

CITY OF YUBA CITY  
STAFF REPORT

**Date:** October 5, 2021  
**To:** Honorable Mayor & Members of the City Council  
**From:** Development Services Department  
**Presentation By:** Benjamin Moody, Development Services Director

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**Summary**

**Subject:** Axe Me LLC. Department of Alcoholic Beverage Control (ABC) Application  
**Recommendation:** Adopt a Resolution making a finding of public convenience and necessity for the issuance of a Type 40 (On-Sale Beer) Alcoholic Beverage Control (ABC) License at 651 North Palora Avenue (Axe Me, LLC)  
**Fiscal Impact:** No direct fiscal impact would result from recommending approval of the Axe Me LLC. Alcoholic Beverage Control application.

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**Purpose:**

To consider making a finding of public convenience and necessity for the issuance of a Type 40 Alcoholic Beverage Control License at 651 North Palora Avenue (Axe Me LLC)

**Background:**

The City has received an application from Axe Me, an axe-throwing entertainment center, for a Type 40 (tavern: beer) license with the Department of Alcoholic Beverage Control. When ABC receives an application for a location where a high concentration of licenses exists, and/or a crime rate exceeding 25% of the average, the local government must then approve the application, prior to ABC approving it. Axe Me is located at 651 North Palora Avenue and the census tract in which it is located, currently has eleven (11) ABC licenses. Additionally, the location is in crime Beat 4, with a higher-than-average crime rate.

**Analysis:**

Axe Me will be an axe-throwing family entertainment center for adults and children, aged 12 and up. Axe Me will aim to provide a safe, unique, and fun location where the owners would like to be able to provide beer, cider, and seltzer, along with packaged, dry foods to their customers. The ABC and State Business and Professions Code, Section 23958, states that the governing body must determine that the approval of this license would provide public convenience or necessity, in order for the license application to be approved by ABC in this location. City Staff has reviewed the attached Axe Me Business and Operations Plan, and researched similar entertainment centers in Yuba City's surrounding areas, and has determined that this

operations plan, including the sale of non-liquor alcoholic beverages, are standard in this type of business and that a public convenience is provided through the sale of beer, cider, and seltzer within the business location.

**Fiscal Impact:**

No direct fiscal impact would result from making a finding of public convenience and necessity for the issuance of an Alcoholic Beverage Control License at 651 North Palora Avenue (Axe Me, LLC)

**Alternatives:**

Do not making a finding of public convenience and necessity for the issuance of an Alcoholic Beverage Control License at 651 North Palora Avenue (Axe Me LLC)

**Recommendations:**

Adopt a Resolution making a finding of public convenience and necessity for the issuance of a Type 40 (On-Sale Beer) Alcoholic Beverage Control (ABC) License at 651 North Palora Avenue (Axe Me, LLC)

**Attachments:**

1. Resolution making a finding of public convenience and necessity for the issuance of a Type 40 (On-Sale Beer) Alcoholic Beverage Control (ABC) License at 651 North Palora Avenue (Axe Me, LLC)
2. Axe Me LLC. Department of Alcoholic Beverage Control Application
3. Axe Me LLC. Business and Operations Plan

Prepared By:

*/s/ Shannon Jones*  
Shannon Jones  
Administrative Analyst

Submitted By:

*/s/ Dave Vaughn*  
Dave Vaughn  
City Manager

Reviewed By:

Department Head

BM

City Attorney

SLC by email

# ATTACHMENT 1

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY  
MAKING A FINDING OF PUBLIC CONVENIENCE AND NECESSITY FOR THE  
ISSUANCE OF A TYPE 40 (ON-SALE BEER) ALCOHOLIC BEVERAGE  
CONTROL (ABC) LICENSE AT 651 NORTH PALORA AVENUE (AXE ME, LLC)**

**WHEREAS**, pursuant to applicable provisions of the Business and Professions Code, the Department of Alcoholic Beverage Control (hereinafter the "ABC") is charged with the responsibility of reviewing applications and issuance of licenses for the sale and/or manufacture of alcoholic beverages in the State of California; and

**WHEREAS**, Section 23958 of the Business and Professions Code provides that the ABC shall deny an application for a license if issuance of that license would tend to create a law enforcement problem, or if issuance would result in or add to an undue concentration of licenses, except as provided in Section 23958.4 of said Business and Professions Code; and

**WHEREAS**, Section 23958.4 of the Business and Professions Code provides that, notwithstanding the limitations of Section 23958, the ABC shall issue a license if the applicant shows that "public convenience or necessity" would be served by the issuance of such license; and

**WHEREAS**, on May 18, 2021 an application for a Public Convenience and Necessity was filed by Axe Me, LLC., (the "Applicant") requesting a letter of Public Convenience and Necessity to allow a Type 40 On-Sale Beer License in a census tract that has surpassed the number of allotted licenses and is located in Beat 4, which has a higher-than-average crime rate; and

**WHEREAS**, said Section 23958.4 further provides that the determination of "public convenience or necessity" shall be made by the local governing body of the area in which the applicant's premises are located with regard to certain applications, including on-site sales of alcohol at family entertainment center; and

**WHEREAS**, the City Council has considered this matter, and desires to find that the public convenience and necessity would be served by granting an additional Type 40 On-Sale License (Beer) for the location at 651 North Palora Avenue.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Yuba City as follows:

1. The recitals and findings set forth above are true and correct and incorporated herein by this reference.
2. The City Council finds that this matter is not a "project" for the purposes of the California Environmental Quality Act (CEQA) as it is merely a determination whether the public convenience and necessity would be served by the issuance of a Type 40 On-Sale License (Beer) for the location at 651 North Palora Avenue. It does not have a potential for resulting in a reasonably foreseeable physical change to the existing environment.
3. The City Council finds and determines the public convenience and necessity is met in the present circumstances for reasons including the following:

- a. The alcohol sales for on-site consumption would be a limited, part of the overall family-entertainment service, and subject to supervision as proposed in the Business and Operations Plan.
  - b. The request to permit beer, cider, and seltzer sales for on-premises consumption in conjunction with a family entertainment center would not adversely affect the surrounding land uses and the growth and development of the area because the use is compatible with the nearby developments, and consumption is limited to on-site.
  - c. The determination of Public Convenience or Necessity, under the conditions imposed, will not be detrimental to the health and safety of the citizens of the City of Yuba City.
4. This resolution shall take effect immediately.

**I HEREBY CERTIFY** that the foregoing resolution was passed and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 7<sup>th</sup> day of September, 2021, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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Marc Boomgaarden, Mayor

**ATTEST:**

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Ciara Wakefield, City Clerk Administrator

**APPROVED AS TO FORM:**

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Shannon L. Chaffin, City Attorney

# ATTACHMENT 2

# INFORMATION AND INSTRUCTIONS -

## SECTION 23958.4 B&P

- Instructions This form is to be used for all applications for original issuance or premises to premises transfer of licenses.
- Part 1 is to be completed by an ABC employee, given to applicant with pre-application package, with copy retained in holding file or applicant's district file.
  - Part 2 is to be completed by the applicant, and returned to ABC.
  - Part 3 is to be completed by the local governing body or its designated subordinate officer or body, and returned to ABC.

### PART 1 - TO BE COMPLETED BY ABC

1. APPLICANT'S NAME: AXE ME LLC (Geo code: 5102)

2. PREMISES ADDRESS, Street number and name, city, zip code: 651 N. Paloma Ave, Yuba City, CA 95991

3. LICENSE TYPE: 40

4. TYPE OF BUSINESS

<input type="checkbox"/> Full Service Restaurant	<input type="checkbox"/> Hofbrau/Cafeteria	<input type="checkbox"/> Cocktail Lounge	<input type="checkbox"/> Private Club
<input type="checkbox"/> Deli or Specialty Restaurant	<input type="checkbox"/> Comedy Club	<input type="checkbox"/> Night Club	<input type="checkbox"/> Veterans Club
<input type="checkbox"/> Cafe/Coffee Shop	<input type="checkbox"/> Brew Pub	<input checked="" type="checkbox"/> Tavern: Beer	<input type="checkbox"/> Fraternal Club
<input type="checkbox"/> Bed & Breakfast	<input type="checkbox"/> Theater	<input type="checkbox"/> Tavern: Beer & Wine	<input type="checkbox"/> Wine Tasting Room
<input type="checkbox"/> Wine only	<input type="checkbox"/> All		
<input type="checkbox"/> Supermarket	<input type="checkbox"/> Membership Store	<input type="checkbox"/> Service Station	<input type="checkbox"/> Swap Meet/Flea Market
<input type="checkbox"/> Liquor Store	<input type="checkbox"/> Department Store	<input type="checkbox"/> Convenience Market	<input type="checkbox"/> Drive-in Dairy
<input type="checkbox"/> Drug/Variety Store	<input type="checkbox"/> Florist/Gift Shop	<input type="checkbox"/> Convenience Market w/Gasoline	
Other - describe:			

5. COUNTY POPULATION: \_\_\_\_\_

6. TOTAL NUMBER OF LICENSES IN COUNTY: \_\_\_\_\_

7. RATIO OF LICENSES TO POPULATION IN COUNTY: \_\_\_\_\_

8. CENSUS TRACT NUMBER: 502.01

9. NO. OF LICENSES ALLOWED IN CENSUS TRACT: 3

10. NO. OF LICENSES EXISTING IN CENSUS TRACT: 11

11. IS THE ABOVE CENSUS TRACT OVERCONCENTRATED WITH LICENSES? (i.e., does the ratio of licenses to population in the census tract exceed the ratio of licenses to population for the entire county?)

Yes, the number of existing licenses exceeds the number allowed

No, the number of existing licenses is lower than the number allowed

12. DOES LAW ENFORCEMENT AGENCY MAINTAIN CRIME STATISTICS?

Yes (Go to Item #13)

No (Go to Item #20)

13. CRIME REPORTING DISTRICT NUMBER: BEAT 4

14. TOTAL NUMBER OF REPORTING DISTRICTS: 5

15. TOTAL NUMBER OF OFFENSES IN ALL REPORTING DISTRICTS: 2786

16. AVERAGE NO. OF OFFENSES PER DISTRICT: 1157

17. 120% OF AVERAGE NUMBER OF OFFENSES: 1388

18. TOTAL NUMBER OF OFFENSES IN REPORTING DISTRICT: 1621

19. IS THE PREMISES LOCATED IN A HIGH CRIME REPORTING DISTRICT? (i.e., has a 20% greater number of reported crimes than the average number of reported crimes as determined from all crime reporting districts within the jurisdiction of the local law enforcement agency)

Yes, the total number of offenses in the reporting district equals or exceeds the total number in item #17

No, the total number of offenses in the reporting district is lower than the total number in item #17

20. CHECK THE BOX THAT APPLIES (check only one box)

a. If "No" is checked in both item #11 and item #19, Section 23958.4 B&P does not apply to this application, and no additional information will be needed on this issue. Advise the applicant to bring this completed form to ABC when filing the application.

b. If "Yes" is checked in either item #11 or item #19, and the applicant is applying for a non-retail license, a retail bona fide public eating place license, a retail license issued for a hotel, motel or other lodging establishment as defined in Section 25503.16(b) B&P, or a retail license issued in conjunction with a beer manufacturer's license, or winegrower's license, advise the applicant to complete Section 2 and bring the completed form to ABC when filing the application or as soon as possible thereafter.

c. If "Yes" is checked in either item #11 or item #19, and the applicant is applying for an off-sale beer and wine license, an off-sale general license, an on-sale beer license, an on-sale beer and wine (public premises) license, or an on-sale general (public premises) license, advise the applicant to take this form to the local governing body, or its designated subordinate officer or body to have them complete Section 3. The completed form will need to be provided to ABC in order to process the application.

Governing Body/Designated Subordinate Name:

Yuba City Planning Dept.  
1201 Civic Center Blvd  
Yuba City, CA 95993

FOR DEPARTMENT USE ONLY

PREPARED BY (Name of Department Employee)

IMAHARA





# ATTACHMENT 3

A thick, dark blue vertical bar runs down the left side of the page. From the bottom of this bar, several thin, curved lines in shades of blue and grey extend upwards and outwards, creating an abstract, organic shape.

# Axe Me

## Business and Operations Plan

PRESENTED BY WILLIAM ZAPATA AND PAUL BASI, OWNERS  
FEBRUARY 2021

## EXECUTIVE SUMMARY

*Axe Me* is an axe throwing family entertainment center. Like so many great companies before us, the operation at *Axe Me* began with a passion to pioneer a better way for people to access quality time, value and entertainment with friends and family that is absent in the local marketplace.

*Axe Me* is excited to establish a respectable high-class axe throwing entertainment center that will serve our customers with the highest quality craft beer and an experience like none other in the Yuba-Sutter region.

The desire to operate an axe throwing company for ages 12 and up is the mission. The model has proven to be extraordinarily successful across the nation. Our personal biographies and business plan will show how a five-star axe throwing center, built and battle-tested across the United States and sweeping its way into California for its commitment to entertainment, will be successful and appreciated in the community. To match the tenor of the region's diverse demographic, the location will have a synergistic blend of entertainment and services.

*Axe Me* looks forward to providing the desired entertainment that is lacking in the region. Below are a few of the reasons we believe this is the right fit for the community at the right time.

- **California-based, locally owned family business** with a history of compassionate service to community. We believe that our success shared throughout the community will emulate how an establishment such as *Axe Me* can be beneficial for individuals, job seekers and most importantly community morale.
- **Well organized and funded** with a proven business model that has been successfully operated in the marketplace. The model is community-friendly providing a highly effective way for customers to enjoy quality time with friends and family.
- **Growing a business that employs residents** of the community. The high standards to the team will be held will provide a training space for efficiency and professionalism.

## BUSINESS MODEL

The business model is not overly technical or complex, but understand it takes determination, discipline, and interactive systems to turn something that sounds simple into a meaningful consumer experience that elicits rave reviews amongst peers and the public.

*Axe Me* is an axe throwing venue where people can unwind, share time with friends and family and enjoy a beer doing something unique. We will provide state of the art projected targets on a wood background for customers to target. *Axe Me* is committed to purchasing supplies from local sources when possible.

Further, the associates at *Axe Me* will provide recommendations of nearly 100 beer, seltzer, and cider products and will provide education to customers for the proper and safe way to throw axes. Beginners will be met with trained staff who will explain proper safety precautions and provide a short demonstration.

To be successful in all facets of our business, time will be spent each day focused on these goals.

- Safety is the number one priority. Staff will be well trained, conscious of the patrons, limit alcoholic beverage consumption and know when to send customers out of our establishment if needed.
- Establishing and maintaining a family axe throwing facility that allows the community to come together as well as draw people in from out of town.
- Provide quality service, cleanliness and fun that makes consumers excited to share their fun, safe, and helpful experience over popular social media channels.
- Utilize daily customer interactions as well as networking and marketing efforts to assist with educating and promoting public awareness about the company to a wide range of consumers.
- Contribute to the financial health of the community with new sales tax dollars and employment wages as well as donations that support charitable organizations and programs.

A partnership with the community in both shared ideals and mutual compliance is a powerful part of the organizational value. A cherished offering to the community is a source of escape from the daily grind and offers an interactive entertainment experience that many are seeking.

We will be unique in that we will have multiple games and targets, unlike other companies who use outdated spray-painted targets.

## **CORE PRINCIPLES**

The company is structured around four primary standards of excellence.

- **Uncompromised Levels of Service** – The consumers' needs for professional, responsible, and respectful service drives the entire business. While always maintaining safety and professionalism, *Axe Me* will strive to go the extra mile to ensure that our consumers are provided with the newest technology and alcoholic beverage options for maximum consumer choice and encourage the highest level of satisfaction with the experience.
- **Highest Quality & Latest Research** – The axe throwing market is exploding with establishments opening all over America but what sets *Axe Me* apart is the single lane safety and the technologically-advanced software the market offers. Some axe throwing facilities look as if you stepped into a dog kennel. *Axe Me* will provide a high-quality buildout and provide the demanded customer experience. To ensure consumers have access to top-of-the-line beverage selection, our team will study the burgeoning market to know and understand new and trending merchandise to regularly update and improve the beverage menu.
- **Safety & Field-Tested Products** – There are no shortcuts to quality, and *Axe Me* owners are prepared for the monetary investment required to cover the cost of building a safe 14 single lane facility and purchase the field-tested throwing axes that withstand commercial use. Consumers will only be offered products that have passed both the required testing and scrutiny.

- **Cutting Edge Insight** – Compared to operations focusing on the dollars and operational efficiency required to maximize profits *Axe Me* lives to serve its consumers and insist on spending the time required to identify and satisfy consumer needs.

## COMPANY STRUCTURE AND LEGAL OWNERSHIP

### ENTITY STRUCTURE

The entity will be formed as an LLC with an equal partnership between owners Paul Basi and William Zapata.

### PRINCIPAL BACKGROUND

#### Paul Basi

Paul Basi was born and raised in Yuba City, where he has been a lifelong resident, former educator, planning commissioner, family man, farmer and successful businessman. Paul is actively involved in the community and has served on many boards and is a perfect fit for this new business owner in his hometown of Yuba City.

#### William Zapata

William Zapata born in Lincoln, California moved to Yuba City 10 years ago. He is a young, sharp, tech-savvy entrepreneur who has a vision to bring forward what is missing. He has two companies permitted in Colusa County that will be open soon and knows what it takes to work alongside city council and planning commission to get a project done. William is also a family man. He and his fiancé are axe throwing hobbyist.

## BUSINESS LOCATION AND DESCRIPTION

### BUSINESS LOCATION

*Axe Me* will be located where the old Sutter beauty College was at 651 N Palora yuba city in carriage square. We see this as an ideal location in a high traffic area for maximum profitability and consumer experience.

### PREMISES DESCRIPTION

The footprint of *Axe Me* will be 5600 square feet. The business will have clear windows that look in to a clean and well-designed facility. It will have 14 throwing lanes that seat 6 patrons each and will be separated by wood and steel walls for safety at each individual target. The entry we will have a waiting lounge with check in station, and tables and chairs that can accommodate up to 120 patrons. The business will look and feel appealing to the local culture and have ample parking.

## OPERATIONS PLAN

### OPERATIONS FRAMEWORK

From the outside looking in *Axe Me* may seem like a relatively simple operation however, meeting the complex demands of consumer technology and making sure the staff is fully trained in safety and awareness can be complex. Providing outstanding quality service takes skill, focus and a diligent team of managers and staff. Additional consultants for security and accounting will be hired. The organization is structured with appropriate checks and balances to provide the necessary oversight required to maintain a consistent and functional facility.

The owners serve as managers and will provide employee training, inventory and assist staff in the day-to-day functions. Each shift will be required three employees; a manager who oversees the operations

and two employees who serve drinks and assist customers with their session. To function at its best, *Axe Me* will fulfill the core competencies listed below. Responsibilities for these deliverables will fall to the owners and management personnel to implement and oversee.

- **Building Impeccable Company Culture** – The company will perpetuate the culture built in Yuba City with a team of affable, service first professionals. The mission is to succeed in conveying our passion for entertainment and commitment to all customers at every experience.
- **Identifying Best Products & Value** - The team will consistently research the market for the latest in adult beverage and axe throwing software to bring current technology and desired beverages to the consumers. The goal is to provide the best experience and value to the customer.
- **Customer Acquisition Based on Marketing Efforts** – *Axe Me* will utilize both direct and social media marketing. The experience the consumer has will generate positive reviews from the customers through commitment to high quality products and experience.
- **Establishing a Five Star Customer Experience** – Over the past several years axe throwing has been sweeping through cities such as Chico, Rocklin and Sacramento but the standard of service has been less than satisfactory. Thanks to cutting-edge software and vision for safety and customer desire it is expected some will not remain competition for long. *Axe Me* will provide optimal entertainment and deliver the finest beverages on the market to its customers.

#### **BUSINESS LICENSE TYPE AND RESPONSIBILITIES**

Special Use Permit from the City of Yuba City will be required. Once approved, *Axe Me* will submit the state application for Type 40 On-Sale-Beer license to Alcohol Beverage Control to allow only Beer, Cider and Seltzer sales. This license allows *Axe Me* to serve adults their desired beverage and allows minors access to the establishment.

#### **DAILY RETAIL OPERATIONS(ENTERTAINMENT)**

Customers will book with *Axe Me* through a website or a walk-in basis. Customers will check in, provide payment and sign a waiver before any throwing will occur. Staff members will guide the group to their lane and provide a brief tutorial on how to throw correctly and safely. All lane time will be charged at \$20 per hour per person.

#### **DAILY RETAIL OPERATIONS (ALCOHOL)**

A Licensed Alcohol Distributor will be sought and vetted to provide a vast beverage assortment. Identification will be required for all alcohol sales. Packaged, dry foods will be offered for sale as well.

#### **ESTIMATED CONSTRUCTION AND READINESS TIMELINE**

The buildout will be 3-4months upon signing a lease agreement. It is expected to be fully operational two weeks following construction completion.

#### **INSURANCE CERTIFICATES**

A comprehensive axe throwing/general liability insurance policy in the amount of \$1,000,000 combined single limit policy will be maintained through an “A” rated insurance carrier.

**NEIGHBORHOOD COMPATIBILITY PLAN**

It is important to integrate as seamlessly as possible with the local community, as well as local businesses. The operation will provide entertainment and the ability to bring outside food, therefore positively impacting our neighboring businesses. Company policies and training standards will convey to all employees the importance of safety and company culture of fun and exciting entertainment, while also being mindful of our neighbors. Hours of operation will be 5pm-10pm Monday through Thursday, 4pm-10pm on Friday and 12pm-10pm Saturday and Sunday.

**LABOR & EMPLOYMENT**

**STAFFING & STANDARDS**

*Axe Me* will open its doors with a staff of three on-site employees including two axe throwing trainers/hosts and a manager who performs multiple roles. The total number of staff is made up of the owners, manager and two hosts. As the business expands, additional staff who will take on the roles of inventory manager, trainers and general manager will be added. Equal opportunity in employment extends to all aspects of the employment relationship including application and advancement. *Axe Me* will comply with federal, state, and local equal employment opportunity laws and will strive to keep the workplace free from all forms of discrimination.

**TRAINING**

Training for all staff members will include a review of the company’s policies, procedures, safety and security measures, and company culture. Staff member safety training will be conducted daily, weekly and monthly. Training will include axe throwing safety, alcohol awareness and inventory control.

**WAGE SCALE BY POSITION**

Competitive part-time wages will ensure retention of quality employees who are excited to come work for *Axe Me*. Exceptional customer service is vital and we will hire accordingly. The following represents our company’s current wage scale by available position.

Position	Hourly Rate
Manager full time	\$17-\$20
Manager part time	\$16-\$18
Host/trainer full time	\$15-\$17

**LOCAL COMPETITION**

*Axe Me* is aware that it is not the first with this idea locally but believes it will stand out and be competitive in this market. There are four well known names in axe throwing within a 50-mile radius; Get Axed in Lincoln, Hatchet House in Chico, Smart Axe in Rancho Cordova, and Impact Axe in Rocklin. Three of the four companies listed do not use any projected targets and through research we have found that people are willing to leave their towns to drive to the one in Lincoln who business model is similar.

*Axe Me* believes its customer base will come from Yuba, Sutter, Colusa and Butte counties and will likely draw from parts of northern Placer and Sacramento counties.

## **FINANCIAL INFORMATION**

### **OWNER INJECTION AND FUNDING PLAN**

Owners Paul Basi and William Zapata anticipate a start up budget of \$150,000. They are prepared to inject approximately 40 percent (\$60,000) cash and will seek to borrow the balance of \$90,000 through a small business loan with Yuba-Sutter Economic Development Corporation.

FINANCIAL PROJECTIONS AND STARTUP COSTS ATTACHED.