



STAFF REPORT
8/25/2021

TO: Honorable Mayor and City Council Members
FROM: Gabriel Perez, Development Services Director
SUBJECT: Coachella Releaf

- 1) Resolution No. 2021-53 approving Conditional Use Permit 337 to convert an existing 3,800 square foot industrial suite within a 31,600 sq. ft. multi-tenant industrial building into a storefront retail microbusiness at 86705 Avenue 54 and Variance No. 21-01 to allow the proposed Industrial Park Overlay Zone on less than a 10 acre project area, individual lot less than 5 acres, and a lot depth less than 220 feet.
- 2) Ordinance No. 1186 approving Change of Zone No. 21-01 to add the Industrial Park Overlay zone (IP) and change the existing zone from M-H (Heavy Industrial) to the M-S (Manufacturing Service) Zone on a 1.74 acre developed parcel located at 86705 Avenue 54, APN 764-280-010 (First Reading).

STAFF RECOMMENDATION:

Staff recommends that the City Council adopt the following resolution and ordinance for the Coachella Releaf Project:

- 1) Resolution No. 2021-53 approving Conditional Use Permit 337 to convert an existing 3,800 square foot industrial suite within a 31,600 sq. ft. multi-tenant industrial building into a storefront retail microbusiness at 86705 Avenue 54 and Variance No. 21-01 to allow the proposed Industrial Park Overlay Zone on less than a 10 acre project area, individual lot less than 5 acres, and a lot depth less than 220 feet.
- 2) Ordinance No. 1186 approving Change of Zone No. 21-01 to add the Industrial Park Overlay zone (IP) and change the existing zone from M-H (Heavy Industrial) to the M-S (Manufacturing Service) Zone on a 1.74 acre developed parcel located at 86705 Avenue 54 APN 764-280-010 (First Reading).

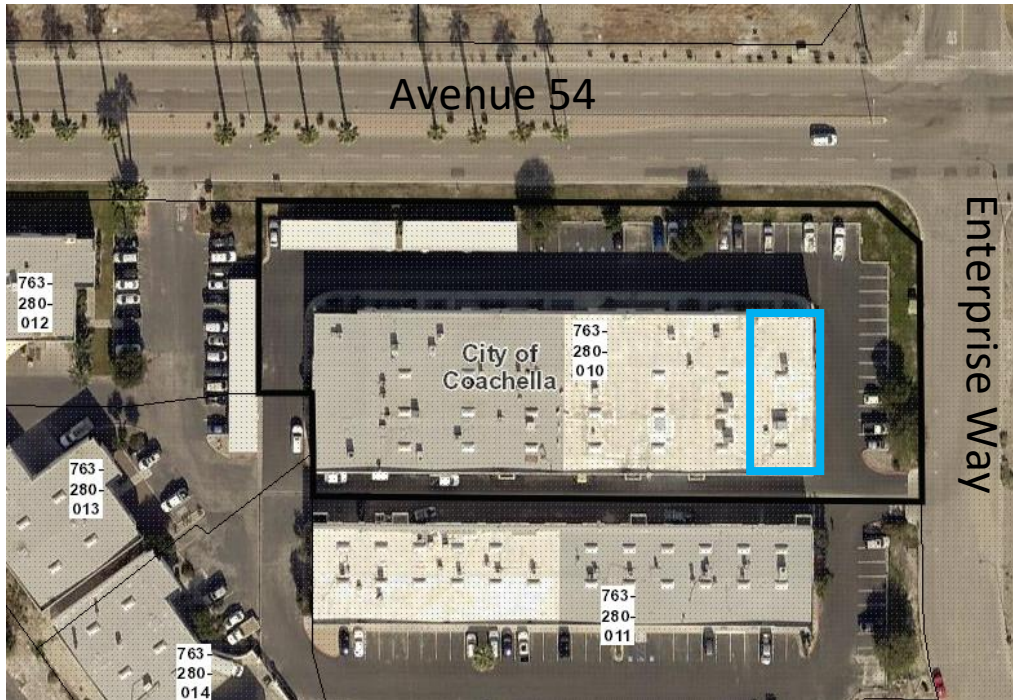
EXECUTIVE SUMMARY:

The Coachella Releaf project is a request to convert the existing building located at 86705 Avenue 54 into a storefront retail microbusiness consisting of indoor cannabis retail display area and cannabis cultivation.

Change of Zone No. 21-01 proposes to add the Industrial Park (IP) Overlay zone and change the existing M-H (Heavy Industrial) Zone to the M-S (Manufacturing Service) Zone on the project site.

BACKGROUND:

The above referenced applications are proposed on a 1.74 acre parcel, located at the southwest corner of Avenue 54 and Enterprise Way (86705 Avenue 54). The aerial photograph below illustrates the subject site for the conditional use permit and change of zone applications. According to Riverside County Assessor records, the existing building was constructed around 1991.



The photographs below were taken in July 2021. The first photograph illustrates the exterior elevation of the existing industrial building.



DISCUSSION/ANALYSIS

ENVIRONMENTAL SETTING

The site is 1.74 acre developed parcel zoned M-H (Heavy Industrial) within the Rancho Coachella Business Park. The tenants within the existing multi-tenant building include Redstone Inc., Centro Christiano, and Prime Time International. The surrounded land uses and zoning classification include the following:

- North:** Avenue 54 and Vacant parcel / M-H (Heavy Industrial) Zone
- South:** Enterprise Way/Multi-tenant industrial building/ M-H (Heavy Industrial) Zone
- East:** Vacant parcel/ M-H (Heavy Industrial) Zone
- West:** Industrial buildings/ M-H (Heavy Industrial) Zone

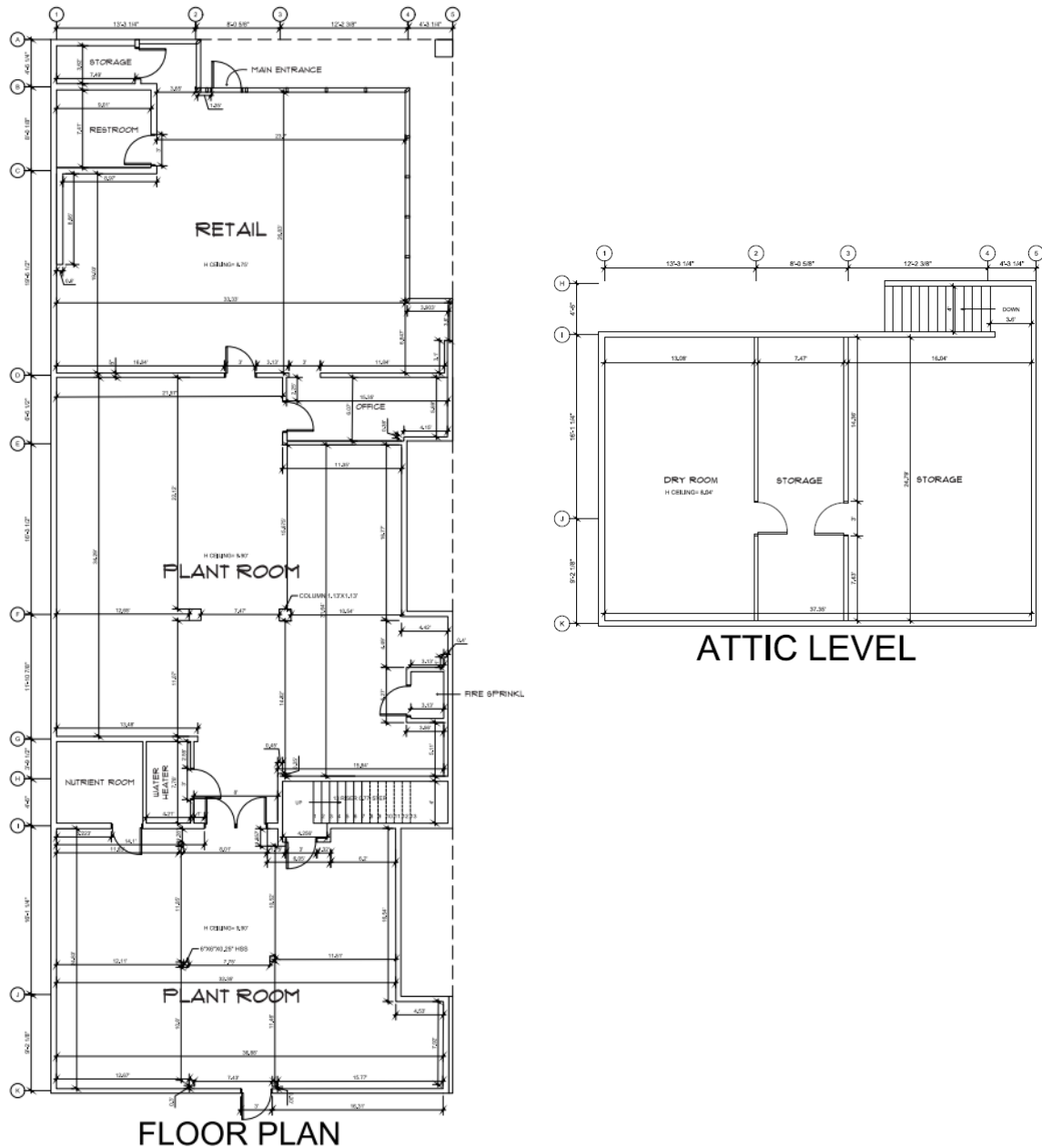
Project Analysis

The Coachella Releaf project is a locally-owned storefront retail microbusiness proposed Suite H consisting of 4,725 square feet in an existing 8 unit, multi-tenant industrial building at 86705 Avenue 54 that includes 846 sq. ft of retail space, 83 sq. ft. nutrient room, 1,900 sq. ft of plant room areas and a 926 sq. ft attic level area for dry room and storage. The applicant was selected from the retail microbusinesses round #2 to operate a retail cannabis business. The retail dispensary space will display retail cannabis products for sale, carry products from a variety of licensed legal manufacturers in the industry, and products with the legally authorized amounts of THC and CBD. The applicant proposes a mid-century modern design theme in the retail area and plans to feature local art and artists. The applicant anticipates customers for medical use of

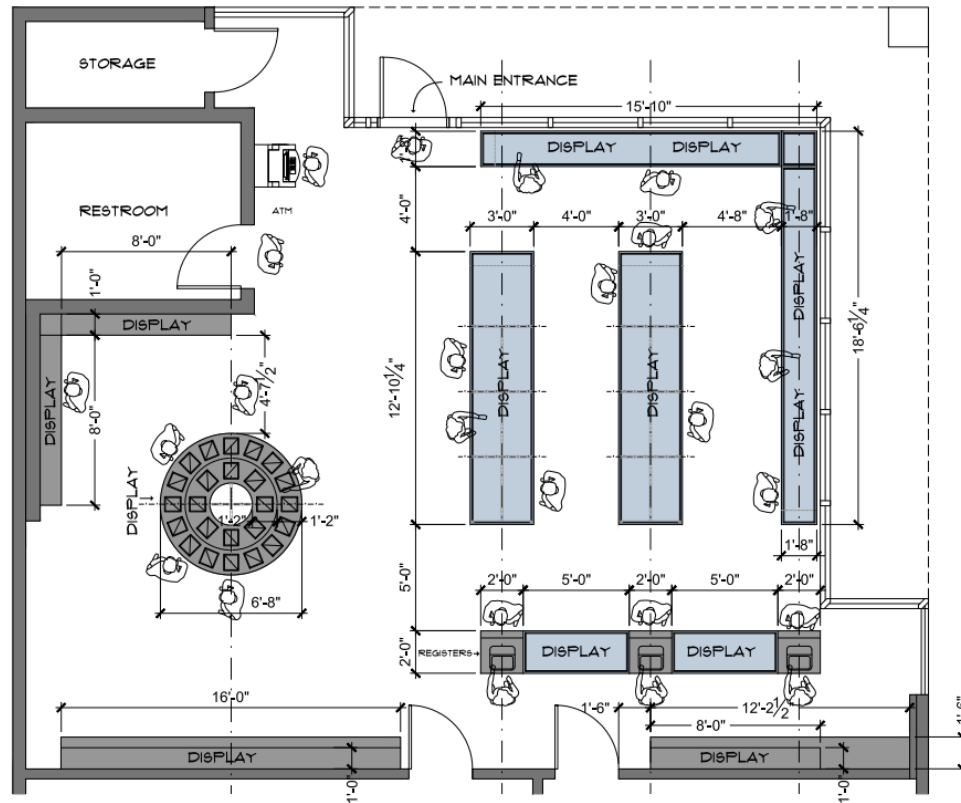
cannabis and for recreational purposes. The retail area will be accessed from the main entrance facing Avenue 54 and consists of several display cases. Limited home delivery will be offered from the facility, which the applicant describes as an “efficient delivery services for medical customers not able to travel to the retail location.”

Change of Zone No. 21-01 proposes to add the Industrial Park (IP) Overlay zone to the site and change the existing M-H (Heavy Industrial) Zone to M-S (Manufacturing Service) Zone on the project site.

The floor plan of the existing building is illustrated below.



A detailed retail floor plan with display cases and furnishing is depicted below.



CONSISTENCY WITH THE GENERAL PLAN

The proposed project is within the Industrial District land use designation of the General Plan 2035 Land Use and Community Character Element. The project is consistent with the development intensity permitted by the Industrial District land use category in that it encourage pedestrian friendly commercial storefront buildings in a mixed-use setting. The properties in the vicinity area also in the Industrial District and the proposed use would be compatible with surrounding uses.

CONSISTENCY WITH ZONING

The subject site is zoned M-H (Heavy Industrial) and is within Sub-Area #7 (South Employment District) as identified in Chapter 17.26, Industrial Park Overlay Zone, which allows the Industrial Park (IP) Overlay Zone to be applied to properties that are zoned M-S (Manufacturing Service) and are a minimum of project area of ten acres. The IP Overlay Zone allows for Cannabis cultivation, processing, testing, manufacturing, wholesale distribution and/or retail sale with approval of a conditional use permit (CUP). The subject 1.74 acre parcel, within a 7.91 project area subdivision (Parcel Map 26716) is less than the ten acre project area minimum and less than the minimum individual 5 acre lot size required for the IP Overlay Zone. The subject parcel has a lot depth of approximately 165 feet, less than the 220 foot minimum lot depth required for the IP Overlay Zone. The subject parcel is in the M-H zone and therefore ineligible to apply the IP Overlay Zone. The applicant requests a change of zone from the M-H zone to M-S zone and a

variance from the minimum 10 acre project area, 5 acre minimum individual lot size, and 200 foot minimum lot depth requirements. The approval of the proposed variance request and change of zone from M-H and M-S zone would allow the applicant to also apply the IP Overlay Zone to the subject parcel.

The proposed retail cannabis use is consistent with the distance requirements of retail microbusinesses in the IP Overlay Zone from residential zones uses and Avenue 52. The existing building on the subject parcel is approximately 5,400 feet from the nearest building on a residentially zoned lot and therefore consistent with the minimum 1,000 foot distance of the use from any residentially zoned lot. Retail cannabis microbusinesses are not permitted within 800 feet of Avenue 52. The proposed business is more than 4,000 feet away from Avenue 52.

The approval of the IP Overlay Zone on the subject site would allow the operation of cannabis microbusiness in other suites within the existing multi-tenant building subject to future approval of a conditional use permit at a public hearing of the Planning Commission and limits on the number of retail cannabis establishments within the City of Coachella.

Consistency with Chapter 17.84 (Retail Cannabis Businesses and Chapter 17.85 (Commercial Cannabis Activity)

The proposed project is consistent with the requirements of both Chapters 17.84 (Retail Cannabis Businesses) and Chapter 17.85 (Commercial Cannabis Activity) of the Coachella Municipal Code. There are no public schools or playgrounds, or youth centers within 250 feet of the subject site.

ENVIRONMENTAL IMPACT CONSIDERATION

The City has determined that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301, (Class 1) Existing Facilities, of the CEQA guidelines that provides an exemption for the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use including interior or exterior alterations involving such things as interior partitions, plumbing and electrical conveyances. CUP 337, Change of Zone 21-01, and Variance 21-01 meet the criteria for a Section 15301, Class 1 CEQA exemption.

ALTERNATIVES:

- 1) Adopt Resolution No. 2021-53 approving Conditional Use Permit No. 337 and Variance 21-01 with the findings and conditions as recommended by Staff. Adopt Ordinance 1186 approving Change of Zone 21-01 to change the zone from M-H (Heavy Manufacturing) to M-S (Manufacturing Service) and add the Industrial Park Overlay Zone (First Reading).
- 2) Deny Conditional Use Permit No. 337, Change of Zone No. 21-01, and Variance 21-01.
- 3) Continue these items and provide staff and the applicant with direction.

RECOMMENDED ALTERNATIVE(S):

Staff recommends the City Council take the following actions:

- 1) Adopt Resolution No. 2021-53 approving Conditional Use Permit No. 337 and Variance 21-01 with the findings and conditions as recommended by Staff.
- 2) Adopt Ordinance 1186 approving Change of Zone 21-01 to change the zone from M-H (Heavy Manufacturing) to M-S (Manufacturing Service) and add the Industrial Park Overlay Zone (First Reading).

Attachments:

1. Resolution No. 2021-53 for CUP No. 337 Variance No. 21-01
Exhibit A - Conditions of Approval for CUP 337
2. Ordinance 1186 (1st Reading) - CZ 21-01
3. Existing Conditions Photos
4. Vicinity Map
5. Floor Plan – Coachella Releaf
6. Retail Space Exhibit