



STAFF REPORT
7/20/2022

TO: Planning Commission

FROM: Gabriel Perez, Development Services Director

SUBJECT: American Desert LLC Multi-tenant Microbusiness Project
Variance 22-02 is proposed to allow commercial cannabis business operations at an existing 12 unit, 18,960 sq. ft. industrial office complex at 86695 Avenue 54 (APN 764-280-011) to include non-storefront retail operations that provides cannabis exclusively through delivery within five hundred (500) feet from any other storefront retail or non-storefront retail cannabis business.

EXECUTIVE SUMMARY:

The applicant, American Desert LLC, requests a variance for a 18,960 square foot, 12 unit, multi-tenant industrial building located at 86695 Avenue 54 currently approved for microbusinesses consisting of cultivation, manufacturing and distribution only, to allow for non-storefront retail delivery operations within five hundred (500) feet from any other storefront retail business.

BACKGROUND:

The above referenced application is for a 1.29 acre parcel, located at the southwest corner of Avenue 54 and Enterprise Way (86695 Avenue 54). According to Riverside County Assessor records, the existing building was constructed around 1991. Change of Zone No. 21-03 (1st Reading), CUP 342, and Variance 21-04 were approved on November 10, 2021 by the City Council to add the Industrial Park (IP) Overlay Zone and change the existing M-H (Heavy Industrial) Zone to the M-S (Manufacturing Service) Zone on the project site to allow for commercial cannabis businesses within the existing building. The variance was required to allow the IP Overlay Zone on a project area less than 10 acres, individual lot less than 5 acres, and a lot depth less than 220 feet.



The photographs below were taken from Google Earth. The first photograph illustrates the exterior elevation of the existing industrial building.



DISCUSSION/ANALYSIS

ENVIRONMENTAL SETTING

The site is 1.29 acre developed parcel zoned M-S (Manufacturing Service) and Industrial Park (IP) Overlay within the Rancho Coachella Business Park. The surrounded land uses and zoning classification include the following:

North: Multi-tenant industrial building and Avenue 54/ M-S (Manufacturing Service) Zone

South: Oraway Engineering Building/ M-H (Heavy Industrial) Zone

East: Vacant parcel/ M-H (Heavy Industrial) Zone

West: Industrial buildings/ M-H (Heavy Industrial) Zone

Project Analysis

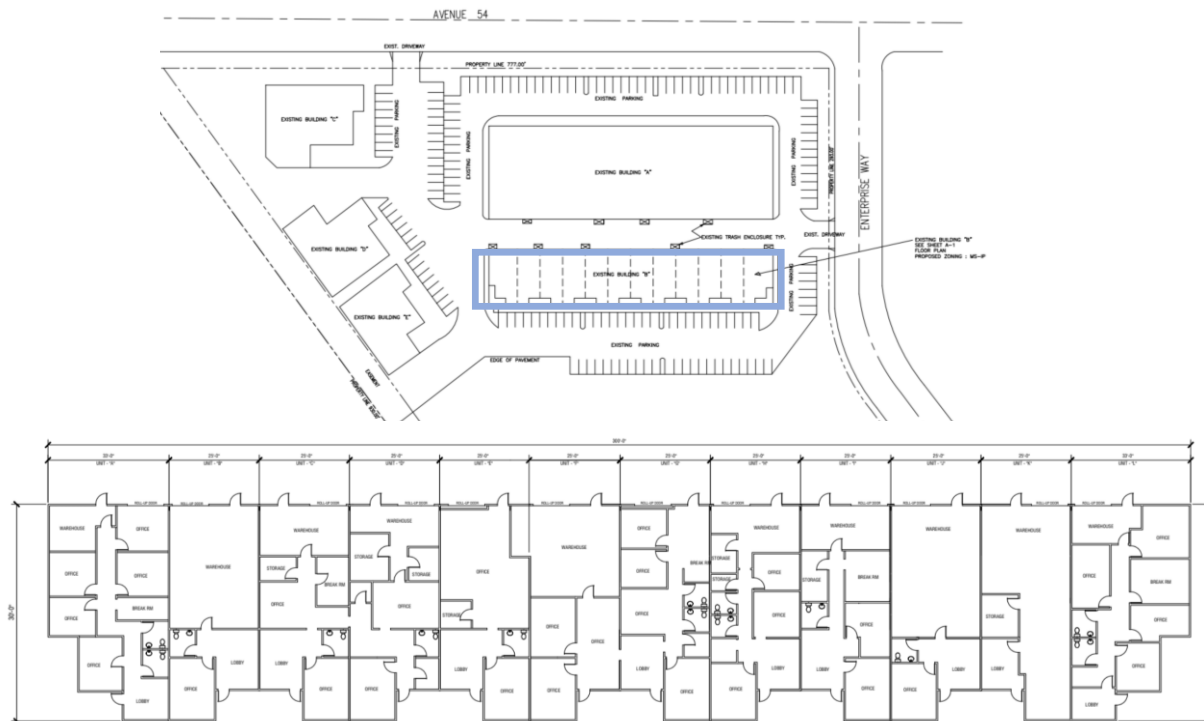
The project site is owned by American Desert LLC, which consists of an 18,960 sq. ft. multi-tenant industrial building with 12 tenant suites, each measuring approximately 1,500 square feet at 86695 Avenue 54. The applicant received City Council approval to allow multi-tenant cannabis microbusinesses to occupy suites to include activities such as cultivation, manufacturing, and distribution only, with no retail sales. Non-storefront retailer business activity for cannabis delivery is permitted.

A change of zone (CZ 21-01) to add the IP Overlay Zone and a change of the base zone from M-H to M-S Zone for the subject site was adopted by the City Council on August 25, 2021 on the

developed 1.74 acre parcel directly north of the subject site to allow for a storefront retail microbusiness, Coachella Releaf, with a Conditional Use Permit (CUP 337) in Suite H within the existing 31,600 sq. ft. multi-tenant building. The Coachella Releaf business completed tenant improvements and is currently operating in Suite H. All suites in the existing building for the subject site are within five hundred (500) feet of the Coachella Releaf business.

Section 17.84.040.b of the Zoning Ordinance requires that a non-storefront retailer providing cannabis delivery service be further than five hundred (500) feet from any other storefront retail or non-storefront retail cannabis business. The applicant requests to allow non-storefront retailer cannabis delivery services for its tenants within the existing building. The approval of a variance by the Planning Commission would be required to allow for non-storefront retail cannabis delivery. The applicant has not provided written justification for the variance other than the concern that prospective cannabis businesses would not be able to conduct retail cannabis delivery due to the 500 foot distance requirement from another existing storefront retail cannabis business.

Figure 1: Existing Site Plan



The Planning Commission is required to make variance findings (C.M.C. Chapter 17.76 Variances) to support the approval of the variance as follows:

1. That the strict application of the provisions of this chapter would result in practical difficulties or unnecessary hardships inconsistent with the general purpose and intent of the chapter;
2. That there are special circumstances applicable to the subject property such as size, shape, topography, location or surroundings, that do not apply generally to other property in the same zone and vicinity;

3. That such variance is necessary for the preservation and enjoyment of a substantial property right or use generally possessed by other property in the same zone and vicinity, but which, because of such special circumstances and practical difficulties or unnecessary hardships is denied to the property in question;
4. That the granting of such variance will not be materially detrimental to the public welfare or injurious to the property or improvements in the same zone or vicinity in which the property is located; and
5. That the granting of the variance will not adversely effect any element of the general plan.

Planning staff does not recommend approval of the variance request as the findings #1, #2 and #3 identified above could not be made. The strict application of the Zoning Ordinance does not pose an unnecessary hardship as the cannabis business regulation in the Coachella Municipal Code were in place when the Conditional Use Permit for cannabis business activity at the subject site was approved and the staff report states that the uses that could occur are cultivation, manufacturing, and distribution only, with no retail sales. Furthermore, there are no special circumstances and practical difficulties or unnecessary hardships that staff or the applicant identified that denies the property a substantial property right.

CONSISTENCY WITH THE GENERAL PLAN

The proposed variance would not be contrary to the Coachella General Plan. The subject site is within the Industrial District land use designation of the General Plan 2035 Land Use and Community Character Element. The properties in the vicinity area also in the Industrial District and the approved use is compatible with surrounding uses.

CONSISTENCY WITH ZONING

The subject site is zoned M-S (Manufacturing Service) Zone and Industrial Park (IP) Overlay Zone and is within Sub-Area #7 (South Employment District), which allows the to be applied to properties that are zoned M-S (Manufacturing Service). The IP Overlay Zone allows for Cannabis cultivation, processing, testing, manufacturing, wholesale distribution and/or retail sale with approval of a conditional use permit (CUP). The subject 1.29 acre parcel, within a 7.91 project area subdivision (Parcel Map 26716) is less than the ten acre project area minimum and less than the minimum individual 5 acre lot size required for the IP Overlay Zone, and therefore the variance approval (Variance No. 21-04) was necessary to allow the property to be rezoned to IP Overlay. Currently, the commercial cannabis activity on-site cannot include non-storefront retail cannabis delivery as Section 17.84.040.b of the Zoning Ordinance requires that a non-storefront retailer be at least five hundred (500) feet from any other storefront retail or non-storefront retail cannabis business.

ENVIRONMENTAL IMPACT CONSIDERATION

The City has determined that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301, (Class 1) Existing Facilities, of the CEQA guidelines that provides an exemption for the operation, repair, maintenance, permitting, leasing, licensing, or minor

alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use including interior or exterior alterations involving such things as interior partitions, plumbing and electrical conveyances. Variance 22-02 meets the criteria for a Section 15301, Class 1 CEQA exemption.

ALTERNATIVES:

- 1) Adopt Resolution No. PC 2022-22 denying Variance 22-02 with the findings and conditions as recommended by Staff.
- 2) Approve Variance 22-02.
- 3) Continue this item and provide staff and the applicant with direction.

RECOMMENDED ALTERNATIVE(S):

Staff recommends alternative #1.

Attachments:

1. PC Resolution No. 2022-22 for Variance No. 22-02
2. Existing Conditions Photos
3. Vicinity Map
4. Site Plan
5. Floor Plan
6. 500 foot distance map