



STAFF REPORT 11/19/2025

TO: Planning Commission Chair and Commissioners

FROM: Anahi Fernandez, Management Analyst

SUBJECT: Resolution No. PC2025-19: Request for Conditional Approval of the Conditional Use Permit (Modification) application for Las Damas retail cannabis business and lounge to modify the existing use from a retail cannabis microbusiness with an indoor lounge to cannabis retail only with an indoor consumption lounge at 85995 Grapefruit Blvd. and determining that the proposed project is categorically exempt from environmental review pursuant to Section 15301 (Existing Facilities) of the California Environmental Quality Act (CEQA) Guidelines. Applicant: Las Damas, LLC.

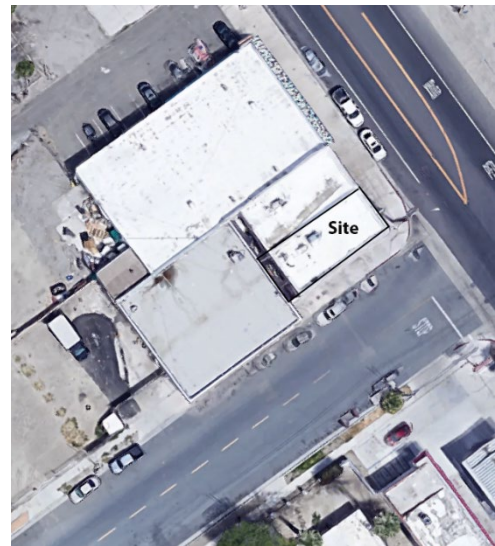
STAFF RECOMMENDATION:

Staff recommends that the Planning Commission approve Resolution No. PC2025-19 approving Conditional Use Permit (CUP) No. 298 Modification modifying the existing use from a retail cannabis microbusiness and indoor cannabis lounge to a cannabis retail business and indoor cannabis lounge, removing cannabis manufacturing and distribution.

BACKGROUND:

The above referenced application is proposed in an existing commercial building at the NW corner of Grapefruit Blvd and 7th Street as illustrated on the aerial photograph.

On November 13, 2019, the City Council approved CUP No. 298 to convert an existing commercial tenant space into a retail cannabis microbusiness that included storefront retail, distribution, manufacturing, and an indoor cannabis lounge. The tenant space has been unoccupied since March 6, 2025. The new tenant is modifying the current use of the site to only include cannabis retail and an indoor cannabis lounge, removing manufacturing and distribution uses.



The photograph below is the existing building from Grapefruit Blvd. The cannabis retail business will be on the left side of the building and the existing Coachella Bar is located on the right side. There is no interior or exterior access between the two uses.



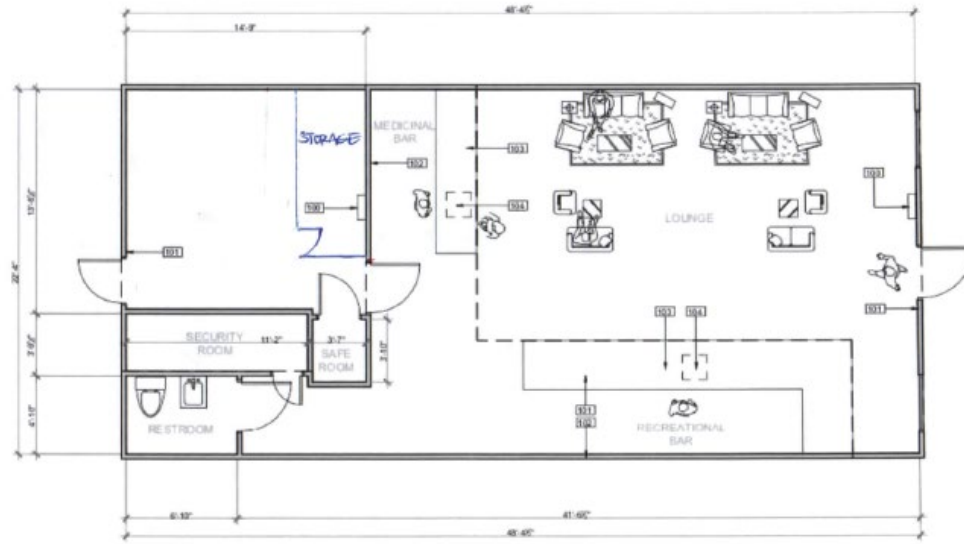
The photograph below is looking at the side of the building from 7th Street.



Overview of the Las Damas, LLC Retail Cannabis Business (CUP 298 MOD)

The project proposes a retail cannabis business consisting of the following uses as shown on the floor plan below:

- Approximately 400 square feet of retail cannabis showroom display.
- Approximately 455 square feet as an indoor cannabis lounge that includes on-site consumption of cannabis products.
- Approximately 265 square feet for office and receiving space.



SQUARE FOOTAGE	
RETAIL	439 S.F.
LOUNGE	235 S.F.
SUPPORT	254 S.F.
TOTAL	1,328 S.F.

DISCUSSION/ANALYSIS:

Conditions of approval for Conditional Use Permit No. 298 require new awnings above the windows and new signage satisfactory to the Development Services Director. These requirements will remain as part of CUP No. 298 modification.

GENERAL PLAN, ZONING, AND SURROUNDING EXISTING USE

	General Plan 2035	Zoning	Existing Use
Site:	Downtown Center	Downtown (DT-PV)	Commercial
North:	Urban Employment	Urban Employment (U-E)	Commercial
South:	Downtown Center	Downtown (DT-PV)	Commercial
East:	Urban Employment	Urban Employment (U-E)	Commercial
West:	Downtown Center	Downtown (DT-PV)	Commercial

PROPOSED FINDINGS:

Conditional Use Permit (Modification)

Pursuant to Coachella Municipal Code Sections 17.74 and 17.84.030, Conditional Uses and Retail Cannabis Businesses, changes in state license type, business owner, or operation will require an amendment to the approved conditional use permit and must be reviewed and approved by the Planning Commission. The Planning Commission must make the following findings for Conditional Use Permit modification approval:

1. The Conditional Use Permit is consistent with the goals, objectives, policies, and implementation measures of the Coachella General Plan 2035.

The proposed project is within the Downtown Center land use designation of the General Plan 2035 Land Use Element. The project is consistent with the development intensity permitted by the Downtown Center land use category. The Downtown Center allows for a mixed use of commercial, civic, and residential uses, providing spaces for gatherings and unique local goods.

2. The project is in compliance with the applicable land use regulations and development standards of the City's Zoning Code.

The project is consistent with the land use regulations and development standards of the City's Zoning Code. The site plans proposes a cannabis retail business including an indoor consumption lounge where cannabis products will be sold and consumed. The Project complies with applicable DT-PV (Downtown) zoning standards as proposed.

3. The proposed project is consistent with the City's Design Guidelines.

The proposed project is so arranged as to avoid traffic congestion, ensure the protection of public health, safety and general welfare, prevent adverse effects on neighboring property and shall be in accord with all elements of the general plan. The project site is within the Downtown Center land use designation of the City's General Plan. This category provides a broad spectrum of commercial and residential land uses. The proposed uses are compatible with existing adjacent land uses.

4. The project will be compatible with neighboring properties with respect to land development patterns and application of architectural treatments.

The plans submitted for this project propose no significant changes to the exterior of the building. The building consists of a neutral color palette with variations of tan and white which is consistent with neighboring commercial properties.

ENVIRONMENTAL REVIEW:

The City of Coachella, as Lead Agency, has reviewed the Project pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, outlining the three-step process for determining which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, which provides procedures for determining if a project is exempt from CEQA. It can be seen with certainty that implementing the Project would not cause a significant adverse effect on the environment because the Project will not expand the existing use. The site is consistent with the City of Coachella's General Plan land use and zoning designation, and can be adequately served by existing utilities and public services. Therefore, the project is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15301 – Existing Facilities. Further, there is no substantial evidence indicating that any of the exceptions set forth in CEQA Guidelines Section 15300.2 – Exceptions apply to the project.

PUBLIC HEARING NOTICE:

A public hearing notice for the Project was published in the Desert Sun, the newspaper of record, on November 9, 2025, and a public hearing notice was mailed to property owners within a radius of 300 feet of the subject property on November 5, 2025, pursuant to Section 17.70.050(F) of the Coachella Municipal Code. At the time of issuance of this staff report, staff had not received public comments on this application.

ALTERNATIVES:

- 1) Approve Resolution No. PC 2025-19 Conditional Use Permit No. 298 (Modification) with the findings and conditions as recommended by Staff.
- 2) Approve Resolution No. PC 2025-19 Conditional Use Permit No. 298 (Modification) with modification to the proposed findings and conditions as recommended by Staff.
- 3) Deny Conditional Use Permit No. 298 (Modification).
- 4) Continue these items and provide staff and the applicant with direction.

RECOMMENDED ALTERNATIVE(S):

Staff recommends Alternative #1.

Attachments:

1. Resolution No. PC 2025-19 for CUP No. 298 (MOD)
Exhibit A: Conditions of Approval for CUP No. 298 (MOD)
Exhibit B: Floor Plan
2. Site Photos