



Project Narrative

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Date: _____

Project No.: 718 - PA - 2005

Coordinator: Mac Cummins

Case No.: _____ - _____ - _____

Project Name: LOCO PATRON

Project Location: 4228 N. SCOTTSDALE ROAD

Property Details:

☐ Single-Family Residential ☐ Multi-Family Residential ☒ Commercial ☐ Industrial

Current Zoning: C2 DO Proposed Zoning: N/A

Number of Buildings: 1 Parcel Size: _____

Gross Floor Area/Total Units: _____ Floor Area Ratio/Density: _____

Parking Required: _____ Parking Provided: _____

Setbacks: N - _____ S - _____ E - _____ W - _____

Description of Request:

Planning and Development Services Department

7447 E Indian School Road, Suite 105, Scottsdale, AZ 85251 • Phone: 480-312-7000 • Fax: 480-312-7088

Loco Patron Restaurant
4228 N. Scottsdale Road
Bar Use Permit

Project Narrative

Loco Patron Mexican Grill respectfully requests that the City approve this Application for a Conditional Use Permit. After one year of successful operation Loco Patron Mexican Grill realized it just narrowly missed the food service sales requirements set forth under State law for its class of liquor license. Loco Patron sold just over 35% food for the year narrowly missing the 40% requirement for its class of license. Loco Patron Mexican Grill is intent on operating as a restaurant but now requires a new Series 6 Liquor License (a "Series 6") and this Use Permit to continue to operate. Through this Use Permit Application Loco Patron Mexican Grill is simply attempting to continue its tradition of serving quality food in a location that is ideally suited for its use.

Loco Patron Mexican Grill is voluntarily submitting this Application to the City

Initially, we would like to make it clear that Loco Patron has been proactive on this issue and is coming to the City on its own and is not being forced to apply by the State or doing this as a reaction to any investigation. After one year of operation the owners of Loco Patron Mexican Grill determined that they were narrowly going to miss the food sales requirements of their Series 12 Liquor License and unlike other similar applications the City has seen, Loco Patron took it upon itself to solve this problem rather than choosing to operate improperly. While the owners of Loco Patron remain dedicated to the restaurant business, and continue to find innovative ways to increase the food ratio, they do not want to run afoul of the Series 12 License requirements and State Law. Given this concern, the owners of Loco Patron wish to continue their business under a Series 6. The owners felt it was important to make this application as soon as they realized they would not reach the 40% requirement.

Loco Patron Mexican Grill is a Restaurant

Loco Patron Mexican Grill is a classic Mexican style restaurant in the mold of Macayo's or Los Olivos. The owners are hopeful that this is going to be the first of many such restaurants throughout the Valley. The interior of the restaurant has a dedicated dining area that is distinctly set apart by a dividing wall visible upon entry and features a large open exhibition kitchen. The exhibition kitchen is prominently featured and open for public viewing. The kitchen staff prepares all their ingredients daily including the restaurant's signature salsa. More than 58% of Loco Patron's payroll goes toward kitchen staff something a "bar" would never do. Loco Patron has a full time professional head chef on staff and they are constantly striving to upgrade the quality of their food. Loco Patron operates with a full menu at all hours and its kitchen just received a perfect

score on its latest health inspection. A copy of a menu is attached as Exhibit "A" and a copy of the latest perfect health inspection is attached as Exhibit "B"

Loco Patron is run and operated as a restaurant. In order to continue being a productive business, it is essential that Loco Patron Mexican Grill be granted this Conditional Use Permit. Despite its earnest efforts to meet the 40% food service requirement necessary to hold a Series 12 license, Loco Patron's annual average food ratio for its first year is at approximately 35.4%. During the six month period from December through May, Loco Patron meets its required ratio, selling over 40% food for that half a year. It is only during the summer months that Loco Patron's overall sales go down and that it does not meet its food sales requirements. All in all, even with the six month down swing Loco Patron Mexican Grill just narrowly misses its required ration coming in at just over 35% food sales. Clearly this operation is and will remain a successful restaurant. However, the summer months curb lunch time food traffic as well as all business considerably, lowering the yearly ratio to its current level.

Loco Patron's Executive Chef has won awards for his cooking and has studied and trained at some of the Valley's finest restaurants including Vincent's, Rancho Pinot Grill, and Christopher's Bistro. Executive Chef Oliver Lubenec's Resume is attached as Exhibit "C". Chef Oliver can also be heard as a regular guest on AM 1310 talking about his cooking. Clearly, this is a serious kitchen that would not be typical of a bar type use.

Proposed stipulations will assure City that Loco Patron Mexican Grill will operate as a restaurant

In order to assure the City that Loco Patron Mexican Grill is deeply dedicated to continuing its restaurant business, the owners are willing to agree and stipulate to the following as conditions of the Use Permit:

- 1) Loco Patron will derive at least 30% of its annual income from the sale of food and will have an independent accountant provide the person designated by the City to receive such, with a certified statement, on an annual basis, indicating whether this requirement has been met,
- 2) Loco Patron will keep its kitchen open and serve its full menu until at least 1:00 a.m., seven days a week,
- 3) Loco Patron will operate with the same number of dining tables in use at the establishment for dining as are in place at the time of issuance of this Use Permit,
- 4) Loco Patron will not modify its current floor plan, and
- 5) Loco Patron will provide additional landscaping between its patio and Scottsdale Road designed to further obstruct the view of the patio from Scottsdale Road
- 6) Loco Patron will provide a morning cleanup crew on weekend mornings to pick up trash outside the establishment and in the surrounding area.

Loco Patron Mexican Grill is the type of business that should be encouraged in the City of Scottsdale. The owners of Loco Patron have expended hundreds of thousands of dollars to create and maintain a quality establishment that is enjoyed by its patrons and respected by its neighbors. Loco Patron is not asking to change the product it provides or place any type of additional strain on community resources. Loco Patron is simply trying to continue its restaurant business under a license that is more conducive to its continued operation. These proposed stipulations will ensure that Loco Patron Mexican Grill continues to operate as a restaurant.

Loco Patron Mexican Grill has dramatically improved aesthetics of building

Prior to Loco Patron purchasing it, the building which now houses the restaurant was a dilapidated nightclub with a history of noise and safety violations. The owners of Loco Patron changed this dynamic completely, pouring nearly a half million dollars into a total renovation of the property. What was once a blight on Scottsdale's landscape has become an aesthetically pleasing establishment that is a valued part of the neighborhood and a tremendously welcoming tourist stop. You can see the dramatic transformation in the pictures attached as Exhibit "D" and can imagine the impact this has had on its neighbors in the community.

Loco Patron Mexican Grill has the support of the Scottsdale Chamber of Commerce and many others in the community

The Scottsdale Chamber of Commerce has written a memorandum urging that the City support this Application. This memo from Rick Kidder to the City Council is attached as Exhibit "E". Further, those in the surrounding community support this application as evidenced by the 40 signatures in support from surrounding business owners attached to this application along with many supportive letters from the community. See the signed petition attached as Exhibit "F" and letters of support attached as Exhibit "G".

Loco Patron Mexican Grill cannot avoid the need for this permit

Loco Patron takes this application very seriously, and before heading down this path it investigated the possibility of taking steps to continue to operate with a Series 12 license. As you can see by the letter attached hereto as Exhibit "H", a professional in the restaurant business was consulted and concluded that the only long term guarantee for Loco Patron to operate as a restaurant was for it to hold a Series 6 liquor license. The Owners are simply unwilling to take the chance that their substantial investment could be undone because an attempt to push up food sales turns out to be unsuccessful, leaving them just shy of the 40% requirement. The acquisition of a Series 6 subject to the proposed stipulations absolutely guarantees to the owners that they can stay in business while guaranteeing to the City that Loco Patron will always be a restaurant.

Loco Patron Mexican Grill is a positive member of the Community

Loco Patron prides itself on being a positive influence on the community in which it operates. You may have seen the Loco Patron cleaning crew out patrolling the area between Scottsdale Road and Craftsman Court from 3rd Ave to 5th Ave. This group, in bright yellow shirts, happily works to keep Downtown Scottsdale beautiful on a daily basis. You can see pictures of the cleaning crew in action in Exhibit "I".

Loco Patron supports a number of Scottsdale based charities and activities

Loco Patron Mexican Grill is a proud sponsor of the Scottsdale Gallery Association's Thursday Night Art Walks. This is especially meaningful and important as Loco Patron strives to be a good neighbor and support all businesses within its immediate neighborhood. Further, Loco Patron Mexican Grill is happy to be fundraising partners with both the McDowell Sonoran Conservancy and Scottsdale Training & Rehabilitation Services (formerly Scottsdale Foundation for the Handicapped). Loco Patron currently is busy planning fundraising activities to support these important charities. Loco Patron also supports Arizona's only pre-professional ballet company through donations to Ballet Etudes Guild and regularly sponsors a youth football team.

Nightlife and entertainment options are important to Scottsdale's future

Loco Patron Mexican Grill is an important part of one of Scottsdale's key tourist industries, nightlife, a resting spot for gallery goers and entertainment. Loco Patron has recently been featured on the front page of Nightlife Magazine and has established itself as a great place to have lunch and dinner as well as a fun and safe place to stay after you eat. A copy of this article is attached as Exhibit "J". Nightlife and entertainment are an integral part of what makes Scottsdale recognizable across the Country. In fact, even the New York Times recently wrote an in depth article in its travel section detailing the excitement of Scottsdale nightlife. As you can see from the New York Times article attached as Exhibit "K", professionals from around the Country look to Scottsdale as a fun place to vacation precisely because of places like Loco Patron.

Loco Patron Mexican Grill is compatible with its location in the community

Loco Patron Mexican Grill's Application is appropriate in that it maintains the regular balance of Series 6 licenses in the areas. Despite many rumors to the contrary, the City of Scottsdale's own records reflect that the number of Series 6 licenses in operation to the west of Scottsdale Road in the Downtown area have actually decreased over the last 4 years. As you can see in the attached City records (Exhibit "L"), there are currently 13 bars or restaurants operating with a Series 6 liquor license to the west of Scottsdale Road including Loco Patron Mexican Grill. By comparison, in 2003 there were actually 15 Series 6 licenses in operation in the same area. Furthermore, the total number of Series 6 licenses in the entire Downtown area has not changed since 2003 with a total of 31 still in place including Loco Patron. Those that argue that bars have

proliferated in the Downtown in recent years are misinformed in light of the City's own records

Not only is Loco Patron appropriately located from a historical point of view but it is also in the right location when its physical characteristics are reviewed. Loco Patron is located immediately adjacent to Scottsdale Road. This type of establishment makes perfect sense in this location. It is not located back in among the galleries and other retail uses. Rather, Loco Patron Mexican Grill is located right along a major arterial road adjacent to a new huge parking structure making access easy. There can be no doubt that a restaurant of this type is compatible with location along this stretch of a major arterial as similar establishments are all along this portion of Scottsdale Road including, among others, Oreganos, Ra, Bandera, Pink Pony, Big fat Greek Restaurant, Bucca di Beppo, Stingray, Salty Senorita, Bungalow, Ibiza, Patsy Grimaldi's Pizzeria, Italian Grotto, Bravo Bistro, Scottsdale Kebab, Billet Bar, and the Breakfast Club. Just like Loco Patron Mexican Grill, many of these 16 or so establishments incorporate some form of patio visible from Scottsdale Road and serve both food and alcohol, many until late in the evening. Clearly, Loco Patron is in an appropriate location to operate with a Series 6 license.

Loco Patron Mexican Grill meets or exceeds all of the City's Use Permit Criteria

Loco Patron will also meet or exceed all of the use permit criteria set forth in Scottsdale Zoning Code section 1 403, D 1-9, as follows

- 1) The use will not disrupt the balance of daytime and nighttime uses in the area as Loco Patron will continue to operate in the same manner it had previously, with such use being consistent with and less disruptive than other establishments in the same area. Loco Patron will be open during the day and will support daytime uses in this area.
- 2) Pedestrian related daytime activities will be unaffected as Loco Patron will continue to operate in the same manner as it has previously. Loco Patron will continue to serve lunch daily, which is a benefit rather than a hindrance to any pedestrian activity.
- 3) Daytime retail will not be displaced, as Loco Patron is not located among establishments whose retail business is concentrated within daytime hours. Loco Patron is located along Scottsdale Road, and is not set back in the galleries and other daytime retail in the same area. In addition, adequate parking will be provided through a combination of on site, credits, leases and in lieu of parking.
- 4) The use is not within 500 feet of a residential use.
- 5) Security will not be an issue at Loco Patron, and it has not been in the past. Transition to a Series 6 license will actually increase security, as Loco Patron will be allowed to post a doorman to check ID's, further deterring underage drinking and promoting a safer environment for patrons. The Series 6 license will also require that all persons under 21 be accompanied by an adult and will require a security and

maintenance plan to be adopted to govern the operation of the restaurant

- 6) Loco Patron currently has an established refuse control plan which will not be affected by the granting of a use permit. Loco Patron does not anticipate an increase in the amount of refuse generated, as the use of the property will not actually change
- 7) No external lighting, other than the security and electric signage previously approved under separate permits, is proposed at this time. The interior space is fully enclosed and prevents voices on the radio, if any, from emanating into the public area. Any noise emanating from the property will be at a decibel level prescribed by the City at the property line
- 8) There is currently sufficient parking to serve the patrons of the restaurant. They will be provided through a combination of on site, City Credits and in lieu of parking plan. The use will not exceed the capacity for traffic in the area, as Loco Patron is located along Scottsdale Road, not along a small neighborhood street and immediately adjacent to the new City-owned parking garage
- 9) No after hours operations are proposed

Conclusion

Loco Patron Mexican Grill respectfully requests that the City of Scottsdale grant it a Conditional Use Permit to allow the restaurant to operate with a Series 6 liquor license subject to the multiple stipulations proposed in this Application. The owners of Loco Patron Mexican Grill have dedicated themselves to the community in which they operate. They support a number of Scottsdale based charities and local events sponsored by the Gallery Association. They have spent approximately a half million dollars to beautify the City through the extensive renovation of a prominent building along Scottsdale Road. This Application has the support of the Scottsdale Chamber of Commerce and neighboring business owners (see attached). Additionally, the restaurant is appropriately located and fits with the surrounding businesses in the area. The Applicants have also been proactive in dealing with their need for this Use Permit and, unlike many others, made this Application without being forced to do so by the City or the State. Furthermore, the Applicants have proposed a number of meaningful and easily enforced stipulations that will ensure to the City that Loco Patron Mexican Grill intends to continue to operate as a restaurant in the future.