



**STAFF REPORT**  
**10/16/2019**

**TO:** Planning Commission Chair and Commissioners  
**FROM:** Luis Lopez, Development Services Director  
**SUBJECT:** Coachella Smoke Retail Cannabis Microbusiness

- a. Change of Zone 18-02 to add the RC (Retail Cannabis) overlay zone to the existing C-G (General Commercial) zone for the proposed retail cannabis microbusiness at the northwest corner of Grapefruit Boulevard and 7<sup>th</sup> Street.
- b. Conditional Use Permit (CUP 298) to convert an existing commercial tenant space into a retail cannabis microbusiness to include: 400 square feet of retail cannabis showroom display; 265 square feet for cannabis distribution and manufacturing uses; and 455 square feet for an indoor cannabis lounge that includes on-site consumption of cannabis products at 85-995 Grapefruit Boulevard, Suite #1, Coachella, California.

---

**STAFF RECOMMENDATION:**

Staff recommends that the Planning Commission adopt the following resolutions for the Coachella Smoke retail cannabis microbusiness, CUP 298 and CZ 18-02.

- 1) Resolution No. 2019-25 recommending to the City Council approval of Conditional Use Permit No. 298 to convert an existing commercial tenant space into a retail cannabis microbusiness that includes: 400 square feet of retail cannabis showroom display; 265 square feet for cannabis distribution and manufacturing uses; and 455 square feet for an indoor cannabis lounge that includes on-site consumption of cannabis products
- 2) Resolution No. 2019-26 recommending to the City Council approval of Change of Zone No. 18-02 that proposes to add the RC (Retail Cannabis) overlay zone to the existing C-G (General Commercial) zone.

**BACKGROUND:**

The above referenced applications are proposed in an existing commercial building at the NW corner of Grapefruit Blvd and 7<sup>th</sup> Street as illustrated on the following aerial photograph:



The photograph below is looking at the existing building from Grapefruit Blvd. The cannabis microbusiness 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 7<sup>th</sup> Street. Note that the door on the left side of the building is used for deliveries for the proposed retail microbusiness.



### **History of the Existing Building**

According to information obtained from Riverside County, the lot was recorded on June 1, 1902 and the building was constructed in 1912. It is one of the oldest buildings in Coachella and based on the photograph below was once a drug store, while the site of Coachella Bar at one time was a bank.



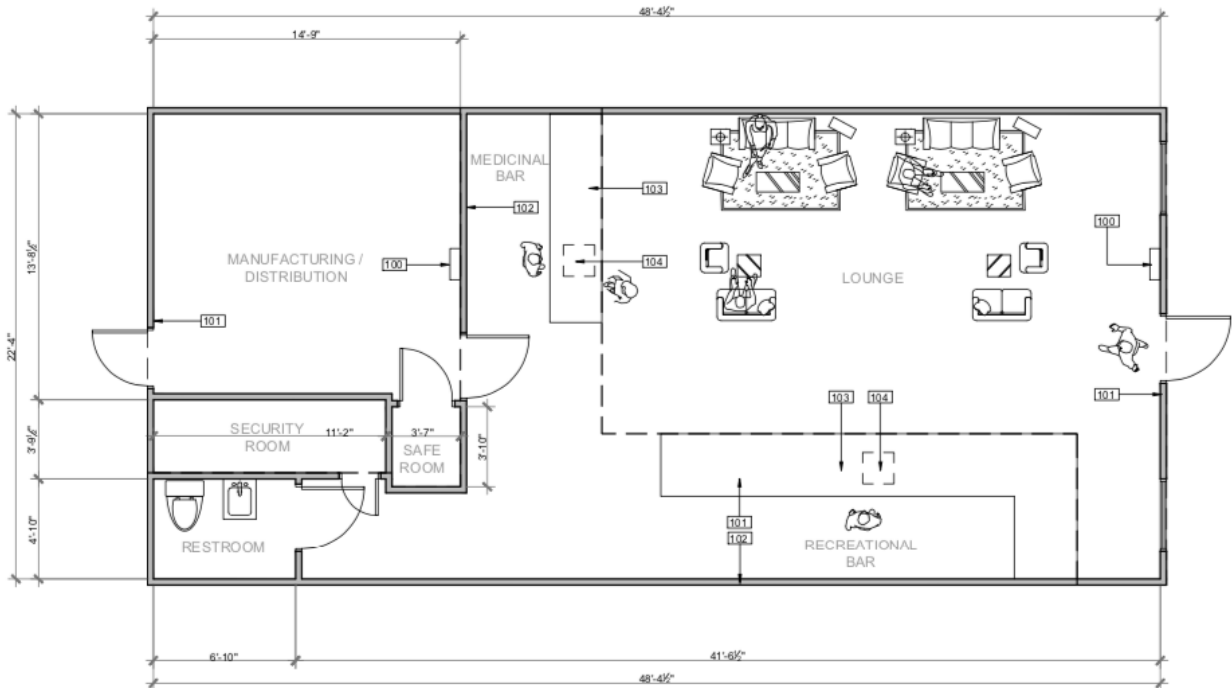
Staff has reviewed the building permits that have been issued for the property (see attachment 4) The first record of a building permit was issued on September 10, 1970 to the El Charrito Café for a plastic sign. On June 9, 1976 a permit was issued for a reroof for the Las Flores Restaurant. Based on the permit history, it appears that Las Flores Restaurant operated in the building until January 2015 when it was shut down by the Riverside County Health Department for health code violations because it did not meet the minimum “C” rating.

Additional building permits were issued in December 2017 for the wall sign that exists on the front of the building. No building permits have been issued since December 2017.

**Overview of the Coachella Smoke Microbusiness (CUP 298)**

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

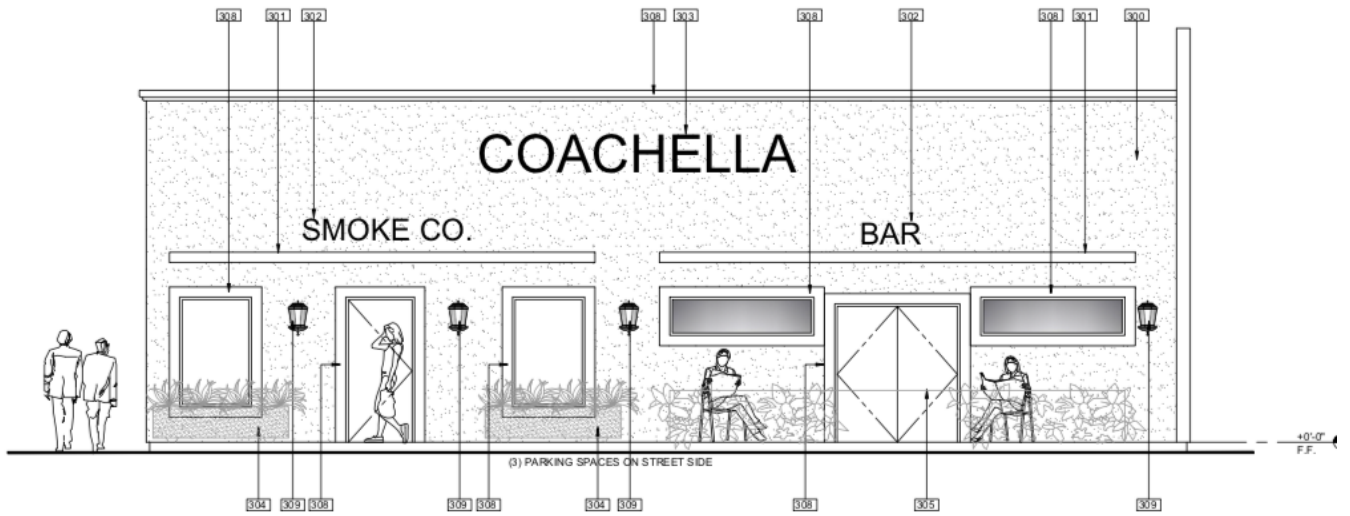
- . Approximately 400 square feet of retail cannabis showroom display
- . Approximately 265 square feet for distribution and manufacturing that includes packaging and labeling. No extraction is proposed and no chemicals will be used.
- . Approximately 455 square feet as an indoor cannabis lounge that includes on-site consumption of cannabis products.



SQUARE FOOTAGE	
RETAIL	401 S.F.
LOUNGE	455 S.F.
SUPPORT	264 S.F.
TOTAL	1,120 S.F.

As seen from the exhibit below, the Applicant is proposing the following modifications to the outside of the building:

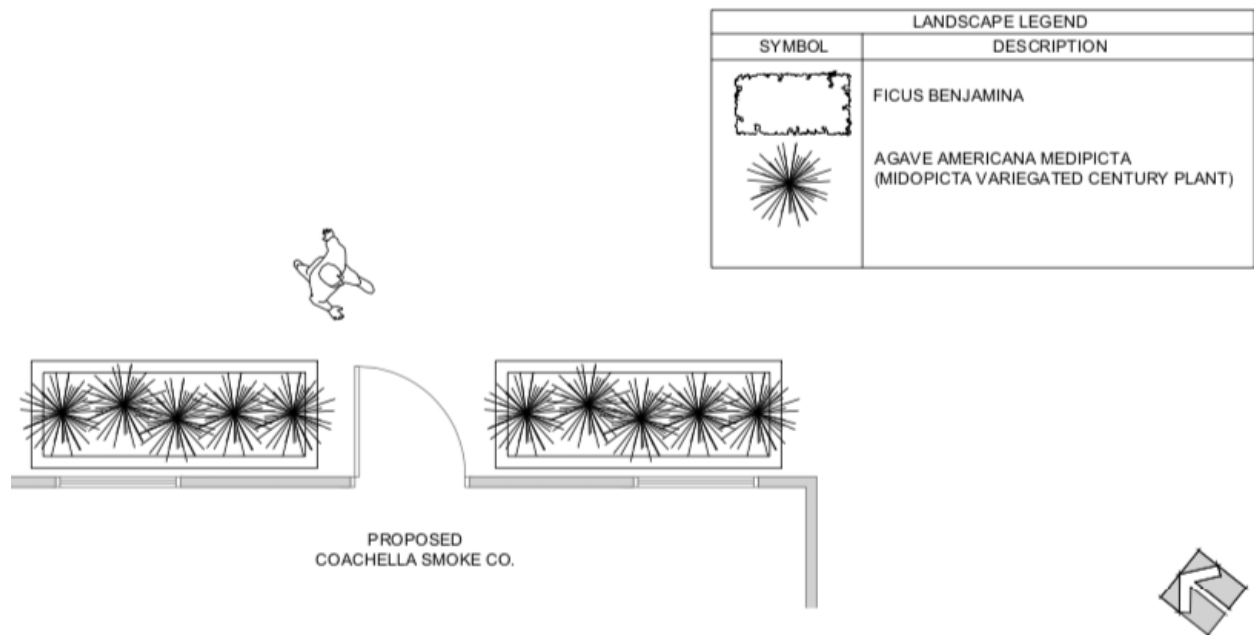
- New light beige smooth plaster on the front and south side of the building
- New windows and front door
- New awnings, new brown trim, signage and lighting
- Removal of the existing bars on the windows and doors
- New public art as illuminated “City Sign” on the south side of the building as illustrated on the exhibit below.
- Removal of existing attached wall sign that is perpendicular to the building
- Lowering of existing railing in front of Coachella Bar business
- New raised planters under the two windows



# KEYNOTES

- [300] 7/8" 3 COAT STUCCO - SMOOTH FINISH
- [301] NEW METAL AWNING
- [302] NEW SIGN
- [303] EXISTING SIGN
- [304] NEW PLANTER
- [305] EXISTING RAILING
- [306] MURAL APPROVAL IN PROCESS
- [307] PARKING ON STREETSIDE
- [308] NEW FOAM TRIM
- [309] NEW DECORATIVE EXTERIOR LIGHT FIXTURE

The new raised landscaped planters proposed at the front of the building are illustrated on the following exhibit.



**Proposed 5' x 36' ft. public art illuminated City Sign on 7<sup>th</sup> Street building wall**



**Proposed Awnings**

The Applicant is proposing awnings over the two front windows as illustrated below:



**DISCUSSION/ANALYSIS:**

**Environmental Setting:**

The site is designated as being within the Downtown Center on the 2035 Coachella General Plan as illustrated on the exhibit to the right.



The project site is zoned General Commercial (C-G) as illustrated on the exhibit to the left. Surrounding properties to the north, south and west are zoned C-G (General Commercial), while land to the east across Grapefruit Blvd is zoned M-S, Manufacturing Service.

Surrounding land uses to the north, south, east and west of the site consist of commercial land uses. The Union Pacific Railroad right-of-way is on the east side of Grapefruit Boulevard.

**Consistency with the Coachella General Plan**

The proposed project is within the “Downtown Center” land use designation of the General Plan 2035 Land Use Element which encourages very high-density residential uses mixed with commercial uses on the ground floor, in an urban environment. The project is consistent with the development intensity permitted by the Downtown Center land use category as the property is



largely covered with commercial buildings and is oriented towards the pedestrian/sidewalk environment.

### **Consistency with the (C-G) General Commercial Zone**

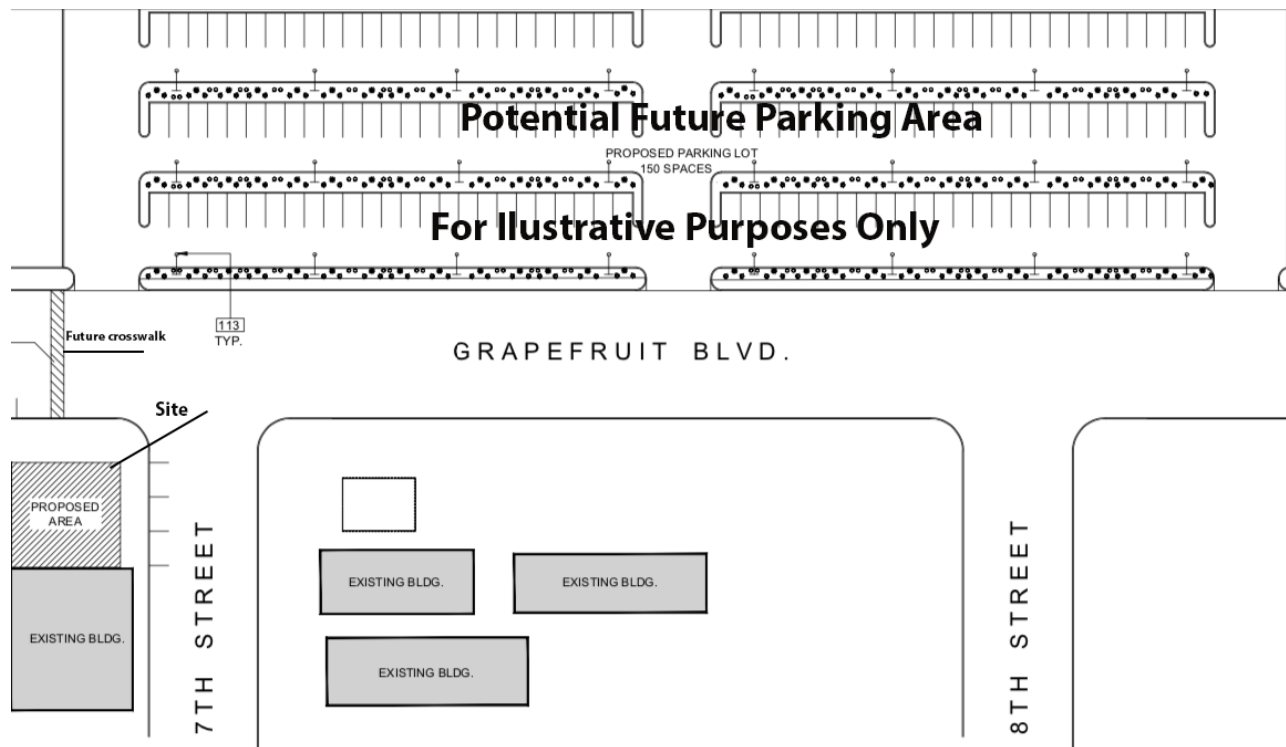
The parcel in question was created in 1902 within the jurisdiction of Riverside County, 44 years before the City incorporated in December 1946. The existing building proposed for the cannabis microbusiness measures 22 feet wide and is 41 feet long with a total square footage of 931 square feet.

As stated previously, the building was constructed in 1912, before the current development standards of the General Commercial (C-G) zone were enacted by the City of Coachella.

Because the building was constructed before the General Commercial (C-G) zoning standards were established within the City of Coachella, it does not meet the current standards for minimum lot width, minimum side yard setback, nor does the project meet the requirement for a 15 foot front yard setback, as the building was constructed on the front and side yard property lines.

### **Consistency with Section 17.54.010 Parking and Landscaping Requirements**

The total square footage of the proposed microbusiness is 1120 square feet. Based on the Municipal Code, a total of 4.5 spaces would be required. As mentioned earlier in the staff report, the building was constructed in 1912 and does not include any off-street parking. The Applicant has a signed lease with UP Railroad for property located across Grapefruit Blvd, which at one time was proposed for parking for the Coachella Smoke Project. However, the City has concerns with parking at this location because future patrons would be required to cross Grapefruit Blvd. at an un-signalized intersection. An illustration of the proposed parking area is provided below for illustrative purposes only:



The Planning Department has retained a consultant that is currently conducting a block by block assessment of downtown parking needs based on current land uses and build out anticipated by the General Plan as well as the Pueblo Viejo Plan. This study will lead to overall parking recommendations for the downtown area. As stated previously, based on the size of this lot and the size of the existing building, it would be impossible for any proposed retail use to provide the required number of parking spaces.

Section J of Section 17.54.010 specifies the landscaping requirements for projects within the City. Because the lot was created and the building constructed before these standards were in existence it is impossible for the proposed project to meet the requirements of this section. Section J4 of Section 17.54.010 requires that internal landscaping equal a minimum 5% of the parking areas. Since no off-street parking is proposed, the project cannot meet this requirement.

The Applicant is proposing raised planters at the front of the building.

The project is within the Urban Greening Corridor that will be constructed along Grapefruit Blvd as illustrated on the exhibit below that will add greenery to Grapefruit Blvd.



The Planning Department considers the existing building a non-conforming use and as such, the Director has the discretion of allowing the proposed uses to proceed without adherence to the above reference specific zoning standards.

Furthermore, the existing building will be brought up to all current building codes prior to the issuance of a certificate of occupancy.

#### **Consistency with Section 17.47: RC Retail Cannabis Overlay Zone**

The proposed project is within Sub-Zone 1 as identified within Chapter 17.47 of the Municipal Code. The project meets the property development standards as identified in Section 17.47.060, A-E as outlined below, except for Standard F1 and F2 regarding adherence to on and off-site parking:

17.47.060 - Property development standards.

- A. Project Area/Lot/Building Height Requirements. Except as specified in the applicable development agreement, CUP or regulatory permit, the project area, lot size, lot coverage and building height requirements of the underlying zone shall apply.
- B. No Drive-Thru Retail Cannabis Facilities. No retail cannabis business within the RC Overlay Zone shall operate "drive-thru", "drive up", "window service" or similar facilities whereby a customer can order, purchase and receive retail cannabis without leaving his or her vehicle.

- C. No Non-Storefront Retailers. No retail cannabis business within the RC overlay zone shall be operated as "non-storefront" or "delivery only". Delivery may only be approved as ancillary to the operation of a permitted cannabis retail business which is physically located within the RC overlay zone and which primarily provides cannabis to customers on the premises.
- D. Distance Restrictions. No retail cannabis business within the RC overlay zone shall be located within two hundred fifty (250) feet of any public or private school (K-12), day care center or youth center. The distance shall be measured from the nearest point between any part of the building containing the retail cannabis business to any lot line of the other use. For purposes of this paragraph, the following definitions shall apply:
1. "Day care center" means any child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities and school age child care centers.
  2. "Youth center" means any public or private facility that is primarily used to house recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.
- E. Location of Customer Entrance. No retail cannabis business shall have a customer entrance that is adjacent to or directly across the street from a residentially zoned lot.
- F. On-Street/Off-Street Parking and Loading.
1. Off-Street Parking and Loading. Off-street parking and loading facilities for a retail cannabis business shall be provided in accordance with the provisions of Section 17.54.010-C (1) of this title.
  2. On-Street Parking and Loading. On-street parking or loading shall be prohibited for a retail cannabis business.

The proposed conditional use permit meets all the above development standards except for Standard F1 and F2-On-Street parking. A discussion on overall downtown parking is discussed previously in the staff report.

#### **ENVIRONMENTAL REVIEW:**

The City has determined that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15303 (C) that exempts the conversion of existing small structures from one use to another where only minor modifications are made to the exterior of the structure.

#### **CORRESPONDENCE:**

The City has not received any correspondence for the proposed project

**ALTERNATIVES:**

- 1) Approve Conditional Use Permit No. 298 and Change of Zone No. 18-02 with the findings and conditions as recommended by the Planning Commission and Staff.
- 2) Deny Conditional Use Permit No. 298 and Change of Zone 18-02.
- 3) Continue these items and provide staff and the applicant with direction.

**RECOMMENDED ACTION:**

It is staff's recommendation that the Planning Commission open the public hearing and allow input from all proponents and opponents of the proposed project. Because the proposed Project is in conformance with the City's General Plan and the proposed use would be consistent with the Municipal Code and compatible with the surrounding uses in the area, it is staff's recommendation that the proposed project be approved by taking the following actions:

1. Motion to adopt Resolution No. PC 2019-24 recommending to the City Council approval of Conditional Use Permit No. 298 with the findings and attached conditions of approval
2. Motion to adopt Resolution PC 2019-25 recommending to the City Council approval of Change of Zone 18-03 with the attached findings.

**Attachments:**

- Attachment No. 1: Resolution No. PC 2019-24 for CUP 298
- Attachment No. 2: Resolution No. PC 2019-25 for CZ 18-02
- Attachment No. 3: Exhibit A: Conditions of Approval for CUP 298
- Attachment No. 4: Historical Building Permits