



STAFF REPORT
4/28/2021

TO: Honorable Mayor and Members of the City Council

FROM: Luis Lopez, Development Services Director

SUBJECT: Coachella Canna Club Project

SPECIFICS:

- a) Resolution No. 2021-24 approving Conditional Use Permit No. 330 that proposes to establish a 7170 square foot retail cannabis business and consumption lounge within the existing building located at 46156 Dillon Road; and Conditional Use Permit No. 331 that proposes to modify the interior of the existing building to create a commercial kitchen, and take-out window with indoor and outdoor seating (Chick Next Door) located at 46156 Dillon Road
- b) Ordinance No. 1178 approving Change of Zone No. 20-04 that proposes to add the Retail Cannabis Overlay zone (R-C) to the existing C-G (General Commercial) Zone on the project site.

STAFF RECOMMENDATION:

Staff recommends that the City Council approve the Coachella Canna Club project by taking the following actions:

- 1) Adopt Resolution No. 2021-24 approving Conditional Use Permit No. 330 that proposes to establish a 7170 square foot retail cannabis business and consumption lounge and Conditional Use Permit No. 331 that proposes to modify the interior of the existing building to create a commercial kitchen and take out window (Chick Next Door) along with indoor outside seating; and
- 2) Introduce for the 1st Reading, by title only, Ordinance No. 1178 approving Change of Zone 20-04 that proposes to add the Retail Cannabis Overlay Zone (R-C) to the property located at 46156 Dillon Road.
- 3) Staff further recommends that the City Council direct Staff and the City Attorney to review the Coachella Municipal Code sections relative to sexually-oriented businesses and return to the City Council in 90 days with recommendations for possible updates and amendments.

EXECUTIVE SUMMARY:

The Coachella Canna Club Project was originally considered at the March 24, 2021 City Council meeting and continued to the April 14, 2021 meeting and then further continued to the April 28, 2021 meeting. At the March 24, 2021 public hearing, the City Council directed the Applicant to include an indoor seating area for the proposed Chick Next Door fast food restaurant. Additionally, the City Council directed Staff to review City ordinance provisions regarding sexually-oriented businesses to determine where future businesses of this nature could locate if the subject property building was converted into a retail cannabis business and consumption lounge.

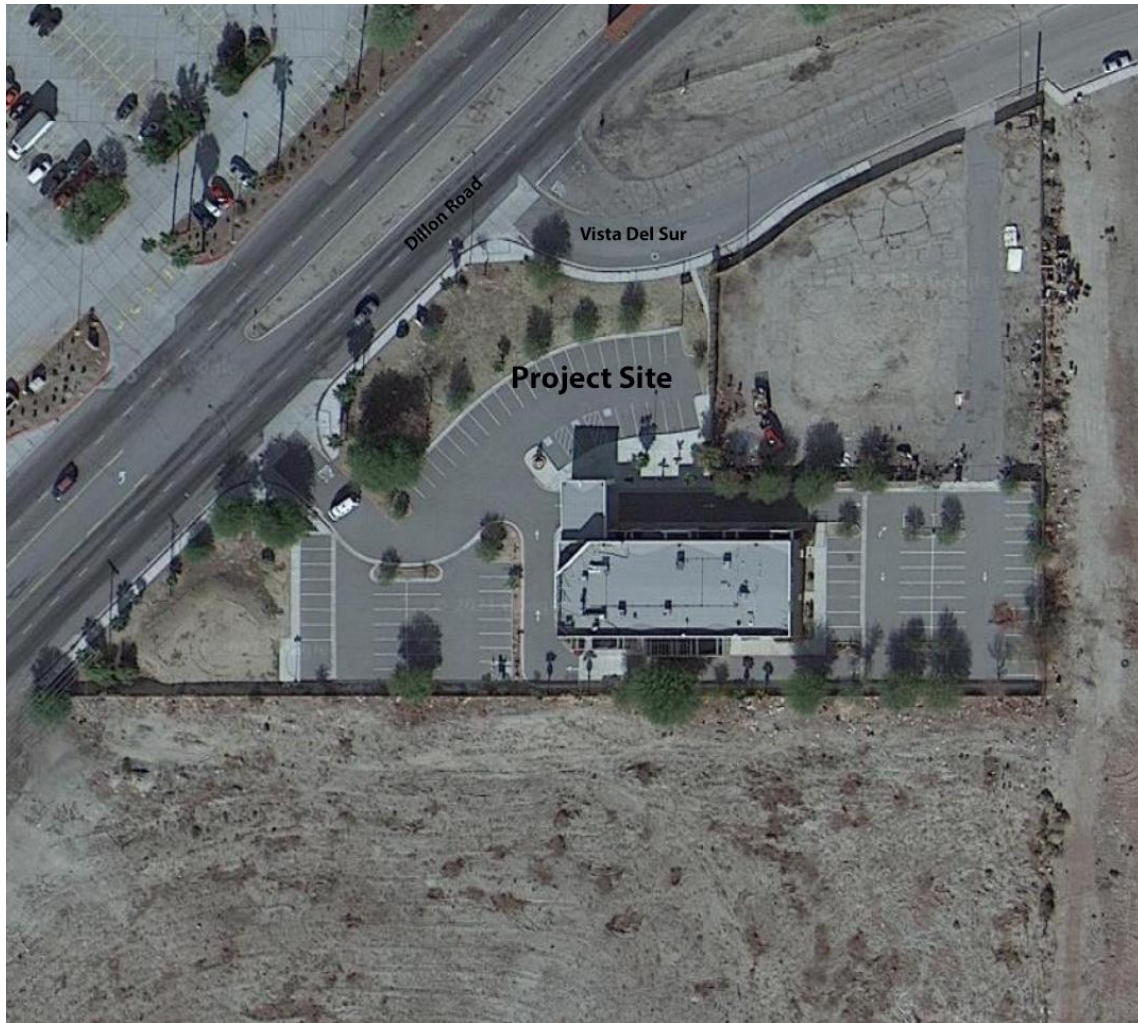
In response to the Council's direction, the Applicant has revised the interior floor plans to include an approximately 120 square foot area for indoor dining adjacent to the Chick Next Door restaurant. See pages 8-11 for the revised floor plan and artist renderings of the new indoor dining area.

In response to the Council's question on what areas of the City would be available for a future sexually-oriented business should the existing building be converted into a cannabis retail business, consumption lounge and fast food restaurant, please see Staff's discussion on pages 19-20 of this staff report.

BACKGROUND:

The Canna Club Project consists of two conditional use permits and a change of zone. The Project is proposing to convert the existing building located 46156 Dillon Road that, for the past 15 years, has been used for sexually oriented businesses and a restaurant/nightclub into a retail cannabis business that includes two consumption lounges and a fast food commercial kitchen including a take-out window and indoor and outdoor seating area described in more detail as follows: Conditional Use Permit No. 330 proposes to establish a 7170 square foot retail cannabis business and consumption lounge; Conditional Use Permit No. 331 proposes to modify the interior of the existing building to create a take-out restaurant (Chick Next Door) along with indoor and outside seating; and Change of Zone 20-04 proposes to add the Retail Cannabis Overlay Zone (RC) to the property located at 46156 Dillon Road.

The above referenced applications are proposed on a 1.9-acre site located east of Dillon Road and south of Vista Del Sur as shown on the aerial photograph below. The address of the project site is 46156 Dillon Road.



The photographs below were taken in 2019. The first photograph was taken from Vista Del Sur and shows the north side of the existing building, the landscaped areas and the parking lot. As shown on the photograph, the site contains an existing building that was originally constructed in 2005 and given final occupancy permits by the City in January 2006.



The photograph below was taken from Dillon Road and illustrates the west side of the building, driveway access to the site off Dillon Road and the existing on-site landscaping.



History of the Project Site

According to building permit records, (see attachment 4) the Seventh Heaven Club Gentlemen’s Club began construction of the building in 2005 and was granted final occupancy permits in January 2006. Various other sexually oriented businesses and a restaurant/nightclub (Culichi Town) occupied the project site from January 2006 through September 2019. The most recent tenant was the Chicas Gentlemen’s Club that occupied the building from March 2018 to September 2019. The building has been vacant since September 2019.

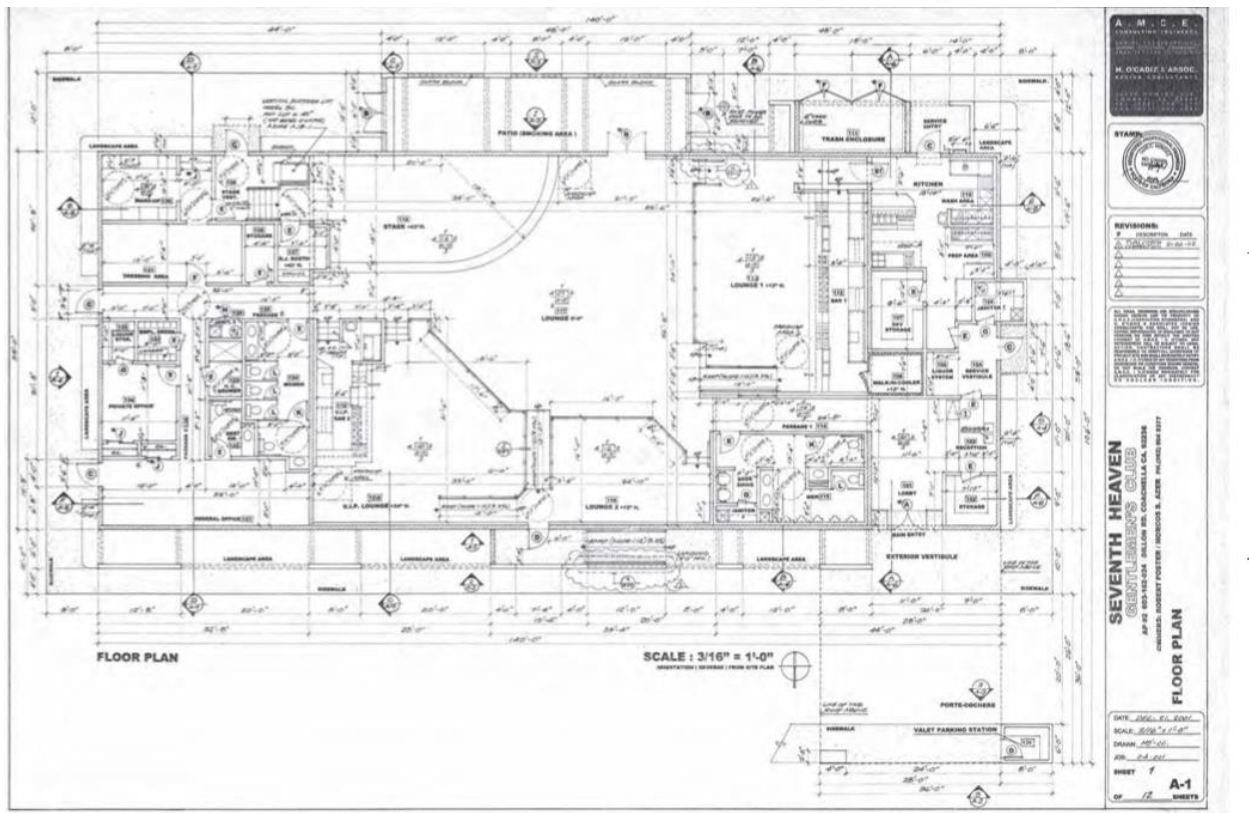
The existing building, the 105 space parking lot and landscaped areas are consistent with the plans

that were approved in 2018 when Chicas Gentlemen's Club was granted approval to operate the project site as a sexually oriented business.

Overview of the Coachella Canna Club Project: CUP 330 and CUP 331 and CZ 20-04

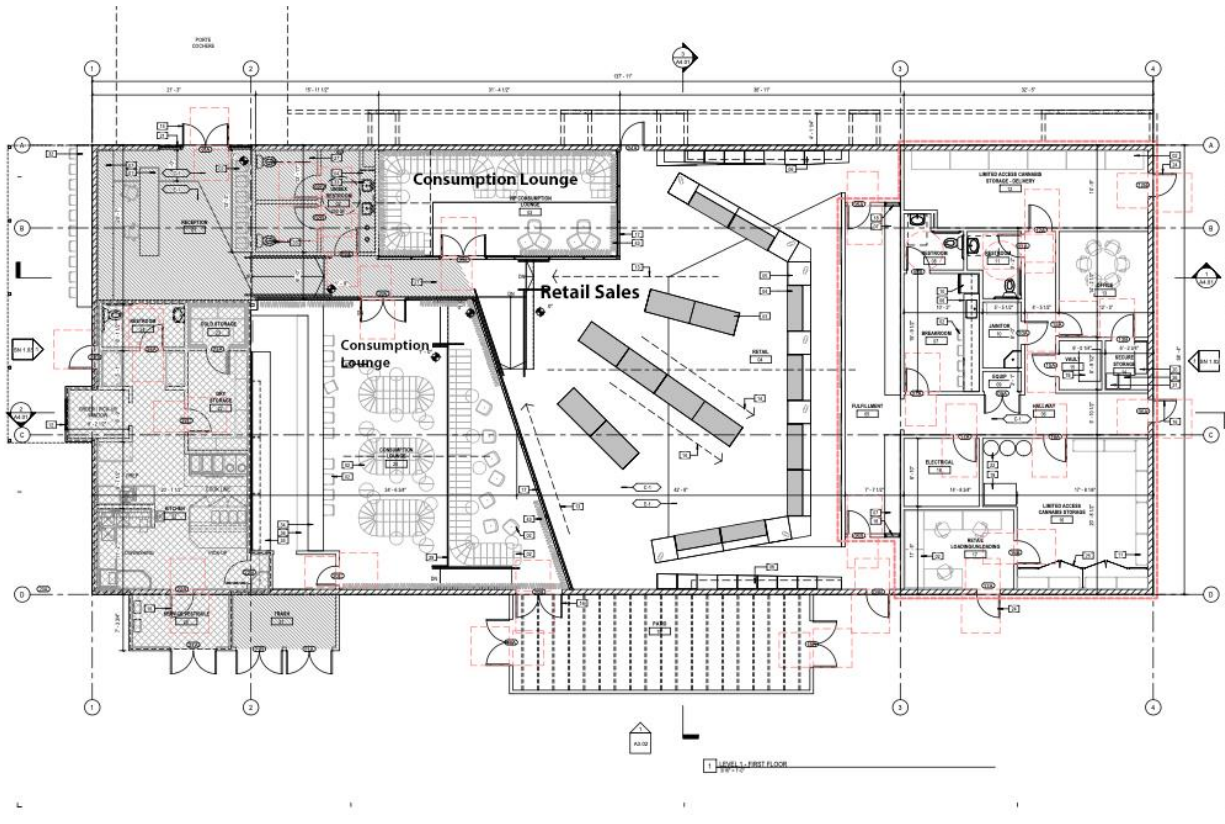
The Coachella Canna Club Project proposes to establish the following on the Project site:

CUP 330 proposes to establish a 7170 square foot retail cannabis business and consumption lounge within the existing building. Plans include modifications to interior partitions, doors and millworks, removal of grid ceilings and the installation of new ceilings and glass partitions. New plumbing fixtures will be installed, and mechanical and electrical systems will be brought up to current codes. A copy of the existing building floor plan is illustrated below.

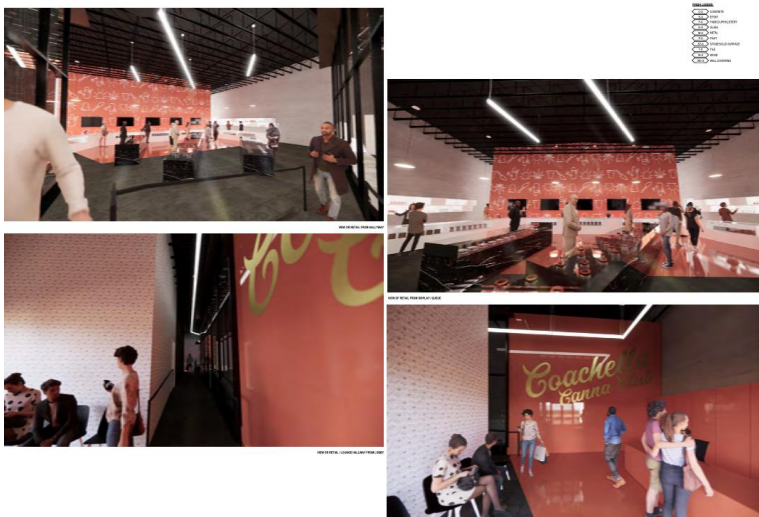


EXISTING CONDITIONS - BY OTHERS / FOR REFERENCE ONLY

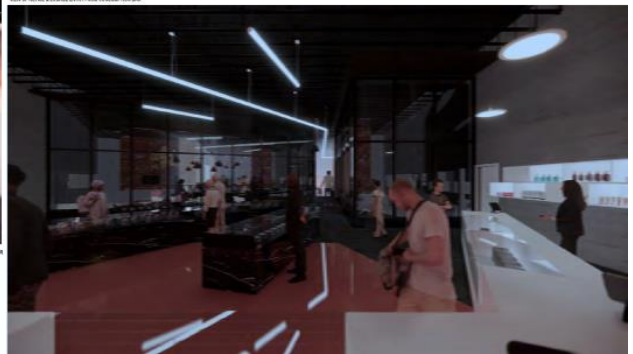
A copy of the proposed interior floor plan of the building is attached below and includes a retail sales area and two consumption lounges.



Artist renderings of the retail sales area and consumption lounges are illustrated below.



- 1. PAINTING
- 2. ROOF
- 3. MASONRY/CONCRETE
- 4. GLASS
- 5. METAL
- 6. WOOD
- 7. LANDSCAPE IRRIGATION
- 8. SIGN
- 9. FLOOR
- 10. WALL COVERING



Exterior work will include the painting of all exterior sides of the building as illustrated on the exhibits below:

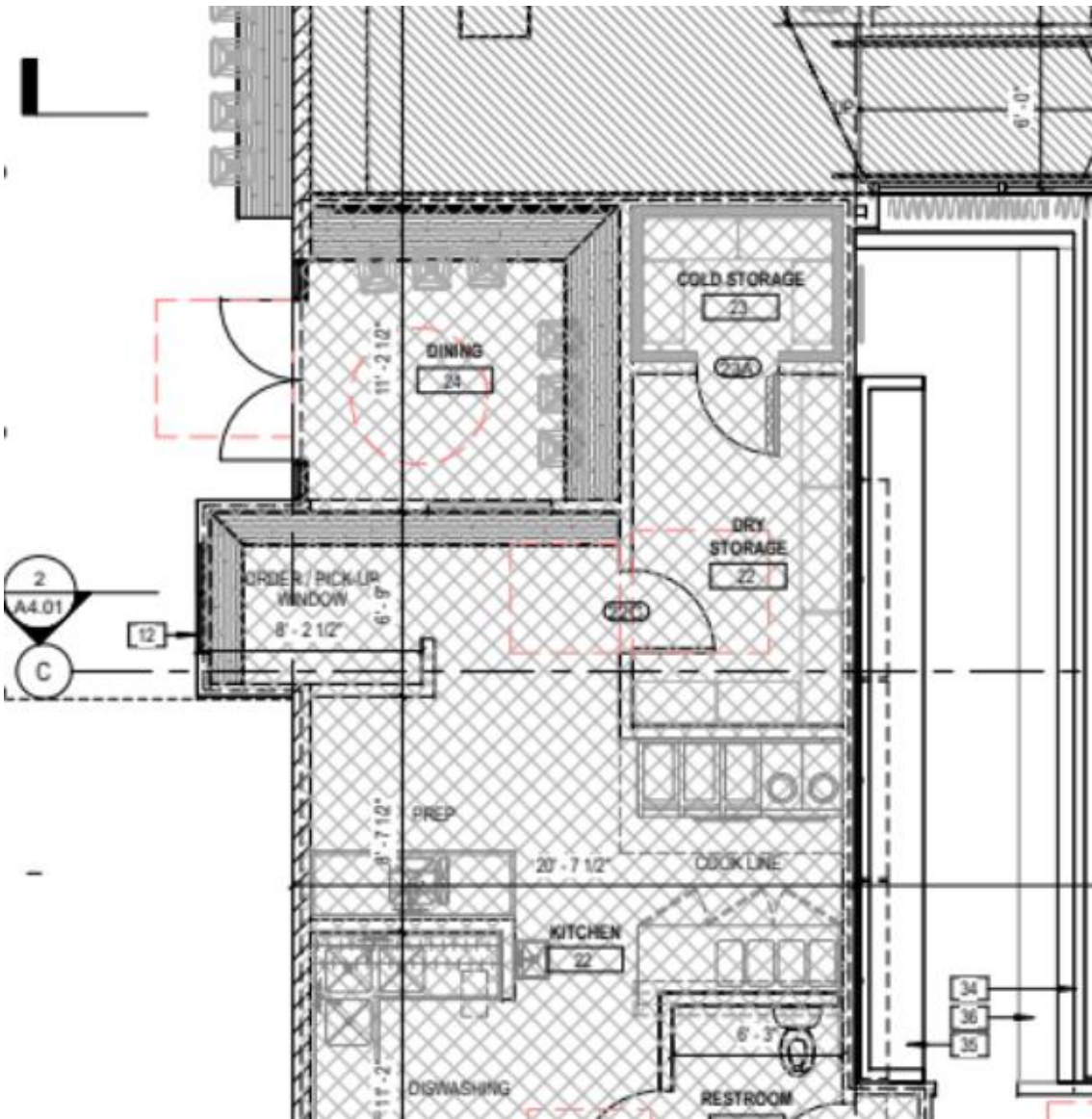




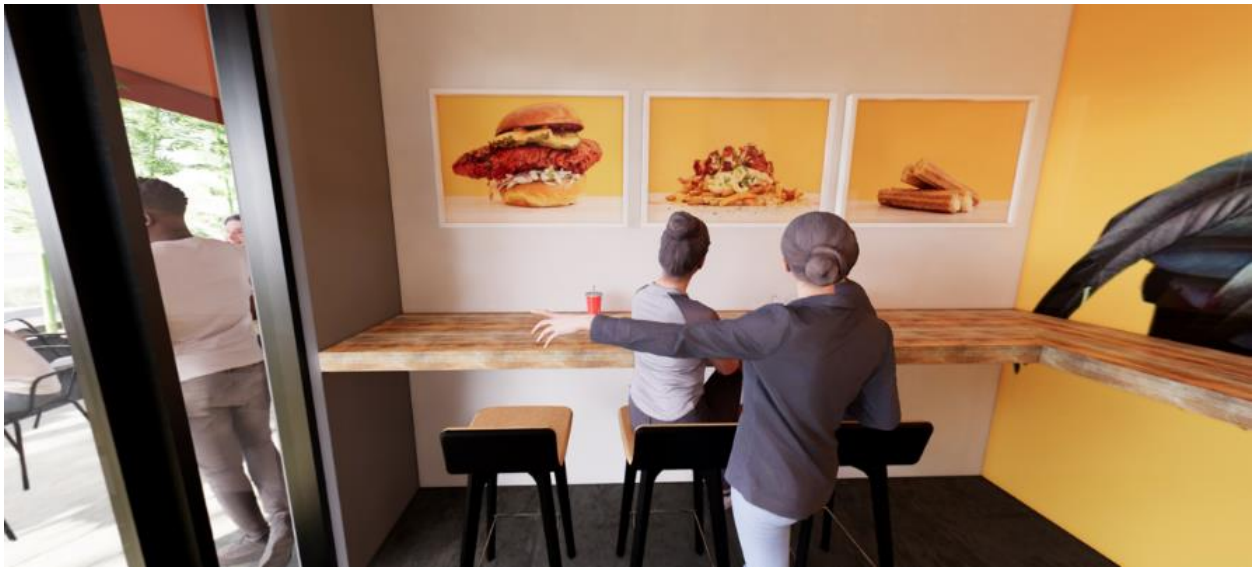
CUP 331 proposes to create a commercial take-out kitchen and take-out window including an approximately 120 square foot indoor seating area and a covered outside seating area on the west side of the existing building as illustrated on the exhibit below. A new awning over the proposed take-out window and outdoor seating area is also planned as shown below.



The new indoor seating area is located adjacent to the proposed Chick Next Door order/pick up window as illustrated in the floor plan below:



The proposed indoor dining area is approximately 120 square feet and includes high top counters on two sides with seating for 6 patrons as illustrated in the artist renderings below:

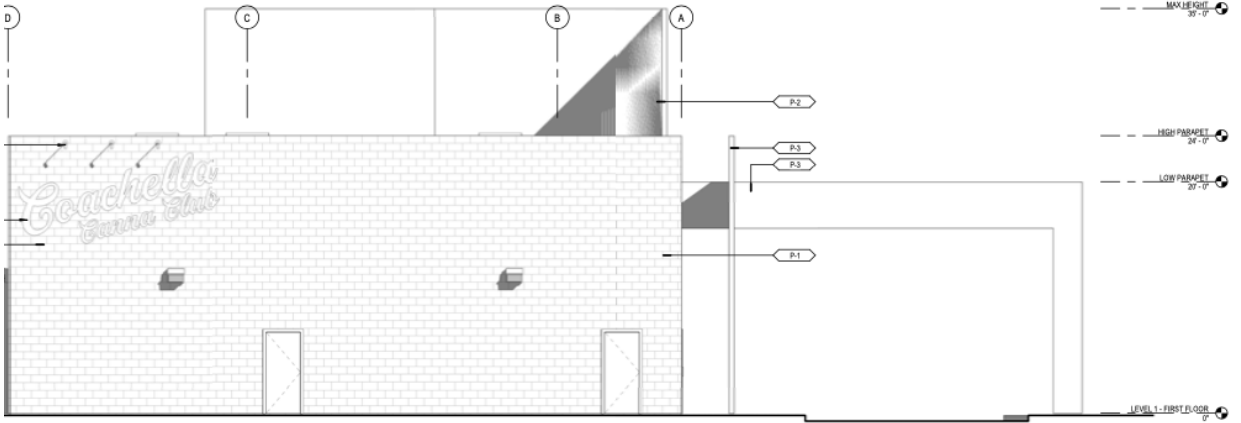


Additionally, a pass through from the Chick Next Door kitchen to the new indoor dining area will be created and a new double door will be constructed from the outside seating area into the new indoor dining area as illustrated on the two images below:

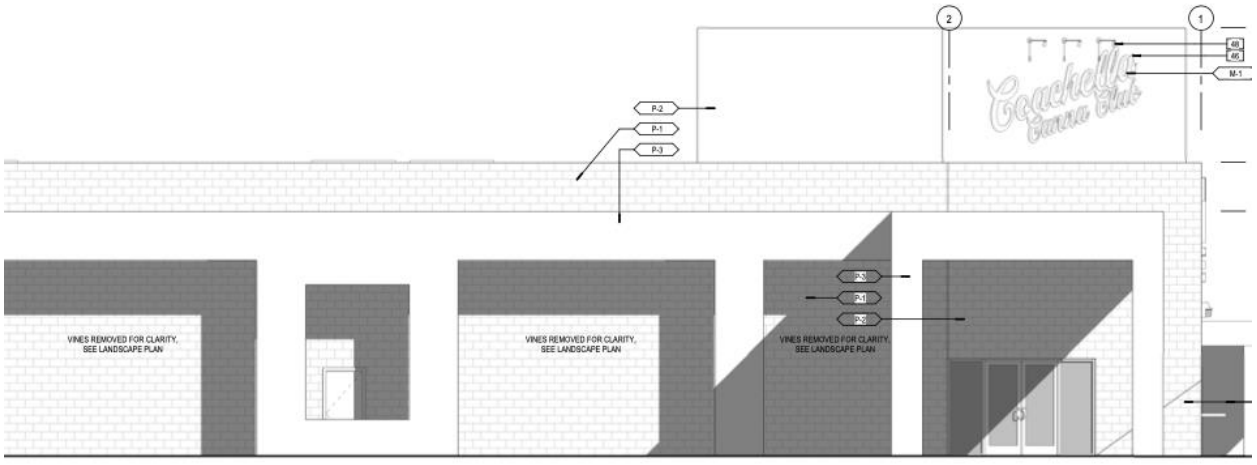


Signage

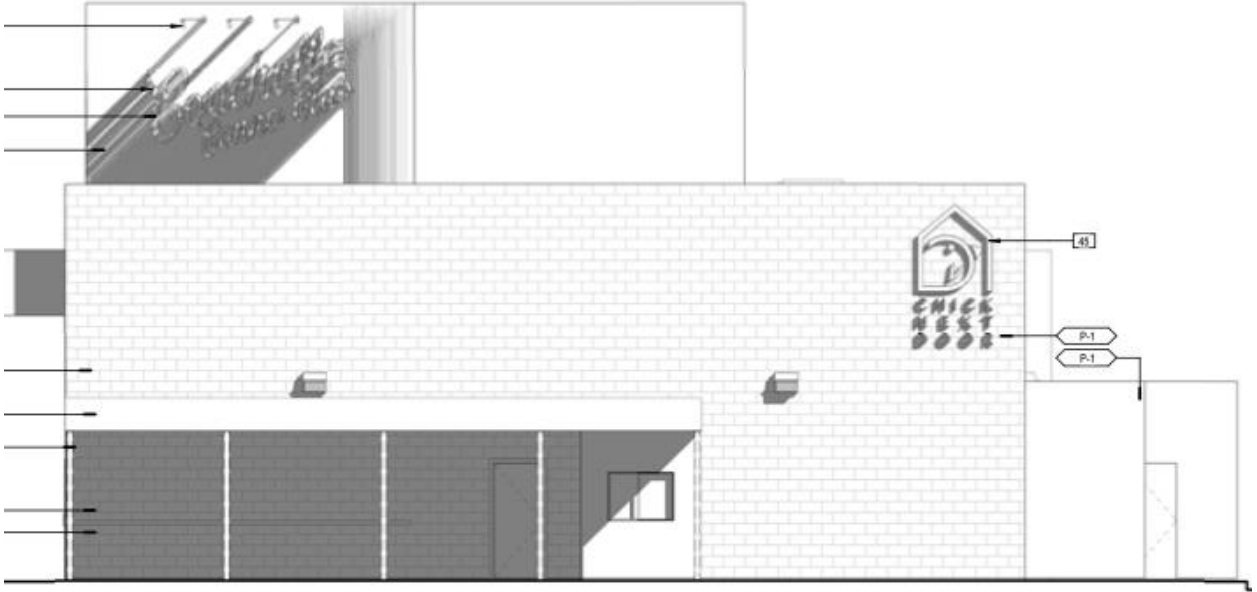
New wall signs will replace the existing wall signs located on the east, north and west sides of the building as shown below:



2 EAST ELEVATION
3/16" = 1'-0"



1 NORTH ELEVATION
3/16" = 1'-0"

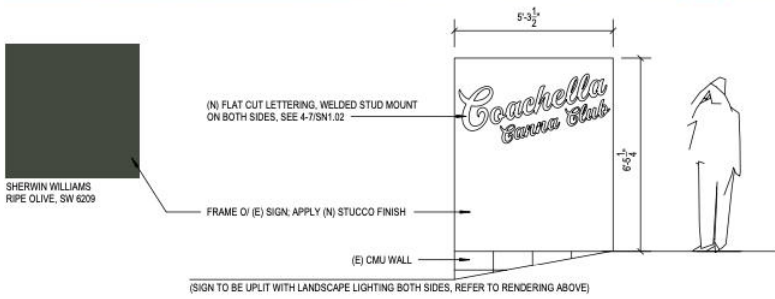


2 WEST ELEVATION
3/16" = 1'-0"

The Canna Club wall signs will be finished with a brass finish while the Chick Next Door wall sign will consist of extruded lit channel letters with an acrylic face and aluminum return as illustrated below:



New copy is proposed for the existing monument sign along Dillon Road as illustrated below.



A new 25-foot-high pole sign with 66.5 square foot of surface area will be constructed as shown below:



Landscaping

All existing landscaped areas will be upgraded to meet current City landscape requirements as shown on the exhibit below.



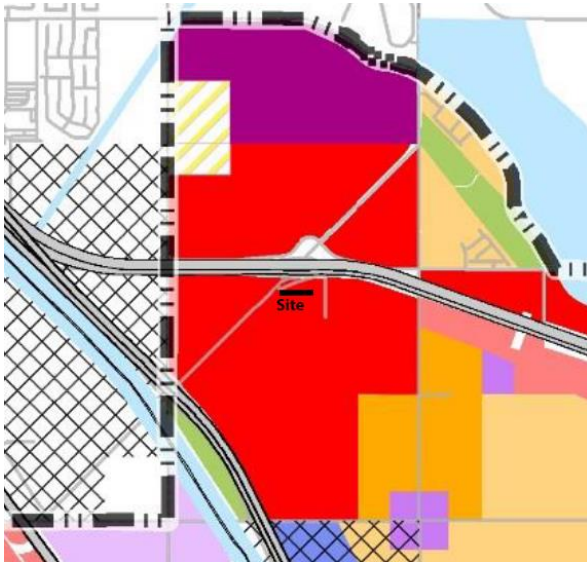
CZ 20-04 proposes to add the Retail Cannabis (RC) Overlay Zone to the existing General Commercial (CG) Zone on the project site as illustrated on the exhibit below:



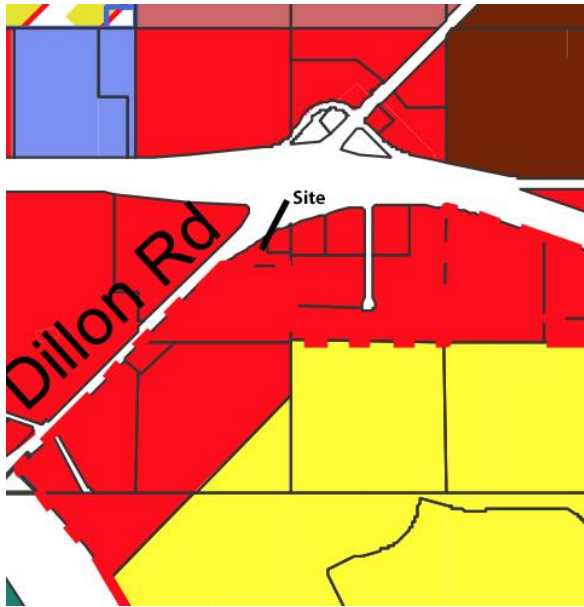
DISCUSSION/ANALYSIS:

Environmental Setting:

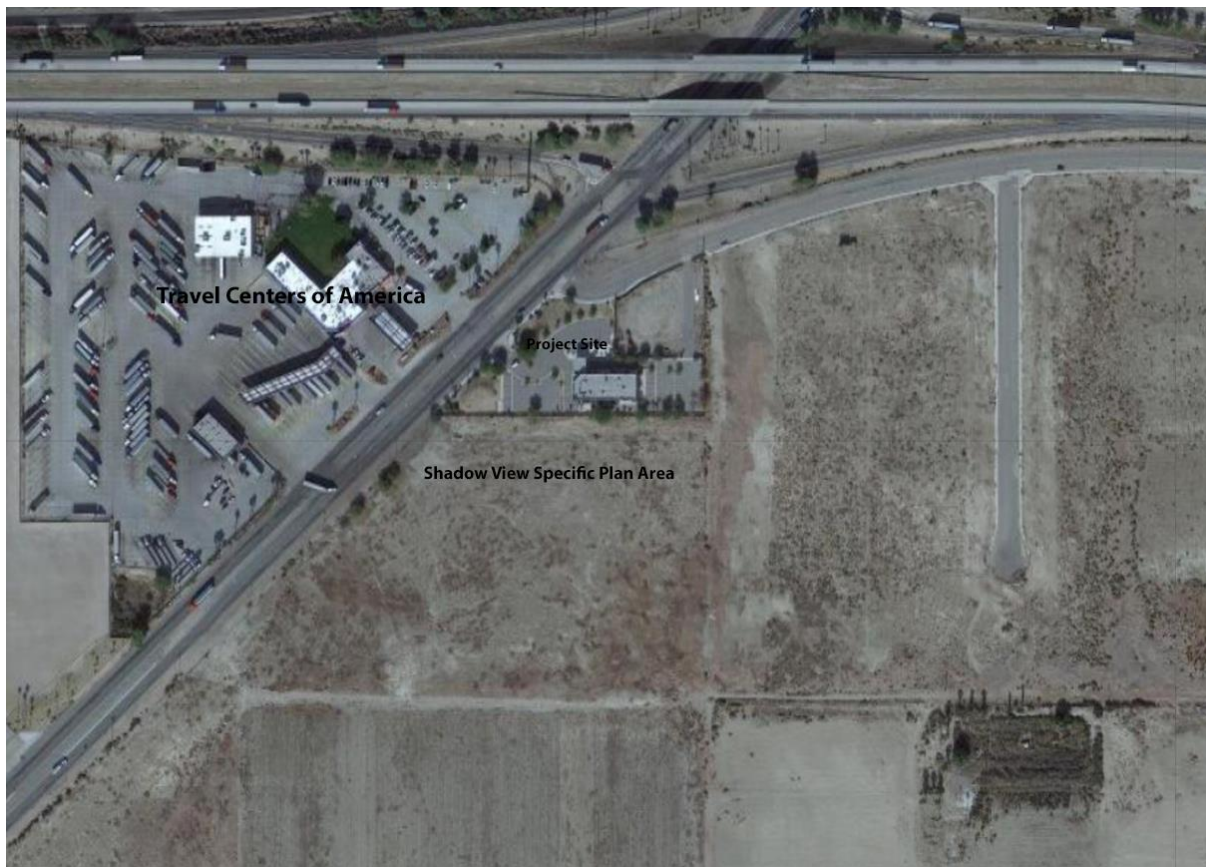
The site is designated Regional Retail District on the 2035 Coachella General Plan as illustrated on the exhibit below. Surrounding properties in all directions are also designated Regional Retail District on the 2035 Coachella General Plan.



The project site is zoned General Commercial (C-G) as illustrated on the exhibit below. Surrounding properties to the north, south, east and west are zoned C-G as well.



Surrounding land uses are illustrated on the aerial photograph below:



Property to the west across Dillon Road consists of the Travel Centers of America complex. Properties to the east, north and south are vacant. The approved Shadow View Specific Plan is

located immediately south of the project site. The Shadow View Specific Plan designates that area as Planning Area 1 West which is planned for commercial/mixed use/high density overlay as illustrated on the exhibit below:



Consistency with the Coachella General Plan

The proposed project is within the Regional Retail District land use designation of the General Plan 2035 Land Use Element. The project is consistent with the development intensity permitted by the Regional Retail District land use category.

Consistency with the (CG-RC) General Commercial Zone with Retail Cannabis Overlay

The project is consistent with the development standards of the CG-RC, General Commercial-Retail Cannabis Overlay Zone.

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 and Chapter 17.85 of the Coachella Municipal Code.

ENVIRONMENTAL REVIEW:

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 330 CUP 331 and Change of Zone 20-04 meet the criteria for a Section 15301, Class 1 CEQA exemption.

CORRESPONDENCE:

Please see Attachment No. 6 for correspondence received for this project from IID, Building Official, Fire Department, Sunline Transit and Environmental Compliance.

BACKGROUND AND DISCUSSION ON SEXUALLY-ORIENTED BUSINESSES (SOB’S):

The City Council of the City of Coachella adopted several urgency ordinances imposing a moratorium, with extensions, on SOB’s in 1994 (Ordinance No’s 735, and 743) and again in 1995 (Ordinance No. 735).

On June 28, 2000, the City Council adopted Ordinance No. 839 which created the SOB “Licensing” ordinance, currently contained in Chapter 5.60 of the Municipal Code.

On November 8, 2000 the City Council adopted the “Zoning Regulations” governing SOB’s as part of Ordinance No. 847, currently contained in Chapter 17.50 (Zoning) of the Municipal Code.

As previously stated, the existing building on the subject property has been previously used as a sexually-oriented business, and is one of the currently-qualifying locations, as allowed under the City’s Municipal Codes that created the latest zoning/land use regulations for SOB’s, adopted on November 8, 2000.

Sections 17.50.030, 17.50.040 and Section 17.50.050 of the Coachella Municipal Code address the classification, required procedure for a new sexually-oriented business, measurement of distances for separation from sensitive uses, and the allowable locations (zoning districts) where sexually-oriented businesses may locate, as specified below.

17.50.030: Establishment and classification of businesses regulated.

The establishment of any sexually oriented business shall be permitted only in the particular zones located within the specified area, as set forth in Section 17.50.050 of this chapter, and shall be subject to the following restrictions. No person shall cause or permit the establishment of any of the following sexually oriented businesses within one thousand (1,000) feet of another such business or within one thousand (1,000) feet of any religious institution, school, boys' club, girls' club, or similar existing youth organization, or public park or recreation area, or any public building regularly frequented by children, or within five hundred (500) feet of any property in the city zoned for residential use. These limitations apply to sexually oriented businesses classified as follows:

A. Adult arcades; B. Adult bookstores; C. Adult cabarets; D. Adult motels; E. Adult motion picture theaters; F. Adult novelty stores; G. Adult theaters; H. Adult video stores; and I. Nude model studios.

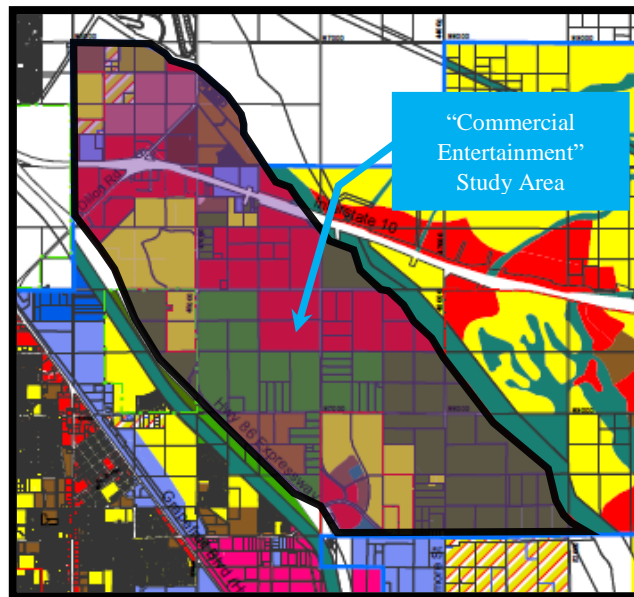
17.50.040: - Measurement of distance.

Distance between any two sexually oriented businesses shall be measured in a straight line, without regard to intervening structures, from the closest exterior structural wall of each business. The distance between any sexually oriented business and any religious institution, school, boys' club, girls' club, or similar existing youth organization, or public park or recreation area or public building regularly frequented by children or any properties zoned for residential use shall also be measured in a straight line, without regard to intervening structures or objects, from the nearest portion of the building or structure used as part of the premises where sexually oriented business is conducted, to the nearest property line of the premises of a religious institution, public or private elementary or secondary school, or the nearest boundary of an affected public park or recreation area, public building regularly frequented by children, residential district, or residentially zoned lot.

17.50.050: - Location of sexually oriented business.

Sexually oriented businesses shall be permitted only in the "C-T (commercial tourist) and "C-G" (commercial general) zones located within the entertainment area plan, which plan is more particularly defined as all property with a general plan land use designation of "entertainment commercial" and bordered by Avenue 44 to the north, Coachella Valley Stormwater Channel to the south, the All American Canal to the east and Harrison Street to the west. Permits for sexually oriented businesses shall be required and governed by the procedures and policies specified in Chapter 5.60 of this code.

Staff has prepared the exhibit calling out the “Commercial Entertainment” study area that was generally shown in the City’s “General Plan 2020” document from 2003. The map shows the geographical area that Section 17.50.050 describes as: Avenue 44 to the north, Coachella Valley Stormwater to the south, All American canal to the east and Harrison Street to the west. It is within this geographic area, and only in the C-T and C-G zones, that a new Sexually-Oriented Business may make application to locate. The study area is depicted in the map below:



Within the area described above there is one area zoned CT (Commercial Tourist) on the east side of Dillon Road north of Vista Del Norte as shown in “burgundy” above. Additionally, areas zoned C-G (General Commercial) are shown in red on the exhibit above. However, the Shadow View Specific Plan calls out “Planning Area No. 1” for the parcels fronting on Dillon Road and Vista Del Sur and these properties are described as allowing the “same land uses as the C-G zone with up to 1,000 dwelling units”. As such, it is not a C-G zone, but a “Specific Plan – Mixed Use” zone governed by a Specific Plan.

As seen on the exhibit, there are several vacant and improved parcels within the study area where a future SOB could locate and meet the required measurement and distance requirements as stated in Sections 17.50.040 and Section 17.50.050. This would include the Travel Center of America site across the street from the subject site, the properties at the intersection of Vista Del Norte and Dillon Road, the “Camp Court” properties on Vista Del Sur, the properties at the southeast corner of Vista Del Sur and Tyler Street, and the properties near Avenue 52 and Polk Street. Many of the vacant lots with C-G zoning do not currently have access to utilities and this may be an impediment to actually allowing for a new SOB to open here. Similarly, some of the vacant agricultural lots east of Tyler Street would have to be re-zoned to a residential zone under the City’s General Plan’s Land Use and Community Character Element and as such would not qualify for SOB applications.

In conclusion, the remaining policy question is whether the City Council wants to continue to permit SOB’s in the C-T and C-G zones in the area described above, or whether the Municipal Code should be amended to allow future SOB uses in other areas and zones, such as the City’s industrial zones where typically meeting the distance requirements would be easier.

The City’s development patterns have changed significantly since 2000 and it may be a good opportunity to re-visit the Ordinance. At direction from the City Council as stated in Staff’s

recommendation No. 3 above, staff will research where other Riverside County jurisdictions permit SOB's and will provide a recommendation regarding amending the applicable sections of the City Municipal Code.

ALTERNATIVES:

- 1) Approve Conditional Use Permit No. 330, Conditional Use Permit 331 and introduce for 1st reading, by title only, CZ 20-04 with the findings and conditions as recommended by Staff.
- 2) Deny Conditional Use Permit No. 330, 331 and CZ 20-04.
- 3) Continue these items and provide staff and the applicant with direction.

RECOMMENDED ALTERNATIVE(S):

It is staff's recommendation that the City Council open the public hearing and allow input from all proponents and opponents of the proposed project. Because the proposed Projects are in conformance with the City's General Plan and the proposed uses 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. 2021-24 approving Conditional Use Permit No. 330 and Conditional Use Permit 331 with the findings and attached conditions of approval
2. Introduce for 1st Reading, by title only, Ordinance No. 1178 approving Change of Zone 20-04 with the attached findings.
3. Motion to direct Staff and the City Attorney to review the exiting City municipal code sections relative to sexually oriented businesses and return to the City Council in 60 days regarding what revisions and amendments are recommended.

Attachments:

Resolution No. 2021-24 for CUP 330 and CUP 331
Ordinance No. 1178 (1st Reading)
Exhibit A: Conditions of Approval for CUP 330 and CUP 331
Historical Building Permits
Correspondence