



STAFF REPORT
9/4/2024

TO: Planning Commission Chair and Commissioners

FROM: Anahi Fernandez, Management Analyst

SUBJECT: Coachella Valley Growers – CUP 345 (Modification)

SPECIFICS: The proposed CUP 345 (Modification) is to modify condition of approval No. 23 to amend responsibilities of street improvements for Fillmore Street for the Coachella Valley Growers project located on 79.39 acres at 50-501 Fillmore Street.

STAFF RECOMMENDATION:

Staff recommends that the Planning Commission approve Conditional Use Permit No. 345 (Modification), a modification to Condition of Approval No. 23 to amend Fillmore Street improvement requirements for the Coachella Valley Growers project located on 79.39 acres at 50-501 Fillmore Street.

BACKGROUND:

On January 19, 2022, the Planning Commission approved Resolution No. PC2021-17, a resolution approving CUP No. 345 to allow interim outdoor cannabis cultivation on a vacant 79.39 acre of land in the A-T (Agricultural Transition) zone at 50-501 Fillmore Street (APN 763-070-012 & 763-070-010).

The project was approved to include 168 agricultural hoop houses, consisting of 139 agricultural hoop houses added to 29 existing hoop houses for interim outdoor cannabis cultivation. As part of CUP 345 approval, the applicant was conditioned to pay a fair share contribution to the City of Coachella for street improvements along the entire frontage of the project. To date, monetary contributions for street improvements have not been made to the City.

DISCUSSION/ANALYSIS:

The applicant expressed financial hardships to City staff in operating the outdoor cannabis cultivation business in which they indicated previous harvests experienced pesticide infestation that brought no revenue to the business. Leaving the applicant unable to pay their fair share contribution for street improvements in two payments within a one (1) year timeframe. Fillmore Street improvement payments were due by January 19, 2023, 12 months from CUP 345 approval.

Coachella Valley Growers discontinued their outdoor cannabis cultivation for a number of months, but the cannabis business is now in operation. The modification of condition of approval No. 23 for Conditional Use Permit No. 345 adds language extending the timeframe and number of payments the city will receive from the applicant for the required street improvements. The original CUP approval states that payment contribution for Fillmore Street improvements are to be paid in two (2) payments within 12 months of CUP approval. The modified condition of approval extends the payments to a total of seven (7) payments, due within 36 months of CUP issuance. The price per square footage also increased from \$5.00 to \$6.00, as there has been an increase in cost since CUP 345 approval in January 2022. This increases the total fair share contribution from \$168,640 to \$202,368. See modified language to condition of approval No. 23 below in **bold**:

Engineering - Street Improvements:

23. Applicant shall construct and dedicate the following street improvements.

- 1) Fillmore Street - Public Roadway as shown on the RAC and per these comments shall include the following:

- d. Applicant shall be responsible for improving one half of the paved road surface along the entire frontage. Proposed improved road widths for this road, at this time are 34 feet in width resulting in a 17-foot half width. Asphalt improvements shall include the removal of all existing asphalt and replacement with 4 inches of asphalt over compacted base. **Applicant has chosen to pay for fair share contribution to the future street repairs in lieu of improvements at a rate of six dollars (\$6) per square foot ($\$6 \times 17 = \102 per linear foot of frontage). The Applicant shall pay cost of the fair share contribution shall be $\$102 \times 1,984$ Lf for a total of two hundred two thousand three hundred sixty-eight dollars (\$202,368) to be paid to the city as follows; 1st payment of \$20,236.80 (10% of the total amount) to be paid within 30 days of CUP approval. Each subsequent payment of \$30,355.20 (15% of the total amount) shall be made within 60 days of each future harvest. The City understands that the project proposes to complete two harvests per year, such that two payments of \$30,355.20 will be required per year. A minimum of two payments will be required per year, starting from the date of CUP issuance, such that the full final fair share contribution of \$202,368 shall be completed within 36 months' time frame from the date of CUP issuance. The City will contribute 100% of this fair share contribution towards future full street improvements on Fillmore Street.**

Staff is agreeable with allowing six (6) total payments at 15% of the total amount for street improvements. On July 2024, Coachella Valley Growers made their first cannabis tax payment of \$14,744 to the city. That has been their only cannabis tax contribution to the city since the approval of their CUP in 2022.

ENVIRONMENTAL REVIEW:

The proposed project is exempt under the Guidelines to the California Environmental Quality Act (CEQA) because the project entails the operation, maintenance, leasing, and licensing of an existing private agricultural farming facility involving negligible expansion of use beyond that existing at the time of the lead agency's determination. The subject site has been used for farming operations and has existing irrigation water infrastructure. State CEQA Guidelines Section 15301. The proposed modification to the condition of approval does not change the scope of the operations for outdoor cannabis cultivation.

ALTERNATIVES:

- 1) Adopt Resolution No. PC2024-14 approving Conditional Use Permit No. 345 (modification) with the findings and conditions as recommended by Staff.
- 2) Deny Conditional Use Permit No. 345 (modification).
- 3) Continue this item and provide staff and the applicant with direction.

RECOMMENDED ALTERNATIVE(S):

Staff recommends alternative #1.

Attachments:

1. Resolution PC2024-14 (Amendment to conditions of approval for CUP No. 345)
Exhibit A: Conditions of Approval CUP No. 345