



**STAFF REPORT  
6/16/2021**

**TO:** Planning Commission Chair and Commissioners

**FROM:** Gabriel Perez, Assistant Community Development Director

**SUBJECT:** Kismet Coachella Dispensary – A request for 12-month Time Extension for Conditional Use Permit No. 305 and Change of Zone No. 18-07 to convert an existing vacant commercial tenant space into a 3,050 square foot cannabis dispensary with 750 square feet for check-in and waiting area, 1800 square feet of retail display area and 500 square feet of rear storage, inventory control and packaging to be located in Building 1 located at 1639 and 1645 6<sup>th</sup> Street; and a 4,500 square foot coffee shop, art display and office/event space to be located in Building 2 located at 1657 and 1669 6<sup>th</sup> Street. Additionally, the applicant proposes to add the RC (Retail Cannabis) overlay zone to the existing C-G (General Commercial) zone on Building 1 located at 1639 and 1645 6<sup>th</sup> Street.

---

**STAFF RECOMMENDATION:**

Staff recommends that the Planning Commission review the information contained in this staff report and deny the request for time extension.

**BACKGROUND:**

On February 26, 2020 the Planning Commission approved Conditional Use Permit (CUP 303) for the The Kismet Coachella Project which is proposing to convert four existing vacant tenant spaces on the north side of 6<sup>th</sup> Street into the following uses: a 3050 square foot cannabis dispensary that includes the following uses: a 750 square feet area for check-in and waiting area; 1800 square feet of retail display area and 500 square feet of rear storage, inventory control and packaging that would be located in Building No. 1. A 4500 square foot coffee shop, art display and office/event space is proposed to be located in Building No. 2.

Additionally, the Planning Commission approved Change of Zone No. pro 18-07, which purposes to add the RC (Retail Cannabis) overlay zone to the existing C-G (General Commercial) zone on Building 1 located at 1639 and 1645 6<sup>th</sup> Street.

The following exhibits illustrated the existing project site and proposed use of the site and building.



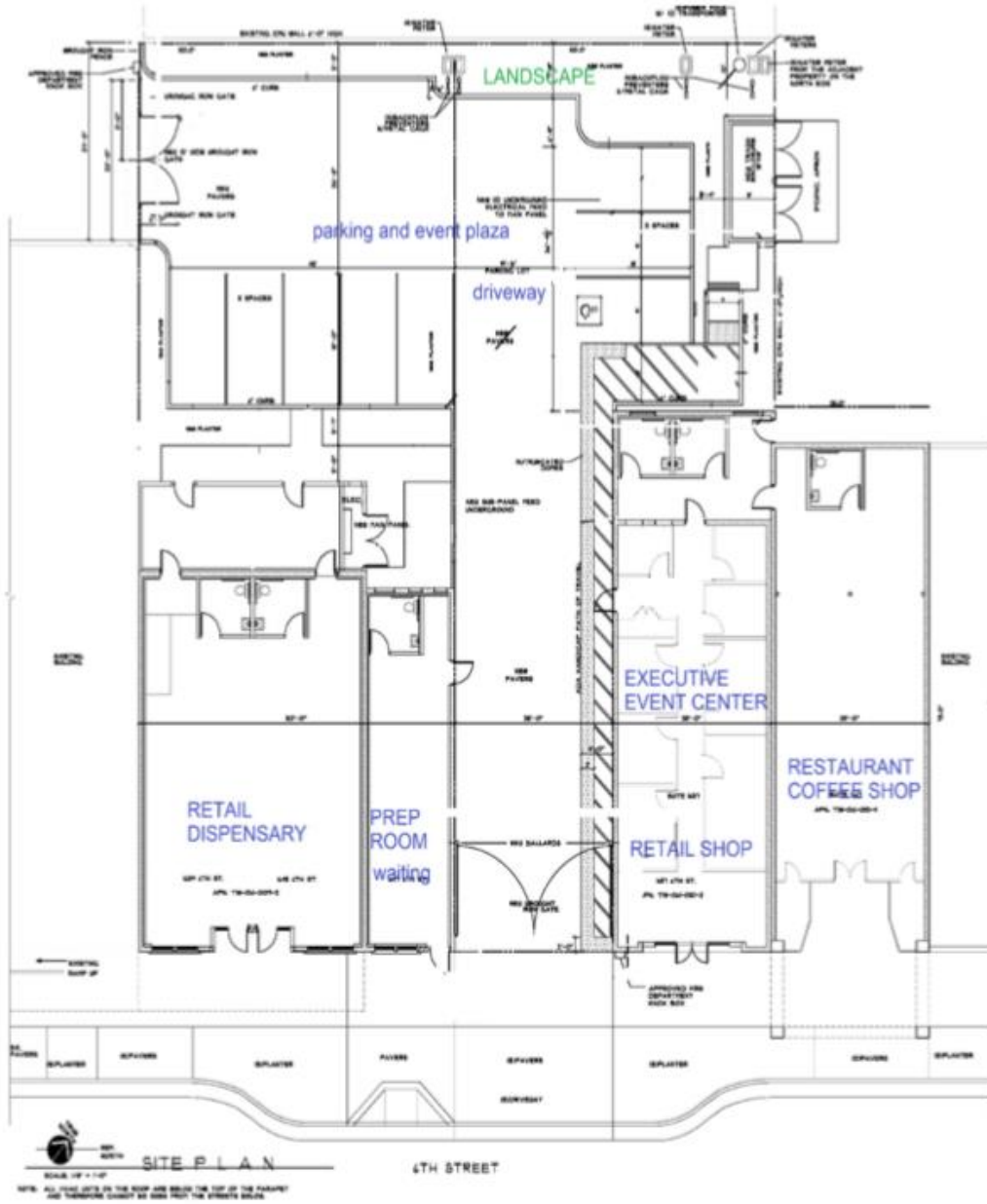
The photograph below is looking north at the existing buildings from Sixth Street. The retail cannabis business is proposed for this building.



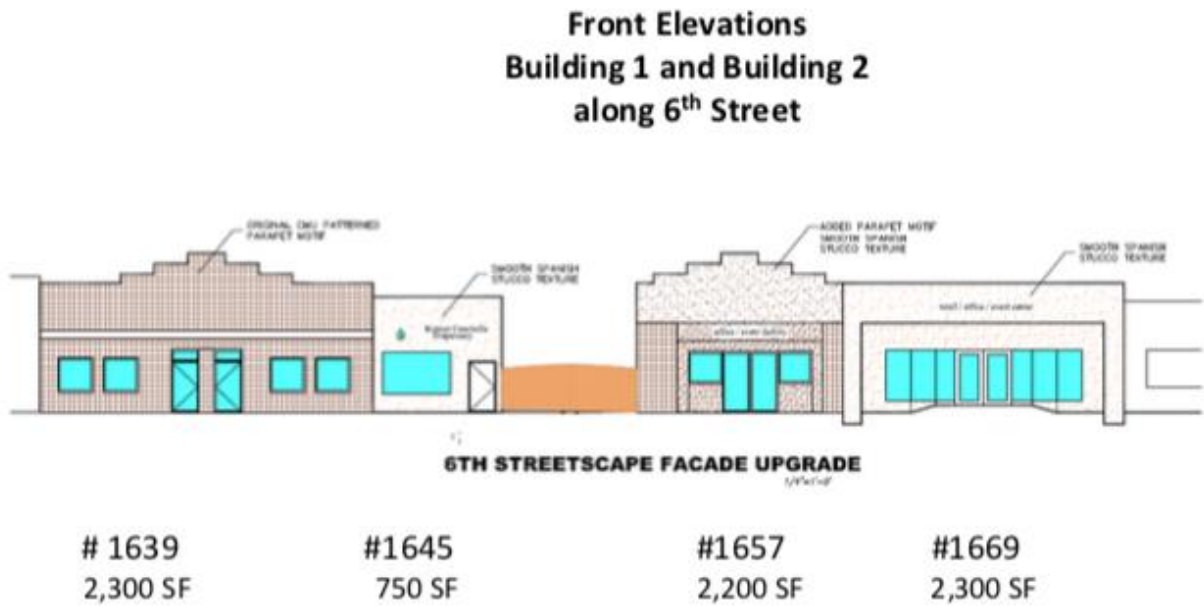
The photograph below is looking at Building #2 that is proposed for the coffee shop, art display and office/event space.





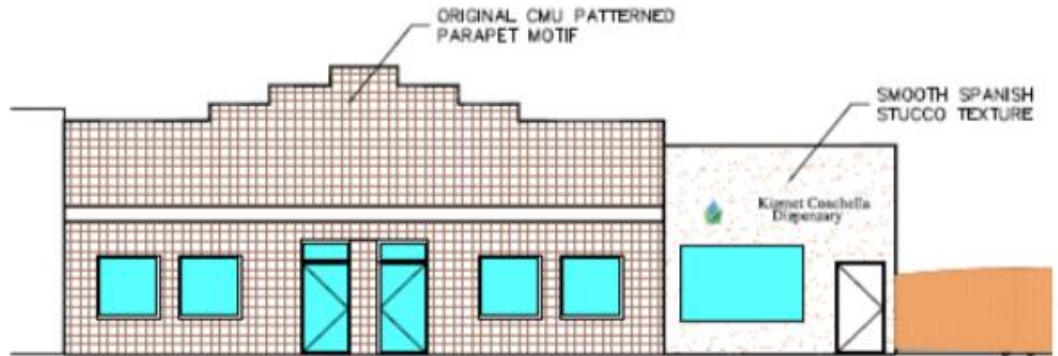


The overall project and streetscape including both buildings is illustrated below:



The dispensary is proposed for Building 1 as illustrated and described below:

**Building 1 (Dispensary)**



**Building 1 -- Dispensary**

1639 6<sup>th</sup> Street – 2,300 SF

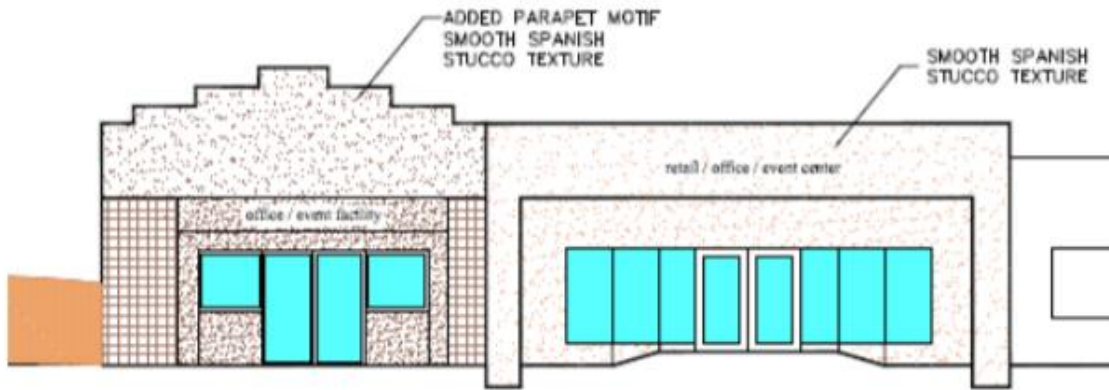
1645 6<sup>th</sup> Street – 750 SF

These two addresses are adjoining and considered one building.

Kismet has control of these two buildings in agreement with the property owner.

The proposed coffee shop, art displays and office/event space is illustrated and described below.

### Building 2 (Coffee & Art)



### Building 2 – Coffee Shop, Art Displays, & Office/Event Space

1657 6<sup>th</sup> Street – 2,200 SF

1669 6<sup>th</sup> Street – 2,300 SF

Artist renderings of the completed buildings are illustrated on the two exhibits below:







The exhibit below shows the view towards the rear of the building looking at the proposed parking lot.



The two exhibits below illustrate the interior of the cannabis dispensary.



The above exhibit illustrates the proposed coffee bar, check in reception and waiting area of the proposed cannabis dispensary.



**REQUEST FOR TIME EXTENSION:**

Pursuant to Zoning Ordinance Section 17.74.050, a conditional use that has been granted, but not exercised within one year may be renewed for three one-year time extension if an application stating reasons for renewal is filed prior to one year after the effective date of the conditional use approval. The applicant submitted a letter dated April 3, 2021 (attached) requesting a 12-month time extension for CUP 305 and Change of Zone No. 18-07, which approved the operation of Cannabis Dispensary facility. The applicants state that the time delay is in construction and correcting structural issues, lack of response from Imperial Irrigation District and have not been successful in finalizing any lease agreements.

The Planning Commission has discretion to approve time extension requests for approved CUP's and Change of Zone's where there is a justification for the delay in construction activity, and where the project continues to be in keeping with City policies and the public interest. Recently, the City Council directed staff to take hardline approach with the Retail Cannabis applicants that have not diligently pursued construction, or licensing of the approved dispensary. The compelling reason for this involves the City's loss of retail cannabis tax based due to the failure of the owners to execute the project.

**CONCLUSIONS AND RECOMMENDED ACTION:**

The applicants have had ample time to obtain permits and pursue construction diligently over the past 14 months. The justification for construction delays issues are not sufficient to allow a continued loss of taxation revenue. In fact retail cannabis businesses have been classified as "essential businesses" by the State of California in enforcing the temporary closures of public assembly and other businesses.

Based on the above discussion, staff recommends that the Planning Commission deny the request for time extension and allow the applicant to appeal that decision to the City Council. If the City Council upholds the denial, the retail cannabis business would no longer be allowed at this location.

Attachments: 1. Applicant Letter