



STAFF REPORT
7/28/2021

TO: Honorable Mayor and City Council Members

FROM: Gabriel Perez, Assistant Community Development Director

SUBJECT: Ordinance No. 1178 approving Change of Zone No. 20-04 to add the R-C (Retail Cannabis) Overlay Zone to the existing C-G (General Commercial) Zone on property located at 46-156 Dillon Road. Coachella Can, LLC (Armen Paronyan), Applicant. (*2nd Reading*).

STAFF RECOMMENDATION:

Due to the registered concerns, staff recommends that the City Council invite additional public testimony, and consider adoption of Ordinance No. 1178 approving Change of Zone No. 20-04 to add the RC (Retail Cannabis) Overlay Zone to the existing C-G (General Commercial) zone on property located at 46-156 Dillon Road.

BACKGROUND:

On May 26, 2021 the City Council continued the second reading of Ordinance No. 1178 due to correspondence received from the 29 Palms Band of Mission Indians tribal government (Tribe), attached to this staff report. Staff and the applicant have reached out to the Tribe in order to get a better understanding of the reasons for their concerns with respect to allowing the R-C (Retail Cannabis) zoning on the subject property. The Tribe did not oppose Conditional Use Permit No.'s 330 and 331 which entitled the cannabis dispensary and a take-out restaurant on the subject site. However, the zone change is a necessary entitlement for the retail cannabis business. The City Council continued the second reading of Ordinance No. 1178 from the June 23, 2021 and requested that staff obtain feedback from the Tribe regarding outstanding concerns about the proposed use.

DISCUSSION/ANALYSIS:

Staff was aware of one electronic mail correspondence submitted by the Tribe on May 11, 2021 to the City Clerk, but directed towards "Councilmember Galarza" as shown below.

From: Anthony Madrigal <amadrigal@29palmsbandmi-nan.gov>
Sent: Tuesday, May 11, 2021 6:36 PM
To: City Clerk <cityclerk@coachella.org>
Cc: BDC <BDC@29palmsbandmi-nan.gov>
Subject: Agenda Item #11 Opposition to City of Coachella Ordinance No. 1178

Good evening Councilman Galarza,

The Twenty-Nine Palms Band of Mission Indians would like to express its opposition to Ordinance No. 1178 approving Change of Zone No. 20-04 to add the R-C (Retail Cannabis) Overlay Zone to the existing C-G (General Commercial) Zone on property located at 46-156 Dillon Road. The Tribe believes that the Dillon Corridor is the gateway to the City and should not have establishments that offer cannabis products to the public in this area. Approving Ordinance No. 1178 will have an adverse impact on the Coachella Crossroads Youth Multi-Sport Event Center that the Tribe hosts nearby (less than 1,000 feet away).

Respectfully,



Anthony Madrigal | Tribal Administrator

Twenty-Nine Palms Band of Mission Indians
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The above e-mail registers a concern regarding the land use compatibility of the proposed retail cannabis business because it is in close proximity to the Coachella Crossroads Youth Multisport Event Center within 1,000 feet. There is no City of Coachella Municipal Code regulation requiring

any minimum distance between a commercial entertainment complex (i.e, spectator sports center, concert venue) to a retail cannabis business or take-out restaurant (the proposed businesses).

Additionally, the proposed dispensary will be located in the rear portion of the existing building, and will have a front-facing take-out restaurant with specialty chicken sandwiches and trimmings. The landlord has further indicated that if the dispensary is successful, he intends to build a freestanding commercial building to bring a specialty taco shop from the San Diego area to this location. As such, the appearance of the commercial property as viewed from the street, will be in keeping with the other uses in the immediate vicinity (i.e., Popeye's Chicken, Del Taco, etc.) and does not raise an incompatibility issue with the Tribal entertainment/sports complex.

Furthermore, the Tribe has not submitted any new information regarding their specific concerns, or whether there are acceptable mitigation measures that would allow them to co-exist with a commercial cannabis business in their neighborhood. Denial of the retail cannabis business zoning would be to the detriment of a bona-fide business venture that has been expected by the applicant/investors and one that is based on good-faith efforts to bring new businesses to the City of Coachella. While the CUP is a discretionary action, the Tribe did not previously register any opposition to the CUP for the dispensary.

The City Council approved the Coachella Canna Club cannabis dispensary and indoor cannabis consumption lounge project on April 28, 2021. The applicant intends to license the existing one-story commercial building tenant space for a retail cannabis business to include a 7,170 square foot retail cannabis business and consumption lounge and a commercial kitchen with take-out restaurant (Chick Next Door) along with indoor and outdoor seating.

Applicant Correspondence:

Attached to this staff report is a letter received from the applicant on June 3, 2021 outlining his counter arguments to the concerns registered by the Tribe, and the letter expresses concern over delays and a perceived lack of business-friendly demeanor by the City. There is an attachment to the letter consisting of the mailing list of all property owners within 300 feet that were notified about the public hearings for this project. Staff reached out the Tribe since the June 23, 2021 City Council meeting and has not received any further feedback about outstanding concerns regarding the proposed use.

ALTERNATIVES:

- 1) Adopt Ordinance No. 1178 approving Change of Zone No. 20-04.
- 2) Deny Ordinance No. 1178 with findings.
- 3) Continue this matter and provide staff with direction.

FISCAL IMPACT:

There are no fiscal impacts associated with this action in that it merely creates the proper zoning to allow the operation of a retail cannabis dispensary on the subject site, subject to the conditions of approval previously imposed on the business through Conditional Use Permit No. 330.

RECOMMENDED ALTERNATIVE(S):

Staff recommends Alternative #1 above.

Attachments: Ordinance No. 1178 - 2nd Reading
Applicant's Letter of June 3, 2021
300-ft Radius Property Owner Mailing Labels