



STAFF REPORT
9/2/2020

TO: Planning Commission Chair and Commissioners

FROM: Luis Lopez, Development Services Director

SUBJECT: Conditional Use Permit No. 323 to allow a 650 square-foot Non-Storefront Retail Cannabis Microbusiness to include delivery-only retail cannabis sales, and non-volatile manufacturing (light mechanical extraction) of cannabis products within an existing commercial building in the C-G (General Commercial) zone located at 51-544 Cesar Chavez Street, Suite J1. (A.P.N. 778-130-002); CHAD Enterprises, LLC (dba: Foundation Delivery), Applicant.

STAFF RECOMMENDATION:

Staff recommends that the Planning Commission acknowledge a Class 3 CEQA Exemption for the project and approve Conditional Use Permit No. 323 with the findings and conditions contained in this Staff Report.

BACKGROUND:

The applicant submitted an application for a Conditional Use Permit on June 25, 2020. The subject property consists of a commercial tenant space that was previously used as an office. The existing building is a two-story building and is located on the east side of Cesar Chavez Street between Bagdad Avenue and Damascus Avenue. (Assessor Parcel Number: 778-130-002). The proposed unit is located on the second floor of the building and it is Suite J1.

DISCUSSION/ANALYSIS:

The applicant, CHAD Enterprises (dba: Foundation Delivery) has submitted an application for Conditional Use Permit to establish a 650 square-foot non-storefront retail cannabis microbusiness to include delivery-only retail cannabis sales, and non-volatile manufacturing (light mechanical extraction) of cannabis products within an existing commercial building in the C-G (General Commercial) zone.

On May 13, 2020, the City Council of the City of Coachella adopted Ordinance No. 1161 and Ordinance No. 1162 setting zoning regulations for non-storefront retailers, and non-storefront retail microbusinesses in the various commercial and industrial zoning districts of the city (Ordinance No. 1161); and amendments to the City's cannabis regulatory permitting regulations for commercial cannabis uses including non-storefront cannabis retailers, and non-storefront retail cannabis microbusinesses (Ordinance No. 1162). Non-storefront cannabis retailers are defined by both ordinances as a commercial cannabis retailer that provides cannabis products **exclusively**

through delivery. Like the name implies, these businesses do not have a retail storefront that is open to the public. Rather, the business will obtain cannabis and cannabis products, secure the merchandise on site, and then deliver it to the customer's address. There will be no customer traffic at the proposed business location.

Environmental Setting:

The subject site consists of a 640 square foot office space on the first floor of an existing two-story commercial building. The building currently has retail and office uses on the first floor and there are unfinished commercial shell tenant spaces on the second floor which have never been occupied (the owner failed to complete the building's secondary-exit staircase when this building was first occupied. Therefore, the staircase located near the entry to the subject space is not accessible.

The subject two-story building is located on the east side of Cesar Chavez Street between Bagdad Avenue and Damascus Avenue. The subject site is substantially flat, and is substantially surrounded by urban uses, with adjoining zoning and land uses as follows:

North: Existing market, Rancho Grande Market / (C-G, General Commercial)

South: Existing furniture store, Muebleria Guadalajara / (C-G, General Commercial)

East: Existing single family residential at approximately 170 feet from the subject site, (R-S, Single Family residential)

West: Vacant commercial land and existing restaurant, Taqueria Arandas (C-G, General Commercial)

The aerial map and site photographs below show the existing conditions on the site.

Aerial Map Exhibit:



Photographs of Rear Parking Lot:





Photograph of Cesar Chavez Street Frontage:



Photograph of Damascus Avenue frontage:

Site Layout/ Parking;

The existing commercial building fronts on Cesar Chavez Street and has off-street parking in the rear, accessible from the side streets (Bagdad Avenue and Damascus Avenue). The southern portion of the site with the furniture store has an unimproved parking lot. The building where the Non-storefront Retail Cannabis Microbusiness is proposed has an improved parking lot and trash enclosure area.

The site plan and floor plan submitted for this application show that the proposed use will be in a suite located on the ground floor within a suite consisting of 640 square feet, Suite J1. The proposed non-storefront retail cannabis microbusiness to include delivery-only retail sales, and non-volatile manufacturing (light mechanical extraction) of cannabis products would operate between the hours of 10:00 am and 10:00 pm Monday through Sunday. The subject site is an older development with approximately 15 parking spaces with additional on-street parking. There is additional parking spaces on both sides of the building thru an existing alley that serves as an access point for the buildings to the north and to the south. The exhibit below shows the location of the building in relation to the nearest single family home, which is more than 100 feet in distance. Therefore, the location of the business conforms with the City's zoning regulations as explained below.

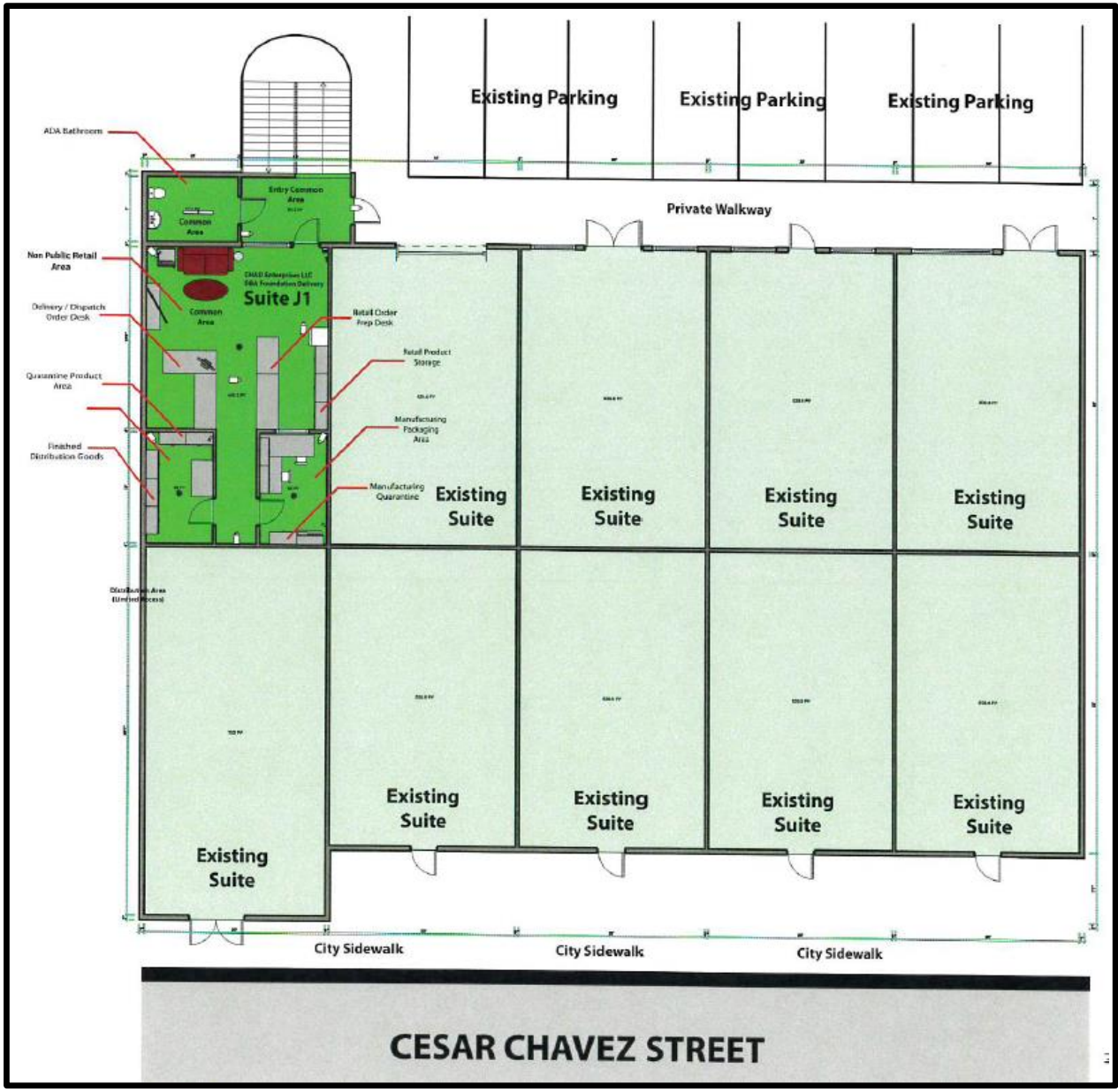


Property Development Standards

Non-storefront retailers are subject to three property development standards:

- A minimum of one hundred (100) feet separation from any residential structure;
- be at least five hundred (500) feet from any other storefront retail or non-storefront retail cannabis business; and
- may not be located in the City's Pueblo Viejo District.

The only development standard applicable to the proposed use is the 100 feet separation from any residential structures, the other two standards are not applicable to the proposed uses. The aerial picture above reflects the approximate distance from the subject building to the nearest residential structure to the east which is at approximately 175 feet, exceeding the minimum distance of 100 feet from any residential structure.



Overall Building - Ground Floor Plan.

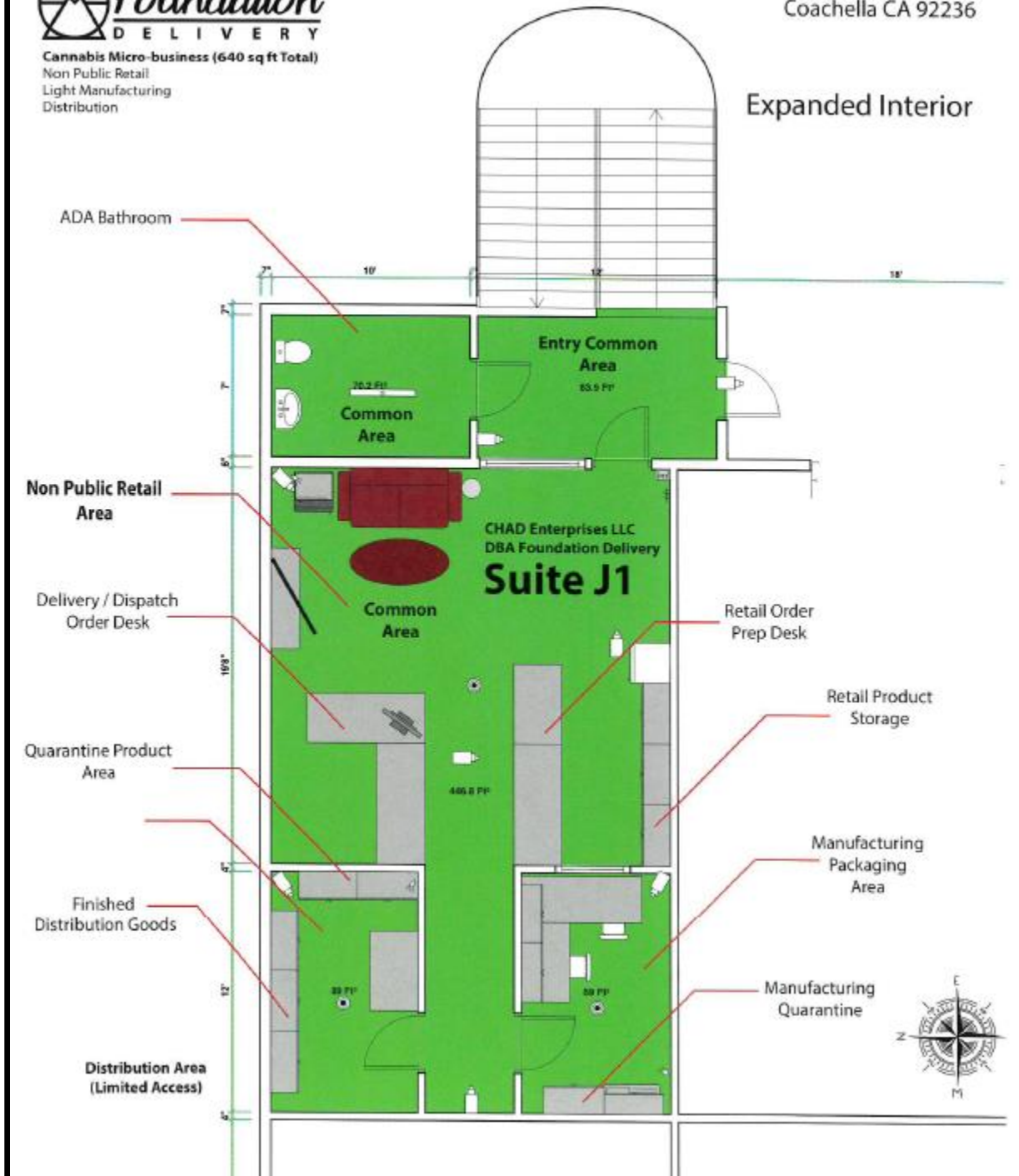
Riverside APN# 778130002

CHAD ENTERPRISES dba Foundation Delivery

51544 Cesar Chavez Street Suite J1
Coachella CA 92236



Cannabis Micro-business (640 sq ft Total)
Non Public Retail
Light Manufacturing
Distribution



Suite J1 floor plan.

Off-Street Parking:

Chapter 17.54 of the Coachella Municipal Code includes a minimum requirement of off-street parking for commercial and retail uses that requires “*One parking space for each 250 square feet of floor area*”. The existing commercial and office use building is an older development with approximately 15 parking spaces and additional on-street parking. The proposed business would operate similar to a dispatch office where office personnel would schedule deliveries. The space in the rear will include small-scale assembly and a space for the distribution office (this is needed mostly for addressing purposes). The subject site has no tenants allowed on the ground floor, and as such the existing 5,200 square foot ground floor of the building requires 20 parking spaces. The subject site has 25 available parking spaces on the site which is more than adequate for the business. The owner proposes to have two delivery vehicles parked on the site in addition to employee parking.

ENVIRONMENTAL REVIEW:

The City of Coachella has determined that the proposed project is categorically exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act as a “Conversion of Small Structures” project (CEQA Guidelines, Section 15303). The subject site is an existing 650 square foot retail/office space that will be converted into a non-storefront retail cannabis microbusiness with no changes to the exterior. The existing building is surrounded by urban uses, including office uses, restaurant, grocery store, and residential uses to the east. The proposed use does not involve substantial quantities of hazardous materials.

CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis contained herein and the findings listed below, staff is recommending that the Planning Commission approve Conditional Use Permit No. 323 with the findings and conditions listed below.

ALTERNATIVES:

1. Acknowledge that the project is exempt from environmental review as a Class 3 Exemption, and Approve Conditional Use Permit No. 323 with the findings and conditions contained in the staff report.
2. Acknowledge that the project is exempt from environmental review as a Class 3 Exemption, and Approve Conditional Use Permit No. 323 with the findings and modified conditions of approval.
3. Continue Conditional Use Permit No. 323 and provide staff direction.
4. Make findings and Deny Conditional Use Permit No. 323.

FINDINGS OF APPROVAL FOR CONDITIONAL USE PERMIT NO. 323:

1. The proposed use will not be in conflict with, but will be in harmony with and in accordance with the objectives of the general plan because the proposed non-storefront retail cannabis microbusiness to include delivery-only retail sales, and non-volatile manufacturing (light mechanical extraction) of cannabis products use is within the Neighborhood Center land use designation according to the General Plan 2035, which allows primarily neighborhood-serving commercial uses and high density residential uses. The proposed uses will serve the Commercial Cannabis Cultivation businesses in the nearby industrial districts of the City and can also provide delivery services for the cannabis industry. There are adjoining single-family residences to the east of the site which would not be affected due to noise or odors because the business operates during daytime only, and there are minimal odors associated with this use. Additionally, the proposed use will be compatible with the shopping center in that it is similar to other commercial uses and provides ample opportunities to walk to the adjoining coffee shops and restaurants and this promotes the active living policies of the City's Health and Wellness Element.
2. The proposed use will be located, designed, constructed, operated and maintained so as to be compatible with the existing character of the general vicinity and shall not change the essential character of the same area because the proposed project is within a zoning designation of 'C-G' (General Commercial) which permits non-storefront retail cannabis microbusiness to include delivery-only retail sales, and non-volatile manufacturing (light mechanical extraction) of cannabis products are allowed with the approval of a conditional use permit. The proposed use is located on a large commercial site that is compatible with the adjoining residential uses and the conditional use permit can be revoked if any of the conditions of approval are violated.
3. Consideration has been given to harmony in scale, bulk, coverage and density, of the proposed non-storefront retail cannabis microbusiness to include delivery-only retail sales, and non-volatile manufacturing (light mechanical extraction) of cannabis products use upon the existing neighborhood, to the generation of traffic and the capacity of surrounding streets, and to any other relevant impact of the development. The proposed building was designed to be in keeping with the urban design goals of the General Plan which seeks to provide neighborhood commercial uses in close proximity to residential and create a more pedestrian friendly environment. The project does not propose any new construction, except for tenant improvements, which may trigger minor ADA upgrades to the parking stalls and sidewalk ramps. Additionally, the laboratory will result in minor traffic trips to a commercial building where patrons can use the adjoining coffee shops, restaurants and market resulting in shared parking opportunities.
4. Where the proposed use may be potentially hazardous or disturbing to existing or reasonably expected neighboring uses, it must be justified by the common public interest as a benefit to

the community as a whole. As conditioned, the proposed laboratory will operate during daytime hours only, and would not create any noise, traffic or odors to adjoining uses. Additionally, the project will have adequate parking to serve the needs of its patrons. The minor use of hazardous materials will be regulated by the Fire Marshal and Building Official as part of the required tenant improvements for the proposed use

5. The proposed use will provide vehicular approaches to the property designed for reasonable minimal interference with traffic on surrounding public streets or roads. The proposed non-storefront retail cannabis microbusiness to include delivery-only retail sales, and non-volatile manufacturing (light mechanical extraction) of cannabis products will serve a need to local businesses and will be within close proximity to its patrons in the City and neighboring areas of the Coachella Valley, and future retail cannabis businesses in the City's commercial and industrial zoning districts.

6. The City of Coachella has determined that the proposed project is categorically exempt from environmental review pursuant to the guidelines of the California Environmental Quality Act as a "Conversion of Small Structures" project (CEQA Guidelines, Section 15303). The subject site is an existing 650 square foot office space that will be converted into a non-storefront retail cannabis microbusiness with no changes to the exterior. The existing building is surrounded by urban uses, including office uses, restaurant, grocery store, and residential uses to the east. The proposed use does not involve substantial quantities of hazardous materials.

CONDITIONS OF APPROVAL FOR CONDITIONAL USE PERMIT NO. 323:

1. Conditional Use Permit No. 323 is approved for a 650 square-foot non-storefront retail cannabis microbusiness to include delivery-only retail sales, and non-volatile manufacturing (light mechanical extraction) of cannabis products within an existing building as shown on the submitted plans and shall be effective for a one-year period unless an extension of time is requested by the applicant and granted by the Planning Commission. A building permit for the tenant improvements, diligent pursuit of construction, and establishment of the use shall vest the conditional use permit. Violation of any of the conditions of approval shall be cause for revocation of the Conditional Use Permit.

2. The hours of operation for the 650 square-foot non-storefront retail cannabis microbusiness may be from 10:00 am to 10:00 pm Monday through Sunday.

3. Prior to the issuance of a business license, the applicant shall apply for, and obtain, a Cannabis Regulatory Permit (CRP) from the City of Coachella. The CRP shall include, and the applicant shall agree to, the payment of a six percent (6%) cannabis excise tax based on

gross receipts for cannabis gross receipts generated from the business, pursuant to Section 4.31.010 of the Coachella Municipal Code.

4. The applicant shall comply with all plan check corrections from the Building Official and Fire Marshal and secure permits from both agencies for the tenant improvements for non-storefront retail and small-scale manufacturing cannabis uses.
5. The applicant shall provide a conforming ADA Parking stall and “path of travel” from parking stall to the main entry of the business per ADA requirement.
6. The applicant shall coordinate with the City’s public works inspector to inspect for possible needed repairs to any damaged curb, gutter or sidewalk present along Cesar Chavez Street fronting the subject tenant space and building.
7. The applicant shall consult with the Coachella Water Authority to verify compliance with City standards regarding Backflow devices; Reduced Pressure Principle Device (RP) within 12 inches of water service, Above-Ground “Double Check Detector Assembly” DCDA for fire system, and proper metering to the tenant space.
8. Prior to final approval of the tenant improvement permits, the applicant shall submit written proof of having obtained permits and final inspection approval from the Valley Sanitary District for the proposed non-volatile manufacturing (light mechanical extraction) of cannabis products.
9. The operator shall submit detailed plumbing and mechanical plans.
10. The operator shall submit a source control survey.
11. The operator shall submit a Spill Response and Prevention Plan.
12. The operator shall submit disposal methods for spent residual of plant material and solvents.
13. The operator shall submit Safety Data Sheets for all chemicals used in extraction/manufacturing process.