



STAFF REPORT
1/20/2021

TO: Planning Commission Chair and Commissioners

FROM: Luis Lopez, Development Services Director

SUBJECT: Request for 12-month Time Extension for Conditional Use Permit No. 303 and Architectural Review 18-11 to allow a new 2,100 square foot retail cannabis business as part of a new 6,900 square foot multi-tenant commercial center located at the northwest corner of Grapefruit Boulevard and 9th Street. *Coachella Green Haus, Applicant.*

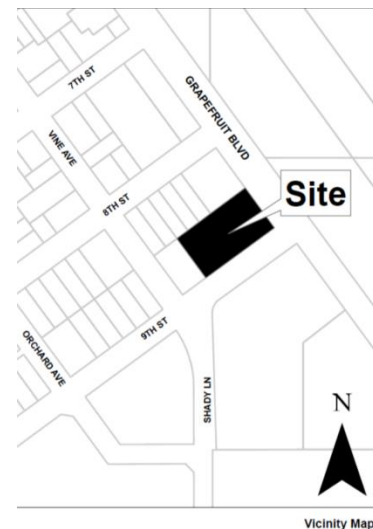
STAFF RECOMMENDATION:

Staff recommends that the Planning Commission review the information contained in this staff report and deny the request for time extension.

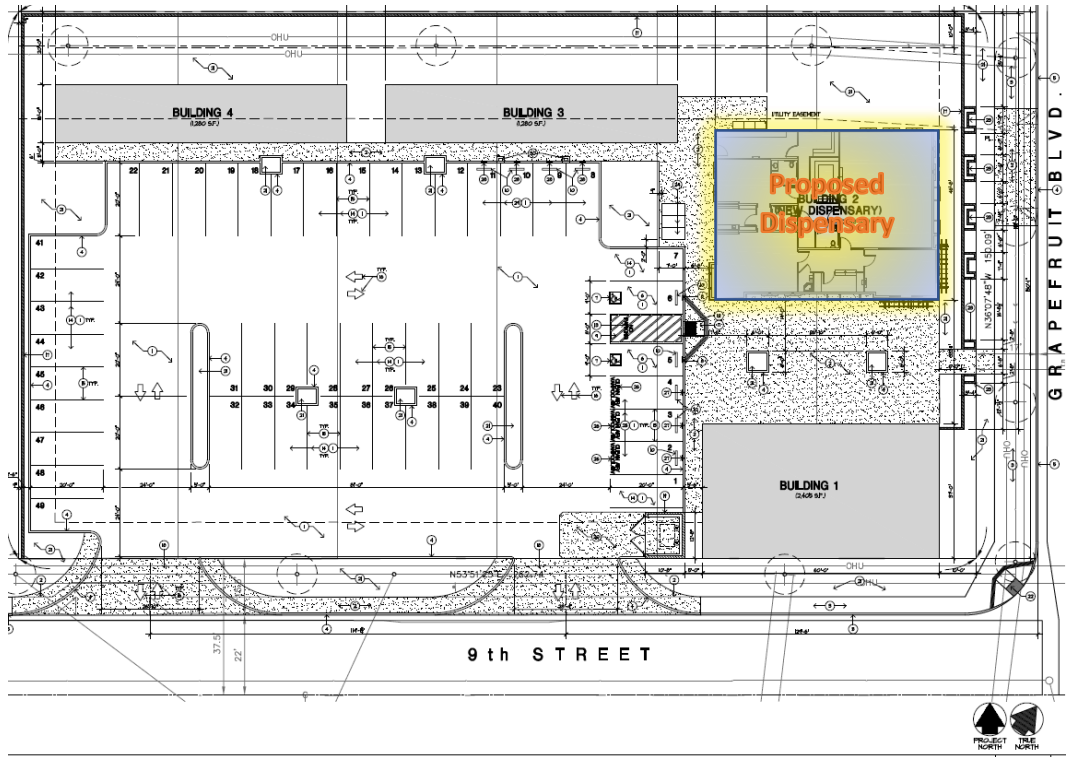
BACKGROUND:

On December 11, 2019 the Planning Commission approved Conditional Use Permit (CUP 303) for the Coachella Green Haus Project which included the construction of a new 2,100 sq. ft. retail cannabis business as part of a new 6,900 square foot multi-tenant commercial center with four (4) buildings including two (2) proposed restaurants, one (1) retail/office building and the retail cannabis business. The overall project includes 45 parking spaces including 2 handicapped stalls.

The project further included an interim use facility to allow a 480 square foot temporary retail cannabis dispensary while the project is under construction. The subject site is a .9-acre vacant parcel at the northwest corner of Grapefruit Blvd and 9th Street (1691 9th Street) as shown in the vicinity map to the right.



The latest site plan layout with revised parking lot is shown below on the “Precise Grading Plan” for the project.

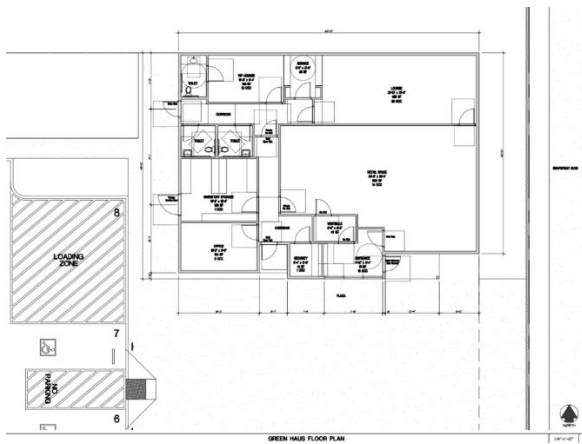


The subject site is a vacant lot with existing curb, gutter and sidewalk improvements as shown in the photographs below.





The floor plan for the proposed dispensary is shown below.



Architectural Review 18-11:

The Planning Commission previously approved Architectural Review (AR 18-11) on April 17, 2019 for the subject property. The Architectural Review approved the Pueblo Viejo Plaza Project that included four buildings including two restaurant pads and two retail/office buildings in four phases totaling 6,900 square feet as seen on the exhibits below:



Artist rendering looking to the northwest

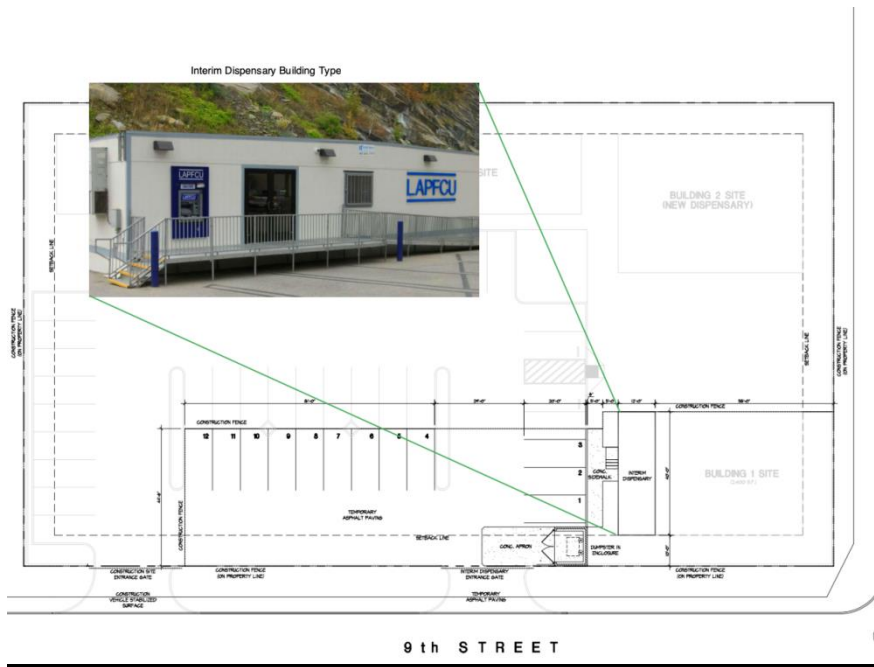


Artist Rendering of Street / Perimeter Landscaping

If the Planning Commission is inclined to grant a 12-month time extension for CUP 303, a 24-

month retro-active time extension for AR 18-11 would also be effectuated making the new expiration date of April 17, 2021. The owners are close to obtaining building permits and once construction is diligently pursued, the AR 18-11 approval will become vested on the property.

The CUP 303 also approved an Interim Use Facility consisting of a 480 square foot modular store (trailer) that would be installed during the first phases of construction, after part of the parking lot is installed, at the southeastern portion of the site. This temporary “retail cannabis store” would operate while the permanent building is under construction as illustrated below.



Request for Time Extension:

The applicant submitted a letter dated December 10, 2020 (attached) requesting a 12-month time extension for CUP 303 which authorized the retail cannabis business, and interim use facility. The applicants state that the time delay in commencing construction activities has been due to Covid-19 pandemic issues. Additionally the applicant letter states that the owners have continued to pursue building permits and that they have invested close to \$100,000 in architectural and engineering design fees. They further state that they intend to obtain a grading permit in the next 30 days.

As of the writing of this staff report, the owners had not yet obtained a grading permit or a building permit for the first phase. The construction drawings have been approved by the Building Division and are ready to issue, upon getting approval of a grading permit for precise grading, and obtaining permits from the Fire Marshal’s Office.

The Planning Commission has discretion to approve time extension requests for approved CUP’s and AR’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.

The Green Haus commercial center had approvals to install an "interim facility" consisting of a modular retail store that would assist the owners in generating revenue in the short-term for themselves and the City. At the City Council public hearings, it was stated that they could open the facility within four months upon getting permits. Unfortunately, after 12 months the owners still do not have permits and will not be able to open a dispensary any time soon, given the State licensing procedures which can take an additional 12 months.

CONCLUSIONS AND RECOMMENDED ACTION:

The applicants have had ample time to obtain permits and pursue construction diligently over the past 14 months. The lack of a retail cannabis business in the City has resulted in lost taxation revenue that could have been generated by the project's interim facility. The justification for construction delays based on the Covid-19 pandemic issues are not sufficient to allow a continued loss of taxation revenue. In fact, retail cannabis businesses have been classified as "essential businesses" by the State of California in enforcing the temporary closures of public assembly and other businesses. As such, there are no Covid-19 restrictions on the sale of cannabis products in retail outlets.

Based on the above discussion, staff recommends that the Planning Commission deny the request for time extension, and allow the applicant to appeal that decision to the City Council. If the City Council upholds the denial, the retail cannabis business would no longer be allowed at this location. Similarly, a new application for Architectural Review 18-11 would need to be pursued.

Attachments: Applicant's Letter