



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: MARCH 13, 2023

ITEM NUMBER: PH-1

SUBJECT: ONE-YEAR TIME EXTENSION FOR PA-19-29, FOR A CANNABIS MANUFACTURING FACILITY (COMPLEX PLUS) AT 3505 CADILLAC AVENUE, UNIT O-106

**FROM: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/
PLANNING DIVISION**

PRESENTATION BY: PATRICK ACHIS, ASSISTANT PLANNER

**FOR FURTHER INFORMATION: PATRICK ACHIS, ASSISTANT PLANNER
714-754-5276**

CONTACT: PATRICK.ACHIS@COSTAMESACA.GOV

RECOMMENDATION

Staff recommends the Planning Commission adopt a Resolution to:

1. Find that the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15301 (Existing Facilities); and
2. Approve PA-22-38 to extend the entitlement of PA-19-29 by one additional year through October 9, 2024.

APPLICANT OR AUTHORIZED AGENT

The applicant is Bruce Entezam (Complex Plus) and the property owner is 3505 Cadillac 1 LLC.

PROJECT SETTING

The subject site is located on the west side of Cadillac Avenue, north of Sunflower Avenue. The property contains a vacant 4,480-square-foot tenant space, within an existing industrial building constructed in 1982. The proposed tenant space is located on the first and second floors of Building "O" with direct access to the parking spaces at the rear of the building. The tenant spaces were previously occupied by a telemarketing business (Integrity Protection Group).

The subject building is located within an existing multi-tenant industrial park (Cambridge Park) zoned PDI (Planned Development Industrial) and has a General Plan Land Use Designation of "Industrial Park". Suites within Cambridge Park are industrial condominiums that are individually owned and the business park is managed by an Association. The site is bounded by industrial buildings used for warehousing and light manufacturing.

Six of the 20 tenants in Building "O" are approved and/or occupied by cannabis uses, including the project for the subject time-extension request. See the below Table 1 showing the approved and pending cannabis applications within Building "O". Other uses in the building include administrative offices, professional services, and business consulting firms.

Table 1 – Building "O" Cannabis Tenants

Unit	Entity	Use	Case Number	Status
O-101	Yummi Karma, LLC	Manufacturing Type 6	PA-18-07 / PA-18-07 A1	APPROVED 04/09/2018 / APPROVED 08/23/2018
O-201	AuBio Labs, LLC	Manufacturing Type 6	PA-18-21 / PA-18-21 A1	APPROVED 12/10/2018 / APPROVED 11/21/2019
O-107	Gold Flora	Distribution Type 11	PA-19-09	APPROVED 04/22/2019
O-106*	Complex Plus, Inc.	Manufacturing Type 7	PA-19-29 / PA-22-38 (Subject Time Extension)*	APPROVED 04/13/2020
O-108	Ash Capital, Inc.	Manufacturing, Non-Storefront Retail & Distribution Type 6, 9 & 11	PA-20-16 / PA-20-16 A1	APPROVED 05/10/2021 / APPROVED 12/09/2021
O-102	Outrageous Ventures, LLC	Distribution Type 11	PA-22-01	APPROVED 05/09/2022
O-209	AK Exclusives, Inc.	Distribution Type 11	PA-22-27	Pending
O-210	C4 Distro	Distribution	MX-21-0004 APPROVED 07/19/2021	Pending

BACKGROUND

The original project under Planning Application 19-29 was approved by the Planning Commission on April 13, 2020. Several PA-19-29 key approved business operations and application conditions are provided below:

- **Cannabis Product Manufacturing.** Tenant improvement to existing 4,480-square-foot tenant space in an industrial building for manufacturing of cannabis products, including volatile butane extraction and packaging of processed products.
- **Off-Site Distribution Hours.** Distribution of products to occur only off-site at pre-scheduled days and times determined by the applicant. No distribution was allowed to occur between 12 AM midnight and 5 AM. On-site distribution (storefront sales) were prohibited.
- **Odor Control.** Installation of scrubbers and charcoal canister filters as an additional odor mitigation system.
- **Security.** A detailed security plan reviewed and certified by HdL, the City's security consultant, and the plan complies with State law. The route to the loading area is direct and would be under video surveillance at all times. Video surveillance systems were required at all exterior entrances and in all interior rooms; a monitored burglar alarm system; upgraded exterior lighting, and entry card readers are included on the plan.
- **Distribution Vehicle Parking.** Parking of distribution vehicle in designated loading area under direct view of security cameras at all times. Surplus parking exists onsite to accommodate designated loading.
- **Conditions of Approval.** Sixty-nine (69) Conditions of Approval were included as part of the PA-19-29 approval, including standard conditions related to Measure X, security, and the subject site.
- **Expiration.** Approval of PA-19-29 was valid for two (2) years and set to expire on April 13, 2022.

Please reference the Planning Commission staff report and approved resolution for PA-19-29 at the following link:

<http://ftp.costamesaca.gov/costamesaca/planningcommission/agenda/2020/2020-04-13/PH-2.pdf>

On April 11, 2022 the Director of Economic and Development Services approved a six-month time extension for the project pursuant to Costa Mesa Municipal Code (CMMC) Section 13-29(k)(6). This approval extended PA-19-29's expiration to October 10, 2022. (See Attachment No. 3 to reference the Director's six-month time extension letter for PA-19-29.) Prior to the expiration of the six-month Director approved extension of time, the applicant reached out to staff in regard to submittal of a subsequent extension of time to be reviewed by the Planning Commission. Pursuant to CMMC 13-29(k)(4) – "Extension of Time", the applicant must file a written request for an extension of time with the department no less than thirty (30) days or more than (60) days before the expiration date of the permit. In this case, the applicant submitted

the time extension request on the last day of the Director's six-month extension (October 10, 2022). However, the applicant was coordinating the one-year time extension with staff before October 10, 2022 and within the Code required "submittal-window"; therefore, staff believes the application submittal should be considered timely. The applicant indicated that due to financial hardships resulting from the pandemic, the further permitting of the new business required postponement.

JUSTIFICATION FOR APPROVAL OF TIME EXTENSION REQUEST

Pursuant to Costa Mesa Municipal Code (CMMC) Section 13-29 (k), an extension of time over six (6) months must be considered by the original review authority (the Planning Commission). Additionally, CMMC Section 13-29(k)(6) requires that:

[The Planning Commission] is authorized to grant the extension if it finds that there have been no changes in the conditions or circumstances of the site, such as Zoning Code or General Plan amendments or other local and statewide regulations affecting the approved development standards or project that serve as grounds for denial of the original project or any changes to the General Plan and/or Zoning Code that would preclude approval of the same project at the time of the requested extension.

As indicated above, the applicant has indicated that he was unable to begin permitting of the project because of financial hardships relating to the pandemic. The applicant has indicated that the additional period until October 9, 2024 (one-year from the previous Director approved extension of time) is sufficient time to activate the approval and begin the plan check process. The Planning Commission could support the request for a time extension in that the approved Planning Application 19-29 remains in compliance with the current Zoning Code, and there have been no amendments to the General Plan and the Zoning Code that would require reconsideration and/or denial of the original project approval. Further, General Plan Policy LU-6.8 intends to provide efficient and timely review of development proposals while maintaining quality customer service standards for the business, development, and residential community. Approval of the extension would help promote Policy LU-6.8 by avoiding applicant development costs and time associated with filing a new application. Lastly, there have been no changes in the conditions or circumstances of the site that would warrant reconsideration and/or denial of the previous project approval.

Completion of the Marijuana Business Permit and Business License

If the time extension is approved by the Planning Commission, the applicant will be required to obtain the necessary final approvals from CID, Building Safety, Fire Prevention, and the Finance Department in order to finalize the Marijuana Business Permit and obtain a business license from the City. Additionally, the applicant must also receive approval from the State of California to operate the marijuana business.

ENVIRONMENTAL DETERMINATION

The project is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1) for Existing Facilities. This exemption applies to the operation of existing structures involving negligible or no expansion of the use. The project involves no exterior additions to the existing industrial building. The project is consistent with the applicable General Plan designation and all applicable General Plan policies as well as with applicable zoning designation and regulations.

ALTERNATIVES

The Planning Commission has the following alternatives:

1. Approve the time-extension. The Planning Commission may approve the time-extension request, subject to the findings and conditions outlined in the attached Resolution.
2. Deny the time-extension. If the Planning Commission believes that there are insufficient facts to support the findings for approval of the time extension, the Planning Commission must deny the application, provide facts in support of denial, and direct staff to incorporate the findings for denial into a Resolution for denial. If the project were denied, the applicant could not submit substantially the same type of application for six months from the previously approved extension of time.

LEGAL REVIEW

The draft Resolution has been approved as to form by the City Attorney's Office.

PUBLIC NOTICE

Pursuant to Title 13, Section 13-29(d), of the Costa Mesa Municipal Code, three types of public notification have been completed no less than 10 days prior to the date of the public hearing:

1. **Mailed notice.** A public notice was mailed to all property owners and occupants within a 500-foot radius of the project site. The required notice radius is measured from the external boundaries of the property.
2. **On-site posting.** A public notice was posted on each street frontage of the project site.
3. **Newspaper publication.** A public notice was published once in the Daily Pilot newspaper.

As of the date this report was drafted, no written public comments have been received. Any public comments received prior to the March 13, 2023 Planning Commission meeting will be provided separately.

CONCLUSION

The requested extension of time request is consistent with the original approval of PA-19-29 and the intent of the Zoning Code, the City's General Plan, and the City of Costa Mesa Marijuana Measure (Measure X), as proposed. Therefore, staff recommends approval of a one-year time extension for Planning Application 19-29 to expire on October 9, 2024.

RESOLUTION NO. PC-2023-

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA APPROVING PLANNING APPLICATION 22-39 TO EXTEND THE ENTITLEMENT OF PA-19-29 THE PROPERTY AT 3505 CADILLAC AVENUE, UNIT O-106 THROUGH OCTOBER 9, 2024

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA HEREBY FINDS AND DECLARES AS FOLLOWS:

WHEREAS, on or about November 8, 2016, Costa Mesa voters approved Measure X; which allows for the distribution, manufacturing, processing, research and development laboratories, testing laboratories and transportation of marijuana related uses located in the Industrial Park (MP) and Planned Development Industrial (PDI) zoned properties north of South Coast Drive, west of Harbor Boulevard, excluding the South Coast Collection (SOCO) property located at 3033 Hyland Avenue.

WHEREAS, Planning Application 19-29 was approved by the Planning Commission on April 13, 2020, subject to conditions of approval, for the following described project:

A Conditional Use Permit to operate a cannabis manufacturing and distribution facility within a 4,480-square-foot tenant space at 3505 Cadillac Avenue, O-106. The applicant is proposing to use the tenant space for cannabis manufacturing, packaging, and distribution. The facility would have security systems (card readers, security cameras, etc.) throughout the facility. No cultivation of marijuana, or marijuana dispensary, is permitted.

WHEREAS, Planning Application 19-29 was extended by the Director of Economic and Development Services on April 11, 2022 for a 6-month time extension under Costa Mesa Municipal Code (CMMC) Section 13-29(k)(6). This approval extended PA-19-29's expiration to October 10, 2022.

WHEREAS, Planning Application 22-38 was filed by Bruce Entezam (Complex Plus) for the property owner, 3505 Cadillac 1 LLC, on October 10, 2022, requesting a one-year extension of PA-19-29, in accordance with CMMC Section 13-29(k)(6);

WHEREAS, a duly noticed public hearing was held by the Planning Commission on March 13, 2023 with all persons having the opportunity to speak for and against the proposal;

WHEREAS, pursuant to the California Environmental Quality Act (CEQA), the project is exempt from the provisions of CEQA under Section 15301 (Class 1) for Existing Facilities.

WHEREAS, the CEQA categorical exemption for this project reflects the independent judgement of the City of Costa Mesa.

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF COSTA MESA HEREBY RESOLVES that based on the evidence in the record and the findings contained in Exhibit A, and subject to the conditions of approval of PA-19-29 dated April 13, 2020, the Planning Commission hereby **APPROVES** Planning Application 22-38 extending the effective date of PA-19-29 through October 9, 2024.

BE IT FURTHER RESOLVED that the Costa Mesa Planning Commission does hereby find and determine that adoption of this Resolution is expressly predicated upon the activity as described in the staff report for Planning Application 22-38 and upon applicant's compliance with each and all of the conditions in PA-19-29, and compliance of all applicable federal, state, and local laws. Any approval granted by this resolution shall be subject to review, modification or revocation if there is a material change that occurs in the operation, or if the applicant fails to comply with any of the conditions of approval.

BE IT FURTHER RESOLVED that if any section, division, sentence, clause, phrase or portion of this resolution, or the document in the record in support of this resolution, are for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions.

PASSED AND ADOPTED this 13th day of March, 2022.

Adam Ereth, Chair
Costa Mesa Planning Commission

STATE OF CALIFORNIA)
COUNTY OF ORANGE)ss
CITY OF COSTA MESA)

I, Scott Drapkin, Secretary to the Planning Commission of the City of Costa Mesa, do hereby certify that the foregoing Resolution No. PC-2023- was passed and adopted at a regular meeting of the City of Costa Mesa Planning Commission held on March 13, 2023 by the following votes:

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSENT: COMMISSIONERS

ABSTAIN: COMMISSIONERS

Scott Drapkin, Secretary
Costa Mesa Planning Commission

Resolution No. PC-2023-

EXHIBIT A

FINDINGS

- A. The proposed project complies with Costa Mesa Municipal Code Section 13-29(K)(6) because:

Finding: A permit or approval may be extended beyond the expiration of the original approval provided the director or the review authority finds that there have been no changes in the conditions or circumstances of the site, such as Zoning Code or General Plan amendment or other local and statewide regulations affecting the approved development standards, or project so that there would have been ground for denial of the original project or any changes to the General Plan and/or Zoning Code that would preclude approval of the same project at the time of the requested extension.

- **Facts in Support of Findings:** The applicant indicates that the purpose of the time extension is to provide more time to submit for tenant improvements which is required based on financial hardships previously incurred from the pandemic. The approved Planning Application PA-19-29 remains in substantial compliance with the current Zoning Code and there have been no amendments to the General Plan and the Zoning Code that would affect the original project approval. General Plan **Policy LU-6.8** intends to provide efficient and timely review of development proposals while maintaining quality customer service standards for the business, development, and residential community. Approval of the time-extension would help promote Policy LU-6.8 by avoiding applicant development costs and time associated with filing a new application. The applicant has indicated that the additional 12 months to October 9, 2024 is sufficient to obtain building permits and begin work.

- B. **Finding:** The project is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1) for Existing Facilities. This exemption applies to the operation of existing structures involving negligible or no expansion of the use. The project involves no exterior additions to the existing industrial building. The project is consistent with the applicable General Plan designation and all applicable General Plan policies as well as with applicable zoning designation and regulations.
- C. Conditions of Approval for approved PA-19-29 dated April 13, 2020, shall remain in full force and effect.



City of Costa Mesa, Development Services Department
77 Fair Drive, P.O. 1200, Costa Mesa, CA 92628-1200
Phone: (714) 754-5245 Fax: (714) 754-4856 www.costamesa.gov

ATTACHMENT 2

Office to Assign

PLANNING APPLICATION (PART ONE – TYPE OR PRINT)

Application #

PROPERTY ADDRESS: 3505 Cadillac Ave. Building O Suite 106, Costa Mesa CA

Property Owner 3505 Cadillac 1 LLC Phone 949 378 0015 Fax

Address 20341 Irvine Ave. Email

City Newport Beach State CA Zip Code 92660

Property Owner's Signature see note1 below Benjamin Entezam Date 10-10-2022

AUTHORIZED AGENT: Phone Fax

Address Email

City State Zip Code

Authorized Agent's Signature see note2 below Date

PROJECT DESCRIPTION: [Briefly describe project below and attach detailed project description & justification for approval:]

Request to extend the approved CUP for Complex Plus Inc.

PROJECT RELATED TOPICS: I have noted below the items that are applicable to the project:

- ☐ In the Redevelopment Area ☐ Subject to future street widening
☐ In a Specific Plan Area ☐ Includes a drive-through facility (Special notice requirements, per GC Section 65091 (d))

HAZARDOUS WASTE AND SUBSTANCES SITES: Pursuant to Section 65962.5 of the Government Code, I have reviewed the Hazardous Waste and Substances Site List (see reverse side) and determined that the project:

- ☐ IS NOT included in the LIST ☐ IS included in the LIST

¹RIGHT OF ENTRY: The abovesigned ("Property Owner") is the owner of certain real property identified above in Costa Mesa, California ("Property"), acknowledges that the application process requires the property to be posted with a public hearing notice, where applicable. Property Owner hereby permits the City of Costa Mesa ("City"), by and through its employees or agents, to enter upon the property for the sole purpose of posting, modifying, and removing a public hearing notice relating to Property Owner's Planning Application. The right of entry shall be granted by Property Owner to City at no cost to City and shall remain in effect until the removal of the public hearing notice. Owner further agrees to release, waive, discharge and hold harmless City, its employees and agents, from and against any and all loss, damage, injury, liability, claim, cost or expense resulting from or arising out of the activities of City, its employee and agents, upon the Property, pursuant to this signed application.

²PENALTY OF PERJURY: I declare under penalty of perjury that all statements contained in this application and any accompanying documents are true and correct, with full knowledge that all statements made in this application are subject to investigation and that any misrepresentations, false or dishonest information contained in the application materials may be grounds for denial of the application.

WHEN COMPLETED, PLEASE RETURN ALL COPIES TO PLANNING DIVISION (PART TWO BELOW – "OFFICE USE ONLY")

Date Application Received By Receipt #

Date Application Determined Complete By

<input type="checkbox"/> Admin Adjustment	\$	<input type="checkbox"/> Gen Plan Screening	\$	<input type="checkbox"/> RCID Conversion	\$
<input type="checkbox"/> Appeal	\$	<input type="checkbox"/> Lot Line Adjustment	\$	<input type="checkbox"/> Rezone	\$
<input type="checkbox"/> CUP	\$	<input type="checkbox"/> Master Plan	\$	<input type="checkbox"/> Specific Plan Amd	\$
<input type="checkbox"/> Design Review	\$	<input type="checkbox"/> Minor CUP	\$	<input type="checkbox"/> Tent Tract/Parcel	\$
<input type="checkbox"/> Dev Agreement	\$	<input type="checkbox"/> Minor Design Review	\$	<input type="checkbox"/> Time Extension	\$
<input type="checkbox"/> Development Review	\$	<input type="checkbox"/> Negative Declaration	\$	<input type="checkbox"/> Variance	\$
<input type="checkbox"/> Gen Plan Amendment	\$	<input type="checkbox"/> Planned Signing Prg	\$	<input type="checkbox"/> Other	\$

TOTAL \$

APN: Zone: General Plan: -1-



CITY OF COSTA MESA

P.O. BOX 1200 • 77 FAIR DRIVE • CALIFORNIA 92628-1200

DEVELOPMENT SERVICES DEPARTMENT

April 11, 2022

Shawn Entezam (Complex Plus)
3 MacArthur Place, Suite 855
Santa Ana, CA 92707

**RE: TIME EXTENSION FOR PLANNING APPLICATION 19-29
3505 CADILLAC AVENUE, UNIT O-106**

Dear Shawn:

The requested time extension is for a Conditional Use Permit for a marijuana manufacturing facility located within a 4,480-square-foot tenant space in an existing industrial building. The facility would be operated by Complex Plus. The proposed facility would manufacture cannabis products utilizing butane extraction; no distribution of cannabis would occur at this facility. For a full description of the project please see original agenda, action report, and minutes from Public Hearing on April 13, 2020 at the following link: <https://www.costamesaca.gov/city-hall/commissions-and-committees/planning-commission/archived-agendas-videos-minutes/2020-agendas-and-minutes>.

The project was approved unanimously by Planning Commission. The Director has made the findings for the extension pursuant with Section 13-29 (k)(6). The Conditional Use Permit is approved for an extension of six months per Code Requirement No. 1. This extension will expire on October 10, 2022.

The decision will become final at 5 PM on April 18, 2022, unless appealed by an affected party (including filing of the necessary application and payment of the appropriate fee) or is called up for review by a member of the City Council. Any appeal must be filed within seven (7) days of the above approval date by 5 PM, pursuant to CMMC Sections 2-305(2) and 2-307. If you have any questions regarding the above items, please do not hesitate to contact the project planner, Justin Arios at 714) 754-5667 or at justin.arios@costamesaca.gov.

Sincerely,

Jennifer Le
Director of Economic and Development Services

cc: Engineering
Fire Marshal
Building Division

Planning Division 714.754.5245 (planninginfo@costamesaca.gov) • Building Division 714.754.5273 •
Code Enforcement & Community Improvement Division 714.754.5638 • Housing & Community Development 714.754.4870 •
Fax 714.754.4856 • www.costamesaca.gov