

## REPORT TO THE PLANNING COMMISSION

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**DATE:** October 11, 2016

**TITLE:** Conditional Use Permit (CUP 12-16), Development Agreement (DA 06-16) and Tentative Tract Map (TTM 37145) to establish a new medical marijuana cultivation complex located on the east side of Little Morongo Road, approximately one-half mile north of Dillon Road (northeast corner of Little Morongo Road and 16th Avenue, unimproved) within the General Plan Light Industrial (I-L) Zone. Applicant: Ryan Csaftis / MERJ, LLC

**Prepared by:** Nathan Bouvet, Community Development Director

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### RECOMMENDATION

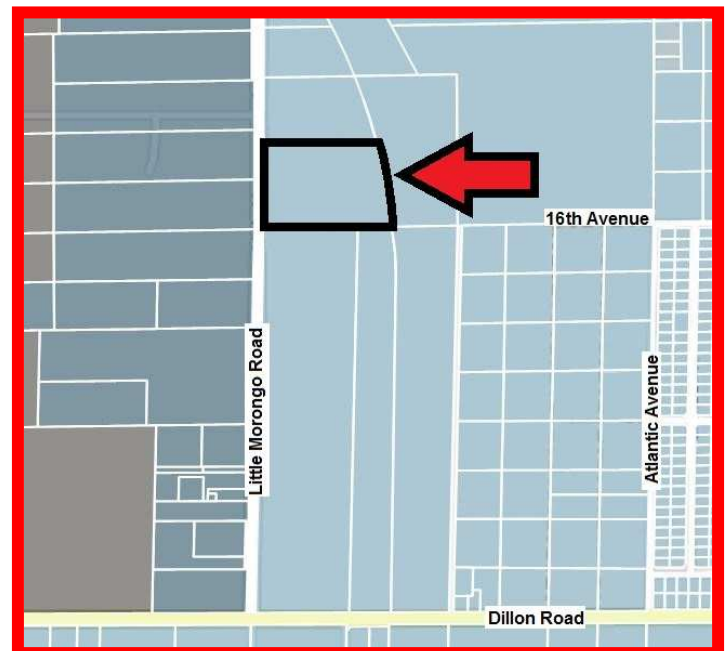
Consider a motion that the Planning Commission recommend approval of a Conditional Use Permit (CUP 12-16), Development Agreement (DA 06-16) and Tentative Tract Map (TTM 37145) to construct seventeen (17) new buildings (312,324 square feet) and associated support facilities, and operate a medical marijuana cultivation complex on a vacant 9.71 acre property located on the east side of Little Morongo Road, approximately one-half mile north of Dillon Road (northeast corner of Little Morongo Road and 16th Avenue, unimproved) within the General Plan Light Industrial (I-L) Zone.

### DISCUSSION

#### BACKGROUND

Sections 5.50 and 17.180 of the Desert Hot Springs Municipal Code (DHSMC), allow medical marijuana cultivation facilities in Industrial Districts subject to a Conditional Use Permit (CUP) and Development Agreement approved by the City Council and a Regulatory Permit approved by the City Manager. The applicant, MERJ, LLC (Ryan Csaftis), has filed application to construct a complex for the indoor cultivation of medical marijuana.

The site is located at northeast corner of Little Morongo Road and 16<sup>th</sup> Avenue (unimproved), about one-half mile north of Dillon Road. The site is irregular in shape as it abuts the curve of the Mission Creek Wash (Riverside County Flood Control and Water Conservation District) to the east. The gross area of the subject property is 423,170 square feet (9.71 acres); after dedication of public right-of-way along Little Morongo Road (12,950 sq. ft.), the net lot size will be 410,220 square feet (9.42 acres). The site is relatively flat and has a very slight downward slope from north to south. The site does not appear to have been developed in the past and is presently covered with scrub brush, cobbles and debris. The site is zoned Light Industrial (I-L) District where the proposed



use may be developed, subject to approval of a conditional use permit. Public street improvements for Little Morongo Road will be required.

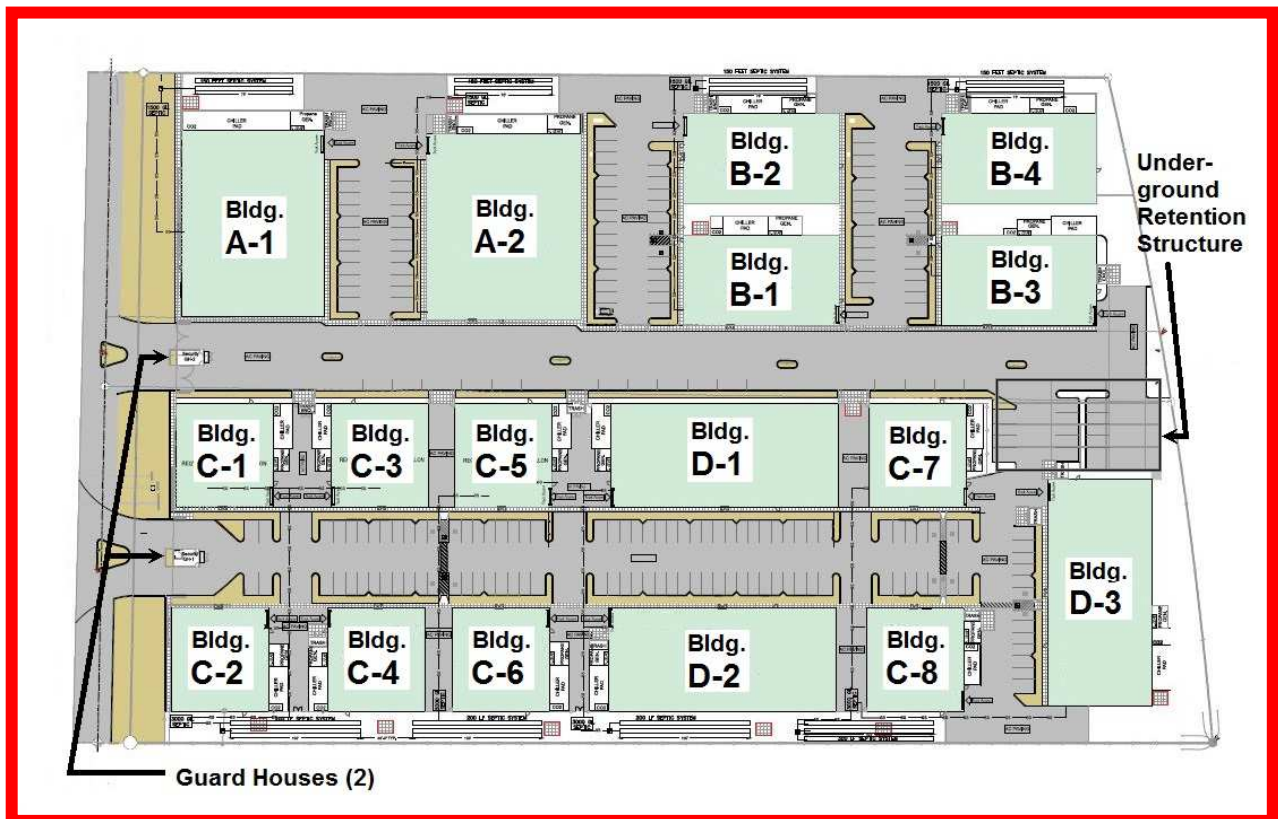
Surrounding properties consist of:

	<b><u>Zoning &amp; General Plan Designations</u></b>	<b><u>Current Land Use</u></b>
<b>North and South</b>	I-L (Light Industrial) District	Vacant
<b>East</b>	I-L (Light Industrial) District	Flood Control Channel
<b>West</b>	I-M (Medium Industrial) District - unincorporated area	Vacant and Industrial

### **PROJECT SUMMARY**

The applicant, MERJ, LLC (Ryan Csaftis), has filed a Conditional Use Permit (CUP) application to construct a new building complex for the indoor cultivation of medical marijuana located on Assessor Parcel Number (APN) 665-080-004. A recently-approved Parcel Map (TPM 36979) divided the (17.2 acres) into three (3) lots. The southerly lot (Parcel No. 3) occupies the southerly half of the site and has an area of approximately 9.71 acres. This parcel is the subject of the proposed development which includes the following:

1. Seventeen (17) two-story buildings and two (2) guard houses at the most southerly portion of the site, having a total floor area of 309,425 square feet. Uses within the buildings will consist of approximately 290,276 square feet of cultivation area and about 19,149 square feet for office / guard-house space. The project is proposed to be constructed in a single phase.



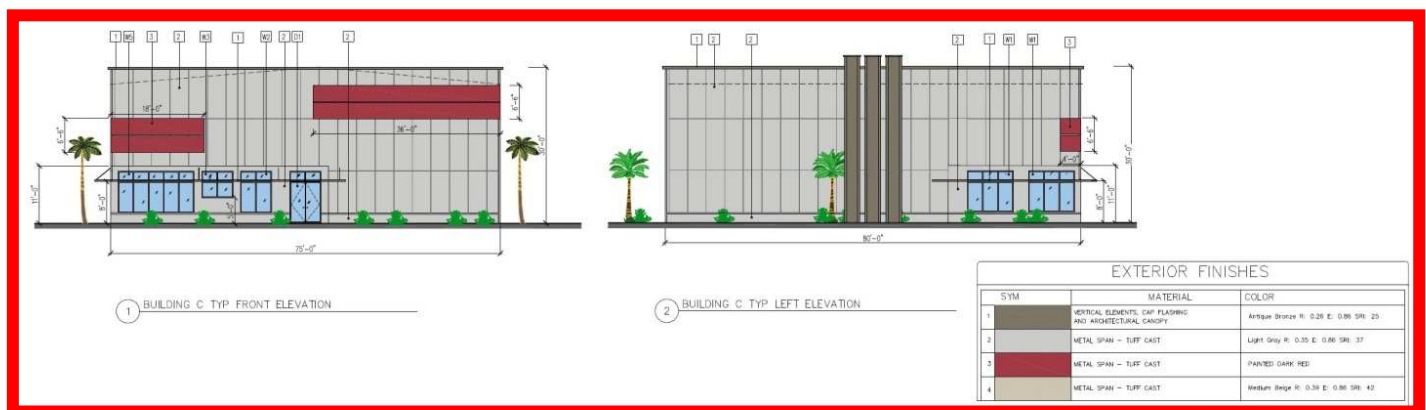
2. Paved vehicular circulation is proposed throughout with two (2) main drive aisles accessing Little Morongo Road and multiple dead-end drive lanes projecting from the

main aisles. Among the northerly buildings (A-1, A-2, B-1 thru B-4) the main drive aisle runs along the south edge of the six (6) buildings, with three (3) dead-ends projecting to the north and one (1) loop aisle in the rear (easterly end). Among the southerly buildings (C-1 thru C-8, D-1 thru D-3) the main drive aisle runs through the center of the eleven (11) buildings, with five (5) dead-ends to the south and five (5) to the north. One (1) connection between the two (2) phases is provided toward the rear of the project. On-site parking is proposed at 213 spaces, including fourteen (14) for disabled access.

3. Ancillary improvements include an underground storm retention facility at the rear of the property; twelve (12) trash enclosures throughout the entire project; and outdoor equipment installations for air conditioning, emergency power generators, electrical converters and CO2 storage. Landscaping is proposed on the street frontage and within the site. A ten-foot tall "metal cyclone" fence is proposed around the sides and rear of the property.
4. A Conditional Use Permit to allow cultivation of medical marijuana in all buildings.
5. A Development Agreement.
6. A Tentative Tract Map for condominium purposes (allows each building to be on a separate taxable lot).

The project proposes construction of seventeen (17) steel frame buildings with stucco-finish steel wall panels. There are four (4) main building types; all are two (2) stories with a maximum height of about thirty (30) feet:

- Building Type A - Located on the northwest corner of the site, Building A-1 has a total square footage of 31,406 and A-2 has a total square footage of 34,285.
- Building Type B - Located on the northeast corner of the site, four (4) B-type buildings have a total square footage of 16,460 each.
- Building Type C - Located on the south half of the site, six (6) C-type buildings are at the southwest corner and two (2) are near the southeast corner; they have a total square footage of 11,763 each.
- Building Type D - Located on the south half of the site, two (2) D-type buildings are in the center, and one (1) is at the southeast corner; they have a total square footage of 27,748 each.



Two (2) small guard houses are found at the driveway entrances; they have areas of 294 and 252 square feet. Project architecture and landscaping are discussed below.

## **CUP ANALYSIS**

**General Plan and Zoning Consistency:** The project proposes to establish a multi-tenant Medical Marijuana Cultivation Facility in accordance with Section 17.180 of the DHSMC, which allows this use with approval of a CUP and Regulatory Permit.

**Site Coverage:** The project site consists of one lot totaling 9.71 gross acres (423,170 square feet) in size, which will be reduced by right-of-way dedications to 9.42 net acres (410,220 square feet). Under the Industrial Zoning District standards, the maximum allowable coverage is 75%. The total square footage of proposed buildings' footprint is 157,652 square feet, or 38.4% of the 9.42 acre project site, placing the project within the maximum allowed coverage.

**Building Height:** The highest point on all proposed buildings will be no more than 32 feet above adjacent grade. This is below the maximum height of 50 feet allowed in the IL District.

**Building Setbacks:** The minimum setbacks in the City's Industrial Zoning Districts are 20 feet in front, 10 feet on the sides, and 10 feet in the rear, including a street side. Proposed setbacks are 20 feet in the front (northwest corner of Building A-1), 27 feet 9 inches on the north side yard (northeast corner of Building B-4), 24 feet 5 inches on the south side yard (south side of Buildings C-2, C-4, C-6, D-2 and C-8), and 14 feet on the rear (easterly) property line (northeast corner of Building B-4). Therefore, the proposed building meets minimum setback requirements.

**Circulation and Parking:** Ingress and egress to the site will be provided from two (2) driveways accessing Little Morongo Road. Each driveway leads to a largely self-contained parking and circulation area. The northerly driveway serves Buildings A-1, A-2 and B-1 thru B-4, and the southerly driveway serves Buildings C-1 thru C-8 and D-1 thru D-3. One (1) small drive aisle in the rear of the site connects the two (2) circulation areas (near Building C-7). Each of the two (2) driveways is secured with controlled gates and a guard house.

Off-Street parking standards for Medical Marijuana Cultivation uses are not specifically defined in the City Zoning Code. Staff has applied parking ratios for Office (1 space per 250 square feet) to administrative activities and Plant Nurseries (1 space per 2,500 square feet) to all cultivation activities, based on the floor plan provided:

#### **Parking Calculation**

<b><u>Use</u></b>	<b><u>Area (Sq. Ft.)</u></b>	<b><u>Ratio</u></b>	<b><u>Number of Spaces</u></b>
Admin. / Guard Hse.	19,149	1 space per 250 sq. ft.	76.6
Cultivation Activities	290,276	1 space per 2,500 sq. ft.	<u>116.1</u>
<b>Sub-Total Required</b>			<b>192.7 or 193</b>
<b>Total Spaces Provided</b>			<b>213</b>

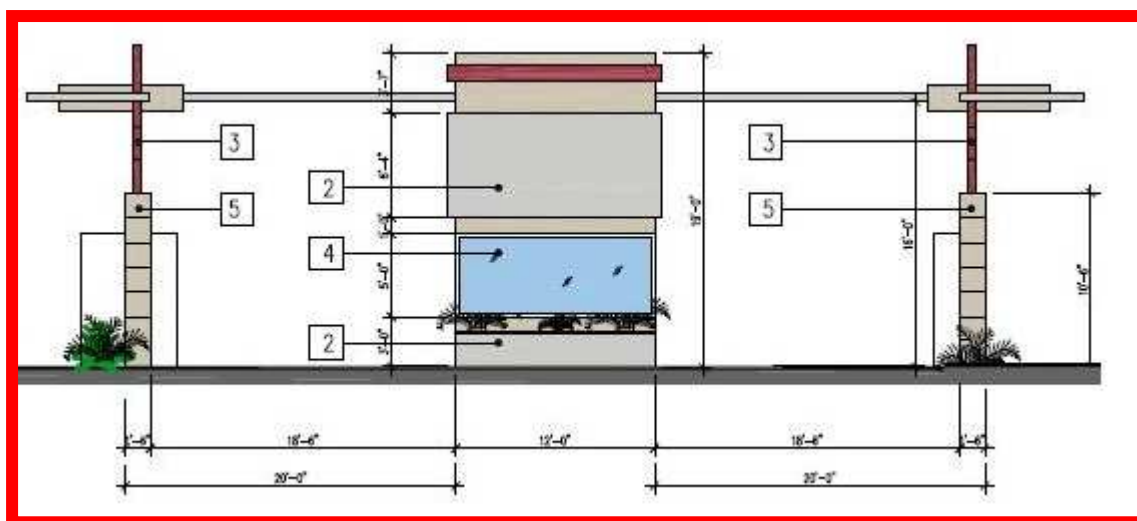
Based on the analysis provided, the applicant is providing twenty (20) spaces more than the minimum required. This will allow for flexibility in the design of future floor plans should additional office / administrative space be needed within the buildings.





**Elevations, Colors and Materials:** The proposed structure is a metal frame and stucco finished metal panels. The rectangular panels are laid out in a vertically-oriented grid with the panel seams establishing a strong underlying pattern for the building; the panels are grey in color. Horizontal accent panels in dark red are provided at most of the corners at each building. Several buildings that face the street (A-1, C-2 and C-4) also add vertical trim pieces on the street-facing elevations. These groups of three (3) pilaster-like elements extend above the roof line and are painted dark bronze, matching the trim cap at the roof line.

Horizontal awnings are provided at the main entrances to all buildings, also painted dark bronze. The awnings are placed slightly below the tops of the windows flanking the entry doors, creating a clerestory effect but also leaving these upper window areas exposed to full sun. The guard houses are of similar color, but the grey panels are laid in a horizontal line, with the trim cap in dark red. Canopies extend from each side of the guard houses and are supported by free-standing grey and red walls to provide entry features at the gated driveways. The height to the underside of the canopy is sixteen (16) feet, which meets the minimum vertical clearance for anticipated truck traffic.



**Landscaping:** Landscaping is proposed in several areas of the site:

1. Within the front setback (facing Little Morongo Road);
2. Along the two main drive aisles;
3. Along the dead-end drive aisles between Buildings A and B (north half of site); and
4. In front of Building D-3

The perimeter of the site – sides and rear – are unplanted and will be covered in crushed rock where unpaved. Low-water use plants have been selected and the plan appears to provide an attractive and appropriate landscape setting. The project landscape plan indicates a perimeter “10 foot tall cyclone fence”, including controlled gates at the driveway entrances. The maximum fence height allowed by code is six (6) feet, and staff has confirmed with the landscape designer that the proposed fence material will be tube steel or wrought iron.

**Lighting:** Exterior lighting will be provided at all exterior doors and for the parking area, subject to review and approval by the Police and Planning Departments. Lighting will be oriented downwards and shielded within the property to contain illumination within the project boundary. Lighting will also be reviewed as part of the City’s required Regulatory Permit.

**Phasing:** The applicant proposes to contrast the project in a single phase.

**Security:** Security measures have been considered and incorporated into the complex. The site will be enclosed within perimeter fencing. Guard houses and gated entry/exit drives will control vehicular access to and from the property. Security cameras would be mounted on all exterior doors, perimeter fencing and entry gates. A more detailed, comprehensive security plan will be reviewed by the City Manager during the Regulatory Permit phase. This will include specific locations and areas of coverage by security cameras; location of audible interior and exterior alarms; location of exterior lighting; fencing; background checks; name and contact information of Security Company monitoring the site and any additional information required by the City.

**Odor Control:** The project will implement best management practices to reduce the effects of plant odors during flowering which include the use of odor masking agents and neutralizers. Carbon filters will also be installed as part of the air conditioning and cooling system.

**Hours of Operation:** Hours will be consistent with chapter 5.50.100 of the DHSMC. Medical Marijuana Cultivation Facilities may operate between the hours of 8:00 am and 10:00 pm up to seven (7) days per week. This complex is geared to the cultivation of marijuana and will require staff to be present on premises 24 hours per day. Only authorized staff and delivery personnel will be allowed to enter the premises during the off-hours.

### **ARCHITECTURAL AND LANDSCAPE REVIEW COMMITTEE**

On 14 July 2016, the Architectural and Landscape Review Committee (ALRC) reviewed the design elements of the project, including consideration of the following items: The triple pilaster elements are only found facing the street and not on any buildings within the project complex;

- The main doors and windows are not distinguished by any contrasting color to establish the importance of the buildings' entries;
- In some cases, the red horizontal trim extends around the building corners, while in other cases the trim ends at the corner (A-1 and A-2);
- The exposed clerestory windows will cause heat gain in the office areas, especially those with south-facing entries (B-1, B-3, C-1, C-5, C-7 and D-1);
- Possible elimination of the twelve (12) parallel parking spaces along the north drive aisle;
- The guard houses' design is not dimensioned or detailed; and
- Absence of plantings along the side and rear perimeter.

The ALRC recommended approval of the proposed project design, subject to the following changes and conditions:

1. That the project be revised to transfer foliage so there's greater variety throughout the landscape plan;
2. Color board/samples be revised to reflect three (3) different colors; and
3. Additional parking lot shading be provided to meet the City's parking lot shading requirements.

The project has been revised to include these changes, and no design issues from the ALRC remain unresolved.

### **DEVELOPMENT AGREEMENT ANALYSIS**

The City is requiring all Medical Marijuana Cultivation to process a Development Agreement that incorporates indemnification provisions in favor of the City. The Development Agreement format was prepared by the City Attorney and will be reviewed and approved in final form prior to its presentation to the City Council for approval. The applicant has not requested that any additional provisions be included in the draft Development Agreement.

The Desert Hot Springs Municipal Code (17.84 Development Agreements) and State law provide that the City and a developer may enter into a development agreement for the purpose of providing the developer with assurances that their development entitlements will not be

subject to revocation, termination or modification because of future changes in the City's zoning, planning and land use regulations. In exchange, the City receives certain benefits in the form of revenue, improvements, etc. that the City could not otherwise legally impose on the particular project for a variety of reasons. Such reasons include, but are not limited to, (a) the lack of a nexus between a certain condition of approval and the scope of the project's impacts on the environment or surrounding neighborhood or (b) the legal exclusion of a certain use from the imposition of certain fees or taxes. Development agreement authority is essentially one of the only exceptions to the general principle that prohibits cities from contracting away their future police powers. Moreover, development agreement authority has served as an effective means for cities to encourage economic development, which has become increasingly important to some cities in the absence of redevelopment authority.

### **ENVIRONMENTAL ANALYSIS**

In accordance with the provisions of the California Environmental Quality Act ("CEQA"), an Initial Study has been prepared and which has determined that development of the proposed medical marijuana cultivation complex would not have a significant impact on the environment, with the implementation of mitigation measures. A draft Mitigated Negative Declaration is proposed and contains certain measures for Cultural Resources and Biological Resources. The draft Mitigated Negative Declaration is attached for consideration by the Commission during the statutory public comment period (ending 28 October 2016). The City Council will consider certification of a Mitigated Negative Declaration prior to final action on the project.

### **FISCAL IMPACT**

The proposed cultivation complex has paid all required fees for processing and will contribute \$25 per square foot for the first 3,000 square feet, and then \$10 per square foot for the remaining space once it opens.

### **RECOMMENDATION**

Staff recommends that the Planning Commission recommend to the City Council approval of Conditional Use Permit No. 12-16 and Development Agreement 06-16 and Tentative Tract Map 37145, subject to the Conditions of Approval and including the following findings:

1. *That the proposed use is conditionally permitted within the subject land use district and complies with all of the applicable provisions of this Zoning Ordinance.*

The application is for a medical marijuana cultivation complex which is identified in Section 17.180.070 of the City of Desert Hot Springs Zoning Ordinance as permitted within any industrial zone which includes the I-L (Light Industrial) zone), subject to approval of a Conditional Use Permit. The project is proposed to be located within new industrial buildings that complies with applicable provisions of the Zoning Ordinance. Conditions of approval have been prepared and are recommended to assure the proposed use will comply with applicable Zoning Ordinance provisions. Staff recommends this finding.

2. *That the proposed use would not impair the integrity and character of the land use district in which it is to be located.*

Section 17.16.010.B.1 of the Desert Hot Springs Zoning Ordinance identifies the underlying I-L (Light Industrial) zoning district as, "...intended to retain, enhance, and intensify existing and provide for the new development of lighter industrial uses along major transportation routes serving the City." The proposed medical marijuana cultivation complex qualifies as a "lighter industrial operation" in that no heavy manufacturing operations will be conducted on the site. Further, the use will occupy a site with access to Little Morongo Road (via San Jacinto Lane), which is designated a Major Arterial in the Circulation Element of the 2000 Desert Hot Springs General Plan.

3. *That the subject site is physically suitable for the type and intensity of land use being proposed.*

The site is proposed to be developed as a light industrial site with parking, landscape and other features and amenities appropriate to the development. The proposed medical marijuana cultivation complex is physically organized to provide adequate parking, loading and pedestrian circulation for the proposed use. Consequently, the site is physically suitable for the type and intensity of the proposed dispensary. Staff recommends this finding.

4. *That the proposed use is compatible with the land uses presently on the subject property.*

The proposed medical marijuana cultivation complex is a light industrial use with ancillary processing and administration activities, and can be considered similar to other industrial establishments allowed in the I-L (Light Industrial) zone, such as plant nurseries without on-site sales and light manufacturing operations. The proposed building is developed to accommodate the proposed use and appears to be able to accommodate a wide variety of industrial uses, if needed. The proposed cultivation complex does not appear to be outside the range of activities typical for a light industrial site and appears compatible with surrounding light industrial uses. Staff recommends this finding.

5. *That the proposed use would be compatible with existing and future land uses within the general area in which the proposed use is to be located.*

Existing and future land uses within the general area of the proposed medical marijuana cultivation complex are light industrial land uses. Lands to the north, east and south are generally vacant, but zoned for light industrial development. Lands to the west are zoned for, and partially developed with light industrial uses. The site will be a self-contained development with all vehicle circulation needs accommodated on site. The proposed building is located in the center of the subject property and the proposed use is not directly accessed from surrounding land uses. The height and general configuration of the proposed structure is similar to other industrial buildings in the area. Any signage will comply with the Desert Hot Springs Zoning Code. All activities will be contained within the existing building and the operation will appear as a light industrial use consistent with the intent of the zone. Consequently, the proposed cultivation complex is expected to be compatible with existing and future industrial development in the surrounding area. Staff recommends this finding.

6. *That the proposed use is compatible in scale, mass, coverage, density, and intensity with all adjacent land uses.*

The proposed medical marijuana cultivation complex will be located within seventeen new buildings totaling 309,425 square feet (including guard houses), with supporting parking, landscaping and other amenities that will occupy the entire site. The site is presently vacant. Adjacent land uses are light industrial, subject to a maximum building height limit of two (2) stories or 50 feet and lot coverage of 75%. The subject 9.71 acre site will be developed with seventeen two-story buildings that would not exceed about 30 feet in height and have a total lot coverage of 157,652 square feet (38.4% of net lot area). The scale, mass, coverage, density and intensity of the proposed use will be consistent with light industrial activities; its location within an existing light industrial setting will allow it to be compatible with adjacent industrial uses. Staff recommends this finding.



7. *That there are adequate provisions for water, sanitation, and public utilities and services to ensure that the proposed use would not be detrimental to public health and safety.*

The subject site will be developed as a light industrial use with all public services and utilities installed prior to occupancy. The proposed medical marijuana cultivation complex cultivation will not create an extraordinary demand for water, sanitation or other public utilities and services that would result in any detriment to public health and safety. Staff recommends this finding.

8. *That there will be adequate provisions for public access to serve the site.*

The subject site will be fully developed with vehicular and pedestrian access, both from public rights-of-way as well as within and throughout the site. The proposed medical marijuana cultivation complex will not create any additional demand for access than will be provided by the associated parking and drive aisle. Staff recommends this finding.

9. *That there will not be an adverse effect upon desirable neighborhood characteristics.*

Desirable neighborhood characteristics include long-range views from existing properties and business of surrounding mountains, and the future development of light industry on the site and surrounding area. The proposed building's low height (less than 30 feet) will not impede long-range views. While the proposed medical marijuana cultivation complex will fully occupy the subject site, surrounding lands available for other businesses will not be limited in their future development by the proposed use. Staff recommends this finding.

10. *That the proposed use is necessary and essential to the community.*

The proposed medical marijuana cultivation complex can be considered necessary and essential to the community to the extent that it is supported by wholesale customers that cause it to succeed as a local light industrial business. Further, the proposed use must also operate under City regulations and conditions of approval so that only the necessary and essential elements of the business – as determined by the City – are expressed over the life of the business. Staff recommends this finding.

11. *That the proposed use is consistent with applicable goals and policies of the General Plan.*

Staff has identified the following General Plan goals and policies applicable to the application and provides responses to each.

#### Administration

*Goal: Comprehensive and integrated administration and implementation of all elements of the Desert Hot Springs General Plan through consistent and effective policies and programs.*

The City has adopted a zoning ordinance to implement the General Plan and provide for review and approval of individual development projects. The proposed medical marijuana cultivation complex will be subject to all requirements of this Conditional Use Permit, as prescribed by the Zoning ordinance and the adopted conditions of approval.

*Policy 7: The City shall encourage in-fill development within already urbanized areas of the corporate boundaries of the City, and expansion of new development shall be*

*logically phased and, as appropriate, guided by the development of existing and new Specific Plans.*

The proposed medical marijuana cultivation complex will be located on a vacant property within a partially-developed industrial area, located in the I-L (Light Industrial) zone. All public improvements are either in place or will be constructed prior to occupancy. No specific plan has been adopted for the subject property.

*Policy 8: City shall provide opportunities for review and comment on development proposals through public hearing notices sent to owners of property located at least within 300 feet of development proposal sites.*

Prior to Planning Commission review of the project application, notice of the proposed medical marijuana cultivation complex conditional use permit hearing was provided to property owners within 300 feet of the proposed site. In addition, a public hearing before the Planning Commission has in fact been held where persons were provided a meaningful opportunity to be heard.

### Industrial Land Use

*Goal: Lands that provide for the development of non-polluting, energy-related and other clean industrial development that broadens the economic and employment base of the City, and assures compatible integration with other, non-industrial land uses.*

The proposed medical marijuana cultivation complex is anticipated to be a non-polluting and clean industrial use that will generate jobs and revenue for the community, thereby broadening the economic and employment base of the city. The operation will be located on a vacant property within a partially-developed industrial area, located in the I-L (Light Industrial) zone, and be developed with all support amenities (parking, trash enclosures, landscaping, etc.) to assure compatible integration with all industrial and non-industrial land uses.

*Policy 6: The City shall require adherence to applicable development standards and guidelines to assure aesthetically acceptable industrial developments for all new industrial sites.*

The proposed use will be located new buildings with new associated site improvements, including parking, vehicle circulation, and landscaping and trash enclosures. These improvements have been reviewed for adherence to applicable development standards and guidelines. The proposed architecture and landscape architecture, as conditioned, will result in esthetically acceptable development.

### Community Design

*Goal 2: Variety of community design, architecture and landscaping compatible with the City's desert setting and surrounding development.*

The proposed use will be located in seventeen (17) new buildings with new associated site improvements, including parking, vehicle circulation, and landscaping and trash enclosures. These improvements have been reviewed for adherence to applicable development standards and guidelines. The building exteriors, site landscaping, fencing and other improvements are designed with appropriate materials, colors, plant types and other design elements to assure compatibility with the City's desert setting and surrounding development.

*Policy 1: Private and public sector development projects shall equally apply City community design standards, thereby protecting the community's scenic viewsheds, providing community cohesion and enhancing the image of Desert Hot Springs as a resort residential community.*

The site is presently vacant, but will be developed and used for light industrial use. The proposed building exteriors (including height), site landscaping, fencing and other improvements are designed with appropriate materials, colors, plant types and other design elements that protect scenic viewsheds, provide community cohesion and enhance the image of the City.

*Policy 9: Signs shall be limited to the minimum size, scale and number needed to provide functional identification and exposure necessary to convey messages, while minimizing impacts on traffic safety, streetscape and scenic viewsheds.*

All exterior signs shall be subject to approval under the Desert Hot Springs Zoning Code. The city sign regulations do not permit signs to exceed the height of building eave lines which will result in no impacts on scenic viewsheds.

*Policy 10: Lighting shall be limited to the minimum height, number and intensity of fixtures needed to provide security and identification in residential, commercial and industrial development, taking every reasonable measure to preserve the community's night skies.*

Any exterior lighting shall comply with Section 17.40.170 (Outdoor Lighting) to assure that only the minimum level of lighting necessary to provide the needed security is installed. All proposed exterior lighting shall be reviewed by staff for conformance to the applicable standards. Therefore, the proposed medical marijuana cultivation complex is taking reasonable steps to preserve the night skies.

#### *Economic Development:*

*Goal 1: A broadly based, healthy and balanced economy that provides a full range of economic and employment opportunities.*

The proposed medical marijuana cultivation complex will provide opportunities for new employment and business support services.

*Goal 2: Continued growth, which assures the maintenance of revenue, base adequate to support present and future public services and facilities needs.*

The establishment of a medical marijuana cultivation complex will provide additional revenues to the City to support present and future public needs.

*Policy 11: Make every effort to expedite the processing of development proposals, which address the economic development goals of the community and take the initiative to incubate new programs and projects.*

The application for a Conditional Use Permit is required by the Desert Hot Springs zoning code to assure compatibility with surrounding land uses and to develop project-specific conditions to assure successful operation in concert with the City's development goals. The application was received in 6 May 2016 and the City Council hearing is anticipated for November 2016. The application has been processed expeditiously.

#### *Hazardous and Toxic Materials*

*Goal: The assured safety of City of Desert Hot Springs residents and visitors through the regulation of the manufacture, transport, use and disposal of toxic and hazardous materials.*

Any hazardous or toxic materials associated with the proposed operation shall be regulated by the provisions of all applicable law, including the Desert Hot Springs Municipal Code, including Section 5.50 (Medical Marijuana Facilities Regulatory Permit), Section 17.40 (Property Development Standards) and Section 17.180 (Medical Marijuana Facilities Location).

#### *Fire and Police Protection*

*Goal: A high level of police and fire protection and service.*

The proposed medical marijuana cultivation complex will include security measures, including door locking systems, exterior lighting, camera monitoring and other systems to minimize the impact on police protection services. Fire suppression systems will also be incorporated into the operation to minimize the impact on fire protection service. Consequently, the proposed medical marijuana cultivation complex is not expected to demand a high level of police and fire protection services.

*Policy 1: All new and improved developments shall be reviewed for their impact on safety and the provision of police and fire protection services.*

The proposed application and associated regulatory permit will include requirements for review of the proposed operation by City police and fire services. Any identified impacts on safety will be addressed by conditions of approval or regulatory requirements.

#### *Policy 2*

*Enforce fire standards and regulations in the course of reviewing building plans and conducting building inspections.*

All plans and improvements for interior or exterior building improvements will be subject to review and enforcement under fire codes and regulations.

Staff recommends this finding.

- 12. That there will not be significant harmful effects upon environmental quality and natural resources.*

The proposed medical marijuana cultivation complex will be sited on vacant property currently zoned for light industry. Further, the cultivation complex will operate in accordance with the City's regulations and conditions of approval. Based on the draft environmental document, no significant adverse or harmful effects on the environment or on any natural resources are anticipated, subject to the implementation of specific mitigation measures and conditions of approval. Staff recommends this finding.

- 13. That the negative impacts of the proposed use are mitigated and/or a mitigated negative declaration may be filed.*

The proposed medical marijuana cultivation complex will be operated as a light industrial use in a new building within the Light Industrial zone. It will be operated in accordance with all applicable regulations and conditions of approval. A review of the proposed

project has identified no negative impacts, subject to the implementation of specific mitigation measures and conditions of approval. Staff recommends this finding.

*That the proposed location, size, design, and operating characteristics of the proposed use would not be detrimental to the public interests, health, safety, convenience, or welfare of the City.*

The proposed medical marijuana cultivation complex has been reviewed by City departments and other public agencies for any potential detrimental effects on public interests, health, safety, convenience or welfare of the City. Any potential concerns have been addressed by recommended conditions of approval, and no unresolved concerns remain. Staff recommends this finding.

## **DEVELOPMENT AGREEMENT NO. 06-16**

1. *That the property proposed to be subject to the agreement is not less than 1 acre in size*

The site has a total gross area of 9.71 acres (approximately 423,170 square feet).

2. *That the application is made on forms approved, and contains all information required, by the Director;*

The applicant has submitted a draft development agreement on the City's template for review.

3. *That the Development Agreement contains provisions that: specify the duration of the agreement; specified the permitted uses of the property; specified the density or intensity of use(s); set forth the maximum height and size of the proposed structure; set forth provision, if any for reservation or dedication of land for public purpose; provision not permitting protection from a future increase in development fees; provisions for a tiered amendment review procedure; and provisions for a health and safety exception such as "compelling public necessity"*

All required provisions are incorporated into the draft agreement.

## **RECOMMENDATION**

Staff recommends that the Planning Commission recommend to the City Council approval of Conditional Use Permit No. 12-16, Development Agreement DA 06-16 and Tentative Tract Map No. 37145, subject to the attached conditions of approval.

## **EXHIBITS:**

Exhibit No. 1 – Recommended Conditions of Approval  
Exhibit No. 2 – Site Plan  
Exhibit No. 3 – Artist Rendering  
Exhibit Nos. 4-8 – Floor Plans  
Exhibit Nos. 9-14 – Elevations  
Exhibit No. 12 – Survey Plan  
Exhibit No. 13 – Conceptual Septic Plan  
Exhibit No. 14 – Grading and Drainage Plan  
Exhibit No. 15 – Lighting Plan  
Exhibit No. 16 – Landscape Plan  
Exhibit No. 17 – Plant Palette  
Exhibit No. 18 – Tract Map No. 37145  
Exhibit No. 19 – Mitigated Negative Declaration



