQUIREMENTS:

THE BULLETED ITEMS REFER TO EXISTING CODE OR ORDINANCES THAT PLANNING STAFF OBSERVES ARE PERTINENT TO THIS CASE. THE BULLET ITEMS ARE INCLUDED TO ALERT THE DESIGN TEAM AND ASSIST IN OBTAINING A BUILDING PERMIT AND ARE NOT AN EXHAUSTIVE LIST.

USE PERMIT:

- The Use Permit is valid for High Maintenance Smoke Shop and may be transferable to successors in interest through an administrative review with the Community Development Director, or designee.
- The Use Permit approval shall be void if the use is not commenced or if an application for a building permit has not been submitted, whichever is applicable, within twelve (12) months after the use permit is granted or within the time stipulated by the decision-making body.
- The decision-making body, upon finding that the applicant has not taken corrective actions to resolve issues related to
 the permit/approval and that a continuation of the permit/approval is not in the interest of the public health, safety and
 general welfare, can revoke the permit/approval after providing written notice of its intentions to the holder of the permit.
- Specific requirements of the Zoning and Development Code (ZDC) are not listed as a condition of approval but will apply
 to any application. To avoid unnecessary review time and reduce the potential for multiple plan check submittals,
 become familiar with the ZDC. Access the ZDC through http://www.tempe.gov/zoning or purchase from Development
 Services.

- Any intensification or expansion of use shall require a new Use Permit.
- All required permits and clearances shall be obtained from the Audit and Licensing Division of the City of Tempe prior to the Use Permit becoming effective.
- All required Federal, State, County, and Municipal permits, licenses, and clearances shall be obtained, or the Use Permit
 is void.
- This use shall not violate the City of Tempe Smoking Ordinance or Smoke Free Arizona Act A.R.S. §36-601.01.
- The owner/management shall adhere to the City Adopted International Mechanical Code.
- The gross sale of beverage and snack items may not exceed that of tobacco products for the smoking lounge tax license.
- Music, sound, or live entertainment shall not violate the City of Tempe Noise Ordinance.

SIGNS: Separate plan review process is required for signs in accordance with requirements of ZDC Part 4 Chapter 9 (Signs). Refer to www.tempe.gov/signs.

POLICE DEPARTMENT SECURITY REQUIREMENTS:

• If the development includes a use listed in <u>City Code Section 26-70(c)</u>, the Owner is required to prepare a security plan with the Police Department. The architect should be involved to verify any modification that would require design revisions. To avoid revisions to permitted construction documents, initial meetings with the Police Department regarding the security plan are recommended before building permits are issued. At a minimum, the Owner shall contact the Police Department to begin security plan process approximately eight weeks prior to receipt of certificate of occupancy.

HISTORY & FACTS:

November 9, 2021	Development Review Commission approved a Use Permit to allow a tobacco retailer with a smoking lounge for HIGH MAINTENANCE, located at 411 South Mill Avenue, Suite 103.
January 17, 2023	A Certificate of Occupancy was issued for a tobacco retailer and smoking lounge and patio for the business.
February 15, 2024	The business received a code violation (CM232404) for hosting live entertainment events such as poker and trivia, an intensification of the tobacco retailer use permit, and piercing/tattooing taking place on site.
February 26, 2024	The applicant filed a Use Permit application for entertainment.
March 12, 2024	CM232404 was closed.
April 24, 2024	The business received a code violation (CM240871) for the installation of patio railing without City approval; marijuana use, activity, and distribution on the premises; intensification of the tobacco retailer use; and live entertainment without a Use Permit.
May 28, 2024	This request is scheduled to be heard by the Development Review Commission.

ZONING AND DEVELOPMENT CODE REFERENCE:

Section 3-202, Permitted Uses in Commercial and Mixed-Use Districts
Section 6-308, Use Permit
Section 6-313, Security Plan



DEVELOPMENT PROJECT FILE

for HIGH MAINTENANCE (PL240069)

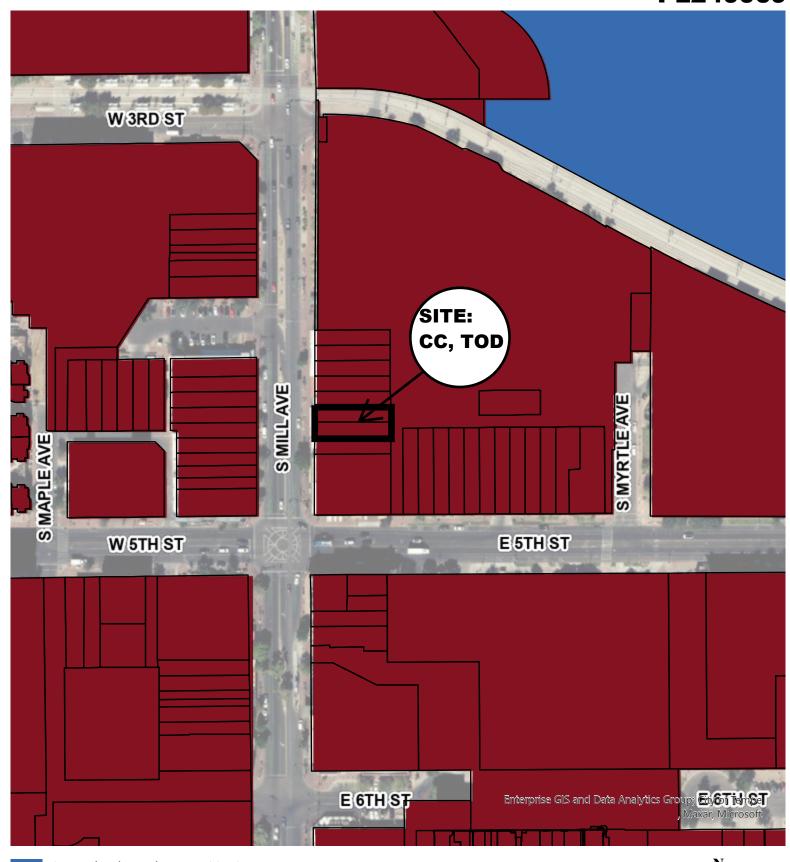
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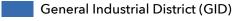
1.	Zoning	Map

- 2. Aerial Map
- 3-5. Letter of Explanation
- 6. Site Plan
- 7. Floor Plan
- 8-12. Site Context Photos
- 13-15. February 21, 2021 Development Review Commission Approval Letter (for reference)

HIGH MAINTENANCE SMOKE SHOP







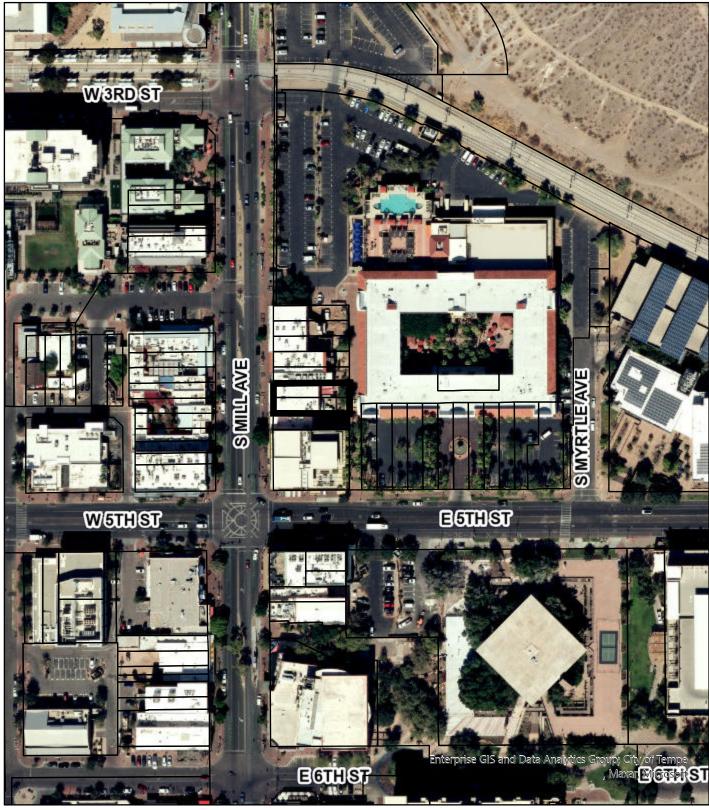
City Center (CC)



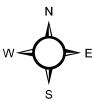


HIGH MAINTENANCE SMOKE SHOP

PL240069



Aerial Map



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Letter of Explanation

Thank you in advance for your time. Our goal is to obtain a Live Entertainment License. Live entertainment will take place **indoor only** and will be limited to the back area of the space, The Lounge, but not including the patio. Accordingly, live entertainment would neither be visible nor within earshot of the street out front or walkway area out back. The type of live entertainment will include **singing**, **dancing**, **stand-up comedy**, **DJ**, **trivia**, **painting**, **board games**, **contests**, **live podcasting**, **meet & greets**, **arts & crafts**, **and tye dye**; though we do not plan to put on live events on a daily basis.

Per our license as a Private Smoke Lounge, our security plan with Tempe PD as a private establishment, the building being privately owned, and under Arizona Law, we do not technically have "customers." Rather we have Members. We are a place where people with a common bond congregate, and we are not open to the general public. We use selective criteria in selecting members, as they must share the goal of socializing with other Members involved in the legal smoking community and business. Our business mission is to serve social purposes; thus, we additionally have restrictive guest policies, we never advertise Memberships, and no Owner ("Member" of the Company) receives profits beyond the amount of a fixed and reasonable salary voted on by the Owners. Members pay a monthly fee for the ability to enter The Lounge - and attend events (once we are permitted). We have Monthly Membership options for weekdays only or for the full month. Other than Memberships, our sales are limited to dealing exclusively in the sale of tobacco products and smoking paraphernalia, including also a limited amount of items, including chips and sodas made by Coca-Cola Company and Pepsi-Co, as is standard to other smoke shops in Tempe. We are not permitted to nor do we sell or prepare any non-packaged goods or food. We are not permitted to nor do we sell any forms of marijuana or alcoholic beverages. Our Members consume smoking products in accordance with our license as a Private Smoke Lounge under The Code of The City of Tempe, Arizona, including under Chapter 22, Article II, Division 1, Sec. 22-45 (3)-(6). The Lounge is separately partitioned from the rest of the building, including the Smoke Shop, and includes a separate ventilation system, approved by The City, which continues to operate in accordance with the current Tempe City Code.

The hours of operation will remain the same, 11am to 11pm Sunday-Thursday and 11am-12am Friday and Saturday. We would have an average of 10 employees. The current customer count is on average 2,000 walk-ins per week and we expect to maintain this traffic.

Currently the space generates \$85,000 per year towards the City of Tempe in Sales Tax. In addition, we create funds for the City with our customers parking in paid meters, including in the large paid lot directly North of the building; employee tax; etc. The location has become a well known attraction on Mill Avenue, housing a Million Dollar Glass Art Collection.

Regarding Zoning and Development Code Criteria Section 6-308(E):

(a.) Vehicular or Pedestrian Traffic:

High Maintenance Smoke Shop and Lounge has become a staple on Mill Avenue. We take pride in helping watch after the streets, guests, and property of the City. The Use Permit approval will not

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create a significant impact of any sort on vehicular or pedestrian traffic. We expect to maintain the same traffic at the location. Furthermore, no changes to the space will be made regardless of Use Permit approval, as we will not need to build a stage or change the space for live events. Accordingly, there will be no changes within or without the building; thus, pedestrian and vehicular traffic will not be affected.

(b.) Nuisance:

We have a Certificate of Occupancy as a Smoke Shop and Private Smoke Lounge with Smoking Patio. The suite is split into three sections: (1) the front of the suite nearest Mill Avenue is the retail area operating as the Smoke Shop. (2) The middle section hosts the Lounge as well as (3) the back patio section furthest from Mill Avenue. Live Entertainment will only take place in the middle section (2). The doors between the middle section and the front and back sections will be closed during any and all live entertainment for the duration of the event. The suite is and will continue to be equipped with proper ventilation per City Code. The Use Permit approval will thus not affect or create a nuisance arising from the emission of odor, dust, gas, noise, vibration, smoke, heat, or glare.

(c.) Deterioration/Property Values:

We contribute to the neighborhood by offering jobs to locals, hiring from within the City, and providing an inviting experience. Our lease is a triple net lease that helps us ensure proper maintenance of the building and preservation of a piece of Mill Avenue history.

(c.) Deterioration/Property Values (continued...),

(d.) Compatibility with Existing:

We have coexisted with our neighbors for eight years, including a dance club named Aura directly above us in our same building, which closed in mid 2023. Aura was highly regarded on Mill Avenue before closing down. At Aura (directly above our space, in our building, one floor up) the capacity was three to four times greater than ours and included live entertainment space bordering Mill Avenue. Our visibility will be far less than Aura's due to our location within the building and our capacity. Additionally, our location is in the heart of Mill Avenue, an area of The City most designed for entertainment. Additional entertainment spaces on Mill Avenue will only serve to increase the value of neighborhood properties. We prefer to work with all businesses on Mill Avenue and run specials with and reach out to those businesses. We are highly recommended by our neighbors and are the only Tobacco Accessories store on Mill Avenue.

(e.) Control of Behavior:

We intend to host our live entertainment events as open to all patrons of the lounge wherein these events would **not be ticketed** events with presale. To ensure maintaining adequate control of our business, staff, guests, customers, passersby, etc., we will hire professional security for all of our biggest events (when capacity is expected to be above 30%). We have and we will continue to work with local authorities with our 24 hour Camera and Audio Security System. We will continue to work directly with Tempe Security, Tempe Police, and the City of Tempe; and we will continue to maintain a professional atmosphere and comply with all laws and regulations.

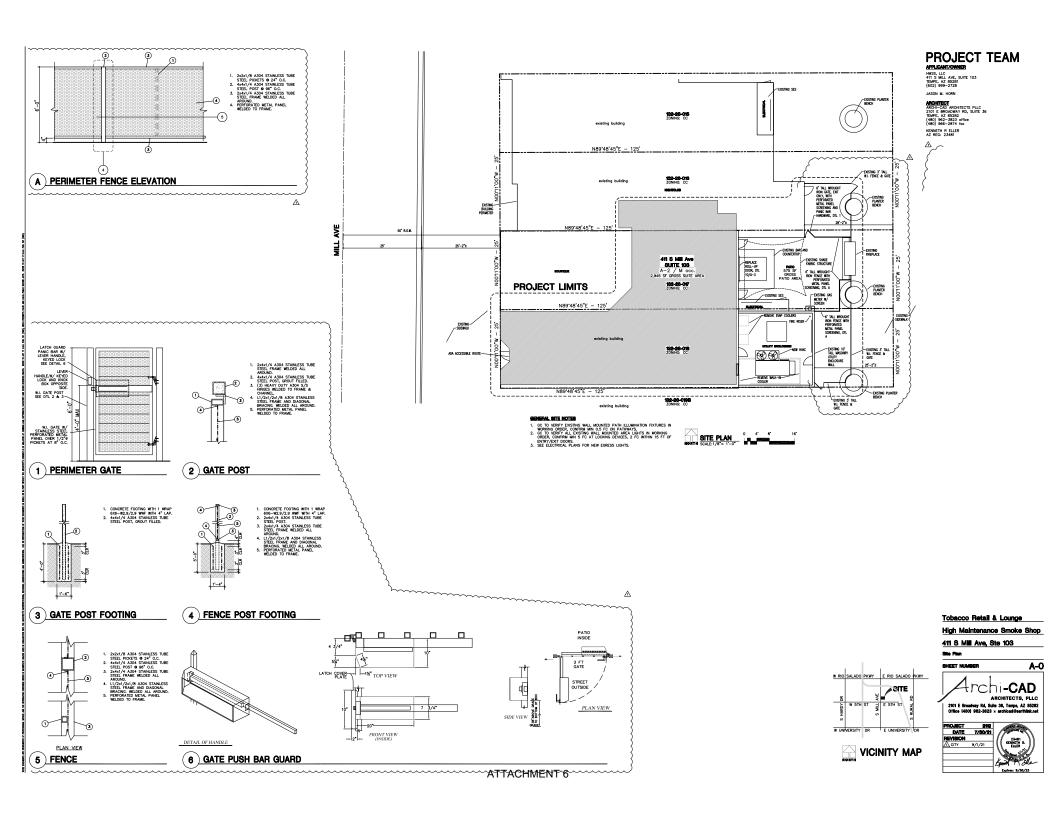
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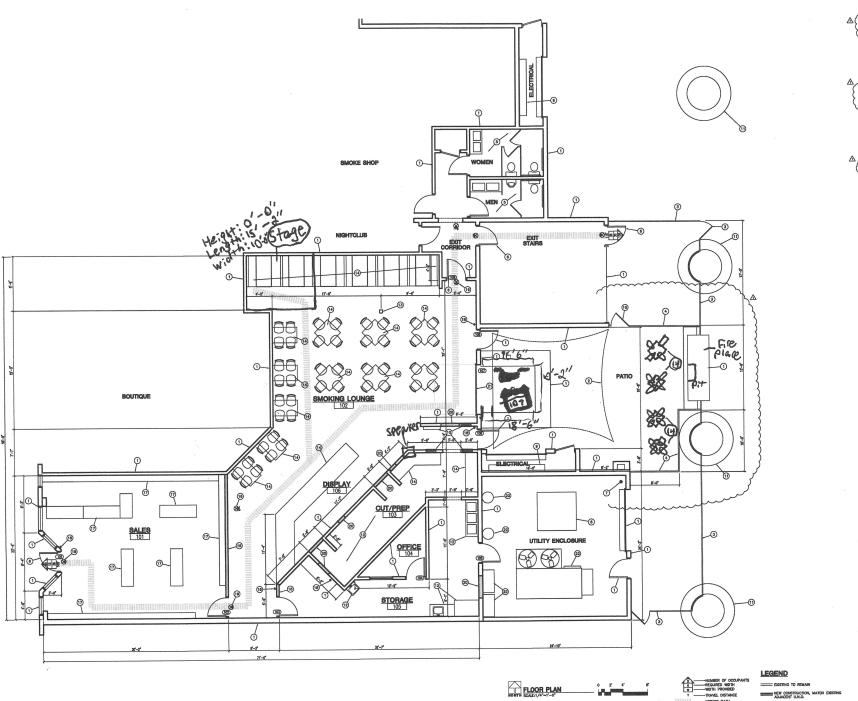
The use proposed for the existing occupied space will provide a service to the neighborhood, will help with the viability of the neighborhood, and will be fiscally beneficial to the City. We believe the Use Permit criteria are met and request approval of the Use Permit.

Thank You

Very Truly Yours,

Jason Horn





NOTES Tobacco Retall & Lounge High Maintenance Smoke Shop



PROJECT 2112

DATE 7/30/21

REVISION

A CITY 9/1/21













City of Tempe
Community Development Department
Planning Division
Mail Stop 01-7
PO Box 5002
Tempe, AZ 85280-5002
www.tempe.gov



February 10, 2021

Mr. Jason Horn HIGH Maintenance Smoke Shop 411 South Mill Avenue Tempe, AZ 85281 Jason@HMSmokeShop.com

RE: HIGH MAINTENANCE 411 South Mill Avenue DS210040 / PL210009 / ZUP210005

Dear Mr. Horn:

At its meeting of February 9, 2021, the Development Review Commission approved the request for **HIGH MAINTENANCE**, located at 411 South Mill Avenue. The site is in the CC (City Center) zoning district. This approval will allow a tobacco retailer.

The request included the following: ZUP210005 Use Permit to allow a tobacco retailer.

This approval is subject to the assigned Conditions of Approval as follows:

CONDITION(S) OF APPROVAL: (Non-standard conditions are identified in bold)

EACH NUMBERED ITEM IS A CONDITION OF APPROVAL. THE DECISION-MAKING BODY MAY MODIFY, DELETE OR ADD TO THESE CONDITIONS.

- 1. The Use Permit is valid only after a Building Permit has been obtained, the required inspections have been completed and a Final Inspection has been passed. As part of the Building Permit process, on-site storm water retention may be required to be verified or accomplished on this Site.
- 2. The Use Permit is valid for the plans as submitted within this application. Any additions or modifications may be submitted for review during the building plan check process.
- 3. Consumption of tobacco and related products within the premises shall require the owner/management to adhere to the city Adopted International Mechanical Code. All permits and clearances required by the Building Safety Division shall be obtained prior to the Use Permit becoming effective.
- 4. Live entertainment requires a separate Use Permit.
- 5. An occupancy inspection and clearance from the Tempe Fire Department shall be obtained prior to the use permit becoming effective.
- 6. This use shall not violate the City of Tempe Smoke Ordinance or Smoke Free Arizona Act A.R.S. §36-601.01.

- 7. The owner/management shall prevent loitering related to the business along adjacent pedestrian walkways along Mill Avenue and to the rear of the property.
- 8. Hours of operation to begin no earlier than nine o'clock in the morning (9:00am) and end no later than twelve o'clock midnight (12:00am) daily.

CODE/ORDINANCE REQUIREMENTS:

THE BULLETED ITEMS REFER TO EXISTING CODE OR ORDINANCES THAT PLANNING STAFF OBSERVES ARE PERTINENT TO THIS CASE. THE BULLET ITEMS ARE INCLUDED TO ALERT THE DESIGN TEAM AND ASSIST IN OBTAINING A BUILDING PERMIT AND ARE NOT AN EXHAUSTIVE LIST.

USE PERMIT:

- The Use Permit is valid for High Maintenance and may be transferable to successors in interest through an administrative review with the Community Development Director, or designee.
- The use permit approval shall be void if the use is not commenced or if an application for a building permit has not been submitted, whichever is applicable, within twelve (12) months after the use permit is granted or within the time stipulated by the decision-making body.
- The decision-making body, upon finding that the applicant has not taken corrective actions to resolve issues related
 to the permit/approval and that a continuation of the permit/approval is not in the interest of the public health, safety
 and general welfare, can revoke the permit/approval after providing written notice of its intentions to the holder of the
 permit.
- Specific requirements of the Zoning and Development Code (ZDC) are not listed as a condition of approval but will
 apply to any application. To avoid unnecessary review time and reduce the potential for multiple plan check
 submittals, become familiar with the ZDC. Access the ZDC through http://www.tempe.gov/zoning or purchase from
 Development Services.
- All business signs shall receive a Sign Permit. Contact sign staff at 480-350-8435.
- Any intensification or expansion of use shall require a new Use Permit.
- All required permits and clearances shall be obtained from the Audit and Licensing Division of the City of Tempe prior to the Use Permit becoming effective.
- All required Federal, State, County, and Municipal permits, licenses, and clearances shall be obtained, or the Use Permit is void.
- The gross sale of beverage and snack items may not exceed that of tobacco and hookah products for the hookah lounge tax license.

In sign-related violations, corrections shall be made within five (5) days of Development Review Commission action; in all other matters, corrections shall be made within fifteen (15) days of Development Review Commission action, unless specifically conditioned otherwise by the Development Review Commission. You are further advised that the above does not waive the requirements for obtaining building permits and other clearances as may be necessary.

Dalton 4

If you have questions, please contact me at (480) 350-8652 or Dalton_Guerra@tempe.gov.

Sincerely,

Dalton Guerra

Planner I

DG/jb

cc: file