



# AGENDA REPORT

**Department:** Community Development  
**Prepared by:** Sophia Depew, Assistant Planner  
**Meeting Date:** Tuesday, December 2, 2025  
**Approved by:** Alejandro Hernandez, Acting City Manager

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## **SUBJECT:**

Public Hearing – Appeal of a Planning Commission Approval of a Conditional Use Permit for a Proposed Drive-Through Coffee Shop (Dutch Bros Coffee) to be Located at 1838 Sweetwater Road.

## **RECOMMENDATION:**

Staff Recommended Approval of the CUP to the Planning Commission and Recommends Denying the Appeal and Adopting the Resolution Entitled: “Resolution of the City Council of the City of National City, California, Determining that the Project is Categorically Exempt from the California Environmental Quality Act (CEQA) under Class 32 of the CEQA Guidelines Section 15332 (In-Fill Development Projects) and Approving a Conditional Use Permit for a Drive-Through Coffee Shop (Dutch Bros Coffee) to be Located at 1838 Sweetwater Road.”

## **BOARD/COMMISSION/COMMITTEE PRIOR ACTION:**

On October 20, 2025, the Planning Commission approved the CUP by a unanimous vote of those present. No public comments were provided prior to or at the public hearing.

Ayes: Armenta, Castle, Gogue, Miller, Quinones, Valenzuela

Absent: Sanchez

## **EXPLANATION:**

The Planning Commission held a public hearing on October 20, 2025, and approved the request for a Drive-Through Coffee Shop CUP based on the findings in the attached Planning Commission Resolution No. 2025-16. The appellant (Heart Revolution Church) has requested to appeal the Planning Commission decision to approve the CUP and is thereby afforded the opportunity to present their appeal to the City Council. The requested action by City Council is to either uphold or reverse the decision of the Planning Commission (grant or deny the appeal request).

The appellant provided a written appeal letter, attached as Exhibit B. The following is a summary of the main points raised by the appellant.

1. Mailing Requirements – Appellant states neither of the owners or occupants at 1920 Sweetwater Road and 1914 Sweetwater Road (properties within 300 feet of the project site) received a public notice.

Mailing labels were provided for the above APN's and no return mail was received including the subject properties.

2. Traffic – Appellant indicates the traffic analysis did not adequately consider potential traffic impeding the public right of way at the intersection of Sweetwater Road and Prospect Street, maximum queuing capacity, and traffic within the shopping center.

A traffic analysis was provided for the subject property and intended use. The Engineering & Public Works Department reviewed and concurred with the traffic analysis. The traffic analysis is attached as Exhibit F.

3. General Plan Consistency – Appellant indicates the drive-through coffee shop is inconsistent with General Plan Policies HEJ4.2 and HEJ 5.4 as Dutch Bros does not constitute a healthy food option and is located within 300 feet of a childcare and preschool facility (The Way- Heart Revolution Church).

A coffee shop, without a drive-through, is a permitted use by right within the MXD-2 zone. Additionally, distance requirements to “schools” typically references public schools (kindergarten through twelfth grade).

### **The following was included in the original staff report made to the Planning Commission**

#### **Executive Summary**

The applicant proposes to construct a 950 square-foot coffee shop (Dutch Bros Coffee) with two drive-through lanes. In addition to the drive-through, the approximately 0.45-acre property would have a total of three parking spaces. A CUP is required for a drive-through business.

#### **Site Characteristics**

The proposed coffee shop (Dutch Bros) would replace an existing 3,900 square-foot building located in the Sweetwater Crossing shopping center at 1838 Sweetwater Road. The building proposed for demolition was originally built as a Pizza Hut restaurant, but has been vacant for some time. The site location is a 0.45-acre parcel within the larger shopping center. Three parking spaces will be provided on the property with additional spaces within the adjacent shopping center. The overall center has 227 excess spaces as of the most recent modifications that occurred when Texas Roadhouse was constructed. To the north of the proposed coffee shop is a multi-suite building with restaurants, to the east is Denny’s and Texas Roadhouse, to the south is LA Fitness and Heart Revolution Church, and to the west is the remainder of the shopping center comprised of a variety of commercial uses.

Customers from eastbound and westbound traffic on Sweetwater Road can access the shopping center driveway that leads to the site, which is opposite Prospect Street. The drive-through will be accessed from the two-way drive aisle abutting the site within the shopping center. The property is zoned Major Mixed-Use District (MXD-2) and has a Major Mixed Use General Plan designation.

#### **Proposed Use**

The applicant (Dutch Bros Coffee) is proposing to construct a 950 square-foot drive-through coffee shop. A double lane drive-through aisle is also proposed, which would accommodate queuing for approximately 26 vehicles. Customers would enter the shopping center from Sweetwater Road to access the drive-through lanes that loop around the building in a counter-clockwise direction. All customer transactions are proposed to be conducted person-to-person with no electronic speaker system. The proposed building would also have a window for walk-up customers. However, no indoor or outdoor seating is proposed. Three parking spaces are provided on site, which could alleviate some demand from the drive-through lanes during peak times. The applicant intends to operate from 5:00 a.m. to 12:00 a.m. daily, if permitted. The new business would employ between eight and ten people with the majority working on a part-time basis. During operations, three to five staff members would be present per shift.

## Analysis

### General Plan

A coffee shop is a commercial use, which is consistent with the mixed-use land use designation established for this area of the City and is permitted by right. However, some drive-through restaurants may be considered a “fast food” restaurant. A fast-food eating place is defined as follows:

"Fast food eating place" means any retail food establishment that primarily provides short order food services for on-site dining or take-out service, where such food and beverage is served on paper, plastic, or other disposable containers, and including drive in and drive-through restaurants where ready-to-eat foods are served primarily to be consumed off the premises. This definition includes all self-service restaurants, except cafeterias, sit-down pizza parlors, and donut shops.

There are two General Plan policies that reference fast food restaurants:

**Policy HEJ-4.2:** Encourage the development of healthy food establishments in areas with a high concentration of fast-food establishments, convenience stores, and liquor stores.

**Policy HEJ-5.4:** Discourage unhealthy fast-food outlets from locating near schools.

The Sweetwater Crossings shopping center has variety of food establishments, ranging from Texas Roadhouse, Denny’s, L&L Hawaiian Barbeque, and only one existing drive-through establishment (Carl’s Jr.) located on the opposite end of the center. Across Sweetwater Road is a drive-through Taco Bell. Despite this, there is a variety of pre-existing healthy food options in close proximity to Dutch Bros Coffee that is consistent with HEJ-4.2. However, it should be noted that while snacks such as muffins, granola bars, etc. are sold in conjunction with coffee and flavored beverages; Dutch Bros is a beverage outlet rather than a full-service restaurant. Therefore, as an elective purchase (coffee, beverage), there is less likelihood of it being a “food option” and of a health concern.

With regard to HEJ-5.4, the nearest school is Sweetwater Union High School, which is more than a half-mile away in walking distance. Therefore, the coffee shop is not near a school.

### Land Use Code (LUC)

A coffee shop is a permitted use within the MXD-2 zone. However, businesses with a drive-through require the issuance of a CUP. In addition, Chapter 18.41 – Site Planning Standards – has specific design requirements for drive-through businesses, including:

- Minimum queuing distances (established by CUP).
- Location of drive-through window and landscaping requirements.
- Minimum 25-foot interior turning radius for drive-through aisles.

As part of traffic analysis conducted by the applicant team, a queuing study was performed based on the number of vehicles served at similar Dutch Bros Coffee locations in Southern California. The study found that the average queuing is nine vehicles and the maximum average queuing is 17.25 vehicles. The dual-lane drive-through, as proposed, can accommodate approximately 26 vehicles. It is anticipated that the queue would largely stay within the drive through lanes. Dutch Bros employs traffic controllers during peak hours to direct vehicles to park instead of impede drive aisles. There are three proposed parking spaces on site that could handle additional waiting customers, as well as adjacent shopping center parking. The applicant utilizes person-to-person ordering, which reduces time spent in the drive-through, and an exit lane for customers receiving their orders earlier or large orders to wait further reducing queuing demand on site.

The Land Use Code (LUC) states that a drive-through window may not be located between the right-of-way and the building without a minimum 10-footwide landscape buffer. The coffee shop will be located within a shopping center, and will not be adjacent to any public right-of-way. Additionally, the project does include a landscape buffer around the entire site. The code also requires the drive-through aisles have a minimum interior turning radius of twenty-five feet for any curves. A smaller radius may be established through the Conditional Use Permit process with the approval of the City Engineer. The applicant has requested a reduced interior turning radius 20 feet, which was granted.

Design requirements for projects of this type in the MXD-2 zone are limited, with emphasis placed on architectural variation (avoiding long blank walls and providing fenestration). All setbacks are met, and the height of the development is well under the maximum allowed in the MXD-2 zone (65 feet). The proposed design of the 950 square-foot building includes both wall plane variation and attached awnings and canopies. It should be noted that the coffee shop, without a drive-through aisle, would be allowed by right.

### Traffic

The proposed design places the new coffee shop toward the middle of the shopping center, set back from Sweetwater Road. There are three parking spaces proposed, with additional parking available in the shopping center. Access to the drive-through lanes is at the north side of the property in a location that can accommodate vehicles entering from the shopping center's two-way drive aisle. A dual-lane is proposed for the drive-through to increase queuing capacity on the site. Overall, there is approximately 550 linear feet of queuing space in the driveway, enough length to accommodate 26 vehicles. Additional vehicles would be able to queue without impacting the public right-of-way. According to the analysis by the applicant using similar Dutch Bros Coffee locations, the average maximum queue is only 17.25 vehicles, so the proposed lanes are expected to be sufficient for customer demand. Furthermore, the applicant is providing an exit lane that would allow customers in line to move out of the queue if they receive their orders earlier.

Based on a traffic impact analysis conducted by the applicant, the proposed project is projected to generate approximately 2,168 gross daily trips, including 138 trips in the a.m. peak hour and 130 trips in the p.m. peak hour on weekdays. After applying pass-by trip reductions and accounting for the previous use, the net weekday trip generation for the site would be 756 additional daily trips, including 32 additional trips in the a.m. peak hour and 44 additional trips in the p.m. peak hour. A pass-by trip is a trip where an intermediate stop is made on the way from the origin to the primary destination of the trip without making a route diversion. On weekends, the proposed project would generate 1,836 gross daily trips, including 125 trips during the peak hour. After applying pass-by trip reductions and accounting for the previous use, the net weekend trip generation for the site would be 544 additional daily trips and 18 additional peak-hour trips.

All access driveways operate at a satisfactory Level of Service (LOS) C or better under existing conditions during both peak hours. The signalized intersection of Prospect Street-Sweetwater Crossing Driveway/Sweetwater Road and unsignalized RIRO (right in, right out) driveway/Sweetwater Road would operate at satisfactory LOS C or better during both peak hours without and with the proposed project. The proposed project would not adversely affect access or operations at the Sweetwater Crossing shopping center. Projects are also required to assess project impacts related to vehicle miles travelled (VMT) under the California Environmental Quality Act (CEQA). In this case, a detailed screening was not required due to the project's limited size and the anticipation that the use would be locally serving rather than a regional draw.

### Noise

Noise issues related to drive-through businesses are usually related to vehicle queuing and ordering windows/speakers. Recent approvals for drive-through businesses have required noise-attenuating speakers at the ordering window. However, in this instance the applicant does not

intend to utilize an ordering window/speaker and will only take orders in person. It is not anticipated that the use, as proposed, will create nuisance noises. The Planning Commission may consider restrictions on the hours of operation of the business, which is proposing hours from 5:00 a.m. to 12:00 a.m. There are other drive-through businesses currently operating within National City with similar hours, including the Carl's Jr and Taco Bell off of Sweetwater Road.

### **Mailing**

All property owners and occupants within a distance of 300 feet are required to be notified of a public hearing for a CUP application. Notice of this public hearing was sent to 130 occupants and owners. No public comment has been received as of the writing this report.

### **Department Comments**

Comments were provided by the Building Division, Engineering Department, and Fire Department related to standard requirements for new developments. The All comments have been incorporated as conditions of approval for the CUP. Adherence to building and fire codes have also been addressed in the Conditions of Approval.

### **Recommended Findings for the CUP should City Council Approve/Deny the Appeal**

#### **Findings for Denial of the Appeal and Approval of the Proposed CUP**

The following are the required findings in the attached draft resolution:

1. Allowable Use: Drive-through businesses are identified as a conditionally allowed use in the Major Mixed-Use District (MXD-2) zone, and conditions of approval will assure the proposed drive-through aisles will meet all requirements as contained in NCMC §18. 41 –Site Planning Standards.
2. General Plan Consistency: Drive-through businesses are permitted uses, subject to a CUP, by the Land Use Code, which is consistent with the General Plan. In addition, a drive-through coffee shop is consistent with the Major Mixed-Use District zone land use designation and there are no Specific Plans affecting this location.
3. Compatibility, LUC, and Traffic: The new coffee shop will be built in compliance with the City's LUC and all applicable building and fire codes. In addition, the proposed drive-through aisle, subject to the conditions of approval, meets all requirements for such uses outlined in the Land Use Code, as discussed above.
4. Suitability: The project is expected to generate approximately 756 net weekday daily trips and 544 weekend daily trips, which can be accommodated by the existing road network. Intersections in this location are currently operating at a Level of Service (LOS) of C or better (passing) and are calculated by the provided traffic impact analysis to continue to have a passing LOS after construction. The site is located within an urbanized area with access to all necessary utilities and services and the proposed restaurant replaces a similar existing building.
5. No Nuisance: Noise issues related to drive-through businesses are usually related to vehicle queuing and ordering windows/speakers. Noise is not an issue given that the applicant will utilize person to person ordering in lieu of an amplified ordering system. A vehicle mile traveled (VMT) analysis was also conducted for the site and it is presumed to have a less than significant impact on VMT. In addition, the new business will benefit the public interest by providing new jobs.

6. California Environmental Quality Act (CEQA): The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA) and has been determined to be categorically exempt from environmental review pursuant to Class 32, Section 15332 (In-fill Development Projects) for which a Notice of Exemption will be filed subsequent to approval of this Conditional Use Permit. Class 32 consists of projects characterized as in-fill development that is consistent with applicable general plan and zoning designations, proposed on an urban site no more than five acres, has a site with no value as habitat for endangered, rare or threatened species, would not result in any significant effects relating to traffic, noise, air quality or water quality, and is adequately served by utilities and public services. The proposed use is consistent with this description and there is no potential for the project to cause either a direct or a reasonably foreseeable indirect physical change in the environment.

#### Finding for Approval of the Appeal and Denial of the Proposed CUP

There is one finding for denial as follows:

1. Granting the permit would constitute a nuisance or be injurious or detrimental to the public interest, health, safety, convenience, or welfare or materially injurious to persons, property, or improvements in the vicinity and zone in which the property is located, because it would contribute to a concentration of unhealthy fast food eating places.

#### Conditions of Approval

Conditions of Approval are included that address comments from the Engineering Department. Additional conditions are included related to adherence to California Building and Fire Codes and the City's Land Use Code.

#### Summary

The proposed drive-through is consistent with the Land Use Code with the approval of a CUP. Conditions of Approval will ensure that the business operates in harmony with existing uses in the area. The potential impacts are minimal since design guidelines ensure an appropriately-designed project. In addition, the 26-vehicle storage capacity of the drive-through aisles will avoid impacts to adjacent City streets. Staff is recommending approval of this CUP request.

#### Options for the Appeal

1. Deny the appeal, affirming the Planning Commission decision, thereby approving 2025-29 CUP, subject to the conditions listed within the resolution to approve or modified conditions, and based on the findings listed in the resolution to approve, or findings to be determined by the City Council; or
2. Approve the appeal and overturn the Planning Commission decision, thereby denying 2025-29 CUP, based on the findings as listed in the resolution to deny, or findings to be determined by the City Council; or
3. Continue the item to a specific date in order to obtain additional information.

#### FINANCIAL STATEMENT:

An appeal fee of \$1,500 was paid by the appellant. Fees are anticipated to cover the cost of staff review time and processing of the appeal.

#### RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Balanced Budget and Economic Development

**ENVIRONMENTAL REVIEW:**

This is a project under CEQA subject to a Categorical Exemption. In-Fill Development. CCR 15332.

**PUBLIC NOTIFICATION:**

The Agenda Report was posted at least 72 hours before the Regular Meeting date and time, and 24 hours before a Special Meeting in accordance with the Ralph M. Brown Act.

**ORDINANCE:**

Not Applicable

**EXHIBITS:**

Exhibit A – Planning Commission Resolution 2025-16

Exhibit B – Appellants Appeal Request Letter with Attachments

Exhibit C – Overhead

Exhibit D – Applicant’s Plans (Exhibit “A”, Case File No. 2025-29 CUP, dated 9/29/2025)

Exhibit E – Public Hearing Notice (Sent to 130 property owners and occupants)

Exhibit F – Transportation Impact Assessment

Exhibit G – PowerPoint Slides from PC meeting

Exhibit H – Resolution – DENY APPEAL

Exhibit I – Resolution – AFFIRM APPEAL