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AUG 23 2007



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MEMORANDUM **Planning and Development – CC Memo No. 07-192a**

DATE: AUGUST 16, 2007

TO: MAYOR AND CITY COUNCIL

THRU: W. MARK PENTZ, CITY MANAGER
 for DOUG BALLARD, PLANNING & DEVELOPMENT DIRECTOR *DKM*
 JEFF KURTZ, ASSISTANT PLANNING & DEVELOPMENT DIRECTOR
 BOB WEWORSKI, PLANNING MANAGER *BW*

FROM: BILL DERMODY, CITY PLANNER *BD*

SUBJECT: UP07-0044 THE URBAN TEA LOFT

Request: Use Permit approval to sell liquor for on-premise consumption only in a restaurant that includes a new outdoor patio (Series 12 Restaurant License)

Location: 11 W. Boston Street, Suite #2

Applicant: Glynis Legrand

RECOMMENDATION

The request is for a Use Permit to sell liquor for on-premise consumption only within a restaurant that includes an outdoor patio (Series 12 Restaurant License). Planning Commission and Staff, finding consistency with the General Plan and City Center District (CCD) zoning, recommend approval subject to conditions.

BACKGROUND

The subject business, expected to open in September 2007, occupies a suite in the recently renovated Arrow Pharmacy Building at 11 W. Boston Street in Historic Downtown Chandler. The subject suite is located between Art on Boston (on the west) and Uptown Bridal & Boutique (on the east). The subject business is a tea-oriented café that serves a variety of exotic teas, as well as sandwiches, salads, and other light fare. They also sell tea-related gift items such as bath and body products. The application requests approval to sell alcohol in conjunction with a Series 12 Restaurant License so that the business can offer tea-based mixed drinks for on-premise dining.

The subject suite is approximately 1,600 square feet and fronts on Boston Street. There will be an approximate 180 square foot permanent outdoor patio area added immediately in front of the suite along Boston Street underneath the colonnade. The patio will run the entire width of the suite and will be surrounded by a 42" high wrought iron fence with a gate aligned to the building entrance. In keeping with code requirements, an unencumbered 6' wide path will be left between the fence and the inside face of the colonnade columns to allow for free pedestrian movement.

The hours of operation are 8:00 a.m. to 9:00 p.m. Monday through Thursday, 8:00 a.m. to 10:00 p.m. Friday and Saturday, and 10:00 a.m. to 6:00 p.m. on Sunday. Indoor seating for up to 68 persons and patio seating for up to 16 persons is provided. There will be 10-15 employees at this location. There will be acoustic music, such as piano or harp, inside the building approximately twice per month.

A Series 12 Restaurant License allows the on-site sale of beer, wine, and spirits for on-premise consumption. Under a typical Series 12 license the establishment must derive at least 40 percent of its gross revenue from the sale of food and non-alcoholic beverages. The applicant anticipates alcohol to be a minor part of the business.

PUBLIC/NEIGHBORHOOD NOTIFICATION

- This request was noticed in accordance with the requirements of the Chandler Zoning Code.
- A neighborhood meeting was held on July 17, 2007 at the Downtown Chandler Community Center. No citizens attended.
- The Police Department has been informed of the application and has not responded with any issues or concerns.
- At the time of this writing, Staff has not aware of any opposition to this request.

PLANNING COMMISSION VOTE REPORT

Motion to approve.

In Favor: 6 Opposed: 0 Absent: 1 (Anderson)

RECOMMENDED ACTION

Planning Commission and Staff, upon finding consistency with the General Plan and City Center District (CCD) zoning, recommend approval of UP07-0044 THE URBAN TEA LOFT subject to the following conditions:

1. The Use Permit granted is for a Series 12 license only, and any change of license shall require reapplication and new Use Permit approval.
2. The Use Permit is non-transferable to any other location.
3. Expansion or modification beyond the approved exhibits (Site Plan, Floor Plan and Narrative) shall void the Use Permit and require new Use Permit application and approval.

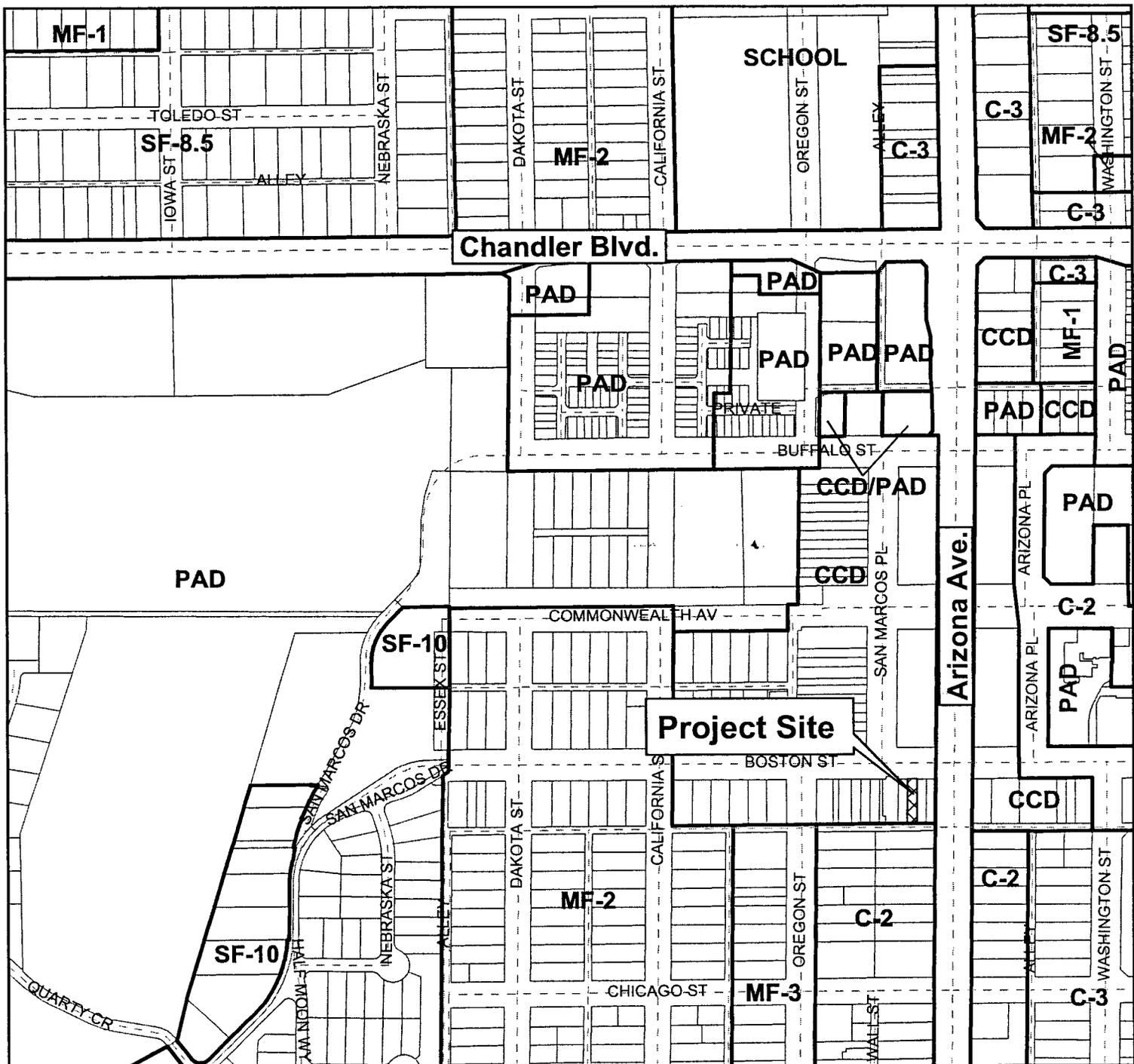
4. Any substantial change in the floor plan to include such items as, but not limited to, additional bar serving area or the addition of entertainment related uses shall require reapplication and approval of the Use Permit.
5. The patio shall be maintained in a clean and orderly manner.

PROPOSED MOTION

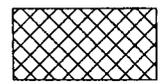
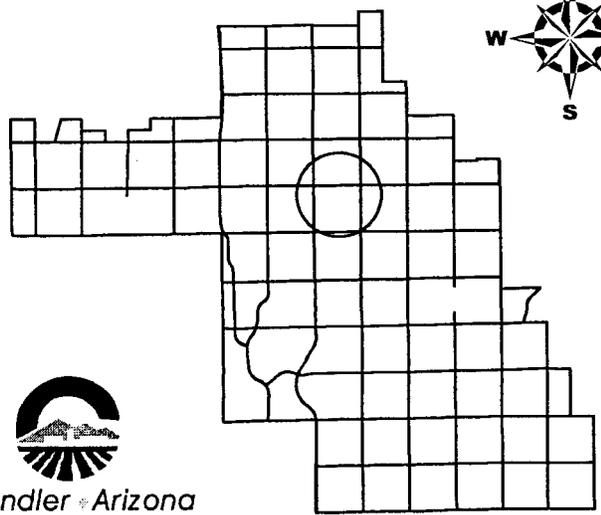
Move to approve UP07-0044 THE URBAN TEA LOFT Use Permit for liquor sales subject to the conditions recommended by Planning Commission and Staff.

Attachments:

1. Vicinity Map
2. Site Plan
3. Floor Plan
4. Applicant Narrative



Vicinity Map



UP07-0044

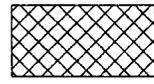
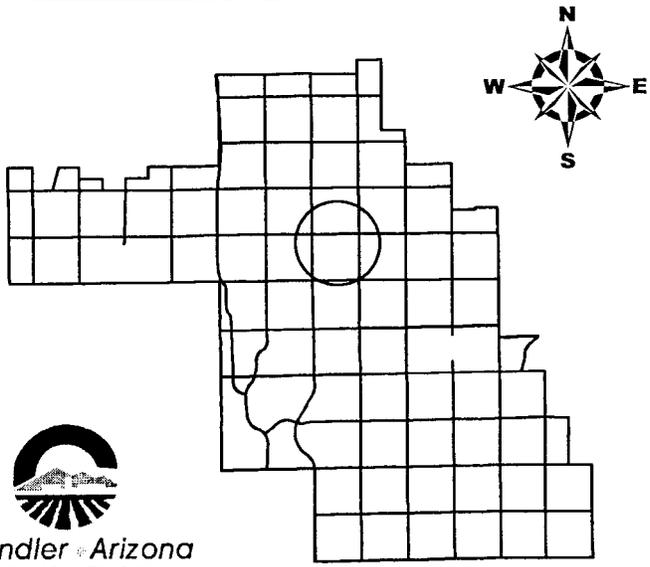
The Urban Tea Loft



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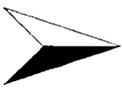
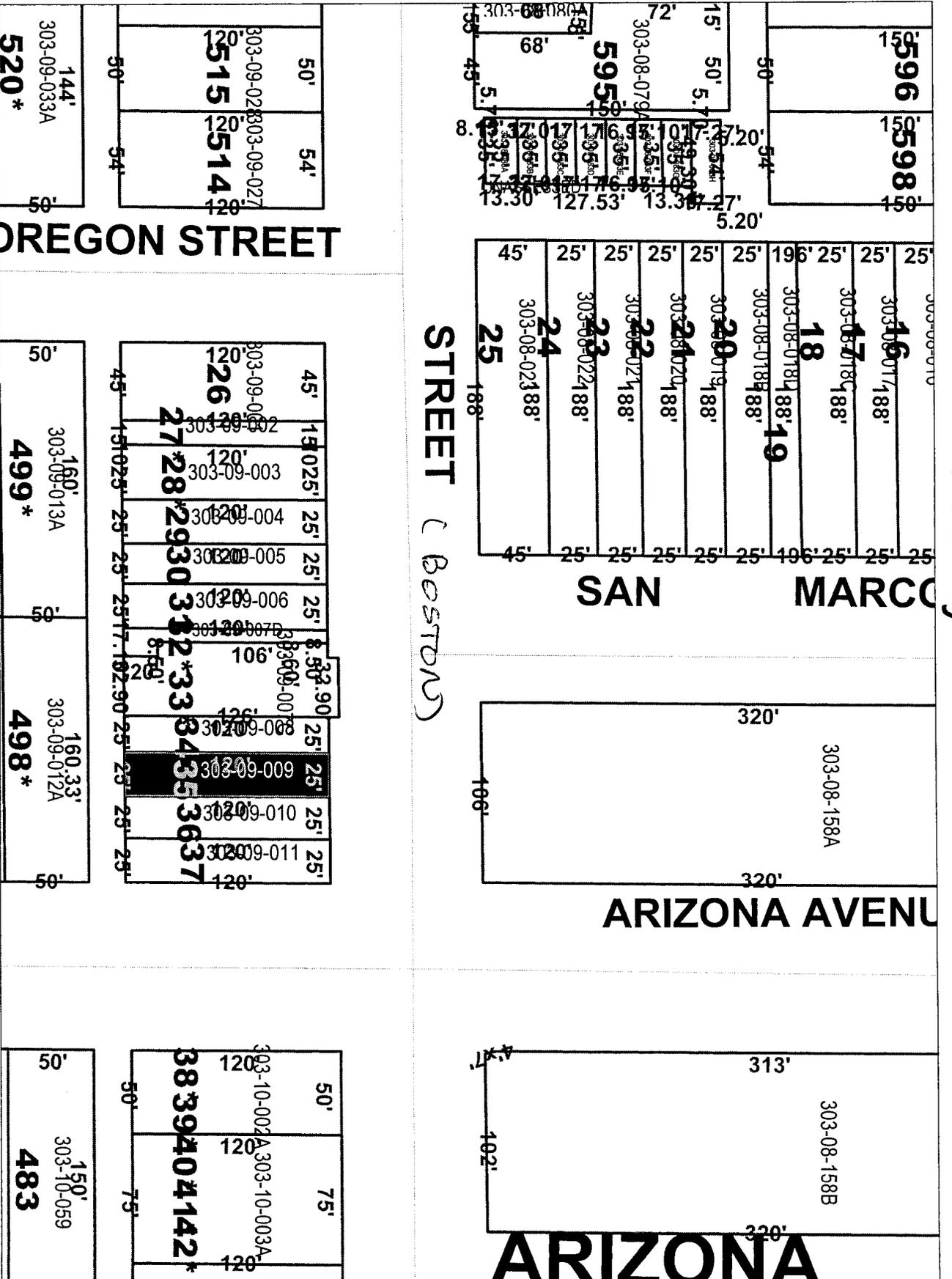
Vicinity Map



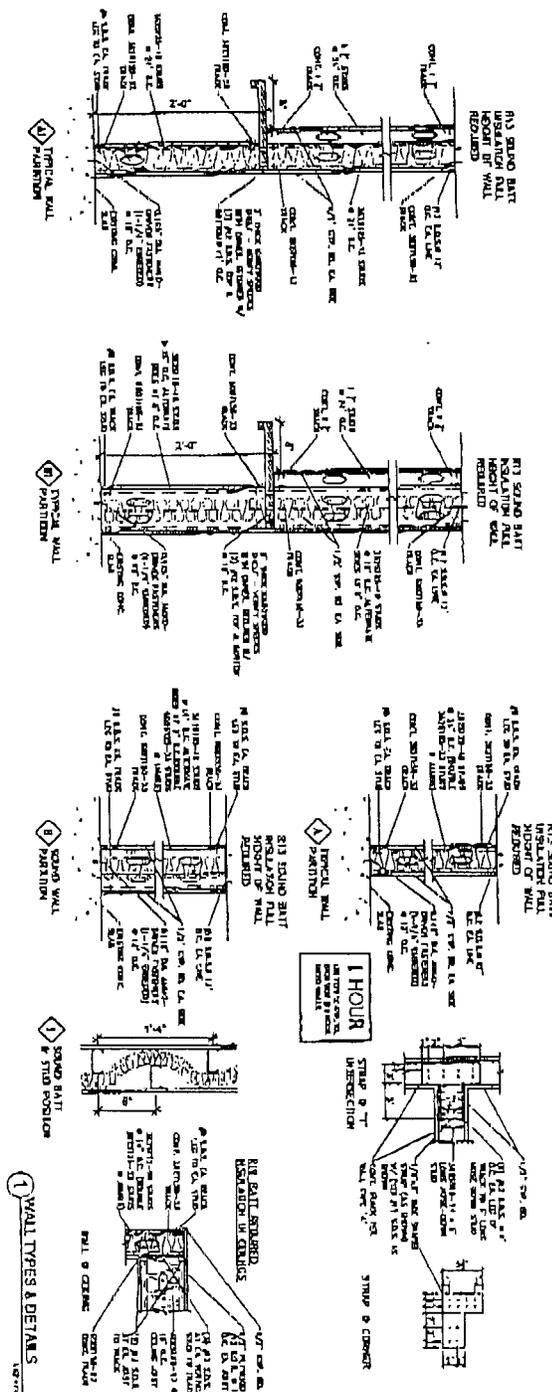
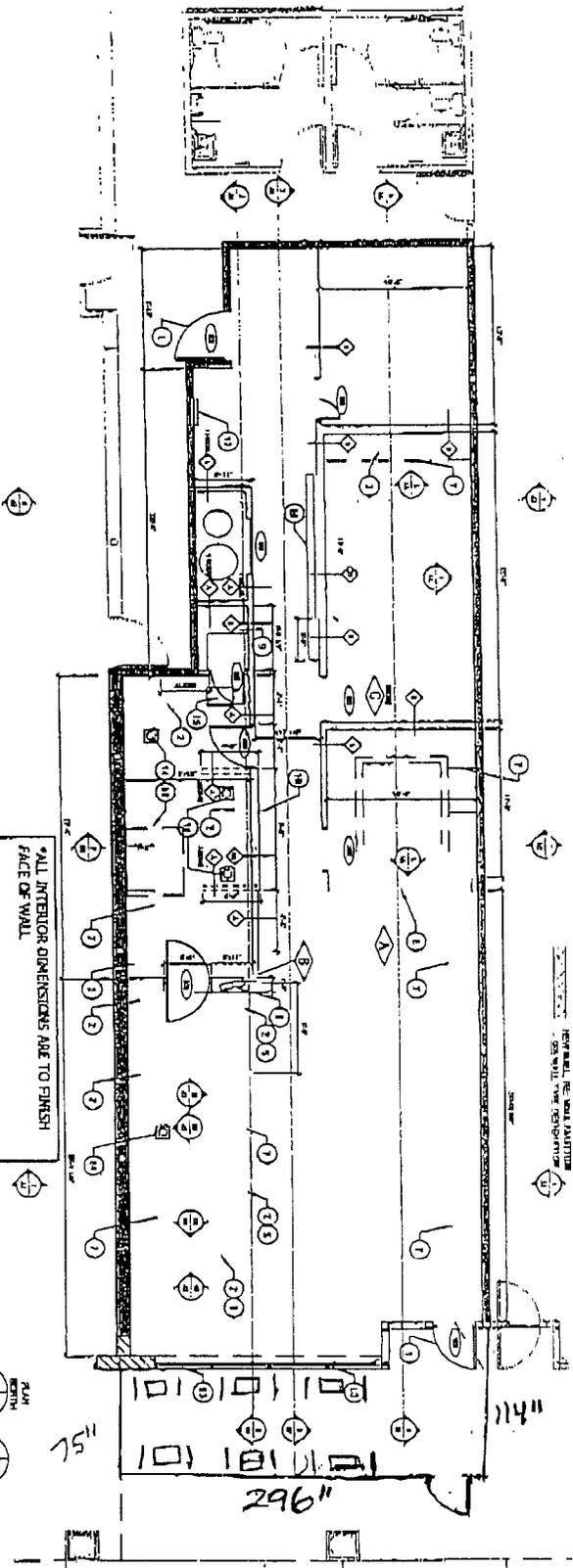
UP07-0044

The Urban Tea Loft

County Parcels



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ALL INTERIOR DIMENSIONS ARE TO FINISH FACE OF WALL
 * SEE PLUMBING PLANS FOR LOCATIONS OF UNDERSLAB PLUMBING LINES AND IN SLAB FIXTURES THAT REQUIRE THE EXISTING CONCRETE SLAB TO BE CUT AND PATCHED

FLOOR PLAN

- KEYNOTES**
1. EXISTING DOOR TO REMAIN
 2. EXISTING WINDOW TO REMAIN
 3. EXISTING PARTITION WALL TO REMAIN
 4. EXISTING PARTITION WALL TO REMAIN
 5. EXISTING PARTITION WALL TO REMAIN
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 19. EXISTING PARTITION WALL TO REMAIN
 20. EXISTING PARTITION WALL TO REMAIN

- WALL TYPES & DETAILS**
1. WALL TYPE 1: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
 2. WALL TYPE 2: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
 3. WALL TYPE 3: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
 4. WALL TYPE 4: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
 5. WALL TYPE 5: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
 6. WALL TYPE 6: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
 7. WALL TYPE 7: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
 8. WALL TYPE 8: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
 9. WALL TYPE 9: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
 10. WALL TYPE 10: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
 11. WALL TYPE 11: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
 12. WALL TYPE 12: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
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 16. WALL TYPE 16: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
 17. WALL TYPE 17: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
 18. WALL TYPE 18: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
 19. WALL TYPE 19: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE
 20. WALL TYPE 20: 1/2" GYPSUM BOARD OVER 1/2" POLYSTYRENE INSULATION OVER 2" CONCRETE

Narrative: The Urban Tea Loft Project Description

The Urban Tea Loft is a new, chic tea retail shop/eatery in historic downtown Chandler, Arizona. Velvet Steel LLC d.b.a The Urban Tea Loft is a Limited Liability Corporation, managed by its members, Glynis and Eric Legrand. The business was established in the state of Arizona in October 2006 and will be located at 11 W. Boston Street, Suite 2, Chandler, Arizona.

The Urban Tea Loft will offer a full range of teas from the foremost growing regions of the world. The teas will be retailed as whole leaf loose and whole leaf in bags and prepared hot, iced, frozen, and shaken. We will also offer herbal elixers, soup, salads, sandwiches, pastries, smoothies, and premium drinking chocolates. Unique tea accessories and bath and body products will be sold and the latest tea trends will be followed for new offerings and ideas. Our products will be perfect for personal enjoyment and for giving as gifts. We will train our tea tenders to properly store, brew, and serve each kind of tea.

We are applying for a Series 12 liquor license to serve alcoholic beverages where tea is used as the base. These drinks will be comprised of tea, alcohol and mixers similar to other mixed drinks. Eric and Glynis Legrand do not have experience in another tea business where alcohol was served; however, they will hire experienced bartenders. We also have access to tea experts and other restaurant owners through memberships in the Specialty Tea Institute and the Arizona Restaurant Association who will serve as our advisors. The Legrands are taking the Liquor Licence Training Courses for Managers and the Basic Class as well. We plan to apply for the extension of premises to be able to offer service outside. We are attempting to bring a different flavor and niche market to downtown Chandler. Following are some examples of alcoholic tea drinks that are similar to what we plan to provide:

Irish Tea

INGREDIENTS:

- 1 tbs loose tea, or 1 tea bag
- 1 oz whisky
- 1 oz milk or cream
- 1 tsp sugar

PREPARATION:

Brew tea in hot water for 3-5 minutes, then strain out tea. Add whiskey and other ingredients, then serve.

Bengal Tiger Tea

INGREDIENTS:

- 4 oz cold tea
- 1 tsp lemon juice
- 2 dashes aromatic bitters
- 1 tsp sugar syrup (see below for recipe)
- 1 1/2 oz cognac

PREPARATION:

Mix ingredients and serve over ice, with a lemon slice.

Spiced Rum Iced Tea**INGREDIENTS:**

- 5 oz iced tea
- 1 1/4 oz spiced rum
- 1/2 tsp lemon juice

PREPARATION:

Combine iced tea, rum and lemon juice. Serve over ice in a highball glass.

The Urban Tea Loft's full "teahouse" experience is complemented by an assortment of tea accessories and gift baskets, tea bath and beauty products, and jewelry all suitable as souvenirs and gifts for our customers. Since we do not intend to compete with coffee giants such as Starbucks, we will brew only one kind of coffee daily as a courtesy to our customers. Our location has two meeting rooms for corporate meetings and social events. Our goal is to be a destination store for visitors and a resource for locals seeking new experiences, knowledge of tea and gifts.

Hours of Operation: Our hours of operation are 7:30 am to 10:00 p.m. Monday-Thursday and 7:30 am to 10:00 p.m. Friday and Saturday. On Sundays, we are open from 10:00 am to 6:00 p.m. As you can see, we will be open seven days a week.

Number of Employees: Initially, we will have 10-15 employees depending on the days of the week and customer need.

Entertainment: We plan to have live entertainment during our Urban Tease (high teas), which will take place at least twice a month. However, we will not have full bands for dancing. Our music will mostly comprise single guitar players, harpist, piano players, etc.

Architecture and Square Footage: Our leased space occupies approximately 1,600 square feet of the 11,500 square feet of the building. Since the building was originally constructed in 1918, it was renovated in entirety in 2006 by Alex Westwood Construction. This renovation was commissioned by Saba Brothers Realty. Mr. Westwood is also completing the construction for the rest of the tenants. The building used to occupy the Arrow Pharmacy. Since it is located in a historical area, the exterior of the building had to be reminiscent of its original history and facing. The renovation included taking the building back to how it was constructed in 1918. Part of the exterior and interior of the suites is stucco and brick. The suites are separated by steel framing drywalled. Each suite has separate entrances and exits (2 each) and there is an additional back entry/exit for public use. The building also comprises restrooms for customer use. An 8x11 floorplan of our suite is included for your review.

Zoning Code Requirements: The leased space located at 11 W Boston Street is comprised of 5 suites all varying in square footage and type of occupancy. Specific information concerning Zoning Code Requirements and how this property meets the

requirements should be on file in your office. The property is zoned commercial and all tenants have commercial businesses.

Below details our product and service offerings.

Tea

Our tea tenders will know the best brewing temperature and time for each of the kinds of teas we offer. These include straight black teas such as Assam, Ceylon, Darjeeling and Keemun, blends like Chai, Earl Grey, other specialty blends as well as our own blended creations. We will also offer a range of white and green teas, which are becoming more popular as consumers realize their health benefits as well as black, puerh and oolong teas. The Urban Tea Loft's no-caffeine herbal infusions range from flavored rooibus to fruit blends and teas used for medicinal purposes (chamomile, ginseng, etc.).

Elixers

We will offer fruit and herb beverages formulated according to the principles of Traditional Chinese Medicine (notion of wellness and preventative care). Rich in plant based nutrients, antioxidants, vitamins, and minerals, these tonics and elixers feed the body and nourishes organs back to a state of health and balance.

Eatery

To complement our beverages, we will also serve lite fare such as soup, salads, and sandwiches. We plan to have some items infused with tea in their ingredients. For example, tea will be used as a marinade and a base for our soups and tea oils will be used in our salads. We know this will provide our niche in the marketplace. Having these items available will allow us to serve customers engaged in meetings and other social events at our facilities. The soups will be brought in from a local food distributor and the salads and sandwiches will be made on sight unless a local caterer can provide a competitive wholesale price for these goods.

Pastries/Desserts

We will also offer a selection of freshly-baked pastries, tea breads, cakes, and croissants from a local bakery. Our alliance with this bakery allows us to offer high-quality baked goods at a reasonable price. These items are not intended as a staple of our overall profit structure, but help us to create the whole-service feeling of a real teahouse. Based on market research, we believe that up to 2/3 of our sit-down clientele will order a cookie, piece of cake, scone, muffin, or savory croissant with their tea. Not offering such treats could be detrimental to our business.

Drinking & Other Chocolates

In keeping with our upscale, indulgent feeling, we will sell premium drinking chocolates and other chocolates, some infused with tea such as Joanie's Smiles Chocolates. We will offer a limited selection of dipped chocolates (like chocolate covered pretzels, bananas, nuts, cherries, orange peel, rice krispy treats, etc.).

Coffee

We will brew one kind of coffee daily, both decaf and caffinated, to satisfy those accompanying tea lovers to our store.

Tea paraphernalia

Tea paraphernalia includes specialty tea pots, tea balls, decorative tea tins, "art of

tea" books, and various small, seasonal, non-food, tea-related items such as lotions made with Chai and Green tea.

Gift Baskets

We will offer a selection of pre-made gift baskets, and will work with customers to create custom baskets for any occasion. Our tea tins come in a range of sizes and designs and we will keep at least five styles of baskets and liners in stock.

Social Events

We will offer various social events for children and adults including story time, teddy bear tea parties, a children's breakfast on Saturday mornings, celebration events such as birthdays, bridal showers, baby showers, workplace events and gatherings, intimate dinner parties, etc.

Meetings

Since there is limited meeting space downtown for small group meetings, we will offer meeting room rental for groups of 12-15. We will have food minimums for the meeting room rentals.

Full Space Rental

We will offer rental of the entire space for special events. A member of our staff will be on hand to assist and facilitate. Most of these events will be catered with the caterer providing staffing and servers. Our location can hold up to 68 customers inside and 16 customers outside.

Tea Education

Our market niche will be tea education. Our staff will be knowledgeable about tea and make suggestions to customers on which teas to try. We will also hold classes and tea tastings so our customers will be familiar with our product offerings. Our suppliers have also offered to hold classes at our facilities to increase customer and employee understanding.

Customer Loyalty Program

We will keep records of customer purchases and reward them with discounts when they reach a predetermined reward amount and keep records of their unique tea interest and special blends which will be prepared for them on requests when they return to purchase.

Special Events

We will offer special monthly events including speakers on: nutrition, health/wellness, confections, baking, etc. Larger special events will include Mother's/Father's Day Teas, celebration of the Boston Tea Party, and other specialty teas. We will also have musicians playing in the shop on special occasions. There will be fees charged to customers who attend.

Art

We are contracting with local artists to display their art to earn commission when the art is sold. We will have gallery showings and participate in the newly established Art Walks which are being held in conjunction with the Chandler Art Guild.

Mobile Services

We plan to host tea service at the customer's home or chosen location (Tea Service to Go). We also plan to offer special wholesale pricing to businesses and will service business offices monthly with tea and equipment at their request. We also plan to organize local Tea Expos and hold tea events at larger venues in town. We plan to serve specialty dinners in the future with food items infused with tea at least once a month.

If you have additional questions, please contact Glynis Legrand at 480-250-0704 (c). We hope to see you at The Loft!!