



STAFF REPORT

3/17/2021

TO: Planning Commission Chair and Commissioners

FROM: Luis Lopez, Development Services Director

SUBJECT: Request for 12-month Time Extension for Conditional Use Permits (CUP 299 and CUP 300) to allow a 1,839 square foot retail cannabis business and a 1,432 square foot bar/pub with on-site alcohol sales at 1694 6th Street.

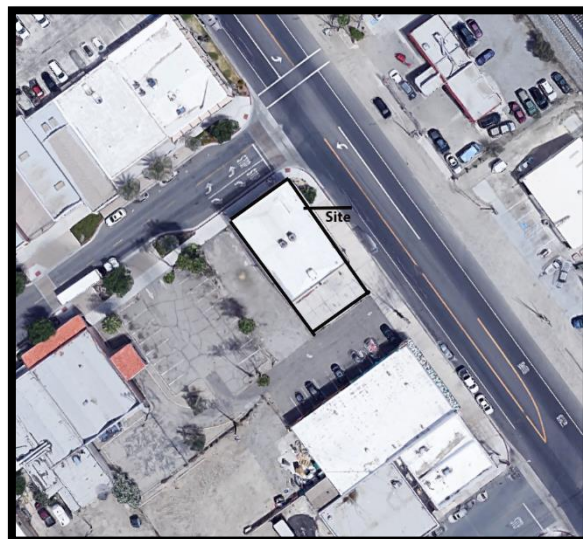
STAFF RECOMMENDATION:

Staff recommends that the Planning Commission consider the information provided in this staff report and any additional testimony during the March 17, 2021 meeting, and approve the time extension request.

BACKGROUND:

On May 8, 2019 the City Council took final actions approving the HOTN Cannabis Dispensary and Pub project to allow a new retail cannabis business and a secondary business (bar/pub) with alcohol sales as part of a remodel to an abandoned building located at 1694 6th Street.

The CUP applications, and a change of zone action, approved the project on a 5,000 square foot (50 ft. x 100 ft.) lot that has a vacant 2-story commercial building at the SW corner of Grapefruit Blvd and 6th Street (1694 Sixth Street) as illustrated on the following aerial photograph:

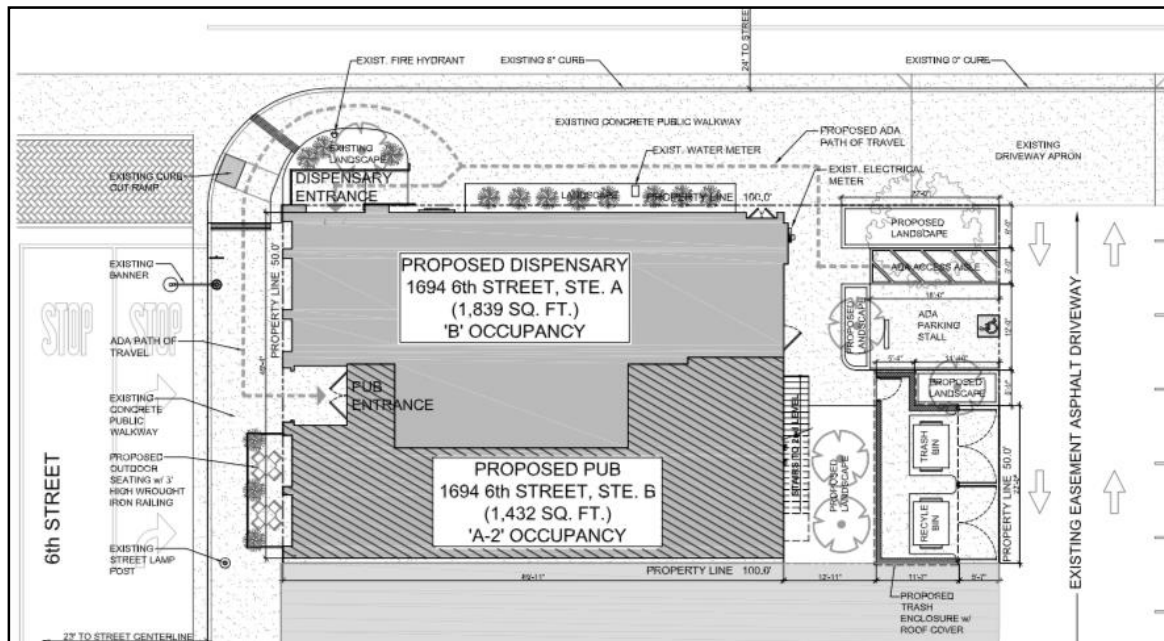


The photographs below depict the vacant building as it existed in early 2019. The project was approved to have two separate business suites, with the dispensary on the east half with a single new entrance on Grapefruit Boulevard, and the tap-room/pub entrance would use the existing front door on 6th Street.

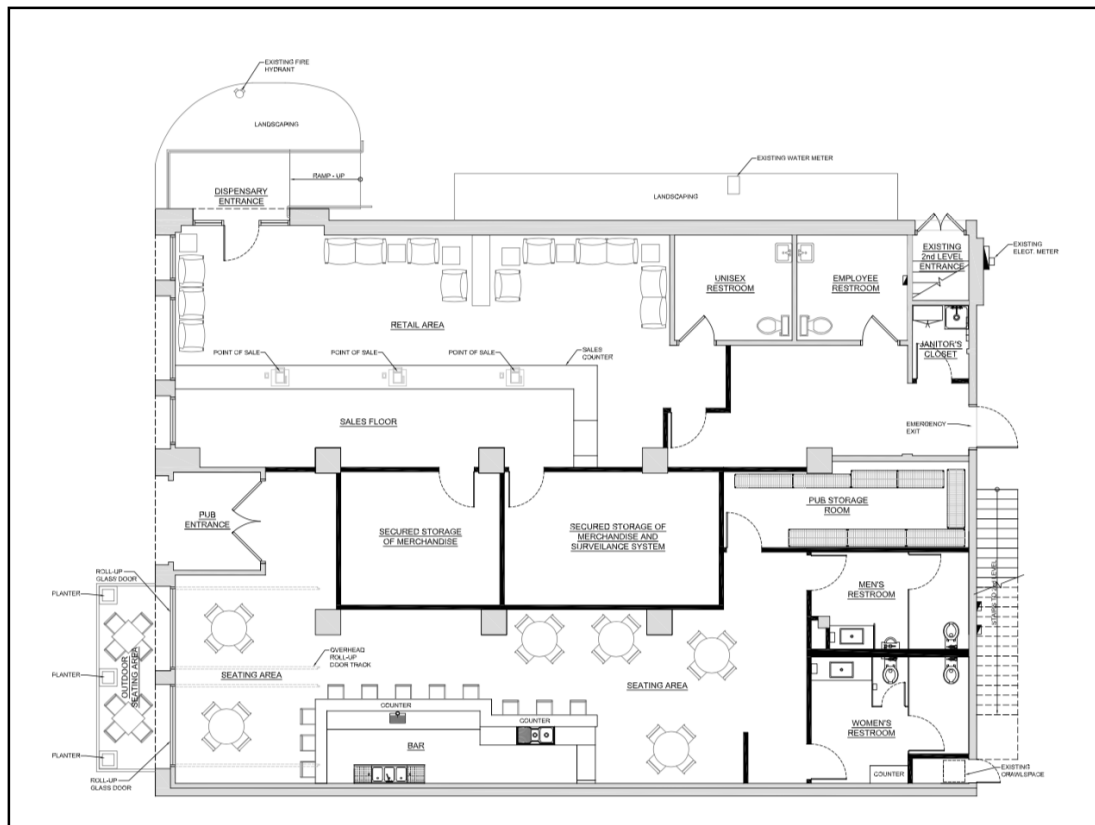


DISCUSSION/ANALYSIS:

Since the approval of the project by the City Council in May 2019, the owners submitted plans for a “partial demolition” of the existing building in order to investigate the structural integrity of the building. The subject building was historically an “unreinforced masonry” building that was retrofitted for seismic safety in 2011. Additionally, the owners changed their business plans to expand the floor area of both business and occupy the second floor of the building and to add a roof-top deck for the secondary business. The approved plans submitted by HOTN (Healing of the Nation) are shown below:

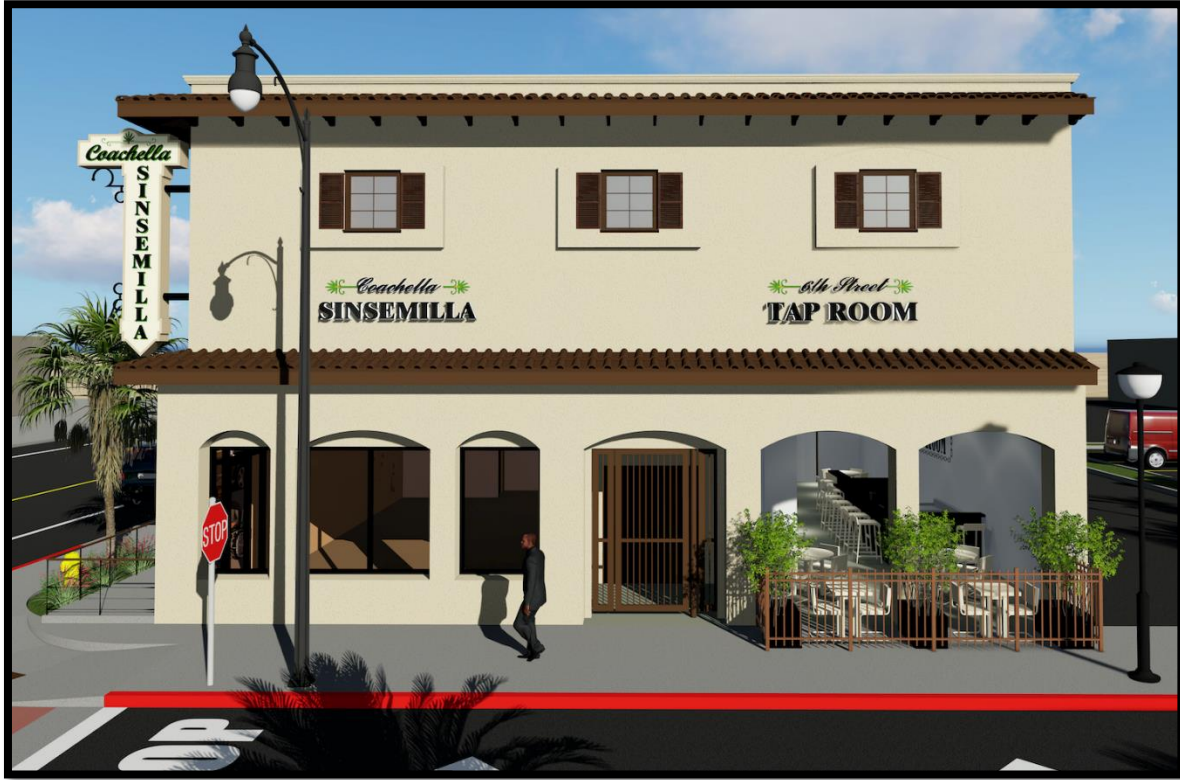


Approved Site Plan



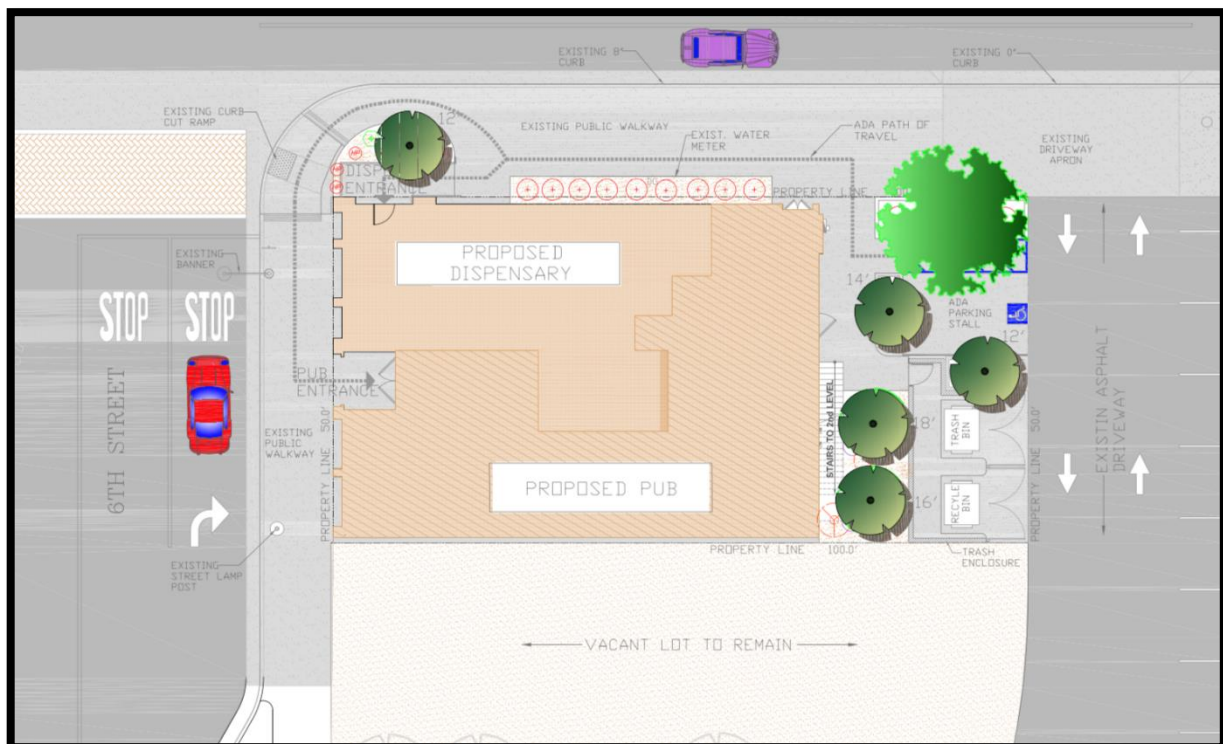
Approved Floor Plan

As shown on the above exhibits, the building's exterior was to be modified to create a dispensary entrance off Grapefruit Boulevard. Additional landscaped planters along Grapefruit Blvd and at the rear of the building were proposed, along with the construction of an ADA parking space and covered trash bins at the rear of the property. Enhancements to the front of the building include new faux windows, a smooth plaster finish, and new signage and lighting were all requirements of the project as conditioned by the Commission and City Council. The exhibits of the prior-approved storefronts (artist renderings of architectural treatments) are shown in the images below:





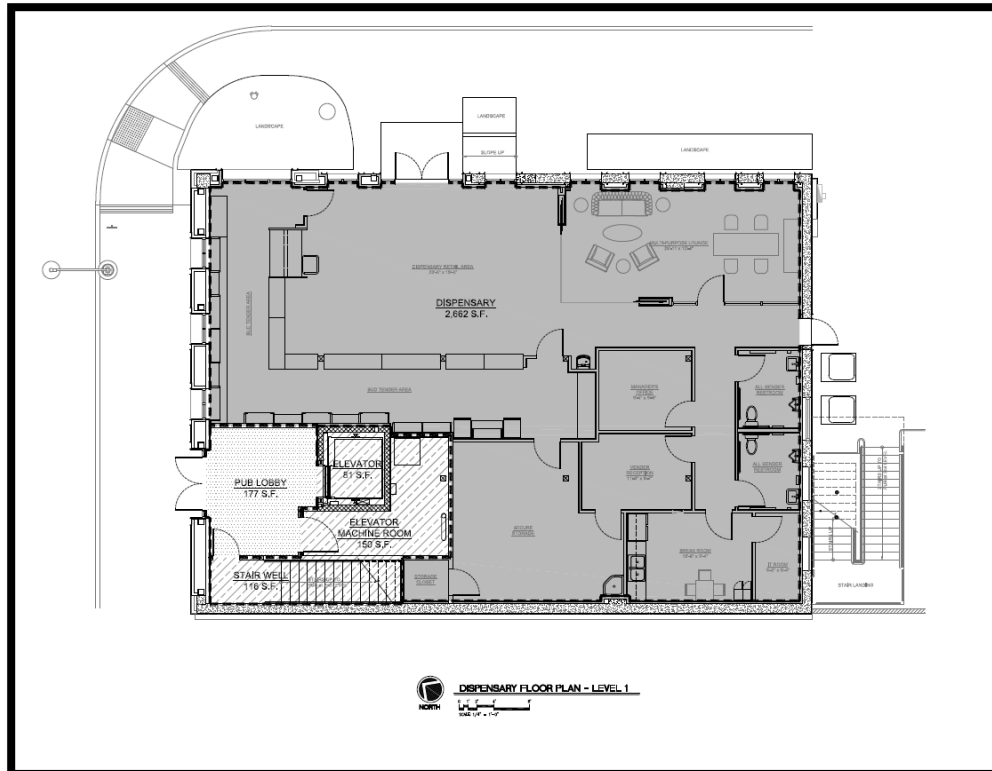
New landscaping would be installed at the rear of the building and a new planter will be installed on the east side of the building along Grapefruit Blvd. as illustrated on the following exhibit.

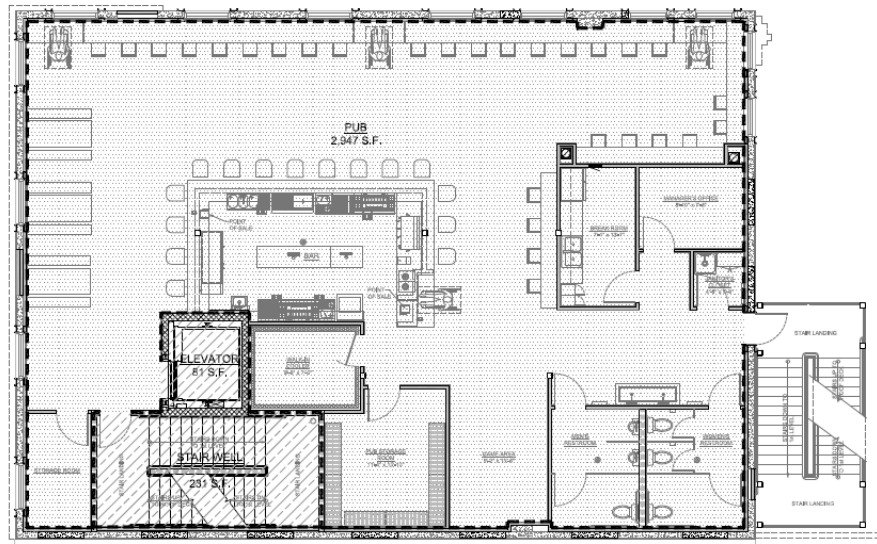


Project Updates/ Revised Plans:

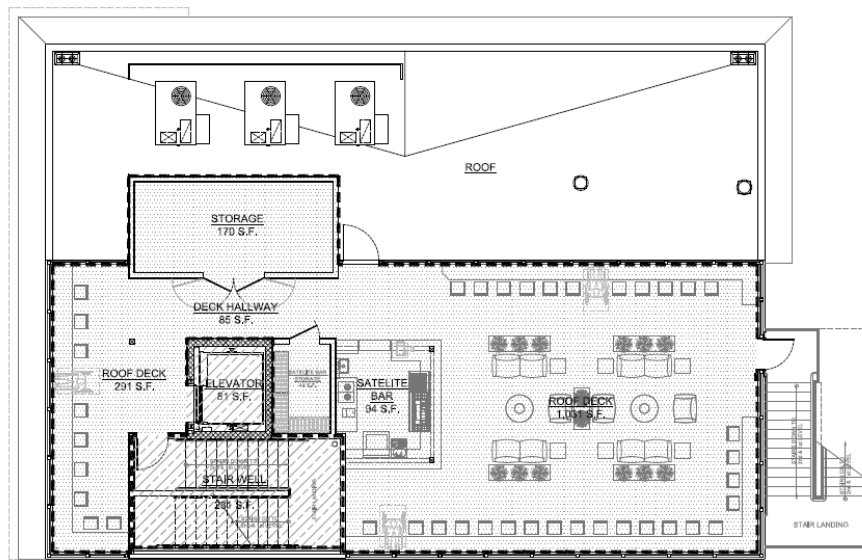
Since the approval of the project by the City Council in May 2019, the owners reconsidered the scope of work for the project and decided to make business changes to create more of a “destination/attraction” for the City by using the 2nd floor for the pub with more windows, and creating a 3rd floor deck for the pub. The dispensary would have a corresponding larger floor area by occupying more of the ground floor space. These contemplated changes to the building’s design have significant implications for the structural design of the remodel. Additionally, the owners have re-branded the business to “Libra – Crafted By HOTN” for the dispensary.

The owners then submitted plans and obtained building permits for a “partial demolition” of the existing building in order to do additional engineering investigative work for the structural integrity of the building. The subject building was historically an “unreinforced masonry” building that was retrofitted in 2011. Due to the anticipated major renovations, the project is subject to meeting the 2019 CA Building Codes, and there were structural elements of the building that had to be re-designed. The images below show the latest floor plans, exterior architectural elevations, and artist renderings of the new exterior design, signage and the rooftop deck for the project. The construction drawings for this ambitious vision for the business are currently being finalized by the owner’s design professionals.

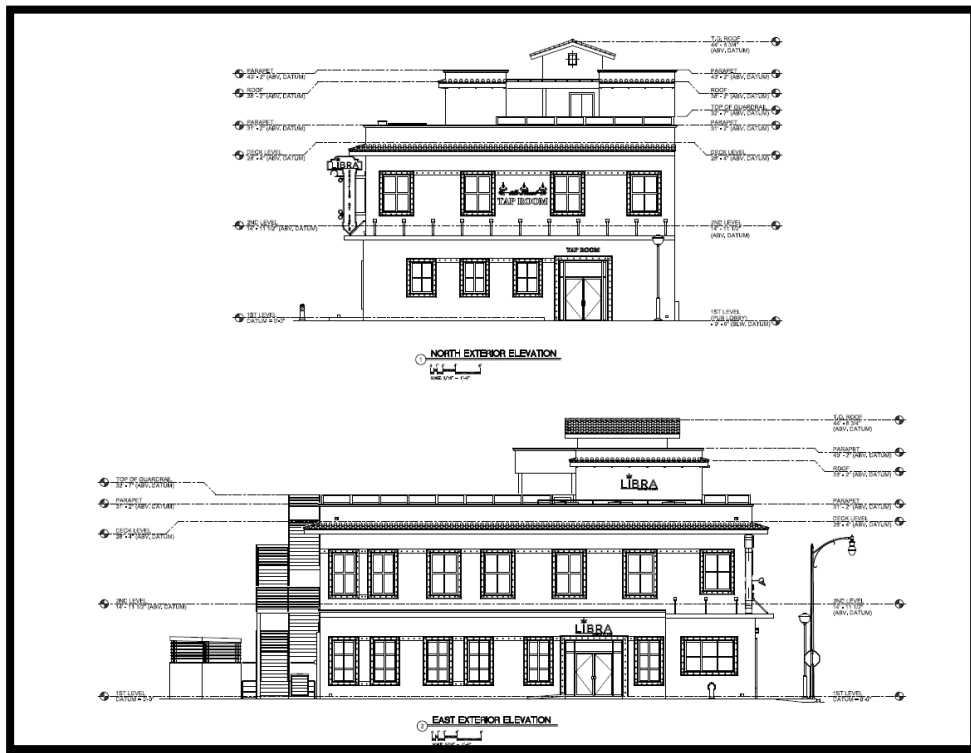




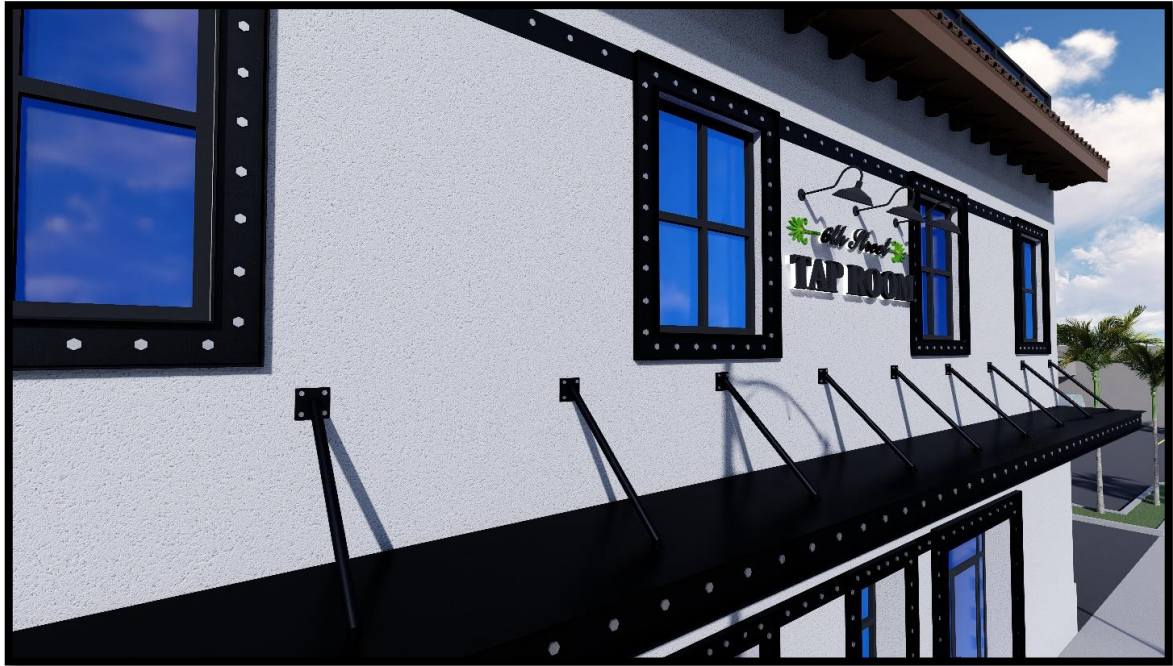
PUB FLOOR PLAN - LEVEL 2
 NORTH
 SCALE 1/8" = 1'-0"



ROOF/DECK FLOOR PLAN - LEVEL 3
 NORTH
 SCALE 1/8" = 1'-0"









Request for Time Extension:

The applicant submitted a letter dated March 3, 2021 (attached) requesting a 12-month retro-active time extension for CUP 299 and CUP 300 which authorized the retail cannabis business, and the bar/pub use. The justification for the delays were explained in the staff report above, in more detail. Staff had previously vested the CUP when the project obtained building permits, but those permits expired and there is no sign of opening the businesses any time soon.

The Planning Commission has discretion to approve time extension requests for approved CUP's where there is a justification for the delay in construction activity, and where the project continues to be in keeping with City policies and the public interest. Recently, the City Council directed staff to take a hardline approach with the Round #1 Retail Cannabis applicants that have not diligently pursued construction, or licensing of the approved dispensary. The compelling reason for this involves the City's loss of retail cannabis tax based due to the failure of the owners to execute the project.

CONCLUSIONS AND RECOMMENDATIONS:

Based on the information provided in this staff report, the "Libra Dispensary and Tap Room Pub" project has been re-designed into an exciting project for the Pueblo Viejo district. At the same time, the design/structural challenges has resulted in significant delays for obtaining building

permits and a State cannabis retail license to start generating revenue for the City. Staff is familiar with the history of this building and its Building Code compliance challenges. Staff believes that the owners have acted in good faith in moving the project forward, and have had justified delays in light of the unusual conditions of the building, especially in light of the remodeling plans to use the upper floor and roof deck of the structure. Since the building is an important gateway into the Downtown area and the creation of a destination/attraction is important for meeting the City's economic development goals, staff is recommending approval of the requested time extension for CUP 299 and CUP 300.

Attachment: Applicant's Letter