

REPORT TO THE PLANNING COMMISSION



DATE: November 14, 2017

TITLE: Conditional Use Permit No. 25-17. A recommendation to the Planning Commission regarding a Conditional Use Permit for development of six two-story buildings, totaling approximately 132,745 square feet, as well as associated parking, vehicular access, trash enclosure, landscaping and related improvements; and operate a medical marijuana cultivation operation, including processing / manufacturing, on a vacant parcel totaling 3.98 gross acres (APN: 665-080-012), located on the east side of Little Morongo Road, near 16th Avenue, approximately 0.6 mile north of Dillon Road, and within the General Plan Light Industrial (I-L) Zone. Applicant: MERJ Life / Ryan Csaftis.

Prepared by: Craig A. Ewing, Consulting Planner

Reviewed by: Daniel Porras P.E., Community Development Director

RECOMMENDATION

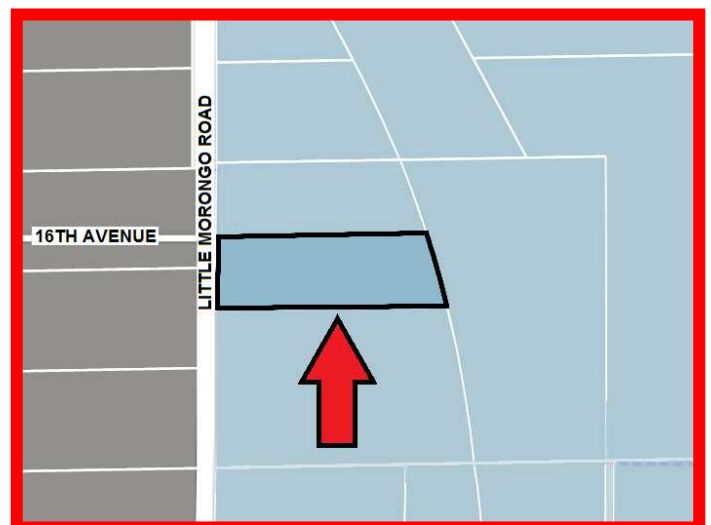
- 1) Staff Report;
- 2) Entertain Questions of Staff from Planning Commission;
- 3) Open the Public Hearing;
- 4) Take Testimony from Applicant;
- 5) Take Public Testimony;
- 6) Opportunity for Applicant Rebuttal
- 7) Close the Public Hearing;
- 8) Planning Commission discussion and questions to Staff; and
- 9) Consider a motion that the Planning Commission approve Conditional Use Permit No. 25-17; for the development of six two-story buildings, totaling approximately 132,745 square feet, as well as associated parking, vehicular access, trash enclosure, landscaping and related improvements; and operate a medical marijuana cultivation operation, including processing / manufacturing, on a vacant parcel totaling 3.98 gross acres located on the east side of Little Morongo Road, near 16th Avenue, approximately 0.6 mile north of Dillon Road, and 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) approved by the Planning Commission and a Regulatory Permit approved by the City Manager. The applicant, MERJ Life / Ryan Csaftis, has filed application to establish a facility for the indoor cultivation of medical marijuana.

The site is located on the east side of Little Morongo Road, approximately six-tenths of a



mile north of Dillon Road. The property is a single parcel, rectangular in shape, and has a gross area of approximately 3.98 acres. It is generally flat, with a total width and street frontage along Little Morongo of approximately 242 feet, and an average depth of about 720 feet. Following dedication of an additional 25 feet of right-of-way for Little Morongo Road, along the entire west side of the property, the site will have a net area of approximately 3.85 acres. The site is currently vacant.

The proposed project includes six free-standing two-story buildings totaling 137,245 square feet of floor area; the buildings are of steel frame and panel construction. The floor plans indicate that each building appears to be a single interior unit, ranging in size from 17,400 to 28,200 square feet of floor area. Overall building heights do not exceed approximately 32 feet. Accessory improvements include parking for seventy-four vehicles and approximately 11,700 square feet of landscaping.

The site is zoned Light Industrial (I-L) District. Public street dedications and improvements on Little Morongo Road (along west property line) will be required.

Immediately surrounding properties are developed as follows:

	<u>Zoning & General Plan Designations</u>	<u>Current Land Use</u>
North, East and South	IL (Light Industrial)	Vacant and Developed Industrial Lands
West	IL (Light Industrial) and OS-FW (Open Space Floodway)	Vacant Lands

PROJECT SUMMARY

The applicant, Ryan Csaftis has filed a Conditional Use Permit (CUP) application to develop the site for indoor cultivation of medical marijuana on a 3.85 net acre property (APN: 665-080-012). New construction of six metal frame and panel two-story buildings (total gross floor area of 137,245 square feet) and ancillary facilities is proposed on the vacant site.

The applicant has provided a floor plan indicating possible future interior improvements with the following allocation of floor area:

Interior Building Area	Total SF
Office / Admin / Misc.	4,880
Processing	4,778
Cultivation	127,372
Total Sq Ft.	137,030

It should be noted that actual uses within the building may change and will be determined by future interior improvement plans, subject to the Permit's limits and conditions.

Vehicular access is provided at a single driveway on Little Morongo Road (which will be widened as part of the project). The interior vehicle circulation plan is a spine along the center of the property (west to east) with five small parking lots off the main drive aisle. Loading doors are provided at the corner of each building. Parking spaces are provided for seventy-four vehicles, including ten disability-accessible stalls.

The proposed buildings' exterior color is light brown with silver and teal accents, and silver grey doors and window frames. Landscaping and fencing are provided around the site's perimeter, as described below. The project is proposed to be constructed in a single phase.

CUP ANALYSIS

General Plan and Zoning Consistency: The project proposes to establish a Medical Marijuana Cultivation Facility within the Light Industrial (I-L) zone and 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 3.98 gross acres. After dedication of public right-of-way, the net lot size will be approximately 3.85 acres (167,575 square feet). Under the Industrial Zoning District standards, the maximum allowable coverage is 75%. The total square footage of the proposed building's "footprint" on site is 80,147 square feet which represent 47.8% site coverage. The project conforms to the lot coverage standard.

Building Height: The highest point on all proposed buildings will be about 32 feet from adjacent grade. This is below the maximum height of 50 feet allowed in the I-L District.

Building Setbacks: The minimum setbacks in the City's Light Industrial (I-L) Zone are 20 feet in front, 10 feet in the rear, and 10 feet on the sides (both interior and street sides). The proposed building is approximately 30 feet from the front property line, about 35 feet from the rear and no less than 25 feet from all side property lines. Therefore, the project meets minimum setback standards.

Circulation and Parking: Access to the site will be provided from a single driveway fronting Little Morongo Road. As noted above, parking for seventy-four vehicles is provided. Roll-up doors for large deliveries are provided at the corner of each building and temporary parking / staging for delivery trucks is provided nearby. The drive aisle allows for emergency vehicle access and turn-around points.

Staff provides the following parking calculation, based on the proposed floor plan and these parking standards:

- 1 space for 250 square feet of office and administrative uses,
- 1 space for every 750 square feet for processing / manufacturing use, and
- 1 space for every 2500 square feet of cultivation / warehouse areas,

Parking Calculation			
Proposed Uses	Zoning Requirements	Number of Spaces Required	Number of Spaces Provided
Office / Admin 4,880 sf	1 spaces/ 250 sf	19.52	74 (including 10 for disabled access)
Processing: 4,778 sf	1 space / 750 sf	6.37	
Cultivation: 127,372 sf	1 spaces/ 2500 sf	<u>50.95</u>	
Total: 137,030 sf		76.84 or 77	

The site plan does not provide sufficient parking for the proposed building floor plans, and a condition is proposed to required modification of the plan to add three spaces or reduce building area so that parking conformance is achieved. Further, staff notes that the applicant proposes to use 93% of the floor area for cultivation and about 7% for office / administration and manufacturing. If more of the building is used for processing or administrative uses, the project would generate a higher parking demand. To avoid excess parking demand, staff recommends

limiting future uses so that parking demand does not exceed the number of spaces provided on-site, as conditioned.

Elevations, Colors and Materials: The proposed two-story structures are similar to other industrial / manufacturing developments in the area. The exterior is finished metal panels with vertical orientation in medium-light brown. Accents include vertical panels of silver metallic and horizontal panels of medium teal blue. Thin horizontal awnings in charcoal match the trim cap along the roof edge. Doors, roll-up doors and window frames match the silver trim. The overall look is subtle, modern and attractive, and blends well with desert colors.

Landscaping: The landscape plan shows planted areas at the front of the site and in the parking areas. No perimeter landscaping along the side or rear property boundaries is proposed; however, additional opportunities for planting areas are found along the sides and rear. All plant species are low- or moderate-water use trees (Palo Verde, and Live Oak) and shrubs, including Bottlebrush, Indigo Bush / Training Rosemary, Leucophyllum, Coral Fountain and others. The overall planting plan is appropriate in plant selection; however, additional planting areas should be established along the sides and rear, and a condition is recommended to that effect. A 6-foot tall tube-steel fence is proposed around the perimeter of the property which, along with controlled access gates, provide security and complete enclosure of the site's interior.

Lighting: Existing exterior lighting is provided, including a photometric study that indicates one foot-candle minimum lighting is provided throughout the vehicle circulation and parking area, with an average two foot-candles provided at entrances and loading doors. The plan appears to meet the requirements of Section 17.16.260.e for lighting in the industrial zone:

One foot-candle evenly distributed across a parking lot is the required minimum. At entrances, loading docks and other limited areas, up to 2 foot-candles may be appropriate.

In the event that any changes to the lighting plan is proposed, a revised plans shall be submitted to the city for review of design, placement, and configuration of any changed lighting fixtures.

Phasing: No phasing plan has been submitted for the project, and it is anticipated that the project will be developed in a single phase.

Security: No specific security plan has been submitted; however, the site is will be enclosed with new tube-steel perimeter fencing, including gated entry/exit drives as indicated. More detailed, comprehensive security plans will be reviewed by the City Manager during the Regulatory Permit phases for both the temporary and permanent facilities. These plans 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. The city has added two standard conditions (COA's No 4 & 5) to bring the security plans under the aegis of the conditional use permit.

Odor Control: No specific odor control is indicated. At such time as tenant improvements are submitted, odor control will be required, subject to review and approval by the Fire Department.

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 days per week. This facility is developed for the cultivation of marijuana and may require staff and security services to be present on premises 24 hours per day.

ENVIRONMENTAL ANALYSIS

In accordance with the provisions of the California Environmental Quality Act ("CEQA"), an Initial Study has been prepared and which as determined that development of the proposed

medical marijuana cultivation facility and temporary cultivation facility would not have a significant impact on the environment, with the implementation of mitigation measures. A draft Mitigated Negative Declaration (MND) is proposed and contains certain mitigation measures for Cultural and Biological Resources. The draft Mitigated Negative Declaration is being circulated for comments (comment period ending 13 November 2017) and no comments have been received as of 9 November 2017. The MND is attached for consideration by the Commission, and the City Council will consider certification of a Mitigated Negative Declaration prior to final action on the project.

FISCAL IMPACT

The proposed cultivation facility has paid all required fees for application processing and the permanent facility will annually contribute \$25 per square foot for the first 3,000 square feet, plus \$10 per square foot for the remaining cultivation / processing space once it opens. The exact amount of cultivation / processing space cannot be known at this time. **The permanent facility plans show an estimated total cultivation area of 127,372 square feet, which would yield \$1,318,720 annually (\$75,000 + \$1,243,720).**

CONDITIONAL USE PERMIT FINDINGS

Conditional Use Permits are regulated under Chapter 17.76 of the Desert Hot Springs Municipal Code and require that certain findings be made by the Planning Commission before granting a CUP request (Section 17.76.050). Staff has developed responses to each required finding, which are attached to this report (Exhibit 1), and staff recommends that they be adopted as the Commission's own findings of fact.

RECOMMENDATION

Staff finds that the proposed project is substantially consistent with the General Plan and meets the development standards of the I-L (Light Industrial) zoning district. Staff recommends that the Planning Commission certify the draft Initial Study and Mitigation Monitoring Program, adopt the recommended Findings of Fact (Exhibit 1), and approve Conditional Use Permit No. 25-17, subject to the Conditions of Approval (Exhibit 2).

EXHIBITS

- No. 1 Recommended Findings of Fact
- No. 2 Recommended Conditions of Approval
- No. 3 Site Plan
- No. 4 Building A Floor Plans
- No. 5 Building B Floor Plans
- No. 6 Building C Floor Plans
- No. 7 Building D1 Floor Plans
- No. 8 Building D2 Floor Plans
- No. 9 Building E Floor Plans
- No. 10 Building A Elevations
- No. 11 Building B Elevations
- No. 12 Building C Elevations
- No. 13 Building D1 Elevations
- No. 14 Building D2 Elevations
- No. 15 Building E Elevations
- No. 16 Security Guard Building
- No. 17 Landscape Plan 1
- No. 18 Landscape Plan 2
- No. 19 Lighting Plan
- No. 20 Draft Initial Study and Mitigated Negative Declaration