



STAFF REPORT
11/18/2020

TO: Planning Commission Chair and Commissioners

FROM: Juan Carrillo, Associate Planner

SUBJECT: Conditional Use Permit (CUP 335 to allow a 225 square foot Non-Storefront Retail Cannabis business to be located within an existing building in the M-W (Wrecking Yard) zone located at 48-050 Harrison Street, Suite No. 2 (APN: 603-290-001); Kyle Friend (dba: Kismet Organic), Applicant.

STAFF RECOMMENDATION:

Staff recommends that the Planning Commission acknowledge a Class 3 CEQA Exemption for the project and approve Conditional Use Permit No. 335 with the findings and conditions contained in this Staff Report.

BACKGROUND:

EnterTextHere The applicant submitted an application for a Conditional Use Permit on September 28, 2020 requesting to establish a 225 square foot Non-Storefront Retail Cannabis delivery use. The subject property is entitled for a medical cannabis cultivation facility. The entitled project includes approximately 89,402 square feet of floor area that will be developed over two phases and currently under construction.

DISCUSSION/ANALYSIS:

The applicant, Mr. Kyle Friend (dba: Kismet Organic) has submitted an application for Conditional Use Permit to establish a 225 square-foot non-storefront retail cannabis microbusiness to include delivery-only retail cannabis sales of cannabis products within an existing building in the M-W (Wrecking Yard) zone.

On May 13, 2020, the City Council of the City of Coachella adopted Ordinance No. 1161 and Ordinance No. 1162 setting zoning regulations for non-storefront retailers, and non-storefront retail microbusinesses in the various commercial and industrial zoning districts of the city (Ordinance No. 1161); and amendments to the City's cannabis regulatory permitting regulations for commercial cannabis uses including non-storefront cannabis retailers, and non-storefront retail cannabis microbusinesses (Ordinance No. 1162). Non-storefront cannabis retailers are defined by both ordinances as a commercial cannabis retailer that provides cannabis products **exclusively through delivery**. Like the name implies, these businesses do not have a retail storefront that is open to the public. Rather, the business will obtain cannabis and cannabis products, secure the

merchandise on site, and then deliver it to the customer's address. There will be no customer traffic at the proposed business location.

Environmental Setting:

The subject project is proposed to be located within a one-story building located at the southeast side of Avenue 48 and Harrison Street. The subject site is substantially flat, and is substantially surrounded by urban uses which include other cannabis related uses, with adjoining zoning and land uses as follows:

North: Vacant industrial land (entitled for cannabis related uses), / M-W, (Wrecking Yard)

South: Vacant industrial land (entitled for cannabis related uses), / M-W, (Wrecking Yard)

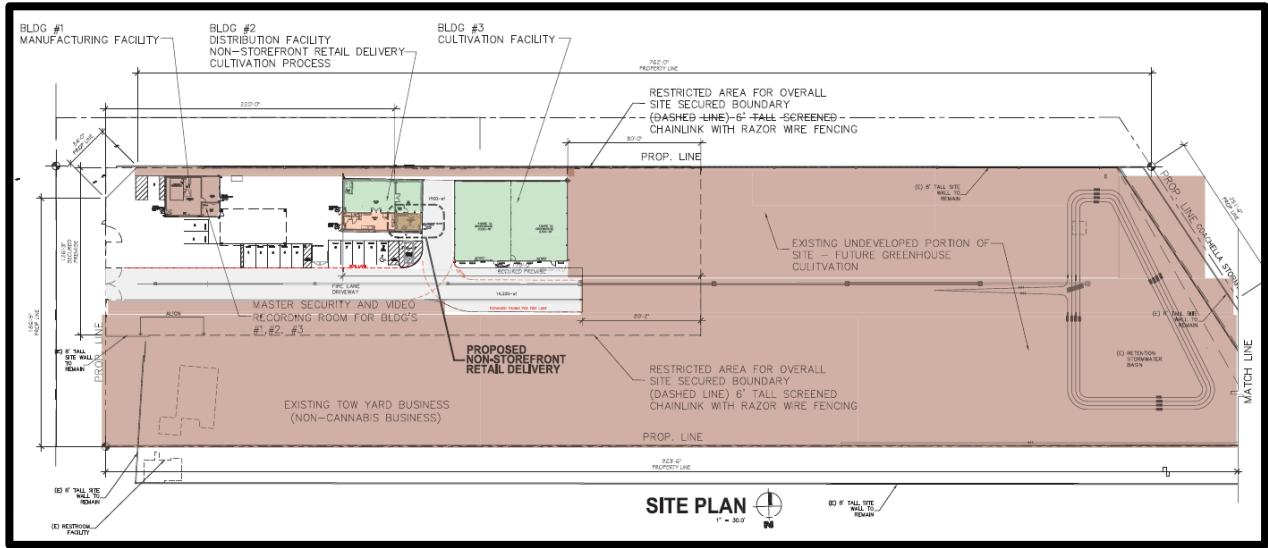
East: Whitewater Channel and Expressway 86

West: Existing cannabis related uses, M-W, (Wrecking Yard)

The aerial map and site photographs below show the existing conditions on the site.



Site Plan Exhibit:

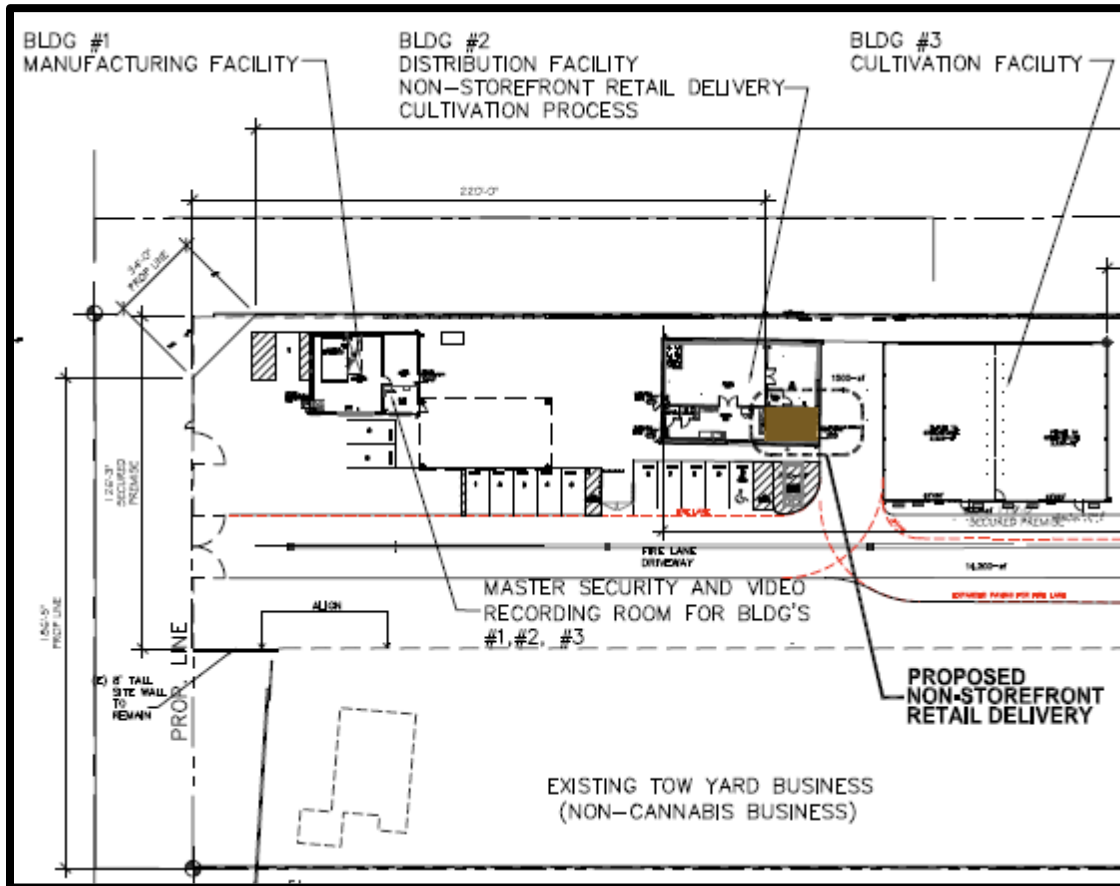


Site Layout/ Parking;

The existing building where the use is proposed is shown below and it is currently being used for cannabis related uses as approved previously. As explained before, 225 square feet of the building are being proposed for the non-storefront retail cannabis delivery use within this building below.



The site plan and floor plan submitted for this application show that the proposed use will be in a suite located on the ground floor within a suite consisting of 225 square feet. The proposed non-storefront retail cannabis microbusiness to include delivery-only retail sales of cannabis products would operate between the hours of 10:00 am and 10:00 pm Monday through Sunday. The subject site was an older industrial development with approximately 13 parking spaces with additional on-street parking.

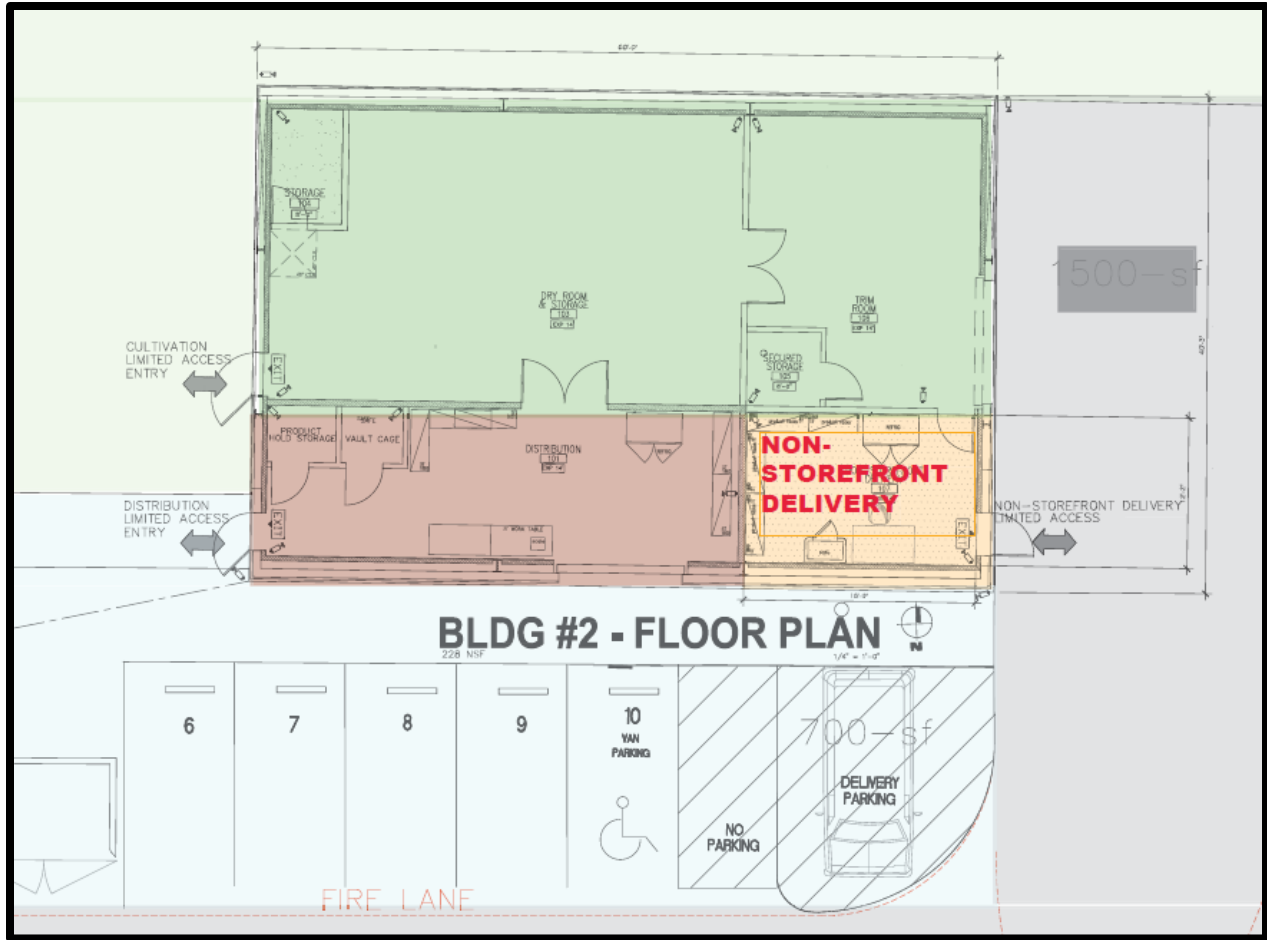


Development Standards

Non-storefront retailers are subject to three property development standards:

- A minimum of one hundred (100) feet separation from any residential structure;
- Be at least five hundred (500) feet from any other storefront retail or non-storefront retail cannabis business; and
- May not be located in the City’s Pueblo Viejo District.

The proposed use meets all three-development standard noted above.



Overall Building - Ground Floor Plan.

Off-Street Parking:

Chapter 17.54 of the Coachella Municipal Code includes a minimum requirement of off-street parking for commercial and retail uses that requires *“One parking space for each 250 square feet of floor area”*. The existing commercial and office use building is an older development with approximately 13 parking spaces and additional on-street parking. The proposed business would operate similar to a dispatch office where office personnel would schedule deliveries. The space in the rear will include small-scale assembly and a space for the distribution office (this is needed mostly for addressing purposes). The subject site has 13 available parking spaces on the site which is more than adequate for the business. The owner proposes to have two delivery vehicles parked on the site in addition to employee parking.

ENVIRONMENTAL REVIEW:

The City of Coachella has determined that the proposed project is categorically exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act as a *“Conversion of Small Structures”* project (CEQA Guidelines, Section 15303). The proposed building for the non-storefront retail cannabis microbusiness was previously entitled for cannabis

cultivation uses (CUP No. 278 and AR No. 17-02). The proposed 225 square foot space that will be converted into a non-storefront retail cannabis (delivery-only) microbusiness is within an existing building with no changes to the exterior. The existing building for the proposed use is substantially surrounded by urban uses, including other cannabis cultivation facilities. The proposed use does not involve substantial quantities of hazardous materials.

CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis contained herein and the findings listed below, staff is recommending that the Planning Commission approve Conditional Use Permit No. 335 with the findings and conditions listed below.

ALTERNATIVES:

1. Acknowledge that the project is exempt from environmental review as a Class 3 Exemption, and Approve Conditional Use Permit No. 335 with the findings and conditions contained in the staff report.
3. Continue Conditional Use Permit No. 335 and provide staff direction.
4. Make findings and Deny Conditional Use Permit No. 335.

FINDINGS OF APPROVAL FOR CONDITIONAL USE PERMIT NO. 335:

1. The proposed use will not be in conflict with, but will be in harmony with and in accordance with the objectives of the general plan because the proposed non-storefront retail cannabis microbusiness to include delivery-only retail sales of cannabis products use is within the Neighborhood Center land use designation according to the General Plan 2035, which allows primarily neighborhood-serving commercial uses and high density residential uses. The proposed uses will serve the Commercial Cannabis Cultivation businesses in the nearby industrial districts of the City and can also provide delivery services for the cannabis industry. Additionally, the proposed use will be compatible with the vicinity in that it is similar to other cannabis uses.
2. The proposed use will be located, designed, constructed, operated and maintained so as to be compatible with the existing character of the general vicinity and shall not change the essential character of the same area because the proposed project is within a zoning designation of 'M-W' (Wrecking Yard) which permits non-storefront retail cannabis microbusiness to include delivery-only retail sales, of cannabis products are allowed with the approval of a conditional use permit. The proposed use is located on a cannabis cultivation site that is compatible with the adjoining industrial uses and the conditional use permit can be revoked if any of the conditions of approval are violated.
3. Consideration has been given to harmony in scale, bulk, coverage and density, of the proposed non-storefront retail cannabis microbusiness to include delivery-only retail sales of cannabis products use upon the existing industrial uses, to the generation of traffic and the capacity of surrounding streets, and to any other relevant impact of the development. The proposed

building was designed to be in keeping with the urban design goals of the General Plan which seeks to provide cannabis uses. The project does not propose any new construction, except for tenant improvements, which may trigger minor ADA upgrades to the parking stalls and sidewalk ramps.

4. Where the proposed use may be potentially hazardous or disturbing to existing or reasonably expected neighboring uses, it must be justified by the common public interest as a benefit to the community as a whole. As conditioned, the proposed non-storefront retail cannabis delivery will operate during daytime hours only, and would not create any noise, traffic or odors to adjoining uses. Additionally, the project will have adequate parking to serve the needs of its patrons. The minor use of hazardous materials will be regulated by the Fire Marshal and Building Official as part of the required tenant improvements for the proposed use
5. The proposed use will provide vehicular approaches to the property designed for reasonable minimal interference with traffic on surrounding public streets or roads. The proposed non-storefront retail cannabis microbusiness to include delivery-only retail sales of cannabis products will serve a need to local businesses and will be within close proximity to its patrons in the City and neighboring areas of the Coachella Valley, and future retail cannabis businesses in the City's commercial and industrial zoning districts.
6. The City of Coachella has determined that the proposed project is categorically exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act as a "Conversion of Small Structures" project (CEQA Guidelines, Section 15303). The proposed building for the non-storefront retail cannabis microbusiness was previously entitled for cannabis cultivation uses (CUP No. 278 and AR No. 17-02). The proposed 225 square foot space that will be converted into a non-storefront retail cannabis (delivery-only) microbusiness is within an existing building with no changes to the exterior. The existing building for the proposed use is substantially surrounded by urban uses, including other cannabis cultivation facilities. The proposed use does not involve substantial quantities of hazardous materials.

CONDITIONS OF APPROVAL FOR CONDITIONAL USE PERMIT NO. 335:

1. Conditional Use Permit No. 335 is approved for a 225 square-foot non-storefront retail cannabis microbusiness to include delivery-only retail sales, and non-volatile manufacturing (light mechanical extraction) of cannabis products within an existing building as shown on the submitted plans and shall be effective for a one-year period unless an extension of time is requested by the applicant and granted by the Planning Commission. A building permit for the tenant improvements, diligent pursuit of construction, and establishment of the use shall vest the conditional use permit. Violation of any of the conditions of approval shall be cause for revocation of the Conditional Use Permit.
2. The hours of operation for the 225 square-foot non-storefront retail cannabis microbusiness may be from 10:00 am to 10:00 pm Monday through Sunday.
3. Prior to the issuance of a business license, the applicant shall apply for, and obtain, a Cannabis Regulatory Permit (CRP) from the City of Coachella. The CRP shall include, and

the applicant shall agree to, the payment of a six percent (6%) cannabis excise tax based on gross receipts for cannabis gross receipts generated from the business, pursuant to Section 4.31.010 of the Coachella Municipal Code.

4. The applicant shall comply with all plan check corrections from the Building Official and Fire Marshal and secure permits from both agencies for the tenant improvements for non-storefront retail and small-scale manufacturing cannabis uses.
5. The applicant shall provide a conforming ADA Parking stall and “path of travel” from parking stall to the main entry of the business per ADA requirement.
6. The applicant shall coordinate with the City’s public works inspector to inspect for possible needed repairs to any damaged curb, gutter or sidewalk present along Cesar Chavez Street fronting the subject tenant space and building.
7. The applicant shall consult with the Coachella Water Authority to verify compliance with City standards regarding Backflow devices; Reduced Pressure Principle Device (RP) within 12 inches of water service, Above-Ground “Double Check Detector Assembly” DCDA for fire system, and proper metering to the tenant space.
8. Prior to final approval of the tenant improvement permits, the applicant shall submit written proof of having obtained permits and final inspection approval from the Valley Sanitary District for the proposed non-volatile manufacturing (light mechanical extraction) of cannabis products.
9. The proposed drying room shall be subject to the requirements of CBC 417.
10. The operator shall submit detailed plumbing and mechanical plans.
11. The operator shall submit a source control survey.
12. The operator shall submit a Spill Response and Prevention Plan.
13. The operator shall submit disposal methods for spent residual of plant material and solvents.
14. The operator shall submit Safety Data Sheets for all chemicals used in extraction/manufacturing process.