

Staff Summary Report



Hearing Officer Hearing Date: 12/07/10

Agenda Item Number: 11

SUBJECT: This is a public hearing for a request by **AUGUST KARAOKE BOX** located at 1301 East University Drive, Suite No. 106, for one (1) use permit.

DOCUMENT NAME: 20101207cdsl04 **PLANNED DEVELOPMENT (0406)**

COMMENTS: Request by **AZTECH COURT - AUGUST KARAOKE BOX (PL100373)** (Zhaoxu Liu/August Culture Media LLC, applicant; Martin Bloom Investments, property owner) located at 1301 East University Drive, Suite No. 106 in the PCC-1, Planned Commercial Center Neighborhood District for:

ZUP10132 Use permit to allow an amusement use (Karaoke Club) with live entertainment in the GID, General Industrial District.

PREPARED BY: Sherri Lesser, Senior Planner (480-350-8486)

REVIEWED BY: Steve Abrahamson, Planning & Zoning Coordinator (480-350-8359) *SEA*

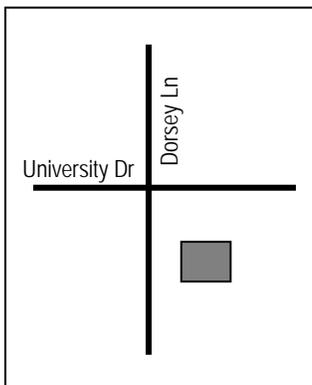
LEGAL REVIEW BY: N/A

DEPARTMENT REVIEW BY: Steve Abrahamson, Planning & Zoning Coordinator (480-350-8359)

FISCAL NOTE: There is no fiscal impact on City funds.

RECOMMENDATION: **Staff – Approval, subject to conditions**

ADDITIONAL INFO:



August Karaoke Box is new business concept proposed for the Aztech Court Center. The use is an entertainment/amusement use which offers private spaces for Karaoke gatherings. This business concept is popular in other cities and countries; this location will be the first in Tempe. Staff recommends approval of the use permit with the finding that the proposed use meets the criteria for approval of a use permit. To date, no public input has been received.

PAGES:

1. List of Attachments
2. Comments; Reasons for Approval
3. Conditions of Approval; History & Facts/Description; Zoning & Development Code Reference

ATTACHMENTS:

1. Location Map(s)
2. Aerial Photo(s)
- 3-5. Letter of Intent
6. Site plan
7. Floor Plan
8. Staff Photograph(s)

COMMENTS:

The August Karaoke Box is proposing to open a private room Karaoke Bar. Their proposal includes approximately seven rooms for smaller gatherings and one larger room to accommodate more people. The maximum occupancy will allow for 50-100 people depending on the final build out of the tenant space. The hours of operation will be 4pm – 2 am Monday thru Saturday and 4pm to 12 am Sunday. cursory review of the parking data for the center identifies sufficient parking to support this use. An accurate inventory of the current tenants and the available spaces will be required as part of the tenant improvement permit to verify that sufficient parking spaces are available for this use.

To date no public input has been received regarding this request.

Use Permit

The Zoning and Development Code requires a use permit for amusement/entertainment uses within the PCC-1, Planned Commercial Center District. This use permit request meets all applicable tests in the following manner:

Evaluating the use permit, the proposal appears to pass the use permit test listed below:

- a. Any significant increase in vehicular or pedestrian traffic in adjacent areas;
 - There will be no significant increase in vehicular or pedestrian traffic in adjacent areas.
- b. Nuisance arising from the emission of odor, dust, gas, noise, vibration, smoke, heat, or glare at a level exceeding that of ambient conditions;
 - This is a commercial use, similar to others in the area; there should be no nuisances. Upgrades to the interior for sound attenuation will be required to minimize noise encroachment to other tenant suites within the center
- c. Contribution to the deterioration of the neighborhood or to the downgrading of property values which is in conflict with the goals, objectives or policies for rehabilitation, redevelopment or conservation as set forth in the City's adopted plans, or General Plan;
 - The proposed development would not contribute to neighborhood deterioration or downgrade property values.
- d. Compatibility with existing surrounding structures and uses;
 - The proposed use appears to be compatible with surrounding structures and uses.
- e. Adequate control of disruptive behavior both inside and outside the premises, which may create a nuisance to the surrounding area or general public;
 - The proposed use appears to have adequate control of disruptive behavior.

Conclusion

Staff recommends approval the use permit subject to conditions of approval.

REASON(S) FOR APPROVAL:

1. No apparent nuisance resulting from noise, smoke, odor, dust, vibration, or glare.
2. No apparent hazards to persons or property from possible explosion, contamination, fire or flood.
3. Traffic generated by this use should not be excessive.
4. The use appears to be compatible with the building, site and adjacent property.
5. Approval of the use permit will not be materially detrimental to persons residing or working in the vicinity, to adjacent property, to the neighborhood or the public welfare in general.

SHOULD THE HEARING OFFICER ELECT TO TAKE AFFIRMATIVE ACTION ON THE REQUEST, THE FOLLOWING CONDITIONS OF APPROVAL SHOULD APPLY.

CONDITION(S)

OF APPROVAL:

1. The use permit is valid for August Karaoke Box and may be transferable with approval from the Hearing Officer staff. Should the business be sold, the new owners must contact the Hearing Officer staff for review of the business operation.
2. All business signs shall be Development Plan Review Approved and permits obtained.
3. If there are any complaints arising from the use permit that are verified by a consensus of the complaining party and the City Attorney's office, the use permit will be reviewed by city staff to determine the need for a public hearing to re-evaluate the appropriateness of the use permit.
4. The live entertainment shall be limited to karaoke.
5. Live entertainment shall cease at midnight (2 AM) Monday thru Saturday and at 11 pm. Sunday.
6. The applicant shall for a security plan with the City of Tempe Crime Prevention Unit. Contact Crime Prevention at 480-858-6330 within 60 days of this approval (February 7, 2011).
7. Update the data for parking file for this building prior to the Use Permit becoming effective. Provide information within 30 days or by January 7, 2011.
8. Any intensification or expansion of use, including shall require a new Use Permit.
9. All permits and clearances required by the Building Safety Division shall be obtained prior to the use permit becoming effective.
10. No noise shall emanate beyond the walls of the tenant suite; install sound attenuation material to the interior of the tenant space as part of the tenant improvement building permit.

HISTORY & FACTS:

None pertinent to this case.

DESCRIPTION:

Owner – Martin Bloom Investments
Applicant – Zhaoxu Liu/August Culture Media LLC
Existing Zoning – R1-6, Single Family Residential District

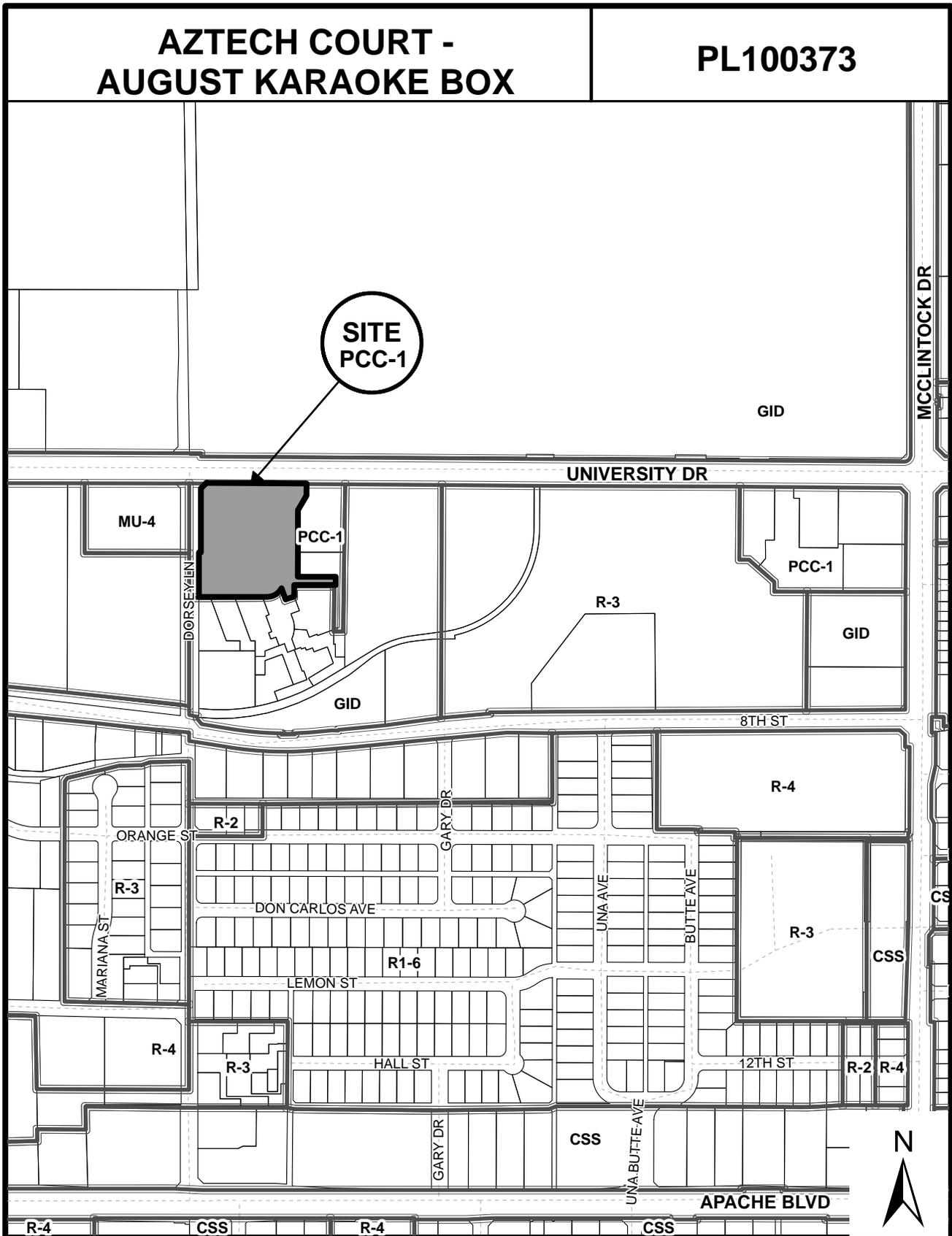
**ZONING AND
DEVELOPMENT**

CODE REFERENCE:

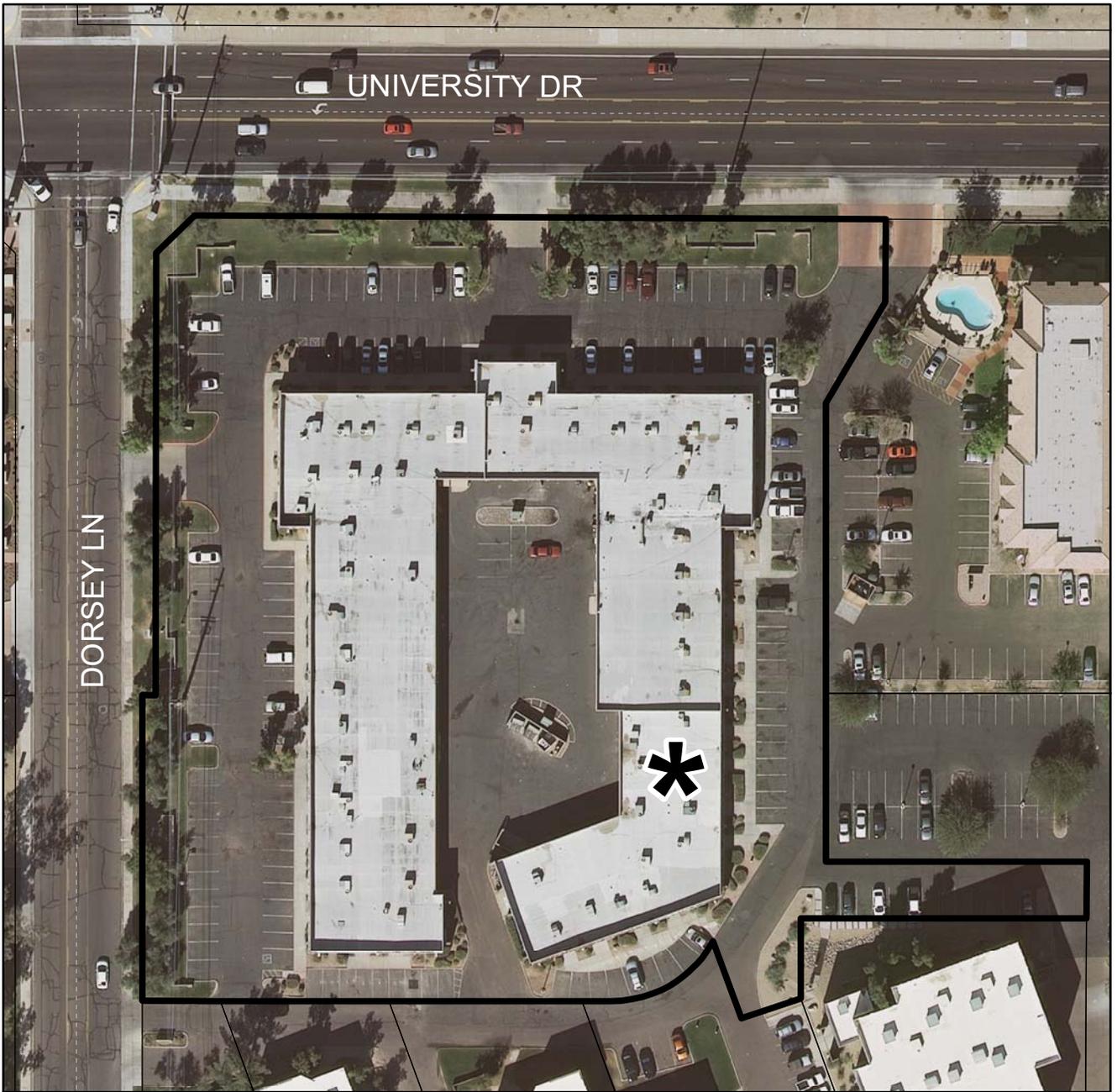
Part 3, Chapter 2, Section 3-202 – Permitted Uses in Commercial and Mixed-Use Districts
Part 6, Chapter 3, Section 6-308 – Use Permit

AZTECH COURT - AUGUST KARAOKE BOX

PL100373



Location Map



AZTECH COURT - AUGUST KARAOKE BOX (PL100373)

Summary of Business

An investment opportunity exists, alongside August Culture Media LLC (DBA August Karaoke Box), to launch an innovative private-room Karaoke bar [KTV] concept, with potential for franchising on a national scale. Different than traditional Karaoke bars, the KTV concept offers patrons private rooms with beverages and snacks served. With the immediate area home to Arizona State University [student enrollment: 70,440] and an Asian community of over 130,000, and the Phoenix Metropolitan area void of KTV establishments, the potential to captivate a significant share of the market has presented itself.

Weijia Gao and Zhaoxu Liu recognize this void in the market and look to bring the wildly popular KTV concept to the local Phoenix area. KTV businesses have experienced explosive growth in Asia, with revenues of \$10 billion annually. Analogous concepts in the United States market are picking up steam, with KTV establishments such as Geisha A Go Go generating \$1 million to \$2.5 million annually in Scottsdale. August Karaoke Box will be the first private-room Karaoke [KTV] in the metropolitan area, offering the latest technologies in Asian and American songs with lyrics.

August Karaoke Box will penetrate the market in the business of providing unrivaled private-room accommodations for Karaoke. The facility will be comprised of two [2] small rooms with a four [4] person capacity; three [3] median rooms with a six [6] person capacity; and two [2] party room able to accommodate up to fifty [50] individuals. Each room will include a selection of incomparable quality sandwiches, beverages and snacks. August Karaoke Box will allow customers to sing their favorite songs in private rooms, choosing tracks on video clips with lyrics. There will be a large selection of available music: English and Chinese, Modern and Traditional, Disco, Rock, Pop, Punk, Country R&B, Hip-Hop, and more. All KTV private rooms will be available for rental by hourly rate. Rates will be determined on peak or non-peak business hours.

August Karaoke Box will pride itself on customer service, offering a courteous staff of knowledgeable staff dedicated to providing exceptional customer satisfaction and a memorable experience. August Karaoke Box will coordinate worker productivity with increasing market demand to ensure continued company growth and development. August Karaoke Box approach emphasizes the individual participation of every member of this organization and the total process of building August Karaoke Box to acquire an ever-increasing market share. By guiding and helping employees with knowledge and awareness, the management team looks to build a solid foundation for achieving its goals.

August Karaoke Box will be strategically located in a 1,950 sqft suite on Aztech Court, on the southeast corner of University Drive and Dorsey. The KTV is within close proximity [0.5 mile] to Arizona State University, as well as student housing and many suburban neighborhoods and affluent communities. Businesses in the area have been able to overcome the state of the economy and thrive, establishing confidence that a KTV will flourish in this location. August Karaoke Box will be designed to be accessible, friendly and exciting, while at the same time offering a relaxing atmosphere. August Karaoke Box will present its services as it would its one-hundredth location; with calculated logo placement, color schemes, and attire that identify Fortune 500 franchises.

Management will launch an aggressive marketing and promotional campaign, as well as offer sponsorships to the college and city events and functions. Its marketing programs will highlight its competitive advantages, as well as show appreciation for customer feedback. August Karaoke Box will serve its area of business working to make its lines more productive while at the same time controlling expenses. The capital required for the organization of August Karaoke Box has been provided by the Founders, Weijia Gao and Zhaoxu Liu.

Business Hour

Business hour

Monday-Thursday, 4:00pm - 2:00am

Friday- Saturday, 2:00pm - 2:00am

Sunday, 2:00pm - 12:00am

- Off-peak hours

Monday - Thursday: 4:00pm - 7:00pm

Friday - Sunday: 2:00pm - 7:00pm

- Peak hours

Monday - Saturday, 7:00pm - 2:00am; Sunday, 7:00pm - 12:00am

Customer

The main customer focus will be the student population in ASU campus. Population in other Phoenix metropolitan area will also be targeted.

Management Team

Weijia Gao, President

Bachelor's degree in Accounting

Master's degree in Business Administration

Executive Board Member in Beijing Allove Culture Communication Co., Ltd. (Beijing, China, 2010)

Executive Assistant in Saint Mary's Catholic High School (Phoenix, AZ, 2009-2010)

Finance Director in August Consulting, LLC (Phoenix, AZ, 2008-2010)

Operation Manager in Arang Restaurant (Phoenix, AZ, 2006-2007)

Zhaoxu Liu, Vice President

Executive Board Member in Beijing Allove Culture Communication Co., Ltd. (Beijing, China, 2010)

International Sales Manager in Bamko Promotional Items (Los Angeles, CA, 2004-2005)

Environmental Consideration

Vehicular or Traffic Influence

August Karaoke Box has a maximum capacity of 100 people, and expecting a 20% capacity during the off-peak hours and 60% capacity on the peak hours. We expect the traffic in the Aztech Court to be increased at a minimum rate, and the operation of August Karaoke Box will not cause any significant traffic increase in Aztech Court and surrounding area.

Nuisance and Surrounding Influence

August Karaoke Box is doing its greatest effort to from a healthy, friendly, and responsible corporate image around the community. Considering the possible music interaction during the normal business hour (Monday to Thursday 4:00pm – 5:00pm, Friday 2:00pm - 5:00pm), sound blocking and absorbing material will be installed on every well to perform a maximum sound proof effect.

August Karaoke Box operation will not cause any other nuisance in exceeding that of ambient conditions.

Public Safety Influence

August Karaoke Box will not serve any liquor and alcohol, and will not result in disruptive behavior which may create nuisance to the surrounding area or general public.

Contact Information

Website:

www.8ktv.net

Email:

service@8ktv.net

OR

gaoweijia93@gmail.com

Phone:

Weijia Gao (480)627-9135

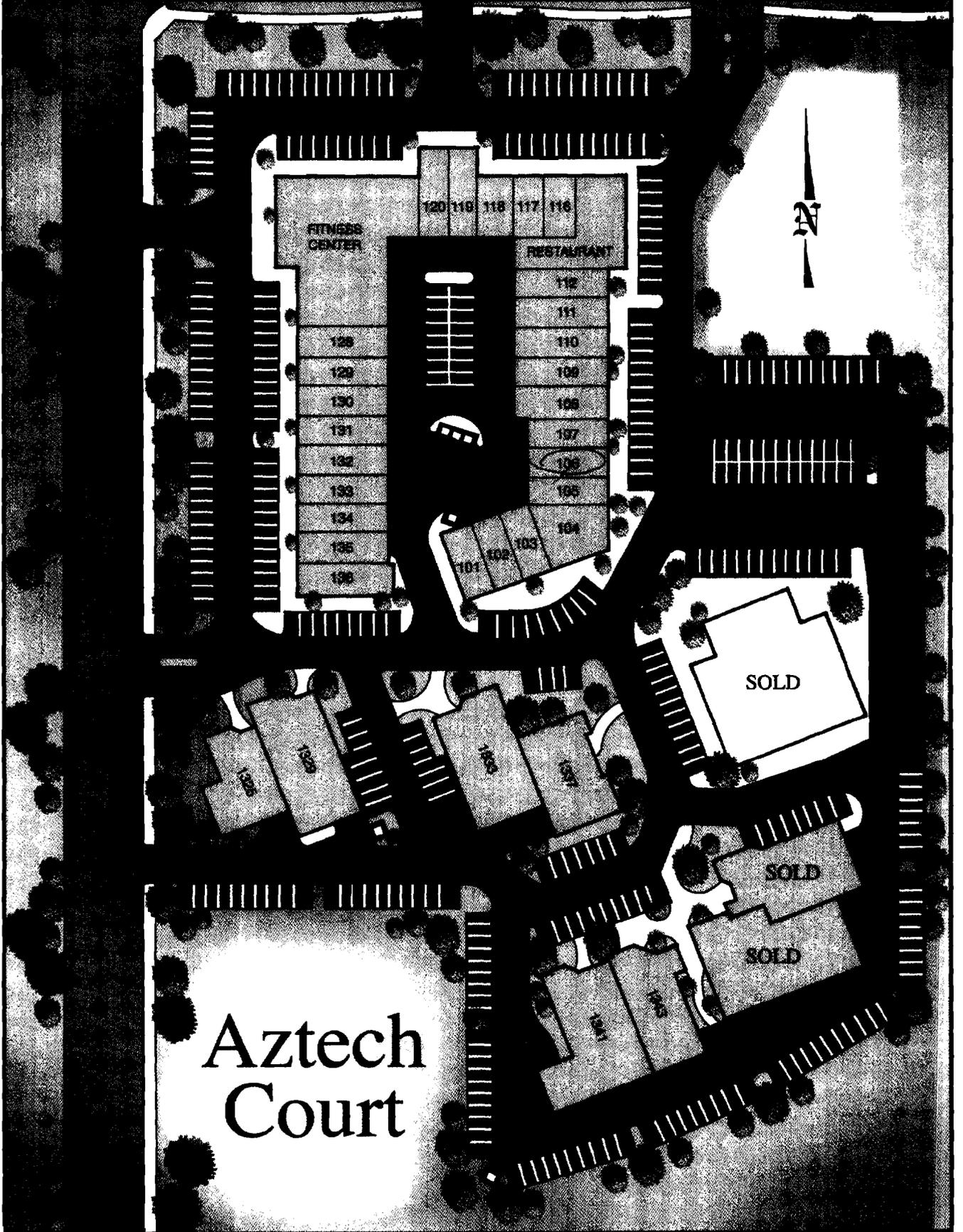
Zhaoxu Liu (626)940-8887

Mailing Address:

42 W Hudson Lane

Tempe, AZ 85281

East University Drive





**AZTECH COURT – AUGUST KARAOKE
BOX**

**1301 EAST UNIVERSITY DRIVE, SUITE NO.
106**

PL100373

FRONT OF BUSINESS

