



AGENDA NO: 6.f

MEETING DATE: October 14, 2025

# Staff Report

**TO:** Honorable Mayor and City Council **DATE:** September 30, 2025  
**FROM:** Erik Valentine, Associate Planner  
**VIA:** Airlin Singewald, Community Development Director  
**SUBJECT:** Determination of Public Convenience or Necessity for ABC License – 640 Quintana Road, Morro Bay Cigarettes, Inc.

## **RECOMMENDED ACTION**

Do not make findings to support the Determination of Public Convenience or Necessity (PCN) that would allow the sales of alcohol with use of a Type 21 – General license for Morro Bay Cigarettes, Inc. at 640 Quintana Road.

## **ALTERNATIVES**

City Council may choose to make the Determination of Public Convenience or Necessity and approve the request to allow sales of alcohol for an off sale general Type 21 license at 640 Quintana Road with certain conditions placed on the approval.

## **FISCAL IMPACT**

A Determination of Public Convenience or Necessity for an ABC license would allow Morro Bay Cigarettes to sell beer, wine, and distilled spirits to their customers. These sales would be subject to sales tax. Additionally, the determination of PCN would likely increase the number of calls to service to the area for the Morro Bay Police Department. In the last year the Police Department has received over 150 calls to service in the immediate vicinity of the business for events related to loitering, under the influence behavior, and excessive noise. The sale of alcohol at this location will likely see this number increase.

## **BACKGROUND/DISCUSSION**

Morro Bay Cigarettes, LLC has applied for a Type 21 – Off-Sale General license through the California Department of Alcoholic Beverage Control (ABC). A Type 21 license would allow the business to sell beer, wine, and distilled spirits to their customers for off-site consumption.

ABC has identified this area of the City as having an overconcentration of alcohol sales licenses triggering a requirement for the applicant to obtain a letter of support from the City in favor of a Determination of Public Convenience and Necessity for issuance of the ABC license in this location. Per ABC's standards, one (1) license is allowed in this census tract, but there are currently three (3).

Prepared By: EV

Dept Review: AS

City Manager Review: AL

City Attorney Review: BS

## **CONCLUSION**

Morro Bay Cigarettes, LLC is located in the Cypress Plaza, off Quintana Road. The Plaza is a highly used shopping center for residents and visitors to shop for all their needs in one convenient location. However, this area is also a high crime area related to alcohol possession/under the influence, loitering, theft, panhandling, shoplifting, and public disturbances, as Chief Watkins references in her letter (Attachment 1). Chief Watkins consulted neighboring business owners on their thoughts about Morro Bay Cigarettes, Inc. obtaining an ABC license. Half of these business owners had no concerns, while the other half voiced major concerns about the impact it would have on loitering and other crime activities in the shopping plaza and surrounding neighborhood. Additionally, the stated purpose of the business in achieving a Type 21 license is to increase revenue, with no information being provided as to how the sales of alcohol would benefit the community and/or the public by convenience or necessity. For these reasons, the Community Development Department concurs with Chief Watkins and does not support the request to receive an ABC license at this location.

Should the Council decide to make the Determination of Public Necessity or Convenience, staff recommend forwarding certain conditions to the Department Alcoholic Beverage Control (ABC), which they would then be required to enforce. Such conditions could include, but are not limited to:

1. There shall be no exterior advertising or sign of any kind or type, including advertising directed to the exterior from within, promoting or indicating the availability of alcoholic beverages.
2. The petitioner(s) shall post a prominent, permanent sign stating, "NO LOITERING IS ALLOWED ON OR IN FRONT OF THESE PREMISES" in a place that is clearly visible to patrons of the licensed premises. The sign shall be at least two feet square with at least two-inch block lettering.
3. Petitioner(s) shall actively monitor the area under their control in an effort to prevent the loitering of persons on any property adjacent to the licensed premises as depicted on the most recently certified ABC-257.
4. Any graffiti painted or marked upon the premises or on any adjacent area under the control of the licensee(s) shall be removed or painted over within 48 hours of being applied.
5. No beer or malt beverage product(s) shall be sold, regardless of container size, in quantities of less than six per sale.
6. No distilled spirits shall be sold in bottles or containers of less than 500 ML.
7. No wine shall be sold in bottles or containers of less than 750 ML.

The intent of the conditions would be to hopefully minimize the impact of additional alcohol sales on the surrounding businesses and community. Should this alternative be pursued, the Council would also need to identify findings supporting a Determination of Public Necessity or Convenience. Past findings in support have included City goals of developing ways to attract new businesses and no significant concerns regarding new alcohol sales at the requesting location. Because there are significant concerns regarding additional alcohol sales at this location, staff is recommending that the Council not make findings to support a Determination of Public Necessity or Convenience for issuance of the requested ABC license at this location.

## **ATTACHMENT**

1. Draft Letter from Chief Watkins