



STAFF REPORT
11/3/2021

TO: Honorable Mayor and City Council Members
FROM: Gabriel Perez, Development Services Director
SUBJECT: American Desert LLC Multi-tenant Microbusiness Project

- a) Conditional Use Permit 342 proposes to convert an existing 18,960 square foot multi-tenant (12 units) industrial building into multi-tenant microbusiness at 86695 Avenue 54. (APN 764-280-011)
- b) Change of Zone No. 21-03 proposes 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 1.29 acre developed parcel located at 86695 Avenue 54.
- c) Variance No. 21-04 to allow the proposed Industrial Park Overlay Zone on a project area less than a 10 acres, individual lot less than 5 acres, and a lot depth less than 220 feet.

STAFF RECOMMENDATION:

Staff recommends that the City Council adopt the following resolution and ordinance for the American Desert LLC Multi-tenant Microbusiness Project:

- 1) Resolution No. 2021-03 approving Conditional Use Permit 342 to convert an existing 18,960 sq. ft. multi-tenant industrial building into a multi-tenant microbusiness at 86695 Avenue 54 and Variance No. 21-04 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. 1189 approving Change of Zone No. 21-03 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 1.29 acre developed parcel located at 86695 Avenue 54 APN 764-280-011 (First Reading).

EXECUTIVE SUMMARY:

The applicant, American Desert LLC, proposes to convert an existing 18,960 square foot multi-tenant industrial building located at 86695 Avenue 54 to allow microbusinesses consisting of cultivation, manufacturing and distribution only with no storefront retail. The project will potentially have a total of 12 tenants on a 18,960 square foot lot.

Change of Zone No. 21-03 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. A variance is required to allow the IP Overlay Zone on a project area less than 10 acres, individual lot less than 5 acres, and a lot depth less than 220 feet.

BACKGROUND:

The above referenced applications are proposed on a 1.29 acre parcel, located at the southwest corner of Avenue 54 and Enterprise Way (86695 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 photograph below illustrates the exterior elevation of the existing industrial building.



DISCUSSION/ANALYSIS

ENVIRONMENTAL SETTING

The site is 1.29 acre developed parcel zoned M-H (Heavy Industrial) within the Rancho Coachella Business Park. The existing 12-unit building is currently occupied by 9 tenants, which includes the Coachella Valley Teachers Association, Alejandro Cervantes Contractor, Thermiculture Management, Growers Topping and Hedging LLC, Three Generations Harvesting, Premium Packing Inc, and Agro Labor Services. The applicant has indicated that there is one tenant suite vacancy. The surrounded land uses and zoning classification include the following:

- North:** Multi-tenant industrial building and Avenue 54/ M-S (Manufacturing Service) Zone
- South:** Oraway Engineering 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 project site is owned by American Desert LLC, which consists of an 18,960 sq. ft. multi-tenant industrial building with 12 tenant suites, each measuring approximately 1,500 square feet at 86695

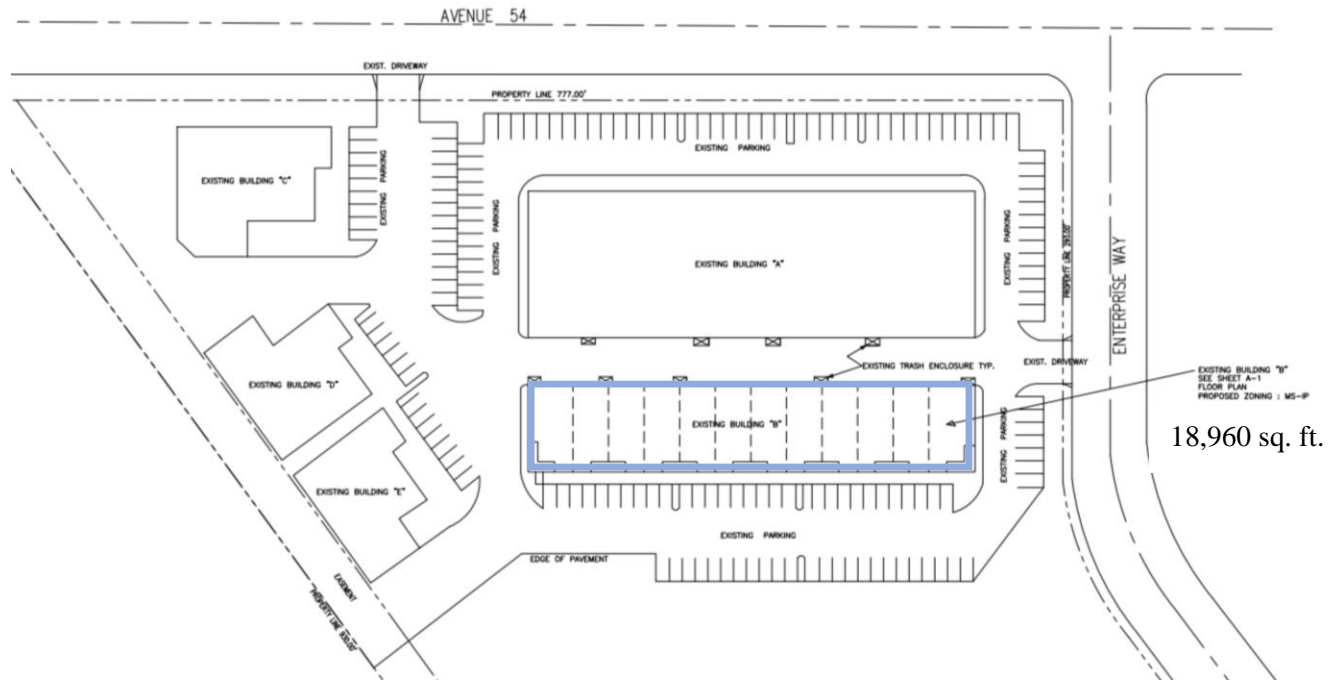
Avenue 54. Currently, the project owner is not proposing tenant improvements as part of project. The applicant proposes to allow multi-tenant cannabis microbusinesses to occupy suites to include activities such as cultivation, manufacturing, and distribution only, with no retail sales. The applicant anticipates that there will be multiple business occupants and that a tenant could occupy one or more of the suites.

Change of Zone No. 21-03 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. A change of zone (CZ 21-01) to add the IP Overlay Zone and a change of the base zone from M-H to M-S Zone was recently adopted by the City Council on the developed 1.74 acre parcel directly north of the subject site to allow for a storefront retail microbusiness with a Conditional Use Permit (CUP 337) within the existing 31,600 sq. ft. multi-tenant building.

The site plan and floor plan of the existing building is illustrated on the following page. The plans are provided for reference and no tenant improvements are proposed at this time. No on-site or off-site improvements are required by the City for this project since the building is existing and the site is developed with parking, driveways and landscaping. There are 55 existing parking spaces available on-site that serve the existing building suites.

The Planning Commission recommended approval of the proposed project at their regular meeting of October 20, 2021 (Attachment 8).

Existing Site Plan



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 1.29 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 120 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.

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 342, Change of Zone 21-03, and Variance 21-04 meet the criteria for a Section 15301, Class 1 CEQA exemption.

CORRESPONDENCE

Please see attachments for correspondence received on this project.

ALTERNATIVES:

- 1) Adopt Resolution No. 2021-73 approving of Conditional Use Permit No. 342 and Variance 21-04 with the findings and conditions as recommended by Staff. Adopt Ordinance 1189 approving Change of Zone 21-03 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. 342, Change of Zone No. 21-03, and Variance 21-04.
- 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. 2021-73 approving of Conditional Use Permit No. 342 and Variance 21-04 with the findings and conditions as recommended by Staff.
- 2) Adopt Ordinance 1189 approving Change of Zone 21-03 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. 2021-73 for CUP No. 342, Variance No. 21-04.
Exhibit A - Conditions of Approval
2. Ordinance 1189 (1st Reading) - Change of Zone No. 21-03
Exhibit B – Change of Zone Exhibit
3. Existing Conditions Photos
4. Vicinity Map
5. Site Plan
6. Floor Plan
7. Applicant Justification Letter
8. Planning Commission Draft Minutes - October 20, 2021
9. Correspondence from IID and Riverside County Fire