

STAFF EVALUATION

Case No.: Use Permit No. 24-0489

Planning Commission Date: December 19, 2024

City Council Date: January 8, 2025

February 26, 2025

Prepared By:	Donald Whipple, Chief Planner	728-5235
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Reviewed By:	Jessica Kraus, Assistant City Attorney	

General Information

Applicant A & A Loyalty Group, LLC d/b/a Karma Restaurant & Lounge

Property Owners Charles A. Wornom Revocable Living Trust

Site Location 85 & 87 Lincoln Street [portion of LRSN: 2003249]



Requested Action Use permit to allow for a *restaurant 3* for extended general hours of operation, to include alcohol sales and indoor live entertainment, beyond the provisions permitted through a Zoning Administrator Permit.

Description of Proposal The applicant is proposing to expand an existing restaurant to include both 85 and 87 Lincoln Street, to include indoor live entertainment. The 5,906 total square foot establishment would have two (2) dining areas (1,083 sq. ft. and 1974 sq. ft.), two (2) bar areas (245 sq. ft., 289 sq. ft.), and two (2) indoor live entertainment performance areas (35 sq. ft. each, 70 sq. f. total).

Existing Zoning Downtown Business (DT-1) District

Existing Land Use Restaurant 3; Banquet Hall
The applicant currently operates 87 Lincoln Street as a restaurant 3 and 85 Lincoln Street as a banquet hall.

Applicable Regulations Within the DT-1 District, *restaurant 1* is a by-right use. *Restaurant 1*'s can operate under the following requirements:

- Operating hours of 5 am to 2 am
- No retail alcohol sales
- No live entertainment
- No outdoor dining

Within DT-1, *restaurant 2*'s can operate under the following requirements with an approved Zoning Administrator Permit:

- Operating hours with retail alcohol sales: 5 am to 12 am
- Live entertainment is permitted, with limitations
- Outdoor dining is permitted, with limitations

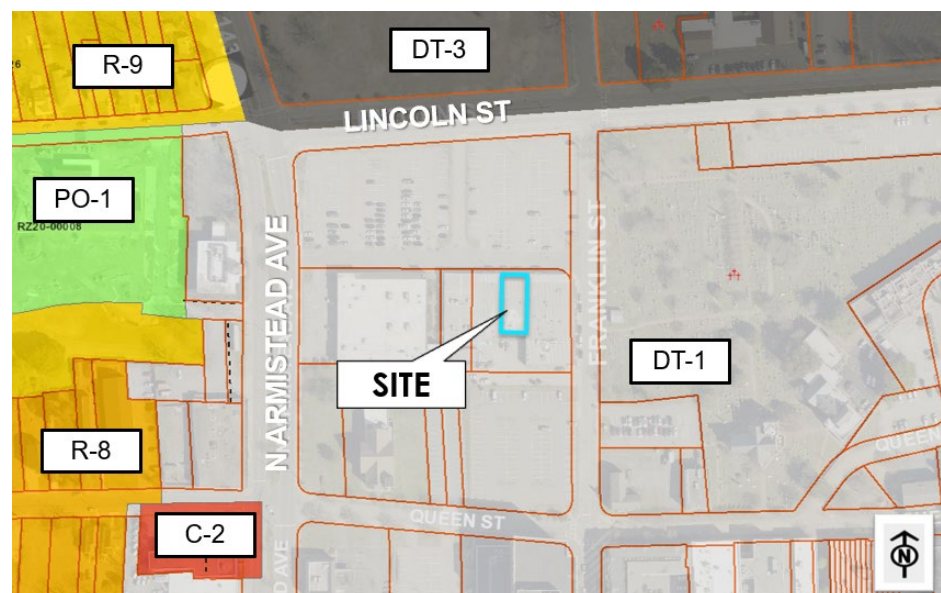
Restaurants requesting to operate outside the conditions required for *restaurant 1* or 2 need to obtain a Use Permit. This application is requesting to exceed the permitted hours of operation with retail alcohol sales.

On January 10, 2024, a Use Permit Application (UP 23-0312) was granted for 87 Lincoln Street only, subject to twelve (12) conditions

Surrounding Land Use and Zoning

North: Downtown Business (DT-1) District; public parking
South: Downtown Business (DT-1) District; general retail, public parking
East: Downtown Business (DT-1) District; general retail, cemetery
West: Downtown Business (DT-1) District; general retail, religious facility

Surrounding Zoning Map:



*Public Policy***Hampton Community Plan**

The Hampton Community Plan (2006, as amended) recommends mixed-use for the subject property and adjacent properties to the north, south, east, and west. This is the designation for much of the Downtown area.

Listed below are policies related to this request:

LU-CD Policy 3: Promote compatibility and synergy among different land uses.

LU-CD Policy 31: Encourage a mix of land uses that is appropriate for each district. Promote the efficient use of land and high-quality urban design.

ED Policy 4: Nurture small and start-up businesses.

ED Policy 6: Expand tourism, entertainment, and cultural opportunities within the city.

Future Land Use Map:

**Downtown Hampton Master Plan:**

The property is located in the Downtown Hampton Master Plan (2017, as amended) area, more specifically the Salters Creek Landing & Franklin Street Corridor Initiative Area. While the subject use or property are not expressly mentioned, the Plan does place a priority on creating a vibrant downtown with retail and restaurants.

<i>Traffic/Parking</i>	Staff does not anticipate that the requested hours of operation would cause a significant or negative impact in the parking within the shopping center.
<i>Community Meeting</i>	To date, the applicant has not scheduled a community meeting.

Analysis:

Use Permit Application No. 24-0489 is a request for a Use Permit to operate a restaurant 3 to extend the general hours of operation, to include alcohol sales and indoor live entertainment beyond the provisions permitted through a Zoning Administrator Permit (ZAP). The subject property is located at 85 and 87 Lincoln Street [portion of LRSN: 2003249], which are two suites in a shopping center. The property is currently zoned Downtown Business (DT-1) District, which allows for the desired use, subject to an approved Use Permit.

The suite at 87 Lincoln Street currently operates under Use Permit No. 23-0312, which was granted on January 10, 2024, subject to 12 conditions. Since then, the applicant began operation of 85 Lincoln Street as a banquet hall under a Zoning Administrator Permit. The applicant now proposes operating 85 and 87 Lincoln Street as a single restaurant, which requires a new Use Permit, which would apply to both suites.

Under the applicant's proposal, the general hours of operation would be 5:00 AM to 2:00 AM seven days per week. The requested hours for indoor live entertainment are 12:00 PM to 2:00 AM, Sunday through Saturday. Both the requested general hours of operation and live entertainment hours are beyond those approved and currently permitted under the initial Use Permit (UP No. 23-0312). All live entertainment would be conducted inside of the building with two (2) separate designated spaces potentially being used. As is the case with the current operation, no outdoor dining is proposed. The applicant has also submitted a security plan that addresses security personnel inside and outside the establishment. Adequate parking exists in the large public lot in front of the shopping center.

The future land use map in the Hampton Community Plan (2006, as amended) recommends mixed-use for the subject property as well as the surrounding area. Additionally, the Plan calls for promoting compatibility and synergy among different land uses, encouraging a mix of land uses that is appropriate for each district, nurturing small and start-up businesses, and expanding tourism, entertainment, and cultural opportunities within the city. The property is also located in the Downtown Hampton Master Plan (2017, as amended), and while the subject use or property are not specifically called out, the Plan does place a priority on creating a vibrant downtown with retail and restaurants.

If the Use Permit is granted, staff has identified thirteen (13) recommended conditions based upon the proposed use's operational and land use characteristics. A few key conditions are highlighted below:

- General hours of operation for the restaurant, shall be limited to the following:
 - Sunday-Thursday 5:00 AM to 12:00 AM

- Friday-Saturday 5:00 AM to 2:00 AM
- Hours of operation for the indoor live entertainment shall be limited to the following:
 - Sunday-Thursday 10:00 AM to 12:00 AM
 - Friday-Saturday 10:00 AM to 2:00 AM
- Location of live entertainment will be conducted inside the building only and shall be limited to the areas indicated on the attached floor plan identified as "Live Entertainment Area," attached as Exhibit B to the conditions.
- Security services shall be provided that monitor activities both inside and outside the restaurant.
- The applicant shall obtain and maintain any necessary licenses required by the Virginia Alcoholic Beverage Control Authority. The Use Permit will expire upon change of ownership, a change in possession, a change in the operation or management of a facility, or the passage of three (3) months without an active retail alcoholic beverage control license.

Note that staff recommended hours of operation are more restrictive than the hours requested by the applicant. Although the business is located downtown, existing residences are nearby and permitting the business to remain open with live entertainment until 2:00 AM every day of the week could present a negative impact on those residences. Also, such expanded hours would not be consistent with other similar restaurant operations that have been granted a Use Permit for expanded hours and live entertainment in the area. To deviate from previously approved hours would be a signal of a change in policy, which should be followed consistently with future similarly situated applications.

The full set of recommended conditions are included within the package. The conditioned hours are consistent with other indoor live entertainment and restaurant Use Permits granted in this district.

City Council deferred action on this item at its January 8, 2025 meeting to allow the applicant time to host a community meeting and to work with the Hampton Police Division (HPD) on developing a security plan. The applicant and HPD have reached a mutually agreed upon security plan. The applicant has scheduled a community meeting for February 19, 2025.

Staff recommends **APPROVAL** of Use Permit Application No. 24-0489 with thirteen (13) conditions.