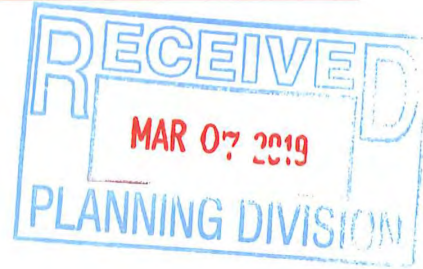




ATTACHMENT "A"
Minor Use Permit
S.C.C.C. 18.110.040
Chipotle Mexican Grill
3249 Coronado Place
Santa Clara, CA 95054



Chipotle Mexican Grill (Chipotle Mexican Grill, LLC, d/b/a Chipotle Mexican Grill, ("the Applicant" and/or "Chipotle") is seeking the following discretionary approval:

Pursuant to **S.C.C.C. 18.110.040**, the Applicant requests a **Minor Use Permit** for the sale and/or dispensing of beer and wine for on-site consumption in connection with a forthcoming 2,372 s.f. restaurant with 56 indoor seats and 8 exterior seats on a 200 s.f. outdoor patio area with proposed hours of operation from 9 a.m. to 11 p.m. daily, to be located on the ground floor of a 6-story 263,396 s.f. apartment/retail complex in the Santa Clara Square.

PROJECT DESCRIPTION

The Applicant, Chipotle Mexican Grill, a corporate owned-and operated "fast-casual" restaurant chain with over 2,250 locations throughout the United States Canada, and overseas, is requesting a minor use permit for the service of beer and wine for on-site consumption at its forthcoming location at the Santa Clara Square shopping center located at **3249 Coronado Place** in **Santa Clara** ("Site"). Chipotle offers a simplified Mexican-style menu in a clean, modern, environment.

THE SITE

The forthcoming Chipotle will be located on the ground floor of the apartment community in the Santa Clara Square development. Specifically, Chipotle is located on the easterly side of the Santa Clara Square Marketplace along Coronado Place. Direct access to the Site can be obtained via the I-101 Bayshore Freeway and the Bowers Avenue exit. The Santa Clara Square is approximately 100-acres and can be described as a mixed-use development that offers office, retail, restaurant, commercial and residential uses. The Santa Clara Marketplace is approximately 120,000 s.f. and offers a variety of neighborhood-serving commercial and restaurant uses that serve the local Silicon Valley community. The Site is anchored by Whole Foods Market, which is located directly to the west of the forthcoming restaurant. Other tenants on Site include COMEBUY Tea, CorePower Yoga, EyeXam Optometry, Fleming's Prime Steakhouse & Wine Bar, Il Fornaio, Lula's Chocolates, Opa!, Puesto, Specialty's Cafe & Bakery, and Sur La Table.

The Applicant is currently undergoing tenant improvements for the forthcoming restaurant, which will be 2,372 s.f. and provide 56 seats indoors and an additional 8 seats on a 200 s.f. outdoor patio area. The Applicant is requesting hours of operation from 9:00 a.m. – 11:00 p.m. daily with coterminous hours of alcohol sales for operational flexibility. The Applicant believes that the hours are modest, and that they are consistent with surrounding uses adjacent to the Site. The total number of employees at this location is 25, and approximately 12 employees are on-premises during any given shift.



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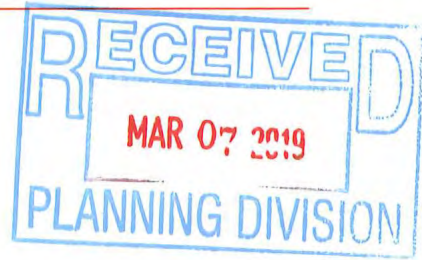
In terms of parking, there are 36 total visitor parking spaces in the garage, 7 parking spaces street-side, including 1 accessible space and 15 total employee parking spaces. 293 parking stalls are assigned to the apartment tenants, 20 to the tenant's guests and 17 parking stalls are assigned to leasing. All parking has been approved as a master development and there is more than enough to accommodate the forthcoming Chipotle restaurant.



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Minor Use Permit
S.C.C.C. 18.110.040
Proposed Findings
Chipotle Mexican Grill
3249 Coronado Place
Santa Clara CA 95054



(A) That the establishment or operation of the use or building applied for, under the circumstances of the particular case, are essential or desirable to the public convenience or welfare.

This request herein is for a Minor Use Permit ("MUP") to allow the Applicant, Chipotle Mexican Grill ("Chipotle"), to offer beer and wine pursuant to a type 41 ABC license for on-site consumption at its forthcoming location at 3249 Coronado Place ("Site"). The restaurant will be 2,372 s.f. and provide 56 seats indoors and an additional 8 seats on a 200 s.f. outdoor patio area. The Applicant is requesting hours of operation from 9:00 a.m. – 11:00 p.m. daily with coterminous hours of alcohol sales for operational flexibility. The Applicant believes that the hours are modest and that they are consistent with surrounding uses adjacent to the Site. The total number of employees at this location is 25, and approximately 12 employees are on-premises during any given shift.

The Applicant believes that its request for a Minor Use Permit for the service of beer and wine for on-site consumption along with meals at its "fast casual" Mexican-style restaurant is warranted based upon the company's outstanding record of compliance with the California Department of Alcoholic Beverages ("ABC"), the appropriateness of the location for the requested use, and its overall reputation as a well-established, responsible company, which can be trusted to manage the requested ABC license appropriately. Moreover, Chipotle does not have happy hour, has no live music, and operates under a variety of other operational conditions designed to ensure that no problems arise as a result of the service of alcohol at all of its locations.

The forthcoming Chipotle will be located on the ground floor of a 4-story 263,396 s.f. apartment/retail complex with 194 units in the Santa Clara Square. The Santa Clara Square can be described as a 100- acre mixed-use development that offers office, retail, restaurant, commercial and residential uses on Site. The Santa Clara Marketplace is approximately 120,000 s.f. and offers a variety of neighborhood-serving commercial and restaurant uses that serve the local Silicon Valley community and is anchored by Whole Foods Market. Other tenants include COMEBUY Tea, CorePower Yoga, EyeXam Optometry, Fleming's Prime Steakhouse & Wine Bar, Il Fornaio, Lula's Chocolates, Opa!, Puesto, Specialty's Cafe & Bakery, and Sur La Table. As such, the Applicant's forthcoming restaurant location within the Santa Clara Square, which is a destination containing an assortment of restaurants along with a variety of retail and neighborhood-serving uses, will be appropriate for this kind of use.

The service of alcoholic beverages is typically a very small component of Chipotle's business. The Applicant's desire for the requested MUP is because its experience at its other locations—over 2,250 worldwide—is that its customers appreciate having the ability to order beer or wine, to enjoy with their meals. Chipotle has an outstanding record of compliance with the California Department of Alcoholic Beverage Control at all of its locations state-wide—as well as with parallel regulatory agencies wherever the Applicant's restaurants serve these products. The Applicant has found that its restaurants appeal to



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a more sophisticated clientele than many of its competitors. This is in part because of Chipotle's "food with integrity" campaign, which states a commitment to high-quality food, sustainable business practices, and responsible sourcing of animal products. This is borne out by Chipotle's outstanding record of compliance with the ABC and the low percentage of alcohol sales chain-wide in terms of gross receipts.

Furthermore, the Applicant believes that the ability to provide these products is an important component to the ongoing success of its restaurants. The service of beer and wine at Chipotle's Santa Clara Square location will be in proper relation to adjacent uses and the development of the community because the requested MUP will enable the Applicant to offer these items to patrons who are interested in them within a responsibly managed restaurant with tasty, affordable and health-conscious food.

For all of the above reasons, the location of the restaurant will be essential and desirable to the public convenience and welfare.

(B) That said use will not be detrimental to (1) The health, safety, peace, morals, comfort, and general welfare of persons residing or working in the neighborhood of such proposed use; (2) Property or improvements in the neighborhood of such proposed use; or (3) The general welfare of the City;

The Applicant's forthcoming restaurant with the proposed service of alcoholic beverages will not be detrimental to the health, safety, peace, morals, comfort, and general welfare of persons residing or working in the neighborhood, property or improvements in the neighborhood and the general welfare of the City of Santa Clara. This is based upon the character of the location and the restaurant itself, along with the fact that Chipotle has established itself as a good operator at its many locations. In turn, the restaurant with the proposed use will be consistent and compatible with the surrounding area and will not be a detriment.

The Applicant anticipates alcohol sales to comprise only a very small percentage of gross sales at the restaurant. This has been borne out of its experience at its many other locations. Further, the Applicant recognizes an obligation to be a respectful operator within the community and welcomes input from the Planning Department and the Police Department. Ultimately, the reputation of the company depends in part on its ability to ensure that all of its locations operate in a manner which is not detrimental to the character of the development of the neighborhoods in which its restaurants are located. Chipotle has established procedures in place in all of its restaurants to ensure the responsible management of these products. The restaurant will be comprised of 64-seats total in an approximate 2,372 s.f. space (56 seats inside, and 8 seats on the 200 s.f. outdoor patio area) and is requesting hours of operation from 9:00 a.m. – 11:00 p.m. daily with conterminous service of beer and wine pursuant to a type 41 ABC license. The Applicant believes that the hours are modest, and that they are consistent with surrounding uses within and adjacent to the Site.

In terms of its corporate operational characteristics, Chipotle owns and operates more than 2,250 restaurants throughout the United States, Canada, and overseas, and is rapidly expanding its brand. Chipotle attributes its tremendous growth rate since it opened its first location in 1993 on its vision for its restaurants. The idea is simple: demonstrate that customers could be served good quality food in a distinctive atmosphere, quickly and at an affordable price point. Chipotle uses high-quality raw



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ingredients, classic cooking methods and distinctive interior design—features that are more frequently found in the world of fine dining. Chipotle essentially established the category of dining now called "fast-casual," the fastest growing segment of the restaurant industry, where customers expect food quality that's more in line with full-service restaurants, but with the speed and convenience of fast food. The Applicant's ability to offer alcoholic beverages to its customers in its fast-casual, Mexican-style restaurant is part of the company's overall approach of offering a higher level dining experience than one typically finds at this price point.

The Applicant's ability to offer its customers alcoholic beverages to enjoy with their Mexican-style cuisine is an important part of its business model. There is a demand for such products, and the ability to obtain them in a well-designed, responsibly managed environment at the price point at which Chipotle offers meal service is beneficial to the community. Because the ability to serve these items is an important element of each restaurant's success, and because Chipotle's restaurants have a positive impact on their surroundings, the request for a Minor Use Permit to enable the sale of alcoholic beverages at the restaurant will be a service that is beneficial to the community.

Chipotle restaurants are not just popular with consumers, but also the communities and municipalities in which they are located. The same forward-thinking approach that makes these restaurants popular with customers also carries over into the responsible management practices that make them an asset to their surroundings wherever they are located. Thus, the attention to high-quality design, the sophisticated demographic of the customer base, and operating practices that have given Chipotle an outstanding record of compliance with the ABC have all meant that Chipotle restaurants typically have a positive impact on the surrounding neighborhood. Restaurant patrons appreciate having the ability to enjoy beer and wine with their meals and Chipotle's ability to offer these items in a responsibly managed environment will provide a service that is beneficial to the community and the City.

For all of the above reasons, the restaurant will not be detrimental to the health, safety, peace, morals, comfort, and general welfare of persons residing or working in the neighborhood, property or improvements in the neighborhood and the general welfare of the City of Santa Clara. Rather, the Applicant strives to ensure that all of its restaurants have a positive impact on the communities in which they are located.

(C) That said use will not impair the integrity and character of the zoning district.

The request is for a Minor Use Permit to allow the Applicant, Chipotle Mexican Grill, to serve alcoholic beverages for on-site consumption at its forthcoming restaurant located in the Santa Clara Square. The subject property is designated as Regional Mixed Use under the applicable portion of the General Plan and zoned ML – Light Industrial. The approval of the requested Minor Use Permit will not detrimentally affect the integrity and character of the zone in which it is located as it is a permitted use as defined by the City of Santa Clara zoning code. Moreover, the Site's location, the design and physical orientation of the restaurant, and the responsible operational and management practices of the restaurant will ensure that the Applicant's ability to serve alcoholic beverages at this location will not be a detriment to the surrounding area and will not impair the integrity and character of the zone.



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The forthcoming Chipotle will be located on the ground floor of the apartment community in the Santa Clara Square development. Specifically, Chipotle is located on the easterly side of the Santa Clara Square Marketplace along Coronado Place. Direct access to the Site can be obtained via the I-101 Bayshore Freeway and the Bowers Avenue exit. The Santa Clara Square is approximately 100-acres and can be described as a mixed-use development that offers office, retail, restaurant, commercial and residential uses. The Santa Clara Marketplace is approximately 120,000 s.f. and offers a variety of neighborhood-serving commercial and restaurant uses that serve the local Silicon Valley community. The Site is anchored by Whole Foods Market, which is located directly to the west of the forthcoming restaurant. Other tenants on Site include COMEBUY Tea, CorePower Yoga, EyeXam Optometry, Fleming's Prime Steakhouse & Wine Bar, Il Fornaio, Lula's Chocolates, Opa!, Puesto, Specialty's Cafe & Bakery, and Sur La Table.

The Applicant believes that its restaurants have a positive impact on the neighborhoods in which they are located because of the company's progressive corporate philosophy, the attractive physical design of its restaurants, its sophisticated customer base, and the health-conscious food it serves. In terms of the impact of the proposed use on the surrounding built environment, the Applicant is currently undergoing interior tenant improvements and updating the façade to ensure its consistency with the surrounding environment. The design and construction of each Chipotle restaurant is unique and tailored to be aesthetically consistent with the neighborhoods and centers in which it locates its restaurants. While Chipotle is a nationwide chain, its restaurants are not "cookie cutter" in their design. Each store is designed by an architect, who employs a certain design vocabulary but provides variety from location to location. The restaurant, like all of Chipotle's locations, is architect-designed to provide a clean and sophisticated environment. Chipotle's dedication to creating a sense of place within the communities where its restaurants are located is uncommon in its sector of the restaurant industry. The unique and conscientious design and construction of each of Chipotle's restaurants ensures that they have a positive impact on surrounding properties and the built environment.

Although alcohol service is being requested, the sale of alcoholic beverages accounts for only a small fraction of each restaurant's gross sales. The desire to obtain the requested MUP is that, in the Applicant's experience, its customers appreciate the option to consume a refreshing alcoholic beverage with their Mexican-style entrees. The Applicant believes that its proposed hours of operation, 9 a.m. to 11 p.m., are modest, consistent with the character of the neighborhood, and compatible with or less extensive than those of the other commercial and restaurant uses in the vicinity. The Applicant has also established itself as a reputable and successful company by virtue of its attention to detail and quality with respect to all aspects of its business. Indeed, Chipotle's responsible management practices and training of all employees involved with the sale and handling of alcoholic beverages is critical to the company's continued success. As a result, the Applicant has an outstanding record of compliance with the California Alcoholic Beverage Control agency and other parallel agencies wherever its restaurants are located.

For the reasons stated above, the Applicant believes that approval of the requested MUP to serve beer and wine pursuant to a type 41 ABC license at its restaurant will not detrimentally affect the integrity and character of the zone in which it is located.



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(D) That said use is in keeping with the purposes and intent of this title.

The request is for a Minor Use Permit to allow the Applicant, Chipotle Mexican Grill to serve beer and wine for on-site consumption at its forthcoming restaurant located in the Santa Clara Square mixed-use commercial center. The subject property is designated as Regional Mixed Use under the General Plan and zoned ML – Light Industrial and the requested use is permitted in this zone, subject to approval.

The request herein is to allow the service and sale of beer and wine pursuant to a type 41 ABC license all within a 2,372 s.f. restaurant space that will be comprised of 64-seats total (56 seats inside, and 8 seats on the 200 s.f. outdoor patio area).

The forthcoming Chipotle will be located on the ground floor of a 194 unit apartment community in Santa Clara Square. The Santa Clara Square is approximately 100-acres and can be described as a mixed-use development that offers office, retail, restaurant, commercial and residential uses. The Santa Clara Marketplace is approximately 120,000 s.f. and offers a variety neighborhood-serving commercial and restaurant uses that serve the local Silicon Valley community. The Site is anchored by Whole Foods Market and the forthcoming Chipotle restaurant will be a welcome addition to the master-planned community.

The desire to obtain the requested MUP is that, in the Applicant's experience, its customers appreciate the option to purchase an alcoholic beverage with their Mexican-style meals. Moreover, the sale of alcoholic beverages accounts for only a small fraction of each restaurant's gross sales. Chipotle is a reputable company, which is not normally associated with problem uses. The Applicant has also established itself as a reputable and successful company by virtue of its attention to detail and quality with respect to all aspects of its business. In addition, Chipotle has a business model that implements the proper training and handling of alcoholic products to all of its employees to ensure that the safe handling of such products will not result in any negative or detrimental outcomes. The Applicant has an outstanding record of compliance with the California Alcoholic Beverage Control agency and other parallel agencies wherever its restaurants are located due to its responsible management practices and training of all employees involved with the sale and handling of alcoholic beverages.

For the reasons stated above, the proposed use is conditionally permitted as per the City of Santa Clara Zoning Code Pursuant to §18.110.040 and further complies with the intent of all applicable provisions of this chapter.