

RESOLUTION NO. 2025-49

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEEDLES
APPROVING A CONDITIONAL USE PERMIT FOR A LICENSED RETAIL CANNABIS DISPENSARY
AND RELATED TENANT IMPROVEMENTS AT 1611 NEEDLES HIGHWAY, APN 0185-062-26,
WITHIN THE GENERAL COMMERCIAL (C-2) ZONING DISTRICT**

WHEREAS, the City Council wishes to assist property owners in their efforts to build in the City in a reasonable manner that does not create a hazard to health, safety, and welfare or degrade property values or create incompatibility with surrounding uses; and

WHEREAS, Off The Charts (OTC) submitted an application for a Conditional Use Permit to establish and operate a licensed retail cannabis dispensary at 1611 Needles Highway; and

WHEREAS, on December 13, 2022, City Council Ordinance No. 656-AC was approved allowing retail cannabis dispensary in zones C1, C2, C3, M1 and M2, with a Conditional Use Permit and Regulatory Permit; and

WHEREAS, the parcel being considered for retail cannabis dispensary is currently zoned C-2 "General Commercial" for APN 0185-062-26-0000; and

WHEREAS, a public hearing notice for the December 9, 2025, City Council meeting was published in the Needles Desert Star on November 19, 2025, at least 10 days prior to said meeting, and notices were sent to property owners within a 300-foot radius of the subject property specifying the date, time and location of the public hearing; and

WHEREAS, on December 3, 2025, the Needles Planning Commission held a duly noticed and advertised public hearing to receive oral and written testimony relative to RESOLUTION NO. 12-03-2025-PC and was commended for approval unanimously; and

WHEREAS, Section 94.06(c) of the Needles City Code describes the findings required to approve a Conditional Use Permit; and

WHEREAS, the City Council finds that the project meets all required findings and is consistent with the General Plan and Municipal Code.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Needles as follows:

SECTION 1. The City Council HEREBY FINDS AND DETERMINES that this project is categorically exempt under the California Environmental Quality Act, under Section 15301 (Class 1) of the California Environmental Quality Act (CEQA) Guidelines. This exemption applies to projects involving minor alterations to existing structures with negligible or no expansion of the existing use. The project involves commercial use within an existing structure and minor site improvements. The building footprint will remain unchanged, and no significant expansion of the existing structure or use is proposed.

SECTION 2. The City Council HEREBY FINDS AND DETERMINES, with reports and findings, that facts do exist to approve **RESOLUTION 2025-49**, subject to conditions, according to the criteria specified in Section 94.06 of the Needles City Code:

A. *That the requested permit is within its jurisdiction according to the table of permissible uses.*

FINDING: The requested Conditional Use Permit is within the jurisdiction of the Planning Commission and City Council because retail cannabis uses are conditionally permitted within the General Commercial (C-2) zoning district pursuant to the Needles Municipal Code. Approval of a CUP is the appropriate mechanism for authorizing cannabis retail activities in this zoning designation, and the application falls squarely within the City's established review and approval procedures for such uses.

B. *The Application is Complete*

FINDING: Staff has reviewed the application and determined that all required materials, forms, plans, and operational information have been submitted in accordance with the City's CUP filing requirements. The application includes sufficient detail for staff and the Planning Commission to evaluate the project's operational characteristics, site improvements, compliance measures, and compatibility with surrounding uses. Therefore, the application is deemed complete for the purposes of processing and consideration.

C. *The development is in general conformity with the Needles General Plan.*

FINDING: The proposed development is consistent with the goals and policies of the Needles General Plan, which encourage reinvestment in commercial areas, the reuse of vacant and underutilized buildings, and the

expansion of economic opportunities within the city. The project supports General Plan objectives related to commercial revitalization, corridor enhancement, public safety, and economic development. By improving an existing commercial site along Needles Highway and providing a regulated commercial service, the development aligns with the General Plan's vision for this corridor.

D. The development is in harmony with the area in which it is located.

FINDING: The development is in harmony with the surrounding area because it is located within an established commercial corridor composed of similar commercial and service-oriented uses. The proposed improvements, including façade enhancements, new lighting, landscaping, ADA access upgrades, and parking lot repairs will significantly improve the site's appearance and complement nearby properties. The operational characteristics, including controlled access, security measures, and odor management, ensure that the use will function compatibly with surrounding development. The project activates a long-vacant parcel and contributes positively to the overall commercial environment along Needles Highway.

E. The development will not materially endanger the public health or safety.

FINDING: The development will not endanger public health or safety because the operation of a cannabis retail facility is subject to stringent state and local regulatory requirements. The applicant will implement extensive security measures, including surveillance cameras, access controls, alarm systems, and on-site security personnel. The operation prohibits on-site consumption and loitering, maintains strict odor-control measures, and complies with all applicable building, fire, and accessibility codes. These safeguards ensure that the facility operates in a safe, secure, and orderly manner that does not pose risks to the public.

F. The development will not substantially injure the value of adjoining or abutting properties.

FINDING: The development will not substantially injure the value of adjoining or abutting properties. Instead, the project is expected to enhance surrounding property values by improving a long-vacant and underutilized commercial building. Planned improvements, including renovations to the building exterior, enhancements to lighting, landscaping, accessibility, and parking will contribute positively to the visual and functional character of the area. The project's regulated operations, security protocols, and clean, updated appearance will reduce potential nuisances and may encourage further investment in surrounding properties.

SECTION 3. The City Council hereby finds and determines that facts do exist to approve Resolution 2025-49.

SECTION 4. The City Council hereby approves Resolution 2025-49, a Conditional Use Permit to establish and operate a licensed retail cannabis dispensary at 1611 Needles Highway within the General Commercial (C-2) zoning district also known as APN 0185-062-26-0000 subject to conditions stated herein below:

1. Approval of Resolution 2025-49 Conditional Use Permit ("CUP") authorizes one (1) cannabis retail business within the existing building on the site located at 1611 Needles Highway. This CUP does not authorize cooperative/collective uses, manufacturing, distribution, cultivation, or testing laboratory activities at this site.
2. The Applicant/Owner/Operator, and his/her/its successor(s) in interest ("Applicant") shall comply with all conditions of this CUP, including the Needles Municipal Code ("Municipal Code") and Chapter 12A thereof, the City Zoning Code, including Article IV and Section 94 thereof, and all applicable laws, policies, rules and regulations of the City, County, and State; and shall comply with any requirements associated with this approval or with the issuance of any Consumption License as required by Chapter 12A of the Municipal Code.
3. The project shall conform to all plans, materials, and documents submitted as part of the CUP. Any deviation or modification shall require Planning review and approval.
4. With the exception for amendments and/or modifications that are consistent with Section 94.15 of the City's Zoning Code, anything not shown on the CUP application or the Site Plan, or which is not specifically approved herein, or which is not in compliance with the CUP, is not approved. Any application and/or plans which are defective as to, but not limited to, omissions, dimensions, scale, use, colors, materials, encroachments, easements, etc., shall render any entitlements granted here under null and void. Construction (if any) shall cease until all requirements of this CUP are complied with, and development entitlements may be withheld until any Code violations are abated.
5. The Applicant shall obtain a Cannabis Regulatory Permit from the City and a State cannabis retail license prior to commencing operations. Suspension or revocation of any required license shall immediately suspend cannabis operations.
6. The approval of Resolution 2025-49 is subject to the twelve (12) month expiration provisions of Section 94.13(a) of the City's Zoning Code.

7. The permit issuing authority may extend for a period of up to twelve (12) months, the date when the permit would otherwise expire pursuant to 94.13(a) if it concludes that: (1) the permit has not yet expired; (2) the permit recipient has proceeded with due diligence and in good faith; and (3) conditions have not changed so substantially as to warrant a new application.
8. The Applicant shall indemnify and hold the City harmless from all claims arising from the approval or operation of the cannabis business.

As a condition of approval, the Applicant shall:

- (a) Execute an indemnification agreement acceptable to the City.
 - (b) Maintain insurance with minimum limits of \$1,000,000 per claim and \$2,000,000 aggregate.
 - (c) Name the City as an additional insured; and
 - (d) Defend, at its sole expense, any action brought against the City related to the approval or operation of the cannabis business.
9. All construction shall comply with current Building, Fire, Mechanical, Electrical, and Plumbing Codes and any conditions imposed by the Fire Department.
10. The Applicant shall obtain a Certificate of Occupancy prior to operation. All required inspections shall be completed to the satisfaction of the City.
11. Within fifteen (15) days of final approval by City Council, the Applicant shall submit a signed acknowledgment confirming acceptance of these Conditions of Approval.
12. A scanned copy of the signed Conditions shall be included in the Building Construction Plans submitted for plan check.
13. The Applicant shall pay all established service, permit, impact, environmental, and other applicable fees required by the City as a condition of this CUP.
14. The Applicant shall apply for and obtain a Cannabis Retail License prior to operating the cannabis consumption business conditionally authorized by this CUP and shall at all times comply with the provisions of such license and applicable City Codes and regulations. The revocation or suspension of any required regulatory license shall operate to suspend all operations.
15. Hours shall comply with all State and local cannabis retail regulations.
16. The following are prohibited:
 - On-site consumption of cannabis
 - Outdoor cannabis sales or display
 - Alcohol sales or consumption
 - Medical evaluations or physician recommendations
 - Special events without City approval
17. The Applicant shall install and maintain an odor-control system that prevents cannabis odors from being detected outside the building.
18. All cannabis products shall be stored in locked, secure locations during and after operating hours.
19. Graffiti shall be removed or painted over within twenty-four (24) hours of occurrence.
20. An emergency access and evacuation plan shall be filed with the Fire Department and law enforcement.
21. A Security Plan shall be reviewed and approved by the City Manager or designee prior to issuance of a building permit.
22. A 24-hour digital surveillance system shall be installed and maintained, providing a minimum of 240 hours of recorded storage. Footage shall be provided to the City within 24 hours upon request.
23. A monitored burglar and fire alarm system shall be installed.
24. Security personnel shall possess valid State licenses/Guard Cards.
25. All exterior areas shall be illuminated per City standards and shielded to prevent off-site glare.
26. Access to retail areas shall be restricted to verified customers and authorized staff.
27. The Applicant shall obtain Will-Serve letters for water, sewer, and electric service.
28. The Applicant shall provide electric, water, and sewer demand calculations, if applicable.

29. The Applicant is responsible for any necessary utility upgrades.
30. All capacity fees must be paid prior to issuance of a Certificate of Occupancy.
31. Parking areas shall be paved and striped consistent with City standards.
32. The Applicant shall provide ADA-compliant parking, paths of travel, and building accessibility features.
33. The building exterior shall be maintained in good condition, and all materials shall be consistent with City aesthetic requirements.
34. Trash bins shall be kept within a screened, secured enclosure.
35. Ground-mounted HVAC units shall be enclosed within anti-theft cages.
36. An Encroachment Permit shall be obtained for any work within the public right-of-way.
37. Construction sites shall be kept free of debris and maintained in a clean and orderly manner.
38. If cultural materials or human remains are discovered, work shall cease and PRC §5097.98 procedures which outlines the mandatory procedures for handling the inadvertent discovery of Native American human remains and associated grave goods on private or non-federal public lands in California. shall be followed.
39. The City Manager or designee may conduct site inspections with 24 hours' notice.
40. Applicant shall reimburse the City for all enforcement, inspection, and processing costs associated with this cannabis business.
41. Violation of any condition may result in suspension or revocation of this CUP pursuant to NMC 118.04.
42. The applicant shall submit a final precise grading plan to Engineering Department for review and approval prior to any permit issuance.
43. The two (2) unused driveway approaches on Needles Highway shall be removed and replaced with PCC sidewalk per city standards.
44. Permeable pavers shall not be installed within any area of the Public Right-of-Way.
45. A final WQMP may be required for the project dependent upon the final amount of impervious surface installed based upon the final precise grading plan.
46. An ADA pathway shall be provided to the public sidewalk.
47. The project shall comply with all requirements identified in San Bernardino County Fire Protection District Plan Review No. FPLN-2025-00147, dated October 6, 2025, including all conditions, corrections, inspections, construction standards, and operational requirements specified therein. Compliance with County Fire requirements shall be verified prior to issuance of a Certificate of Occupancy.
48. The Cannabis Business shall operate in a manner consistent with the U.S. Department of Justice enforcement guidelines and priorities, including those prohibiting:
 - (a) The distribution of cannabis to minors.
 - (b) Providing revenue from the sale of cannabis to criminal enterprises, gangs, or cartels.
 - (c) The diversion of cannabis from a state where cannabis is legal to a state where it is illegal.
 - (d) Using cannabis business activity as a cover for trafficking other illegal drugs or engaging in other illegal activity.
 - (e) The use of violence or firearms in the operation, cultivation, distribution, or retail sale of cannabis.
 - (f) Actions contributing to drugged driving or other adverse public health consequences.
 - (g) Growing cannabis on public lands or causing environmental or safety hazards associated with cannabis production on public lands; and
 - (h) The possession or use of cannabis on federal property.

Failure to comply with these standards may result in enforcement action, penalties, suspension, or revocation of the Conditional Use Permit or Cannabis Regulatory Permit.

49. The Cannabis Business shall pay all legally required taxes and fees, including, but not limited to, the City's Cannabis Business Tax, sales tax, and all other City or State-imposed taxes, fees, assessments, penalties, and regulatory charges.
 - (a) The Cannabis Business shall not have any unpaid financial obligation to the City, including unpaid taxes, penalties, fees, interest, fines, or other required payments ("unpaid tax obligations").

- (b) A Cannabis Business shall not be in breach of this condition if it enters into and fully performs the terms of a written offer and compromise or other settlement agreement approved by the City to resolve any unpaid tax obligations.
- (c) Nothing in this condition shall deprive the Cannabis Business of the right to appeal or seek judicial determination of the propriety of any amounts alleged by the City as unpaid tax obligations.
- (d) The Cannabis Business shall not lose its Cannabis Business Regulatory License during the pendency of a timely and properly filed appeal or judicial action regarding disputed tax obligations.
- (e) The Cannabis Business shall comply with Needles Municipal Code Chapter 12A, all applicable City ordinances and resolutions, the Medical and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), and all State laws, rules, regulations, and guidance governing cannabis operations.

- 50. The Cannabis Business shall keep adequate records of any Cannabis related activity, including conducting an inventory on the first business day of each week and recording the total quantity of each form of Cannabis on the Premises. Records expressly include, but are not limited to, video recordings maintained pursuant to this Chapter. All records shall be maintained for seven (7) years from the date created or longer if required by State or Federal law.
- 51. The Cannabis Business shall comply with the State's track and trace system and other requirements, as may be amended from time to time.
- 52. On the fifth day of each month, the Cannabis Business shall provide the City Manager with a written report containing the following information:
 - (a) Bills of lading and a description of all inventory shipments received (including those received by the Cannabis Business, weight of any Cannabis flowers, edibles and concentrates) since prior report;
 - (b) The description and weight of inventory in the possession or control of the Cannabis Business;
 - (c) The total gross revenue received from prior month's sales; and
 - (d) A copy of any inventory manifest and/or sales or tax reports provided to the State Board of Equalization, the California Department of Tax and Fee Administration, and/or the Department of Cannabis Control, and any other taxing agencies.

SECTION 5. This action shall become final and effective fifteen (15) days after this decision by the CITY COUNCIL, unless within such period, a written appeal is filed with the City Clerk for consideration by the City Council as provided by the Needles City Code.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Needles, California, held on the 9th day of December 2025 by the following vote:

AYES:
 NOES:
 ABSENT:
 ABSTAIN:

ATTEST:

APPROVED AS TO FORM:

 Janet Jernigan, Mayor

 Candace Clark, City Clerk

 Lena Wade, Deputy City Attorney