



STAFF REPORT
5/26/2021

TO: Honorable Mayor and Members of the City Council

FROM: Luis Lopez, Development Services Director

SUBJECT: Pueblo Cannabis Project

SPECIFICS:

- a) Resolution 2021-29 approving Conditional Use Permit No. 336 to convert an existing 3,400 square foot commercial building into a 1,500 square foot indoor retail cannabis business and 1,900 square foot coffee shop with art gallery. The project entails façade renovations and a new parking lot/landscaping with outdoor patio improvements on property located at 85-591 Grapefruit Boulevard.
- b) Ordinance No. 1181 approving Change of Zone No. 20-08 to add the R-C (Retail Cannabis Overlay) Zone to the existing M-S (Manufacturing Service) Zone on a 13,000 square foot developed parcel located at the northwest corner of 3rd Street and Grapefruit Boulevard.

STAFF RECOMMENDATION:

Staff recommends that the City Council approve the Pueblo Cannabis project by taking the following actions:

- 1) Adopt Resolution No. 2021-29 approving Conditional Use Permit No. 336 to allow the conversion of an existing 3,400 square foot commercial building into a 1,500 square foot retail cannabis business and 1,900 square foot coffee shop with art gallery, including facade renovations and a new parking lot / landscaping, with outdoor patio improvements on property located at 85-591 Grapefruit Boulevard.
- 2) Introduce for the 1st Reading, by title only, Ordinance No. 1181 approving Change of Zone No. 20-08 that proposes to add the R-C (Retail Cannabis Overlay) Zone to the existing M-S (Manufacturing Service) Zone on a 13,000 square foot lot at the northwest corner of 3rd Street and Grapefruit Boulevard.

EXECUTIVE SUMMARY:

The Pueblo Cannabis Project is proposing to convert the existing building located at 85-591 Grapefruit Blvd into Pueblo Cannabis, a proposed 1,500 square foot indoor retail cannabis business. Pueblo Coffee will be the secondary on-site business and will utilize over

1900 square feet of indoor and outdoor seating. The secondary uses will include temporary art exhibitions, outdoor art installations, murals and special events. A proposed General Store will be the art component of Pueblo Coffee and will utilize over 1,500 square feet of indoor space and 2,000 square feet of outdoor patio area. The project entails improvements to both the interior of the building and exterior of the site. Improvements to indoor structural, electrical, plumbing and HVAC systems are proposed as part of the Project. Exterior improvements include a new parking lot, new and upgraded landscaping along with building façade and patio area improvements.

Change of Zone No. 20-08 proposes to add the Retail Cannabis Overlay zone (RC) to the existing M-S (Manufacturing Service) Zone on the project site.

BACKGROUND:

The above referenced applications are proposed on a 13,000 square foot lot that was recorded in November 1908, located on the northwest corner of 3rd Street and Grapefruit Blvd (known as 85-591 Grapefruit Blvd). 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 1935.



The photographs below were taken in November 2018. The first photograph illustrates the exterior elevation of the existing building from Grapefruit Blvd as it looked in November 2018. The existing garage door along Grapefruit Boulevard, closest to Third Street will be removed to accommodate a sales showroom for the dispensary.



The photograph below shows the exterior elevation of the building along the Third Street frontage as it looked in November, 2018.



The photograph below illustrates the rear yard and side yard frontage along Third Street and the alley adjacent to the rear yard of the lot as it looked in November 2018. The garage door along 3rd Street will remain to create a public entrance for the art gallery.



The photograph below was taken from the alley at the rear of the subject site and shows the location of the proposed café outdoor seating area and sculpture garden.



Building Permit/Business License History of the Project Site

According to records from the County Assessor, the existing building was constructed in 1935. The earliest building permit on record with the City is dated March 8, 1963 for an electric permit for 100 amps. At that time the building was used as a garage. In August 1971, a building permit was issued to Chief Sign Crafts for alterations and to refurbish the building. An additional building

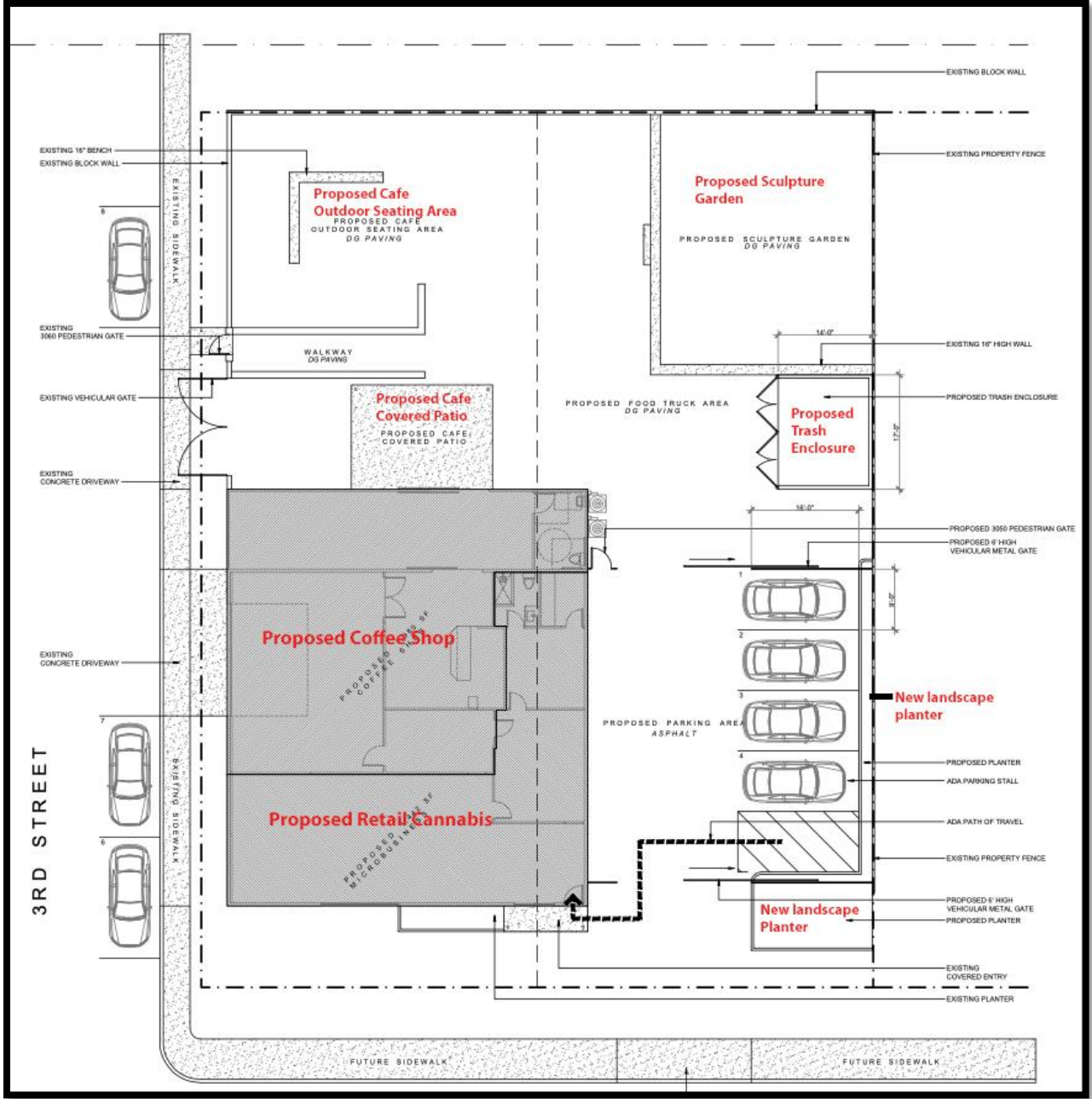
permit was issued in August 1971 for an on-site wall sign. In June, 1999, a building permit was issued to install a gas line. In May 2001, a building permit was issued to reroof a 2700 square foot commercial building. No additional building permits have been issued since May, 2001. A search of business licenses issued for 85-591 Grapefruit Blvd found that the only business license issued for the property was in 2015 for an Art Studio. That business license has not been renewed nor have any other business licenses been issued since that date.

Overview of the Pueblo Cannabis Project (CUP 336) and Change of Zone 20-08

The Pueblo Cannabis project is proposing to convert the existing building located at 85-591 Grapefruit Blvd into, a new 1,500 square foot retail cannabis business. Additionally, a 1,900 square foot coffee shop with art gallery are proposed in a separate tenant suite within the same building. Outdoor uses include seating/lounging areas and outdoor art installations, murals and special events. Improvements to indoor structural, electrical, plumbing and HVAC systems are proposed as part of the Project. Exterior improvements include a new parking lot, new and upgraded landscaping along with building facade and patio area improvements.

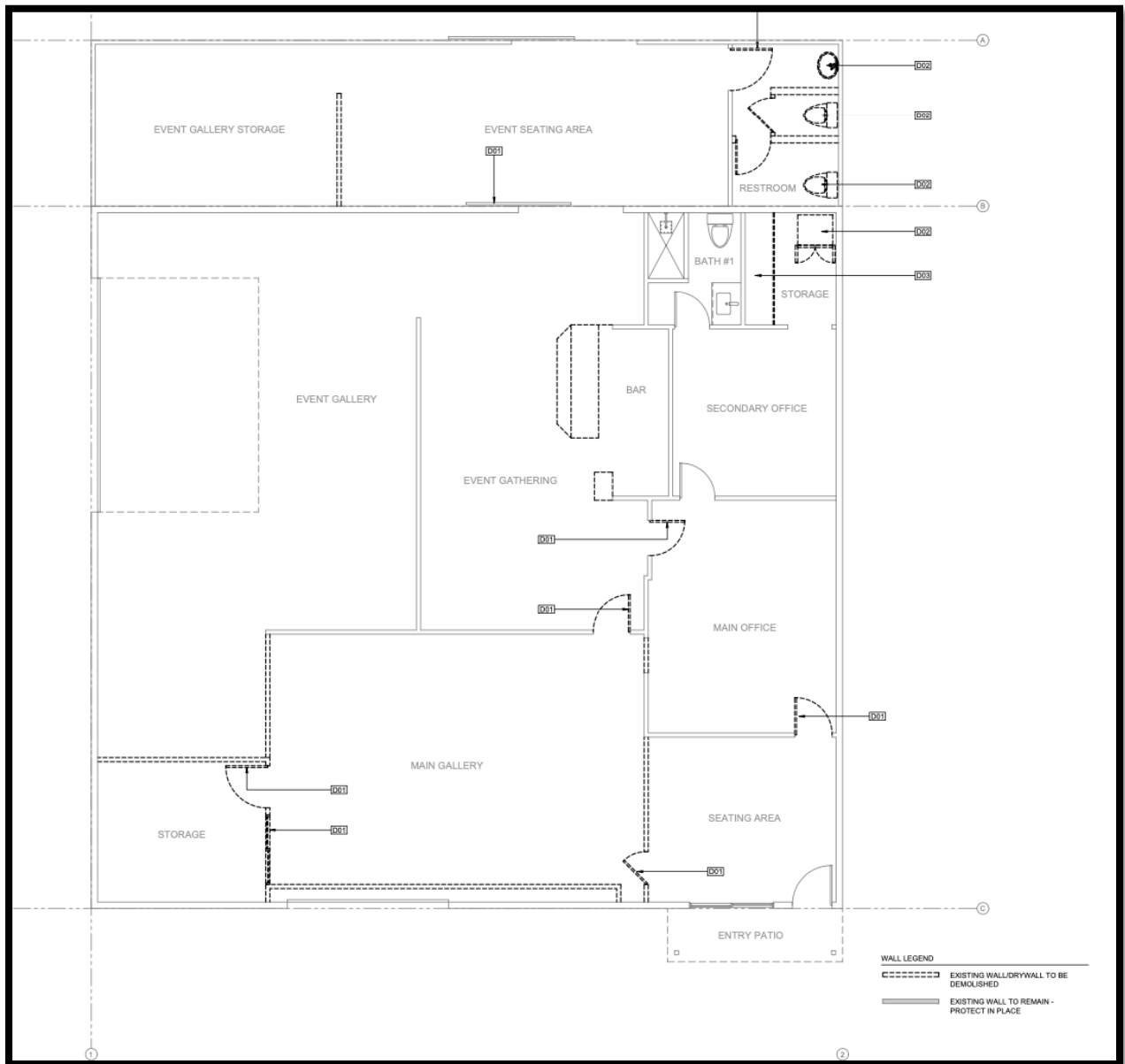
Change of Zone No. 20-08 proposes to add the Retail Cannabis Overlay zone (RC) to the existing M-S (Manufacturing Service) Zone on the project site.

The proposed site plan for the Pueblo Cannabis Project is illustrated below:

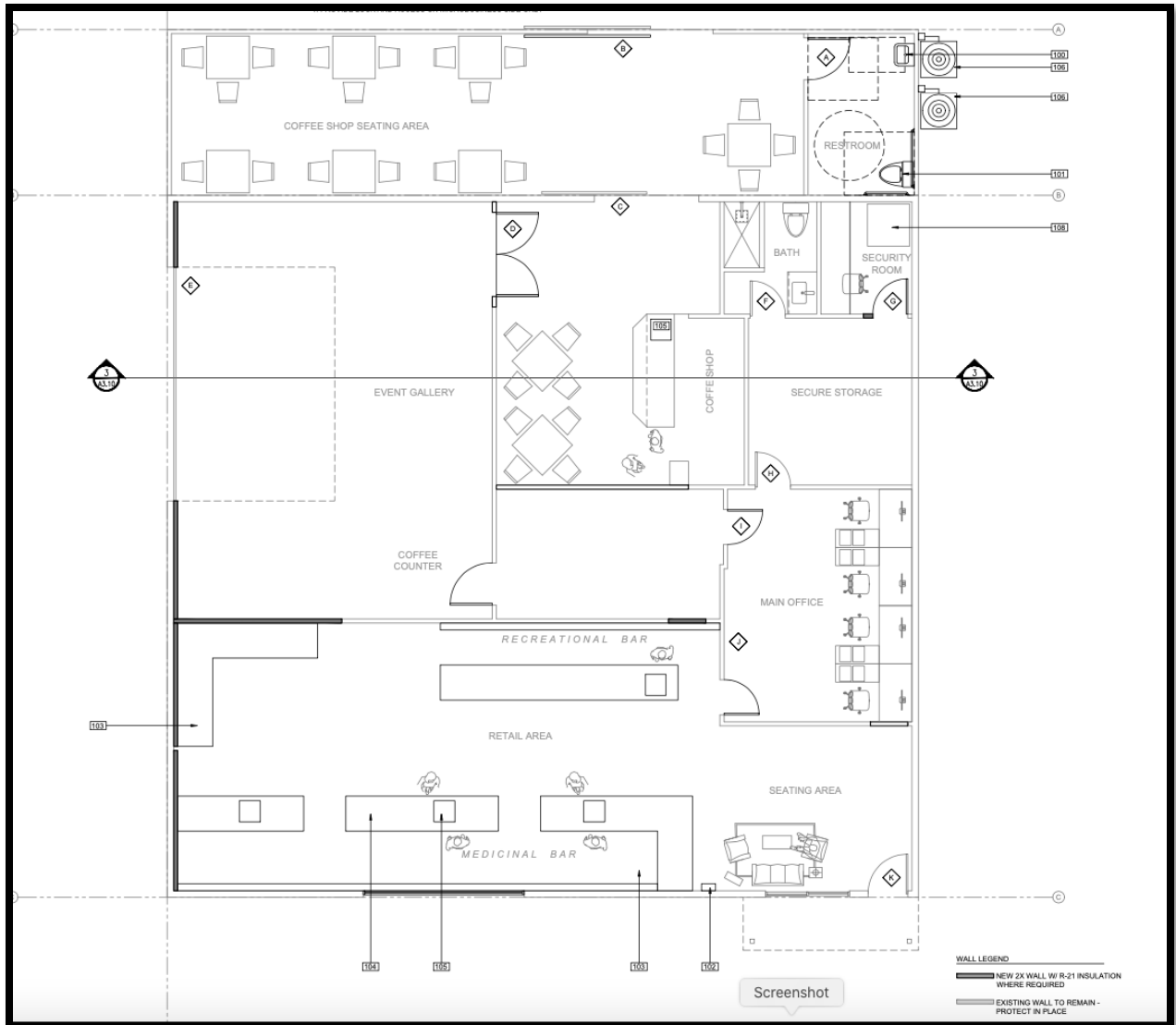


As can be seen from the exhibit, the site plan proposes the retail cannabis business at the front of the building with direct access off the front door facing Grapefruit Blvd. The proposed coffee shop is located at the rear of the building. Outside improvements include the construction of a covered patio, outdoor seating area for the proposed café, a sculpture garden, a new four space parking lot and trash enclosure located along the northern property line.

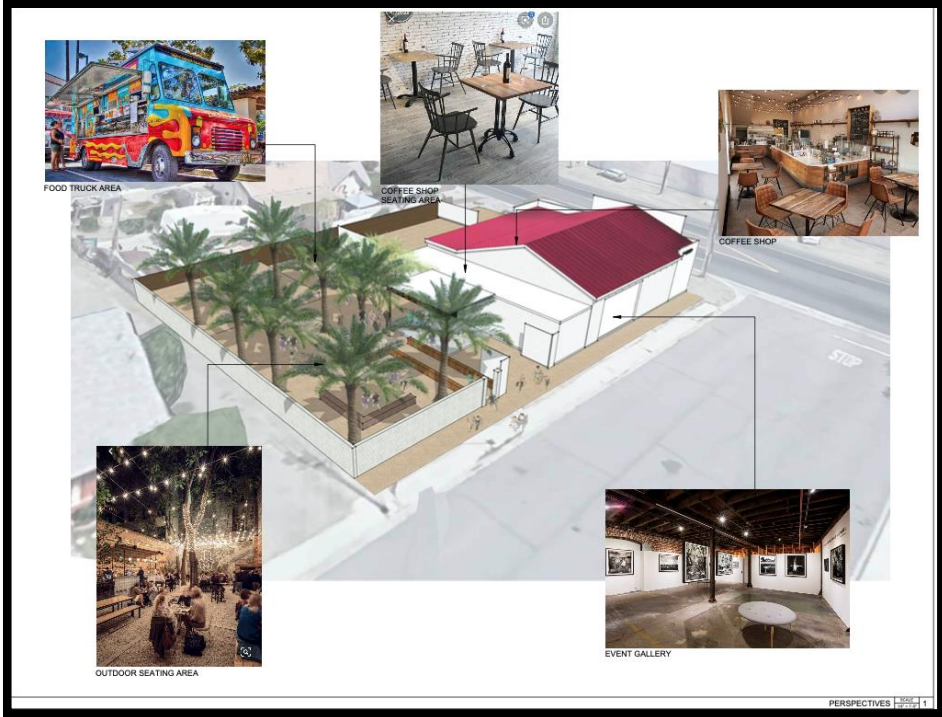
The floor plan of the existing building is illustrated below that represents the current use of the building as an art studio and gallery.



The proposed floor plan for the retail cannabis business, coffee shop, event gallery and outdoor seating area is shown on the exhibit below.

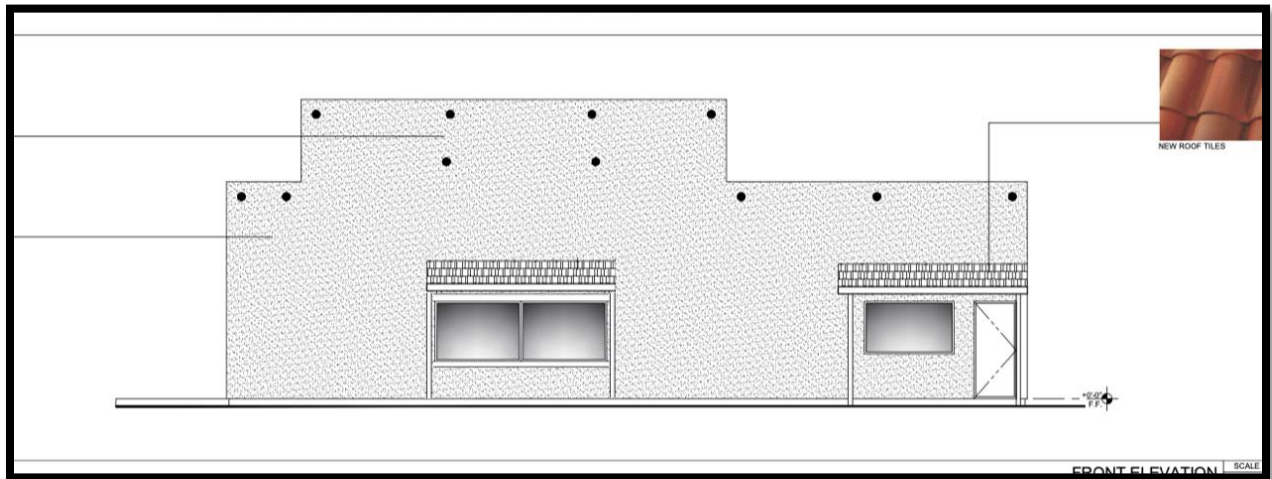


Perspectives of the interior and exterior of the building are presented in the two artist renderings below.

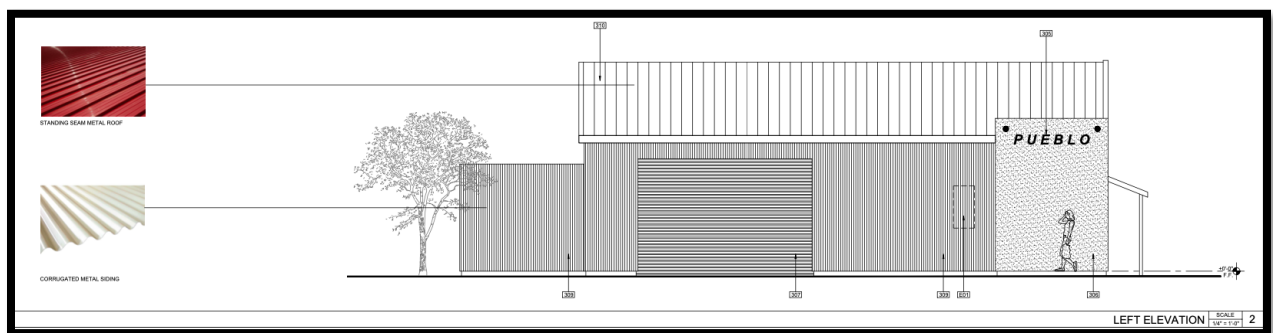


The proposed building elevations for the Pueblo Cannabis Project are illustrated below:

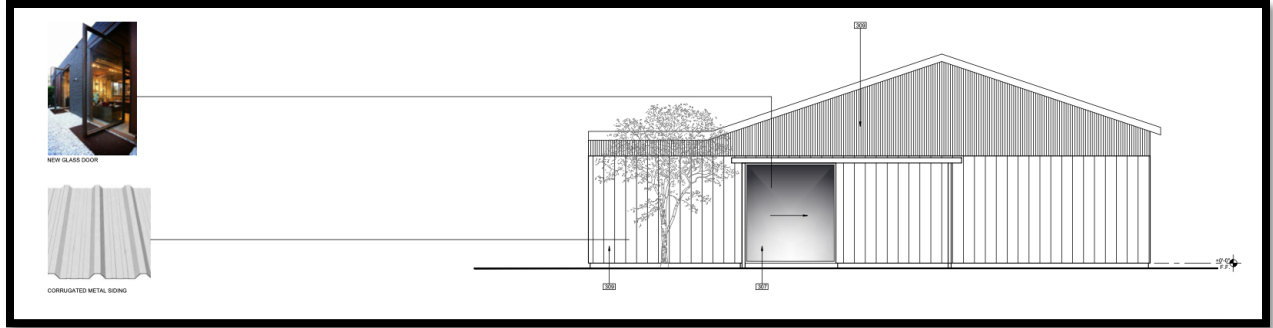
The front elevation will be enhanced with a new stucco finish along with a new tile roof over the existing awning. The existing roll up garage door will be removed and an additional awning along with a faux window will be added to match the existing awning located over the front door. A new wall sign will be placed in the center of the building.



The south elevation towards Third Street will retain the existing metal roof and corrugated metal siding. A new wall sign will be added to the side of the building as shown on the exhibit below.



As seen on the exhibit below, the rear elevation facing the alley will retain the existing metal roof and corrugated metal siding. A new door will be installed at the rear of the building to provide access from the coffee shop to the outside seating area.



DISCUSSION/ANALYSIS:

Environmental Setting:

The site is designated Downtown Center on the 2035 Coachella General Plan as illustrated on the exhibit below:



The project site is zoned Manufacturing Service (M-S) as illustrated on the exhibit below. Surrounding properties to the north, south and east are zoned M-S (Manufacturing Service) and properties to the west are zoned (R-S) Residential Single Family.



Surrounding land uses to the north consist of a single-family residence. Champion Seed Company is located across the street from the site at the southwest corner of Third and Grapefruit. Industrial and manufacturing uses are located on the east side of Grapefruit Blvd across from the Project site and residential uses are located west of the Project site.

Consistency with the Coachella General Plan

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

Consistency with the (M-S) Manufacturing-Service

The project is consistent with the development standards of the M-S, Manufacturing Service Zone in that it allows retail cannabis uses subject to obtaining a conditional use permit. The ancillary uses of the coffee shop and retail art gallery, are permit uses in the industrial zones.

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. There are no public schools or playgrounds, or youth centers within 250 feet of the subject site.

Consistency with Section 17.54.010: Parking Standards

Section 17.54.010 of the Municipal Code specifies the number of parking spaces required for a project in the Manufacturing Service (M-S) zone. The Project is proposing a 1500 square foot retail cannabis business and 2000 square foot coffee shop for a total of 3500 square feet. The M-S zone requires 1 parking space for each 400 square feet of retail space, or in this case 9 parking

spaces. As illustrated on the site plan the Project is proposing 4 parking spaces. Based on the size of this lot and the size of the existing building, it would be impossible for the proposed project to provide the required number of parking spaces.

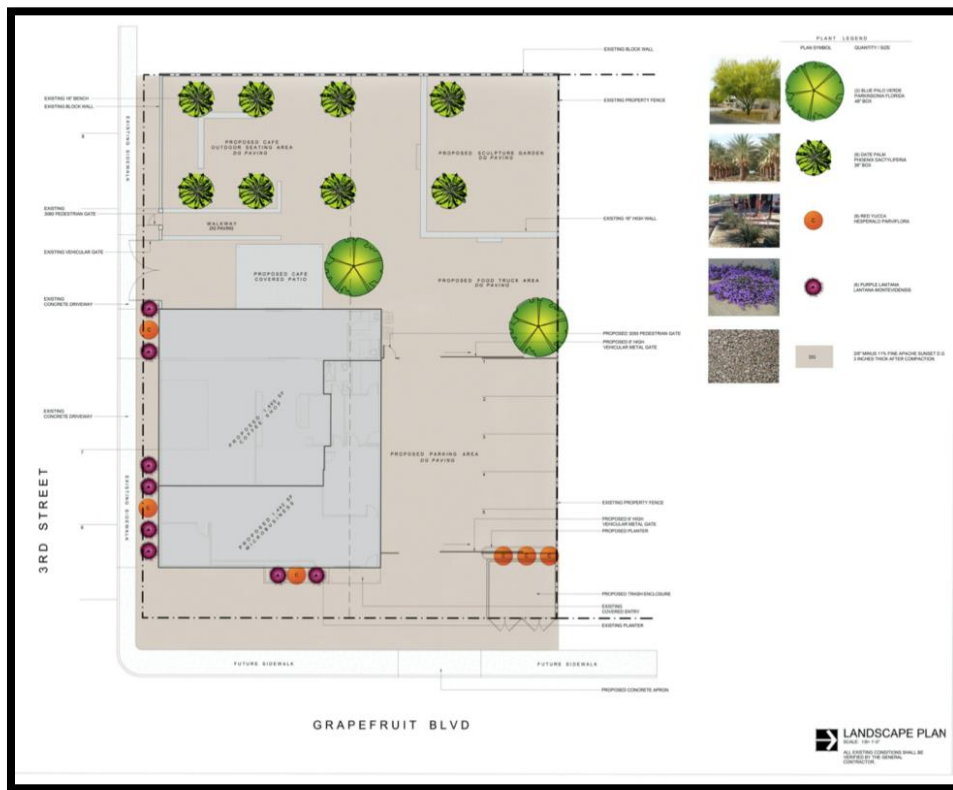
The Planning Department considers the existing building a non-conforming use and as such, the Director has the discretion of allowing the proposed uses to proceed without adherence to the above reference specific zoning standards.

Furthermore, Conditional Use Permit 336 will be in compliance with the standards of the Zoning Ordinance with respect to the MS-RC (Manufacturing Service-Retail Cannabis) including minimum lot size, minimum lot depth, and minimum lot width.

Additionally, the existing building will be brought up to all current building codes prior to the issuance of a certificate of occupancy.

Project Landscaping

The project proposes new landscape planters adjacent to the parking lot along the northern property line, along Third Street and along Grapefruit Blvd as shown on the exhibit below. Staff has conditioned that the Applicant prepare and submit a detailed landscaping plan for review and approval prior to the issuance of building permits.



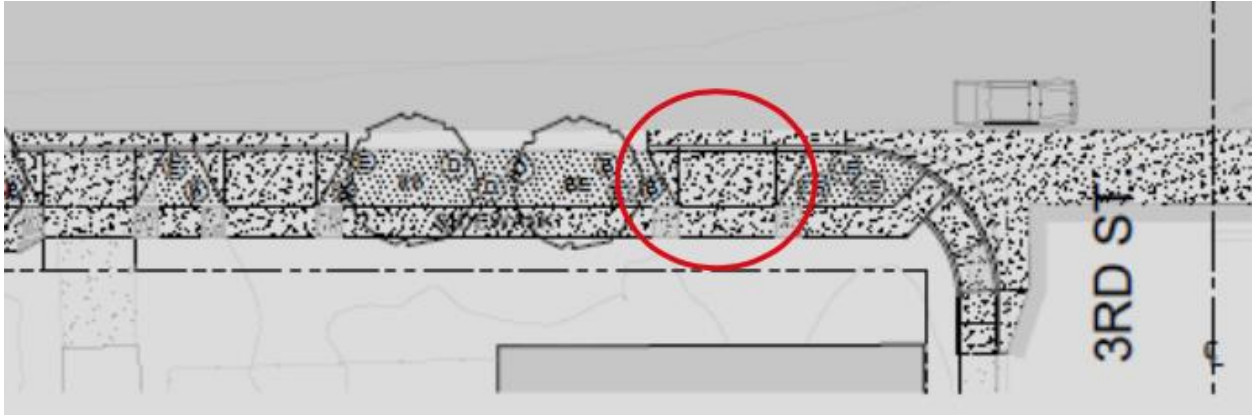
Grapefruit Blvd Urban Greening and Connectivity Project

The proposed project is adjacent to the Grapefruit Blvd Urban Greening and Connectivity Project that is now under construction from Leoco Lane to 9th Street. The Urban Greening Project will provide new street trees, shrubs/plants, new and connecting sidewalks, drinking fountains, bike lanes, a landscaped center median, street paving art and other amenities along Grapefruit Blvd. The plans call for a landscaped parkway along the curbline frontage of the Pueblo Cannabis building and a new sidewalk. For purposes of coordinating the public street improvements for Pueblo Cannabis, staff has included a condition of approval requiring the owners to remove an existing drive approach nearest the Third street intersection. That drive approach originally served the garage door on Grapefruit Boulevard and should be replaced with new curb, gutter and landscaping improvements.

The photograph below shows the Urban Greening construction work that is in process as of April 1, 2021.



The landscaping plan shown below for the Urban Greening project in front of the subject site with a highlighted area where the existing drive approach will be removed.



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 336 and Change of Zone 20-08 meet the criteria for a Section 15301, Class 1 CEQA exemption.

CORRESPONDENCE

Please see attachments for correspondence received on this project.

ALTERNATIVES:

- 1) Approve Conditional Use Permit No. 336 and Change of Zone No. 20-08 with the findings and conditions as recommended by Staff.
- 2) Deny Conditional Use Permit No. 336 and Change of Zone No. 20-08.
- 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 Project is in conformance with the City's General Plan and the proposed use 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. 2021-29 approving Conditional Use Permit No. 336 with the findings and attached conditions of approval.
2. Motion to adopt Ordinance 1181 approving Change of Zone 1181 approving Change of Zone No. 20-08 with the attached findings.

Attachments: Resolution No. 2021-29 for CUP No. 336
 Ordinance No. 1181 – 1st Reading
 Exhibit A: Conditions of Approval for CUP 336
 Historical Building Permits
 Correspondence