

REPORT TO THE PLANNING COMMISSION



DATE: January 8, 2019

TITLE: Amendment to Conditional Use Permit No. 08-16 to add ancillary cannabis uses (manufacturing/extraction, packaging, & distribution) within the existing 4,912 square foot building located at 65265 San Jacinto Lane in the I-L (Light Industrial) Zoning District. Applicant: Kamran Amirianfar / Blue Mango

Prepared by: Scott Taschner, Senior City Planner

Reviewed by: Rebecca Deming, 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) Close the Public Hearing;
- 7) Opportunity for Applicant Rebuttal;
- 8) Planning Commission discussion and questions to Staff; and
- 9) Recommendation from staff for approval of an amendment to Conditional Use Permit No. 8-16 to allow additional ancillary cannabis uses within the approved cannabis cultivation facility located at 65265 San Jacinto Lane and within the I-L (Light Industrial) District.

PRIOR ACTIONS

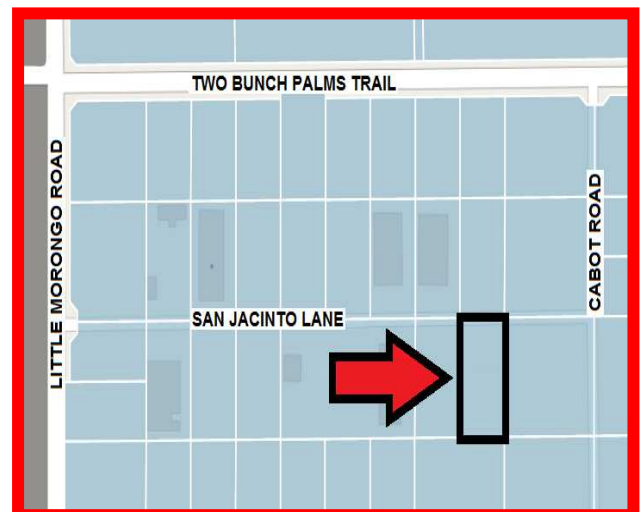
On April 12, 2016 the Planning Commission approved the project and certified the Environmental Determination that exempted the project from CEQA review. Staff would like to note that the application did not require City Council approval because the applicant indicated that they would use the existing building; therefore no Development Agreement was required.

BACKGROUND

Pursuant to Sections 5.50 (Marijuana Facilities Regulatory Permit) and 17.180 (Marijuana Facilities operation and Location) of the Desert Hot Springs Municipal Code (DHSMC), cannabis cultivation facilities are allowed in Industrial Districts subject to a Conditional Use Permit (CUP) that must be approved by the Planning Commission and a Regulatory Permit that must be approved by the City Manager.

PROJECT SUMMARY

The applicant, Kamran Amirianfar, has filed an application to amend his Conditional Use Permit to add manufacturing, extraction, and distribution activities to the list of allowable uses (operations) within his previously approved cannabis cultivation facility on a 1.15-acre property (APN 665-030-049). No new construction is being proposed on the flat rectangular lot. The applicant will utilize an existing building and currently is in the process of



completing the tenant improvements to the interior of the building to accommodate his cannabis cultivation, manufacturing and distribution business.

PARKING

On-site vehicular circulation is provided by two drive-ways accessed from San Jacinto Lane. Each driveway provides access to a small parking area which is a graveled area around and behind the building. The applicant will be required to provide for ADA parking, access, and path of travel as well as required perimeter fencing, security cameras and lighting prior to occupancy of the building.

Staff notes that the existing second floor/mezzanine storage of about 1,130 square feet is proposed to remain and be used as cultivation area. Any expansion of the second story would be subject to an amendment of this Permit including re-evaluation of the required parking.

Based on the proposed floor plan and parking standards of 1 space for every 2,500 square feet of cultivation/storage areas, 1 space for 750 square feet of general industrial uses, 1 space for every 2,500 square feet of cultivation, and 1 space for every 250 square feet of office and administrative uses, staff provides the following parking calculation:

Parking Calculation			
Proposed Uses	Zoning Requirements	Number of Spaces Required	Number of Spaces Provided
Total Cultivation / Storage 4211 sf	1 space / 2500 sf	1.68	17 (including two for ADA access)
Manufacturing, Extraction, Distribution 2485 sf	1 space / 750 sf	3.31	
Office 330 sf	1 space / 250 sf	1.32	
		6.32	

Based on the above analysis, the amended floor plan, and calculations of the additional uses, the site provides sufficient parking for the proposed amendment.

The amendment does not propose any other changes that would trigger a re-evaluation of the project against the development standards of the Zoning Code nor does it require any evaluation against the City's General Plan policies & goals.

CONDITIONAL USE PERMIT FINDINGS

Conditional Use Permits are regulated under Section 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. Staff has developed recommendations for each finding, as follows:

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

The application is for an amendment to a previously approved cannabis cultivation facility which is identified in Section 17.180.060 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 an existing commercial / industrial building 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. The proposed amendment only adds ancillary uses within the already approved building and will

not introduce any new impacts, nor does it trigger any re-evaluation of the project against the Zoning Code or the City's General Plan. 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 17.12.010.B.2 of the Desert Hot Springs Zoning Ordinance identifies the underlying I-L (Light Industrial) zone as intended for, "...*business parks and the development of any and all industrial uses operating entirely in enclosed buildings, and those requiring limited and screenable outdoor storage. Examples include clean manufacturing operations, warehousing and distribution facilities, mini-warehouse storage, and a variety of light manufacturing businesses.*" The proposed cannabis cultivation facility qualifies as "industrial uses operating entirely in enclosed buildings" and as "clean manufacturing operations, warehousing and distribution facilities", and will occupy an existing commercial/industrial building similar to other industrial buildings in the area. The proposed use will produce goods and products in a manner similar to other industrial uses and will not introduce any activities that would impair the integrity or character of the land use district in which it is to be located. The proposed amendment only adds ancillary uses within the already approved building and will not introduce any new impacts, nor does it trigger any re-evaluation of the project against the Zoning Code or the City's General Plan. The proposed amendment only adds ancillary uses within the already approved building and will not introduce any new impacts, nor does it trigger any re-evaluation of the project against the Zoning Code or the City's General Plan. Staff recommends this finding.

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

The site is developed with one commercial/industrial building and will include parking, landscaping and other features and amenities appropriate to the development. The proposed cannabis cultivation facility is physically organized similar to other industrial establishments. The site provides sufficient parking and no expansion of the buildings is proposed. Further, the project utilizes an existing building and proposed use which is similar to other industrial buildings and uses in the vicinity. On this basis, the site is physically suitable for the type and intensity of the proposed cannabis facility. The proposed amendment only adds ancillary uses within the already approved building and will not introduce any new impacts, nor does it trigger any re-evaluation of the project against the Zoning Code or the City's General Plan. Staff recommends this finding.

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

The site is developed with one building and ancillary paved and gravel-surfaced areas. The proposed cannabis cultivation facility is an industrial use and can be considered similar to other industrial establishments allowed in the I-L (Light Industrial) zone, such as plant nurseries, food products, distribution, light manufacturing and wholesaling. The existing commercial/industrial buildings were developed to accommodate a wide variety of commercial/industrial uses. The proposed cultivation facility does not appear to be outside the range of activities typical for a commercial/industrial building and is proposed to entirely occupy the existing buildings. The proposed amendment only adds ancillary uses within the already approved building and will not introduce any new impacts, nor does it trigger any re-evaluation of the project against the Zoning Code or the City's General Plan. 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.*

All surrounding lands within 1/4-mile (1320 feet) feet of the subject property are zoned for light industrial use, so future land uses in the vicinity can be expected to be commercial/industrial uses similar to the proposed cultivation facility. Surrounding lands are developed with commercial/industrial land uses or are vacant. In addition, a religious institution is located in the immediate vicinity. The applicant proposes to entirely occupy the commercial building on site, and the proposed use is not directly accessed from surrounding land uses. All activities will be contained within the existing building, and the operation will appear as a commercial/industrial use consistent with the permitted uses of the I-L (Light Industrial) zone. Consequently, the proposed cultivation facility is expected to be compatible with existing and future land uses in the surrounding general 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 cannabis cultivation facility will be located within one existing commercial/industrial building. The one-story building (with mezzanine) is made of conventional metal frame and panel construction and no new construction or building expansion is proposed. Land uses immediately abutting the site are either existing commercial/industrial uses or vacant land. Nearby are several commercial/industrial businesses, and most occupy metal frame and panel buildings of similar height and layout. Future commercial/industrial development is currently prohibited by the Municipal Code from exceeding 50 feet in height and 75% lot coverage. The subject 1.15-acre site is developed with one building that does not exceed about 24 feet in height and contain a total area of about 3,782 square feet; lot coverage is approximately 7.6%. The scale, mass, coverage, density and intensity of the proposed use will be consistent with general commercial/industrial activities, and the site's location and development plan are compatible with adjacent commercial/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 is developed with one commercial/industrial building and includes all public services and utilities installed and available. The proposed cannabis cultivation facility 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 has sufficient on-site parking – seventeen (17) spaces provided, eight (8) spaces required. The Public Works Department is recommending conditions to assure that street driveway access meets current design standards. 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 businesses of surrounding mountains. The proposed cannabis cultivation facility will fully occupy the industrial building on-site with no new construction is proposed. The proposal is expected to result in no adverse affect on long-range views from surrounding areas. Staff recommends this finding.

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

The proposed cannabis cultivation facility can be considered necessary and essential to the community to the extent that it is supported by customers that cause it to succeed as a local commercial/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. The proposed amendment only adds ancillary uses within the already approved building and will not introduce any new impacts, nor does it trigger any re-evaluation of the project against the Zoning Code or the City's General Plan. 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 cannabis cultivation facility 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 cannabis cultivation facility will be located within an existing commercial/industrial building in the I-L (Light Industrial) zone of the City and all public improvements are in place. 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 cannabis cultivation facility 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 cannabis cultivation facility will be a clean industrial development and will expand the economic and employment base of the community by the products it will offer with the State of California and the new employees that will be hired. Other non-

industrial uses in the vicinity include two religious institutions and the proposed cultivation facility will operate with security and environmental measures that will assure its compatibility with all surrounding uses.

Policy 2: Industrial lands shall be located in areas that maximize all available and planned infrastructures, including but not limited to water and sewer service, electric and natural gas service, and major transportation corridors, and should minimize the impact on public health and safety.

The proposed site is presently served with all necessary utilities and is located on a Local Collector (San Jacinto Lane). A review of the project indicates that no significant impact on public health and safety will occur.

Policy 4: The City of Desert Hot Springs shall seek to attract appropriate industrial users for which the area is particularly suited and encourage those industries to take advantage of the local labor force and markets with which the City has a comparative advantage.

The City has adopted policies and standards to encourage the development of a cannabis cultivation industry. The applicant has proposed a cultivation facility in conformance with these policies and standards and is expected to take advantage of the local labor force and markets.

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 project will be reviewed by the City Architectural Landscape Review Committee (ALRC) against applicable local development standards and guidelines. Any changes recommended by the City ALRC will be incorporated into the project design prior to issuance of building permits.

Community Design

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

The project will be located within an existing commercial/industrial building and no structural changes to the exterior are proposed. Exterior color changes are proposed that will be reviewed by the Planning Department. In addition, exterior doors may be replaced for additional security, and outdoor security lighting and signage may be proposed, subject to the zoning code may be. All exterior changes, including Planning Department recommendations will be reviewed by staff 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 contains one existing commercial/industrial building; no expansion is proposed. Therefore, the proposed cannabis cultivation facility will not affect the community's scenic viewsheds.

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.

No signs are approved as part of this Conditional Use Permit. All exterior signs shall have reviewed under a separate application and be subject to approval under the Desert Hot Springs Zoning Code, including limitations on size, scale and number. The code does not permit signs to exceed the height of existing construction which will result in no impacts on scenic viewsheds. No exposed neon shall be used for signs or window graphics.

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 cannabis cultivation facility 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 cannabis cultivation facility will expand the type of commercial/industrial services available in the community and provide opportunities for new employment and business support services.

Goal 2: Continued growth, which assures the maintenance of a revenue base adequate to support present and future public services and facility's needs.

The establishment of a cannabis cultivation facility 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 on December 10, 2018, deemed complete December 18, 2018 and since then 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 (Marijuana Facilities Regulatory Permit), Section 17.40 (Property Development Standards) and Section 17.180 (Marijuana Facilities Location).

Fire and Police Protection

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

The proposed cannabis cultivation facility 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 cannabis cultivation facility 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 permits 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. The project appears to be consistent with the applicable goals and policies of the General Plan. Staff recommends this finding.

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

The proposed cannabis cultivation facility will occupy an existing commercial/industrial building, located within an established commercial/industrial area, and operated in accordance with the City 's regulations and conditions of approval. Consequently, no significant adverse or harmful effects on the environment or on any natural resources are anticipated. 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 cannabis cultivation facility will be operated as a commercial/industrial use within an existing commercial/industrial building. 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; consequently, no mitigation measures are required.

14. 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 cannabis cultivation facility 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.

In reviewing this application, plans, documents and other supporting information, staff has determined that the Planning Commission can make these findings.

ENVIRONMENTAL ANALYSIS

The Applicant proposes to occupy and improve one existing commercial/industrial building; only interior and cosmetic exterior improvements are proposed, and these will result in no significant environmental impacts.

In accordance with the provisions of the California Environmental Quality Act ("CEQA"), Public Resources Code Section 21000 *et seq*, and the CEQA Guidelines, Title 14, Chapter 3 of California Code of Regulations, the project is found to be Categorically Exempt from further environmental review as a Class 1 (Existing Facility) Categorical Exemption of Section 15301 of CEQA.

FISCAL IMPACT

Improvements to the existing building will generate one-time revenues to the City in the form of building permit fees to defray plan check and inspection costs. In addition, the City will receive on-going revenue from cannabis production related taxes.

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 approve Amendment to Conditional Use Permit No. 08-16 subject to the Conditions of Approval and the adoption of the following Minute Motions:

APPROVAL OF AN EXEMPTION TO CEQA based on the finding that the project qualifies as Categorically Exempt under Section 15301 Class 1 (Existing Facility). The Desert Hot Springs Planning Department is custodian of the documents or other material which constitute the record of proceedings upon which this decision is based.

APPROVAL OF AN AMENDMENT TO CONDITIONAL USE PERMIT NO. 08-16 to allow for additional ancillary uses within the approved cannabis cultivation facility at 65265 San Jacinto Lane, based on the findings contained within this report and subject to the attached Conditions of Approval.

EXHIBIT(S)

1. Draft Conditions of Approval
2. 2016 Approved Site & Floor Plans
3. Proposed Floor Plans