



CITY OF COSTA MESA

PLANNING COMMISSION

Agenda

Monday, April 10, 2023

6:00 PM

**City Council Chambers
77 Fair Drive**

The Commission meetings are presented in a hybrid format, both in-person at City Hall and as a courtesy virtually via Zoom Webinar.

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- During the Public Comment Period, use the “raise hand” feature located in the participants’ window and wait for city staff to announce your name and unmute your line when it is your turn to speak. Comments are limited to 3 minutes, or as otherwise directed.

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During the Public Comment Period, press *9 to add yourself to the queue and wait for city staff to announce your name/phone number and press *6 to unmute your line when it is your turn to speak. Comments are limited to 3 minutes, or as otherwise directed.

4. Additionally, members of the public who wish to make a written comment on a specific agenda item, may submit a written comment via email to the PCPublicComments@costamesaca.gov. Comments received by 12:00 p.m. on the date of the meeting will be provided to the Commission, made available to the public, and will be part of the meeting record.

5. Please know that it is important for the City to allow public participation at this meeting. If you are unable to participate in the meeting via the processes set forth above, please contact the City Clerk at (714) 754-5225 or cityclerk@costamesaca.gov and staff will attempt to accommodate you. While the City does not expect there to be any changes to the above process for participating in this meeting, if there is a change, the City will post the information as soon as possible to the City's website.

Note that records submitted by the public will not be redacted in any way and will be posted online as submitted, including any personal contact information.

All pictures, PowerPoints, and videos submitted for display at a public meeting must be previously reviewed by staff to verify appropriateness for general audiences. No links to YouTube videos or other streaming services will be accepted, a direct video file will need to be emailed to staff prior to each meeting in order to minimize complications and to play the video without delay. The video must be one of the following formats, .mp4, .mov or .wmv. Only one file may be included per speaker for public comments. Please e-mail to PCPublicComments@costamesaca.gov NO LATER THAN 12:00 Noon on the date of the meeting.

Note regarding agenda-related documents provided to a majority of the Commission after distribution of the agenda packet (GC §54957.5): Any related documents provided to a majority of the Commission after distribution of the Agenda Packets will be made available for public inspection. Such documents will be posted on the city's website and will be available at the City Clerk's office, 77 Fair Drive, Costa Mesa, CA 92626.

All cell phones and other electronic devices are to be turned off or set to vibrate. Members of the audience are requested to step outside the Council Chambers to conduct a phone conversation.

Free Wi-Fi is available in the Council Chambers during the meetings. The network username available is: CM_Council. The password is: cmcouncil1953.

As a LEED Gold Certified City, Costa Mesa is fully committed to environmental sustainability. A minimum number of hard copies of the agenda will be available in the Council Chambers. For your convenience, a binder of the entire agenda packet will be at the table in the foyer of the Council Chambers for viewing.

In compliance with the Americans with Disabilities Act, Assistive Listening headphones are available and can be checked out from the City Clerk. If you need special assistance to participate in this meeting, please contact the City Clerk at (714) 754-5225. Notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.102.35.104 ADA Title II]. Language translation services are available for this meeting by calling (714) 754-5225 at least 48 hours in advance.

En conformidad con la Ley de Estadounidenses con Discapacidades (ADA), aparatos de asistencia están disponibles y podrán ser prestados notificando a la Secretaria Municipal. Si necesita asistencia especial para participar en esta junta, comuníquese con la oficina de la Secretaria Municipal al (714) 754-5225. Se pide dar notificación a la Ciudad por lo mínimo 48 horas de anticipación para garantizar accesibilidad razonable a la junta. [28 CFR 35.102.35.104 ADA Title II]. Servicios de traducción de idioma están disponibles para esta junta llamando al (714) 754-5225 por lo mínimo 48 horas de anticipación.

PLANNING COMMISSION REGULAR MEETING

APRIL 10, 2023 – 6:00 P.M.

ADAM ERETH
Chair

RUSSELL TOLER
Vice Chair

JOHNNY ROJAS
Planning Commissioner

ANGELY ANDRADE VALLARTA
Planning Commissioner

TIM TABER
Planning Commissioner

JON ZICH
Planning Commissioner

JENNIFER LE
Director of Economic and
Development Services

JIMMY VIVAR
Planning Commissioner

TARQUIN PREZIOSI
Assistant City Attorney

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

ANNOUNCEMENTS AND PRESENTATIONS

PUBLIC COMMENTS – MATTERS NOT LISTED ON THE AGENDA
Comments are limited to three (3) minutes, or as otherwise directed.

COMMISSIONER COMMENTS AND SUGGESTIONS

CONSENT CALENDAR:

All matters listed under the Consent Calendar are considered to be routine and will be acted upon in one motion. There will be no separate discussion of these items unless members of the Planning Commission, staff, or the public request specific items to be discussed and/or removed from the Consent Calendar for discussion. The public can make this request via email at PCPublicComments@costamesaca.gov and should include the item number to be addressed. Items removed from the Consent Calendar will be discussed and voted upon immediately following Planning Commission action on the remainder of the Consent Calendar

1. [July 25, 2022 UNOFFICIAL MEETING MINUTES](#) [23-1159](#)

RECOMMENDATION:

Planning Commission approve Minutes of a Regular meeting of July 25, 2022.

Attachments: [07.25.2022 Unofficial Meeting Minutes](#)

2. [August 22, 2022 UNOFFICIAL MEETING MINUTES](#) [23-1160](#)

RECOMMENDATION:

Planning Commission approve Minutes of a Regular meeting of August 22, 2022.

Attachments: [08.22.2022 - Unofficial Meeting Minutes](#)

3. [March 13, 2023 UNOFFICIAL MEETING MINUTES](#) [23-1162](#)

RECOMMENDATION:

Planning Commission approve Minutes of a Regular meeting of March 13, 2023.

Attachments: [03.13.2023 Unofficial Meeting Minutes](#)

PUBLIC HEARINGS:

1. [PLANNING APPLICATION 22-42 FOR A CANNABIS NON-STOREFRONT RETAIL BUSINESS \("A & D COURIERS"\) LOCATED AT 2706 HARBOR BOULEVARD, SUITE 208](#) [23-1163](#)

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 (Class 1) Existing Facilities; and
2. Approve Planning Application 22-42, subject to conditions of approval.

Attachments: [Agenda Report](#)

[1. Draft Planning Commission Resolution](#)

[2. Applicant Letter](#)

[3. Vicinity Map](#)

[4. Zoning Map](#)

[5. Site Photos](#)

[6. Project Plans](#)

2. [PLANNING APPLICATION 22-27 FOR A RETAIL CANNABIS NON-STOREFRONT AND CANNABIS DISTRIBUTION FACILITY LOCATED AT 3505 CADILLAC AVE, UNIT O-209A \(AK EXCLUSIVES\)](#) ~~22-27~~ [23-1164](#)

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 Planning Application 22-27, subject to conditions of approval.

Attachments: [Agenda Report](#)

- [1. Draft Planning Commission Resolution](#)
- [2. Applicant Letter](#)
- [3. Vicinity Map](#)
- [4. Zoning Map](#)
- [5. Site Photos](#)
- [6. Flow Diagram](#)
- [7. Project Plans](#)

3. [PLANNING APPLICATION 21-38 FOR A RETAIL CANNABIS STOREFRONT BUSINESS LOCATED AT 2424 NEWPORT BOULEVARD UNITS C AND F \(GAIA WELLNESS\)](#) ~~21-38~~ [23-1167](#)

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; and
2. Approve Planning Application 21-38 subject to conditions of approval contained in the resolution.

Attachments: [Agenda Report](#)

- [1. Draft Planning Commission Resolution](#)
- [2. Applicant Letter & Supplemental Information](#)
- [3. Vicinity Map](#)
- [4. Zoning Map](#)
- [5. Site Photos](#)
- [6. Project Plans](#)
- [7. Retail Cannabis Storefront Map](#)

OLD BUSINESS: None.

NEW BUSINESS: None.

DEPARTMENT REPORTS:

1. PUBLIC WORKS REPORT

2. DEVELOPMENT SERVICES REPORT

CITY ATTORNEY REPORTS:

1. CITY ATTORNEY

ADJOURNMENT

Next Meeting: Planning Commission regular meeting, April 24, 2023- 6:00 p.m.



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 23-1159

Meeting Date: 4/10/2023

TITLE:

July 25, 2022 Unofficial Meeting Minutes

DEPARTMENT: Economic and Development Services Department/ Planning Division

RECOMMENDATION:

Planning Commission approve Minutes of a Regular meeting of July 25, 2022.

UNOFFICIAL UNTIL APPROVED

**MEETING MINUTES OF THE CITY OF
COSTA MESA PLANNING COMMISSION**

July 25, 2022

CALL TO ORDER

The Chair called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE TO THE FLAG

Chair de Arakal led the Pledge of Allegiance.

ROLL CALL

Present: Chair Byron de Arakal, Vice Chair Jon Zich, Commissioner Adam Ereth, Commissioner Johnny Rojas, Commissioner Dianne Russell, Commissioner Jimmy Vivar

Absent: Commissioner Russell Toler

Officials Present: Assistant Development Services Director Scott Drapkin, Assistant City Attorney Tarquin Preziosi, City Engineer Seung Yang and Recording Secretary Anna Partida

ANNOUNCEMENTS AND PRESENTATIONS:

None.

PUBLIC COMMENTS:

None.

COMMISSIONER COMMENTS AND SUGGESTIONS:

Vice Chair Zich reminded the public they can receive automatic notifications of City meetings and important information by registering on the City website. (www.costamesaca.gov).

CONSENT CALENDAR:

None.

PUBLIC HEARINGS**1. PLANNING APPLICATION 21-27 FOR A RETAIL CANNABIS STOREFRONT USE WITH DELIVERY LOCATED AT 1072 BRISTOL STREET, SUITE 100**

Project Description: Planning Application 21-27 is a request for a Conditional Use Permit (CUP) to operate a storefront retail cannabis business with delivery within an existing 3,286-square-foot suite within an 11,880-square-foot commercial building located at 1072 Bristol Street. The business would sell pre-packaged cannabis and pre-packaged cannabis products directly to customers onsite and via delivery to private addresses, subject to conditions of approval.

Environmental Determination: The project is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1), Existing Facilities.

One Ex-Parte Communication:

Commissioner Ereth noted he spoke with the applicant.

Scott Drapkin, Assistant Director of Development Services, noted the applicant, after receiving the many neighbor concern letters, has requested a continuance to the August 8, 2022 Planning Commission meeting in order to provide some outreach to the neighborhood. The applicant was not in attendance.

Chair de Arakal asked Mr. Drapkin to proceed with the presentation.

Chair de Arakal noted he would open the public hearing to public comments, after the presentation, due to the many neighbors in attendance, so they can be given a chance to speak on the item. He informed the residents they would also have a chance to speak on this item at the August 8th meeting.

Mr. Drapkin presented the staff report.

Chair de Arakal asked Commission to defer questions of staff until the next scheduled meeting on August 8, 2022.

The Chair opened the public hearing to public comments.

PUBLIC COMMENT:

Claudia Tetts, Costa Mesa resident, spoke in opposition to this application. Ms. Tetts voiced her concerns regarding noise and odor that may come from the storefront and its proximity to the homes in the neighborhood.

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Richard Rosenberg, Costa Mesa resident, spoke in opposition to this application. He spoke on the ownership of the cannabis storefront, the loss of businesses and the traffic it would generate.

Costa Mesa resident spoke in opposition to this application. He felt the cannabis storefront would be a problem for the neighborhood and he vehemently opposes this request.

Marian Orr, Costa Mesa resident, spoke in opposition to this application. She noted there are already over 20 cannabis dispensaries within a half mile of her residence. She is also concerned over the crime increase in the City.

Costa Mesa resident spoke in opposition to this application. He expressed his concern over a cannabis store within 1,000 feet of where children play in a residential neighborhood. He asked the Commission to reconsider having a dispensary near homes.

Susan Gabriel, Costa Mesa resident, spoke in opposition to this application. She asked at the very least the hours of operation be shortened due to its proximity to a residential area.

John Peterson, Costa Mesa resident, spoke in opposition to this application. He agreed with all the previous speaker comments.

Linda Rank, Costa Mesa resident, spoke in opposition to this application. She also agreed with all the previous speaker comments.

Costa Mesa resident, spoke in opposition to this application. He did not want a marijuana dispensary near homes.

Ellen Hanson Walker, Costa Mesa resident, spoke in opposition to this application. She also agreed with all the previous speaker comments. She was concerned that their neighborhood has only one way in and out and the traffic impacts this business would cause them. She also asked for clarification on the notification and application process.

Chair de Arakal discussed the methods by which the City uses to notify surrounding properties of actions coming before the Planning Commission. The Chair also noted that marijuana dispensaries were approved by Costa Mesa voters.

Collette Timms, Costa Mesa resident, spoke in opposition to this application. She spoke to her concerns on noise and commercial trucks being utilized for this business. She noted the entrance to this business is 50 feet from the entrance to their cul de sac and would create more traffic problems in the neighborhood.

The Chair closed public comments.

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Chair de Arakal made a motion. Seconded by Commissioner Rojas.

MOVED/SECOND: de Arakal/Rojas

MOTION: Continue item to the Planning Commission meeting of August 8, 2022

The motion carried by the following roll call vote:

Ayes: de Arakal, Zich, Ereth, Rojas, Russell, Vivar

Nays: None

Absent: Toler

Recused: None

Motion carried: 6-0

ACTION: The Planning Commission moved to continue this item to the August 8, 2022 Planning Commission Meeting.

DEPARTMENTAL REPORT(S)

1. Public Services Report – Mr. Yang noted their department would now be known as the Public Works Department. Mr. Yang noted the City Council at their July 19, 2022 meeting approved a resolution to allow enforcement of parking restrictions during the posted hours on street sweeping days. He also invited the public to join the next Parks, Arts and Recreation Commission meeting on July 28, 2022 as staff will give an update on the TeWinkle Park lakes project. Mr. Yang was also pleased to announce the opening of the City's first pickle ball courts in Tanager Park and invited the public to the opening ceremony on July 27, 2022 at 5:30pm.
2. Development Services Report – None.

CITY ATTORNEY'S OFFICE REPORT(S)

1. City Attorney – None.

ADJOURNMENT AT 6:45 P.M.

Submitted by:

SCOTT DRAPKIN, SECRETARY
COSTA MESA PLANNING COMMISSION



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 23-1160

Meeting Date: 4/10/2023

TITLE:

August 22, 2022 Unofficial Meeting Minutes

DEPARTMENT: Economic and Development Services Department/ Planning Division

RECOMMENDATION:

Planning Commission approve Minutes of a Regular meeting of August 22, 2022.

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**MEETING MINUTES OF THE CITY OF
COSTA MESA PLANNING COMMISSION**

August 22, 2022

CALL TO ORDER

The Chair called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE TO THE FLAG

Commissioner Vivar led the Pledge of Allegiance.

ROLL CALL

Present: Chair Byron de Arakal, Vice Chair Jon Zich, Commissioner Adam Ereth, Commissioner Dianne Russell, Commissioner Johnny Rojas, Commissioner Russell Toler, Commissioner Jimmy Vivar

Absent: None

Officials Present: Director of Economic and Development Services Jennifer Le, Assistant Development Services Director Scott Drapkin, Assistant City Attorney Tarquin Preziosi, Senior Planner Nancy Huynh, City Engineer Seung Yang and Recording Secretary Anna Partida

ANNOUNCEMENTS AND PRESENTATIONS:

Chair de Arakal announced an agenda change to Public Hearing Item No. 2, 170 East 17th Street, Suites 115 and 116.

Director of Economic and Development Services Jennifer Le noted staff received a request from the applicant this evening to continue this item to a date uncertain. Staff will re-notice the item when it is re-agendized.

Chair de Arakal made a motion. Seconded by Commissioner Zich.

MOVED SECONDED: de Arakal/Zich

MOTION: Continue Planning Application 21-29 for a retail cannabis storefront business located at 170 East 17th Street, Suites 115 and 116 (Catalyst) to a date uncertain.

Ayes: de Arakal, Zich, Rojas, Toler, Russell, Vivar, Ereth

Nays: None

Absent: None

Recused: None

Motion Carried: 7-0

PUBLIC COMMENTS:

Cosa Mesa resident spoke regarding a gym located at 140 East 17th Street, and the many noise complaints made on the loud music played during their aerobics classes. The speaker suggested they are violating the terms of their Conditional Use Permit (CUP) and would like the City to follow-up.

COMMISSIONER COMMENTS AND SUGGESTIONS:

Commissioner Ereth thanked staff and commented on the John Wayne Airport “Fly Friendly” program that will lower the noise emissions coming from the general aviation jets. The public can learn more by going to their website: www.ocair.com

Commissioner Russell noted the Costa Mesa Alliance for Better Streets is giving away bike lights for three nights beginning tomorrow.

Chair de Arakal complimented the Public Works Department on the new traffic signal and parking on Randolph Avenue.

CONSENT CALENDAR:

None.

PUBLIC HEARINGS

1. PLANNING APPLICATION 21-18 FOR A RETAIL CANNABIS STOREFRONT BUSINESS WITH DELIVERY LOCATED AT 2710 HARBOR BOULEVARD (STIIIZY)

Project Description: Planning Application 21-18 is a request for a Conditional Use Permit (CUP) to operate a storefront retail cannabis business with delivery within an existing 11,274-square-foot commercial building located at 2710 Harbor Boulevard. The business would sell pre-packaged cannabis and prepackaged cannabis products directly to customers onsite and via delivery to private addresses, subject to conditions of approval.

Environmental Determination: The project is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1), Existing Facilities.

Five Ex-Parte Communications to report:

Commissioner Ereth noted a conference call he had with the applicants.

Commissioner Vivar exchanged an email with the applicants representatives.

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Commissioner Russell noted a telephone call with the applicant's representatives.

Vice Chair received an email from the applicant's representative.

Chair de Arakal received an email from the applicant's representative.

Nancy Huynh, Senior Planner presented the staff report.

Commission and Staff:

Discussion ensued regarding access to the rear of the property, bike rack capacity and the location of the trash enclosure. Staff confirmed the new trash enclosure would be placed in the same location as previous one.

Vice Chair Zich requested clarification on whether ownership percentages and partnerships of these businesses are validated during the application process. Staff confirmed that they are.

Discussion arose regarding Floor area ratio (FAR) and the shared parking requirements for the property, as well as the conditions of approval regarding proximity to residential listed in the staff report.

The Chair opened Public Hearing:

Tak Sato, applicant, stated he had read and agreed to the conditions of the approval.

Commission, Applicant and Staff:

Mr. Sato, thanked staff and provided an overview of this application.

Commissioner Vivar asked whether the applicant's other sites were comparable in size to this location and whether those sites were successfully managed. The applicant gave a brief overview of their other locations and experience they bring in managing their businesses.

Discussion ensued regarding security and outreach to the surrounding area.

Vice Chair Zich noted the applicants partnership with a Measure X business. Discussion ensued with applicant regarding partnership, ownership percentages and retail shelf space to be used by that business.

Chair de Arakal asked if the security guards would be armed, and the applicant affirmed.

The Chair opened Public comments.

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PUBLIC COMMENT:

Matt Bell, Secretary Treasurer for Local 324, spoke in support of the business and noted they would be providing jobs to local residents.

Jason Piatza, Costa Mesa resident, spoke in support of the business and its location on Harbor Blvd.

Wade Lee, Costa Mesa resident, spoke in support of the business.

Nicole Lloyd, Costa Mesa resident, spoke in opposition to the business. She did not support armed guards and an all cash business.

Costa Mesa resident spoke in support of the business and its location.

Greg Johnson, property owner, spoke in support of the business and the operators.

The Chair closed the Public Hearing.

Chair de Arakal made a motion. Seconded by Commissioner Ereth

Vice Chair Zich supports the motion due to Costa Mesa voters allowing retail cannabis by approving Measure Q, and project compliance with applicable local and State regulations.

Commissioner Vivar also supports the motion with the backing of Land Use Element (LU 6.9) that encourages new businesses while retaining existing businesses in the City of Costa Mesa.

Commissioner Toler is also in support of the motion that will allow a new store into an existing empty business.

Commissioner Russell thanked both staff and the applicant for their excellent presentations.

Chair de Arakal complimented the applicant on their presentation and experience.

MOVED/SECOND: de Arakal/Ereth

MOTION: Move staff's recommendation.

The motion carried by the following roll call vote:

Ayes: de Arakal, Zich, Ereth, Russell, Rojas, Toler, Vivar

Nays: None

Absent: None

Recused: None

Motion carried: 7-0

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ACTION: The Planning Commission adopted 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 Facilitates (Class 1), and
2. Approve Planning Application 21-18, subject to conditions of approval.

RESOLUTION PC-2022-20 – A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA APPROVING PLANNING APPLICATION 21-18 FOR A STOREFRONT RETAIL CANNABIS BUSINESS WITH DELIVERY (STIIIZY) IN THE C1 ZONE AT 2710 HARBOR BOULEVARD.

The Chair explained the appeal process.

DEPARTMENTAL REPORT(S)

1. Public Services Report – Mr. Yang noted the new traffic signal at Baker Street and Randolph Avenue is now fully functional and serving its purpose well in directing traffic. The Wilson Street improvement project is well under way and on track.
2. Development Services Report – None.

CITY ATTORNEY’S OFFICE REPORT(S)

1. City Attorney – None.

ADJOURNMENT AT 7:06 P.M.

Submitted by:

SCOTT DRAPKIN, SECRETARY
COSTA MESA PLANNING COMMISSION



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 23-1162

Meeting Date: 4/10/2023

TITLE:

March 13, 2023 Unofficial Meeting Minutes

DEPARTMENT: Economic and Development Services Department/ Planning Division

RECOMMENDATION:

Planning Commission approve Minutes of a Regular meeting of March 13, 2023.

UNOFFICIAL UNTIL APPROVED

**MEETING MINUTES OF THE CITY OF
COSTA MESA PLANNING COMMISSION**

March 13, 2023

CALL TO ORDER

The Chair called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE TO THE FLAG

Commissioner Andrade led the Pledge of Allegiance.

ROLL CALL

Present: Chair Adam Ereth, Vice Chair Russell Toller, Commissioner Angely Andrade, Commissioner Jonny Rojas, Commissioner Tim Taber, Commissioner Vivar, Commissioner Jon Zich

Absent: None.

Officials Present: Director of Economic and development Services Jennifer Le, Assistant Director of Development Services Scott Drapkin, Assistant City Attorney Tarquin Preziosi, Assistant Planner Patrick Achis, City Engineer Seung Yang and Recording Secretary Anna Partida

ANNOUNCEMENTS AND PRESENTATIONS:

None.

PUBLIC COMMENTS:

Mia Nguyen stated she is a student at UCI and one of her assignments was to speak during public comment.

COMMISSIONER COMMENTS AND SUGGESTIONS:

Commissioner Vivar thanked the public commenter, those attending virtually and those attending in person. He also thanked City staff in the Public Works Department.

Chair Ereth wished everyone a Happy bleated Holi - the Indian festival of color.

Vice Chair Toler echoed Vivar's Comments and thank the Public Works Department. He gave a presentation titled "Parking and Our City's Future".

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Discussion ensued on parking lot traffic, driveways, parking for single family homes, planting trees along walk ways for shade, parking minimums, and Costa Mesa's history.

CONSENT CALENDAR:**1. MINUTES FOR THE MEETING OF FEBRUARY 27, 2023****Commission Comments:**

None.

Chair Ereth made motion to approve the minutes as written. Seconded by Vice Chair Toler.

MOVED/SECOND: Ereth/Toler

MOTION: Move staff's recommendation.

The motion carried by the following roll call vote:

Ayes: Ereth, Toler, Andrade, Rojas, Taber, Vivar, Zich

Nays: None

Absent: None

Abstained: None

Motion carried: 7-0

PUBLIC HEARINGS**1. ONE-YEAR TIME EXTENSION FOR PA-19-29, FOR A CANNABIS MANUFACTURING FACILITY (COMPLEX PLUS) AT 3505 CADILLAC AVENUE, UNIT O-106**

Project Description: A request for a one-year time extension for PA-19-29, for a previously approved cannabis manufacturing facility (complex plus) at 3505 Cadillac Avenue, Unit O-106

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

No ex-parte communications reported.

Patrick Achis, Assistant Planner, presented the staff report.

Commission and Staff:

Discussion ensued on when the first request for a time extension was submitted, reasons why the Planning Commission is being asked to grant this extension,

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expiration periods for cannabis conditional use permits, HDL's financial analyst on this project, and offsite distribution hours.

The Chair opened Public Hearing.

Bruce Entezan, applicant, stated he had read and agreed to the conditions of approval.

The Chair opened Public comments.

PUBLIC COMMENT:

None.

The Chair closed Public Comments.

Commission and Staff:

Commissioner Vivar asked what the process would be if the applicant needed an additional time extension and staff responded.

The Chair closed public hearing.

Vice Chair Toler moved to approve Planning Application 22-38. Seconded by Commissioner Rojas.

MOVED/SECOND: Zich/Vivar

MOTION: Move staff's recommendation.

The motion carried by the following roll call vote:

Ayes: Ereth, Toler, Andrade, Rojas, Taber, Vivar, Zich

Nays: None

Absent: None

Recused: None

Motion carried: 7-0

ACTION: The Planning Commission adopted 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 Planning Application 22-38, subject to conditions of approval.

RESOLUTION PC-2023-06 - A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA APPROVING PLANNING APPLICATION 22-38 TO EXTEND THE ENTITLEMENT OF PA-19-29 THE PROPERTY AT 3505 CADILLAC AVENUE, UNIT O-106 THROUGH OCTOBER 9, 2023

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The Chair explained the appeal process.

NEW BUSINESS:**1. PLANNING COMMISSION 2022 YEAR-END REVIEW**

Director Le and Assistant Director Drapkin presented the staff report.

Commission and Staff:

Discussion ensued on the number of retail store front applications received, timeline lines of City projects, staffing concerns, Measure Q applications coming in 2023, unfilled positions within the department, Inclusionary Housing Ordinance, and the Senior Center Housing Project.

DEPARTMENTAL REPORT(S)

1. Public Works Report – Mr. Yang gave an update on the Placenta Avenue, West 19th Street and East 17th project.
2. Development Services Report – None.

CITY ATTORNEY'S OFFICE REPORT(S)

1. City Attorney – None.

ADJOURNMENT AT 7:46 P.M.

Submitted by:

SCOTT DRAPKIN, SECRETARY
COSTA MESA PLANNING COMMISSION



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 23-1163

Meeting Date: 4/10/2023

TITLE:

PLANNING APPLICATION 22-42 FOR A CANNABIS NON-STOREFRONT RETAIL BUSINESS ("A & D COURIERS") LOCATED AT 2706 HARBOR BOULEVARD, SUITE 208

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/ PLANNING DIVISION

PRESENTED BY: CHRISTOPHER ALDANA, ASSISTANT PLANNER

CONTACT INFORMATION: CHRISTOPHER ALDANA 714-754-4868
Christopher.Aldana@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 (Class 1) Existing Facilities; and
2. Approve Planning Application 22-42, subject to conditions of approval.



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: APRIL 10, 2023

ITEM NUMBER: PH-1

**SUBJECT: PLANNING APPLICATION 22-42 FOR A CANNABIS
NON-STOREFRONT RETAIL BUSINESS ("A & D COURIERS")
LOCATED AT 2706 HARBOR BOULEVARD, SUITE 208**

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

PRESENTATION BY: CHRISTOPHER ALDANA, ASSISTANT PLANNER

**FOR FURTHER INFORMATION CONTACT: CHRISTOPHER ALDANA
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1. Find that the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15301 (Class 1) Existing Facilities; and
2. Approve Planning Application 22-42, subject to conditions of approval contained in the resolution.

APPLICANT OR AUTHORIZED AGENT

The applicant/authorized agent is Annie Santillan, for the property owner, Mesa Verde, Center LLC.

PLANNING APPLICATION SUMMARY

Location:	2706 Harbor Boulevard, Suite 208	Application Numbers:	PA-22-42
Request:	Planning Application 22-42 for a cannabis non-storefront retail business ("A & D Couriers") located at 2706 Harbor Boulevard, Suite 208.		

SUBJECT PROPERTY:

SURROUNDING PROPERTY:

Zone:	C1 (Local Business District)	North:	C1 (Local Business District)
General Plan:	General Commercial	South:	C1 (Local Business District)
Lot Dimensions:	165 FT x 250 FT	East:	R3 (Multi-Family Residential District)
Lot Area:	41,500 SF	West:	C1 (Local Business District) C2 (General Business District)
Existing Development:	Existing two-story 20,294-square-foot commercial building with shared surface parking.		

DEVELOPMENT STANDARDS COMPARISON

Development Standard	Required	Existing
Building Height	Two-stories/ 30 feet Max*	Two-Stories (no change)
Setbacks:		
Front	20	115'
Side (left/ right)	15 feet on one side and 0 feet on the other side. **	Zero Setback
Rear	0 ft. ***	72 ft.
Landscape Setback – front	N/A	N/A
Parking	71	71
Floor area ratio (FAR)	0.20	0.48
*Except a 5% increase is allowed if necessary to screen existing roof-mounted equipment **Exception: If the side property line is adjacent to a residential zone, all buildings shall maintain a side setback from the residential property line of 2 times the building height at all locations. ***Exception: If the rear property line is adjacent to a residential zone, all buildings shall maintain a rear setback from the residential property line of 2 times the building height at all locations.		
CEQA Status	Exempt per CEQA Guidelines Section 15301 (Existing Facilities)	
Final Action	Planning Commission	

BACKGROUND

The subject property is located at 2706 Harbor Boulevard, which is generally situated at northeast corner of Harbor Boulevard and Mesa Verde Drive East intersection, between Harbor Boulevard and Peterson Place. The site is zoned C1 (Local Business District) and is surrounded by other commercially zoned properties (C1, C2 – General Business District, C1-S – Shopping Center District) and an existing R3 zoned (Multi-Family Residential District) apartment development ("Harbor at Mesa Verde"), which contains over 300 residential units to the east of the site. The property is located on one of the City's primary commercial corridors (Harbor Boulevard) and the surrounding uses

predominantly include multi-tenant commercial centers. Existing businesses in these commercial centers consist of a variety of restaurants/bars, grocery stores, pharmacy, massage and beauty parlors, medical and general offices, and automotive dealerships. The site has a General Plan Land Use Designation of General Commercial. Existing development on the approximate 41,500-square-foot property consists of a two-story 20,294-square-foot commercial building with a shared surface parking lot located at the front (with access from Harbor Boulevard) and rear of the building (with access from Peterson Place).

The parking and existing driveways are shared among the commercially zoned properties at 2706 (subject site), 2710, 2730, 2750, and 2790 Harbor Boulevard. There are multiple driveways that provide access to these properties including two driveways along Harbor Boulevard, one along Adams Avenue, and three along Peterson Place (to the rear of the properties). Each of these properties are individually owned. The proposed cannabis retail non-storefront (direct delivery) project will be located within a 744-square-foot tenant space, Suite 208, which is on the second floor of the multi-tenant commercial building. Business license history shows that the previous use for this suite was a hair lice removal establishment and it has been vacant since 2019. There are no open Code Enforcement cases on this property.

Non-Conforming Development

The existing development is legal-nonconforming in terms of the parking, setback, landscaping, and floor area ratio (FAR), and therefore is subject to the nonconforming provisions of the Costa Mesa Municipal Code (CMMC) Section 13-204. Pursuant to this Code Section, a conforming use may be located on a nonconforming property so long as the new site modifications do not result in greater site nonconformities, and such improvements bring the site into greater conformance with Code requirements.

The CMMC and General Plan establish maximum floor area ratios (FARs) for each non-residential land use designation based on trip generation characteristics. Pursuant to the General Plan, the maximum FAR for the proposed use is 0.20 and the existing FAR is 0.48.

City of Costa Mesa Medical Marijuana Measure (Measure X) and Costa Mesa Retail Cannabis Tax and Regulation Measure (Measure Q)

In November 2016, Costa Mesa voters approved Measure X, allowing medical cannabis manufacturing, packaging, distribution, research and development laboratories, and testing laboratories in Industrial Park (MP) and Planned Development Industrial (PDI) zoned properties north of South Coast Drive and west of Harbor Boulevard “The Green Zone,” excluding the South Coast Collection (SOCO) property located at 3303 Hyland Avenue. Measure X is codified in Titles 9 and 13 of the Costa Mesa Municipal Code (CMMC). Cannabis uses are also subject to State cannabis requirements.

In 2018, non-medical adult use cannabis became legal in California under the State's Medicinal and Adult-Use Cannabis Regulation and Safety Act (Proposition 64). On April 3, 2018, the City Council adopted Ordinance No. 18-04 to allow non-medical use cannabis facilities in the same manner and within the same geographic area as were previously allowed pursuant to Measure X.

On November 3, 2020, Costa Mesa voters approved Measure Q, the Costa Mesa Retail Cannabis Tax and Regulation Measure. This measure allowed the City to adopt regulations permitting storefront retail (dispensaries) and non-storefront retail (delivery) within the City subject to certain requirements. On June 15, 2021, the City Council adopted Ordinances No. 21-08 and No. 21-09 to amend Titles 9 and 13 of the CMMC to establish regulations for legal cannabis storefront and non-storefront uses. A non-storefront retailer sells packaged cannabis goods to customers through direct delivery only.

Cannabis Business Permit (CBP) Application Process

The process to establish a retail cannabis business is subject to an extensive submittal and application review procedure. Retail cannabis applicants must obtain the following City approvals and State approval before conducting business in Costa Mesa:

- Pre-Application Determination;
- CBP Notice to Proceed;
- Conditional Use Permit (CUP);
- Building Permit(s);
- Final City Inspections;
- CBP Issuance; and
- City Business License.

The "Pre-Application Determination" includes staff review of a detailed applicant letter that describes the proposed business, an existing site plan, statement attesting that there is/has been no unpermitted cannabis activity at the site within one year, and a detailed map demonstrating the proposed storefront's distance from sensitive uses. Staff also visit the site at this time. Planning staff has completed the aforementioned pre-application review, visited the site, and issued a letter indicating that the application complies with the City's required separation distances from sensitive uses and may proceed to submittal of a CBP.

Following completion of the pre-application review, the applicant submitted a CBP application for the initial phase of the CBP review. Staff's initial CBP review includes:

- A background check of the business owner(s)/operator(s);
- An evaluation of the proposed business plan (including a capitalization analysis); and
- An evaluation of the proposed security plan by the City's cannabis security consultant, HdL Companies (HdL).

The applicant successfully passed these evaluations and staff issued a “CBP Notice to Proceed,” which allows the applicant to submit a CUP application.

The CUP application and required supportive materials were submitted by the applicant and reviewed for conformance with City standards and regulations by the Planning Division, Building Division, Public Works Department (including Transportation and Engineering Divisions), Fire Department, and Police Department.

If the Planning Commission approves the CUP, the applicant may then begin the remaining steps of the CBP process, which include:

- Obtaining building permits;
- Completing tenant improvements; and
- Demonstrating through various City reviews/inspections that all conditions of approval have been satisfied, and that all other requirements of the CMMC have been met.

After passing the final City and HdL inspections, the CBP would be issued. CBP approval is valid for a two-year period and must be renewed (every two-years) prior to expiration. During the two-year CBP period, the Community Improvement Division (CID), along with other City staff, will conduct site inspections to verify that the business is operating in compliance with CUP and CBP requirements. Violations identified during site inspections may be grounds for revocation of issued permits or non-renewal of a CBP.

After obtaining the CBP, the applicant would apply for and obtain a City Business License through the Finance Department. Lastly, the applicant must obtain the appropriate license from the State Department of Cannabis Control (DCC) prior to operating.

Cannabis retail businesses are subject to a City established seven-percent gross receipts tax, which must be paid to the City of Costa Mesa’s Finance Department. Records and revenues are audited annually by the Finance Department and HdL Companies.

DESCRIPTION

Planning Application 22-42 is a request for a Conditional Use Permit (CUP) to allow a cannabis non-storefront (delivery) retail business within an existing 744-square-foot suite within a commercial building, located at 2706 Harbor Boulevard, suite 208. The suite is located directly above Total Relax Massage (Suite B) and shares a common ground floor entrance with direct access from the adjacent westerly parking area. Additionally, the suite has one entry door located on the second floor and is accessible from the ground level via an exterior stair entrance. The exterior stairway is also shared by businesses operating on the second floor. The project consists of a limited tenant improvement with no proposed modifications to the exterior, with the exception of installation of security cameras to monitor the designated loading and unloading delivery area and general parking area. Delivery vehicles would be parked in the designated loading/unloading area

in the western parking lot area (near Harbor Boulevard) during business hours and special conditions of approval will ensure that there is no overnight parking of vehicles.

The affiliated State license is Type 9 “Retail Non-storefront” which allows a retailer to sell and deliver cannabis goods directly to customers without a storefront. Upon approval of a CUP, CBP, City Business License, and State licenses, the business would sell pre-packaged cannabis and pre-packaged cannabis products directly to customers off-site via delivery to private addresses, subject to conditions of approval and other City and State requirements.

ANALYSIS

Conditional Use Permit

Pursuant to CMMC Sections 13-28(B) and 13-200.93(c)(1), subject to the approval of the Planning Commission, a CUP is required for the establishment of cannabis retail storefronts and non-storefronts (delivery) in a commercial zone. The subject site is located within a commercial zone (C1 – Local Business District) where commercial development is specifically allowed to include retail storefronts. Pursuant to the CMMC, cannabis retail storefronts and non-storefronts are subject to extensive regulation (as specifically described in this report). These regulations are adopted to prevent land use inconsistencies with adjacent properties. Pursuant to the CMMC, the approval of a CUP requires that the Planning Commission make findings related to neighborhood compatibility, health and safety and land use compatibility. The analysis regarding CUP findings is provided further in this report. Lastly, staff has drafted specific conditions of approval, included in the Resolution, to ensure operational/site-specific land use compatibility.

Separation Requirements

CMMC Section 13-200.93(e) stipulates that no cannabis retail storefront use shall be located within 1,000-feet from a K-12 school, playground, licensed child daycare, or homeless shelter, or within 600 feet from a youth center as defined in CMMC Title 9, Chapter VI, Section 9-485, that is in operation at the time of submission of a completed cannabis business permit application. All separation distances are measured in a straight line from the “premises” where the cannabis retail use is to be located to the closest property line of the sensitive use(s). Premises is as defined in the State’s Business and Professions Code Section 26001(aq) as *the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one licensee.* Therefore, the premises only include the retail cannabis activity areas (including sales, storage, back-of-house and/or other ancillary areas) and excludes the parking lot and other areas that are not part of the area licensed by the State for commercial cannabis activity. The subject site complies with the required separation from sensitive uses.

Non-Storefront Retail Use (Delivery) – Type 9 State License

The proposed use would occupy a 744-square-foot commercial space that includes an office, secure storage room, delivery dispatch room, a closet, and a lobby. The office would be used for general administrative purposes. The secure storage area will be the location of the facility where cannabis retail products are stored, and items that are ready for delivery will be stored in the delivery dispatch room. The lobby will be used predominantly by licensed distributors to intake products for retail delivery.

Pursuant to the Type 9 State license, only packaged cannabis products can be delivered directly to customers. Packaged cannabis products would arrive to the facility via a third-party distribution service in State compliant packaging that is sealed and odor resistant, and remain unopened. Additionally, the Type 9 license restricts the permittee from tampering with cannabis products. Basically, the Type 9 license allows the permittee to receive cannabis product from licensed distributors, store cannabis products until delivery, insert the cannabis products in a transferable package (similar to a grocery store shopping bag), and deliver the cannabis product to a preordered customer destination. Delivery to customers is limited to the hours between 7:00 AM and 10:00 PM, pursuant to Resolution Condition of Approval No. 2 (“Operational Conditions”).

Although detectable odor outside of the premises is not anticipated, per Condition of Approval #5 (“Prior to Issuance of Building Permits”), odor control devices and techniques shall be incorporated to ensure that odors from cannabis are not detected outside the property, anywhere on adjacent property or public right-of-way, or within any other units located within the same building as the cannabis business. In addition, per Condition of Approval #13 (“Operational Conditions”), if cannabis odor is detected within an adjacent suite, outside of the building or off-site/outside of the premises, the operator shall install permanent and/or portable air filtration devices to eliminate the detection of odor.

As described above and conditioned, loading and unloading of cannabis product into delivery vehicles is proposed to take place within the existing western surface parking lot in the designated loading/unloading area which is approximately 70 lineal feet from the entrance of the building (see Exhibit 6 that shows the designated loading areas).

All areas of the non-storefront retail facility would be closed to the public and could only be accessed through secured or controlled access points in the facility with the proper security credentials. The applicable State and local operating requirements for non-storefront retail delivery operations are summarized below:

- All employees who deliver cannabis shall have valid identification and a copy of the CBP and State license at all times while making deliveries;
- All employees are at least 21 years of age;
- Delivery to consumers is limited to the hours between 7 a.m. – 10 p.m.;
- All commercial cannabis retail businesses shall maintain proof of vehicle insurance for all vehicles being used to transport cannabis goods as required by State law;

- During delivery, the delivery employee shall not leave the State of California while possessing cannabis products and/or performing his or her duties for the cannabis retailer;
- A commercial cannabis retail business shall maintain a list of all deliveries, including the address delivered to, the amount and type of product delivered, and any other information required by the State;
- A manifest with all information required pursuant to local and State provisions shall accompany delivery persons at all times during the delivery process and delivery hours;
- Any delivery methods shall be made in compliance with State law, as amended, including use of a vehicle that has a dedicated GPS device for identifying the location of the vehicle (cell phones and tablets are not sufficient);
- Each delivery request shall be entered into a point-of-sale tracking system and have a receipt prepared by the commercial cannabis retail business with the following information:
 1. Name and address of the commercial cannabis retail business;
 2. The name of the employee who delivered the order;
 3. The date and time the delivery request was made;
 4. The complete customer's first name, retailer-assigned identification number, and delivery addresses;
 5. A detailed description of the cannabis goods requested for delivery including the weight or volume, or any accurate measure of the amount of cannabis goods requested;
 6. The total amount paid for the delivery including any fees or taxes; and
 7. The date and time delivery was made, and the signature of the person who received the delivery.
- At the time of the delivery, the person receiving the delivery provides identification and must be 21 years old.
- No cannabis delivery vehicle shall display signs, decals or any other form of advertisement.
- Inspections by an authorized City representative may be conducted anytime during regular business hours.
- Delivery must be made to a physical address that is not on publicly owned land, a school, a day care, or a youth center.
- The delivery employee shall not carry cannabis goods valued in excess of \$5,000 at any time with no more than \$3,000 of cannabis goods that are not already part of a customer order that was processed prior to leaving the premises.
- A direct employee of the licensed retailer must make delivery in person. An independent contractor, third-party courier service, or an individual employed through a staffing agency would not be considered directly employed by the licensed retailer.
- The delivery employee shall confirm the age of the buyer through entering government issued identification information into an electronic age verification system.

Business Plan

The applicant has submitted a detailed business plan that was evaluated by the City's cannabis consultant (HdL). The business plan described the owners' experience, proof of capitalization, start-up budget, a three-year pro forma, target customers, key software, and daily operations. The business plan contains proprietary details and is therefore not included as an attachment to this staff report. The City's cannabis consultant determined that the applicant's business plan was appropriate for continued entitlement processing.

Security Plan

The applicant provided a professionally prepared security plan for the proposed cannabis facility. The City's cannabis consultant reviewed the proposed security plan and determined that appropriate security measures were included to address the City's security requirements pursuant to Chapter VI of CMMC Title 9, and State law. Since the security plan contains sensitive operational details that require limited exposure to remain effective, the plan is not included as an attachment. However, the following is a list of general security measures that are required for the proposed cannabis facility:

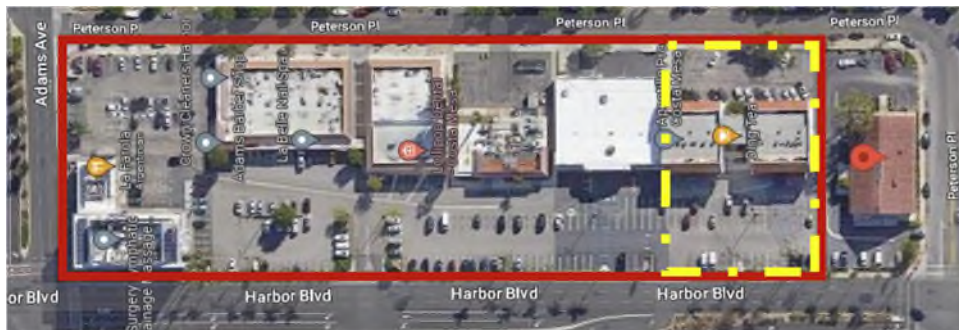
- Live scan background check for every employee including drivers;
- City-issued identification badge for each employee;
- Professionally installed and monitored exterior and interior surveillance cameras;
- Professionally installed, maintained, and monitored alarm system including panic buttons and window and door alarms;
- Surveillance footage must be maintained for a minimum of 90 days;
- Secured storage of cash, cannabis and cannabis products;
- Sensors that detect entry and exit from all secured areas;
- Emergency power supply;
- Emergency equipment and training;
- Driver and vehicle safety protocol;
- Vendor protocol (cash and product transportation); and
- Limited access areas and visitor check-in and security.

As proposed and conditioned, all facility entry and exit points, locations where cash or cannabis products are handled or stored shall be under camera surveillance. Additionally, the applicant shall submit to the City a list of all vehicles to be used for retail delivery purposes. The list shall identify the make, model, color, license plate number, and registered owner of each vehicle. The applicant shall submit an updated vehicle list each quarter with the required quarterly update to the employee roster pursuant to the CBP. Delivery vehicle drivers shall be at least age 21, have a current driver's license, successfully complete a live scan, and have a City-issued badge. The business operator shall ensure that all vehicles are properly maintained, all delivery drivers have a good driving record, and each driver conducts a visual inspection of the vehicle at the beginning of a shift.

Circulation and Parking

The parking for the subject use and the adjacent uses that are part of the reciprocal parking agreement is considered legal non-conforming because the shared site does not provide the 387 parking spaces required for the collective uses. However, and as mentioned above in the “*Nonconforming-Development*” Section of this report, the CMMC allows a new use to replace an existing use without compliance with parking requirements at a nonconforming site, as long as the parking demand from the proposed use does not exceed the parking demand of the previous use. Thus, the parking for the proposed cannabis non-storefront retail establishment is in conformance with the CMMC in that the same parking demand for a Professional Service – Hair Lice Removal establishment (previous use) is required for the proposed cannabis non-storefront retail establishment. Additionally, staff has visited this site recently on numerous occasions and at different peak hour parking periods of the day and witnessed abundant open parking spaces (including lunch-time and evenings).

Image 1 – Aerial View of Shared Parking/Driveways



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Place, which provides access to the site for pedestrians and bicyclists (specifically mentioned for employees who choose to walk or bike).

The proposed use would not be open to the public and access to the business would be limited to employees and vendors. Although not anticipated, specific conditions of approval will ensure that if parking shortages or other parking-related problems occur, that the business owner or operator will be required to monitor the parking lot and institute appropriate operational measures necessary to minimize or eliminate the problem in a manner deemed appropriate by the Director of Economic and Development Services.

Employee and Vendor Access

Customers are not allowed within the licensed premise at any time. All areas of the premises would be accessible only to employees and vendors with the proper security credentials. Access to the proposed establishment includes entering the licensed premise through the main entrance doors that lead directly into the check-in lobby. An employee would verify the vendor's identity and age before allowing them to enter the suite. After a vendor has concluded their business, they must leave the premise. As further conditioned, security cameras would monitor the area at all times to ensure that employees and vendors are following regulations. All other back-of-house areas would be accessible only to employees with the proper security credentials.

During business hours, delivery and vendor vehicles would use the loading/unloading area proposed at the front of the existing building. The applicant is proposing a maximum of two-delivery vehicles with no more than two vehicles in the loading/unloading area at a given time. When loading/unloading vehicles, delivery employees would enter/exit through the access-controlled door, and vendors would only be allowed to enter the premise while accompanied by an employee. All delivery loading and unloading will occur under camera surveillance. All orders received for home delivery will be "tracked and traced," including vehicles used for such deliveries. All delivery activities would be in compliance with State and City requirements per the required conditions of approval. As conditioned, the access-controlled doors, path of travel, and vehicle loading/unloading area would be under camera surveillance at all times. Customers would place orders via on-line or by phone. As conditioned, vehicles for delivery and distribution will be installed with secure storage areas within the vehicle for cannabis products. In addition and as also conditioned, all transfer of cannabis products from the licensed premises to the delivery/distribution vehicles will be within a secured container.

Conformance with the City of Costa Mesa General Plan

The Costa Mesa General Plan establishes the long-range planning and policy direction that guides change and preserves the qualities that define the community. The 2015-2035 General Plan sets forth the vision for Costa Mesa. This vision focuses on protecting and enhancing Costa Mesa's diverse residential neighborhoods, accommodating an array of businesses that serve both local needs and attract regional and international spending, and providing cultural, educational, social, and recreational amenities that contribute to the quality of life in the community. Over the long term, General Plan

implementation will ensure that development decisions and improvements to public and private infrastructure are consistent with the goals, objectives, and policies contained in this Plan.

The following analysis evaluates the proposed project's consistency with specific policies and objectives of the 2015-2035 General Plan:

1. **Policy LU-1.1:** *Provide for the development of a mix and balance of housing opportunities, commercial goods and services and employment opportunities in consideration of the need of the business and residential segments of the community.*

Consistency: The proposed use would provide a new entrepreneurial business in Costa Mesa located within a commercial area as allowed under Measure Q, and would result in new goods and services, and new employment and business ownership opportunities in the community. The use would also occupy an existing retail/office space that has been vacant for several years.

2. **Policy LU-6.15:** *Promote unique and specialized commercial and industrial districts within the City which allow for incubation of new or growing businesses and industries.*

Consistency: The proposed use is part of a growing industry and would be based in a location specifically identified for such uses by the City's electorate through Measure Q. Therefore, approval would encourage new businesses and entrepreneurial opportunities in an area of the City identified for such by local voters.

REQUIRED FINDINGS:

Pursuant to Title 13, Section 13-29(g), Findings, of the Costa Mesa Municipal Code, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets specified findings as follows:

The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area. The subject site is located within a commercial zone (C1, Local Business District) where commercial development is specifically allowed to include retail uses. In addition, the property is located on one of the City's primary commercial corridors which is predominantly intended for commercial uses. Pursuant to the CMMC, cannabis retail storefronts and non-storefronts (delivery) are permitted uses in the City's commercial zones and are subject to extensive regulation (as specifically described in this report). These regulations are adopted to prevent land use inconsistencies with adjacent properties. Additionally, the proposed cannabis retail non-storefront use is not open to the public and all retail sales would be conducted via delivery only. No outdoor storage or sales are proposed nor would be allowed and delivery operations would be conditioned to be compliant with applicable local and State laws to minimize potential impacts to surrounding properties. Cannabis products would arrive in State compliant packaging that is sealed and odor resistant,

and remain unopened while on the premises. Further, as conditioned, If cannabis odor is detected within an adjacent suite, outside of the building or off-site/outside of the premises, permanent and/or portable air filtration devices shall be installed to eliminate the detection of odor. Based on the aforementioned, staff does not anticipate that the proposed non-storefront retail cannabis use would be materially detrimental to the adjacent uses that include several multi-tenant commercial centers with a variety of commercial businesses (offices, medical uses, restaurants, beauty parlors, grocery store, automotive dealerships, and other retail and service amenities).

Granting the conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood. The proposed cannabis non-storefront retail (direct delivery) use would follow safety measures detailed in a professionally prepared security plan. The security plan was evaluated for compliance by the City's cannabis consultant, HdL. Measures designed to maintain safety at the site include, but are not limited to 24-hour video surveillance and security devices which would be installed before operation. In addition, the business employees, including delivery drivers and staff, must pass a live scan background check and obtain an identification badge from the City. The conditions of approval include security measures to ensure that the use would not be materially detrimental to the health, safety and general welfare of the public or be otherwise injurious to property or improvements within the immediate neighborhood.

Granting the conditional use permit will not allow a use, density or intensity which is not in accordance with the General Plan designation and any applicable specific plan for the property. The proposed retail use is located within an existing commercial building on a property that has a General Plan land use designation of General Commercial. No additional square footage is proposed and the proposed retail cannabis establishment would replace a previous retail establishment; therefore, approving the CUP would not increase site intensity. As stated in the General Plan Land Use Element, the City's commercial designations "accommodate the full range of commercial activity present and desired in Costa Mesa." The use is consistent with General Plan policies related to providing a mixture of commercial goods, services, and employment opportunities; expanding the City's tax base; and promoting the incubation of unique and specialized businesses.

ENVIRONMENTAL DETERMINATION

The project is categorically exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15301 for the permitting and/or minor alteration of Existing Facilities. This project site contains an existing building and the application does not propose an increase in floor area. The project would result in limited interior and exterior site improvements to adequacy address operation and safety concerns as conditioned. 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. Furthermore, the proposed use would not intensify the site because it is replacing another commercial use. Furthermore, none of the exceptions that bar the application of a

categorical exemption pursuant to CEQA Guidelines Section 15300.2 applies. The Project would not result in a cumulative impact; would not have a significant effect on the environment due to unusual circumstances; would not result in damage to scenic resources; is not located on a hazardous site or location, and would not impact any historic resources.

ALTERNATIVES

The Planning Commission has the following alternatives:

1. **Approve the project.** The Planning Commission may approve the project as proposed, subject to the conditions outlined in the attached Resolution.
2. **Approve the project with modifications.** The Planning Commission may suggest specific changes that are necessary to alleviate concerns. If any of the additional requested changes are substantial, the item should be continued to a future meeting to allow a redesign and/or additional analysis. In the event of significant modifications to the proposal, staff will return with a revised Resolution incorporating new findings and/or conditions.
3. **Deny the project.** If the Planning Commission believes that there are insufficient facts to support the findings for approval, 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 subsequent Planning Commission review/approval. If the project is denied, the applicant could not submit substantially the same type of application for at least six months.

LEGAL REVIEW

The draft Resolution and this report have 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 Planning Commission meeting will be forwarded separately to the Planning Commission.

CONCLUSION

The proposed project is a non-storefront retail cannabis (direct delivery) business at an existing developed commercial property that is located on one of the City's commercial corridors and meets separation requirements established in CMMC 13-200.93(e). Staff and the City's cannabis consultant completed the Pre-Application Determination, Business Plan and Security Plan evaluations, owner background checks, and thoroughly reviewed the CUP materials. If approved, the operation would be required to comply with all conditions of approval and extensive City and State regulations.

As proposed and conditioned, the use would be consistent with other commercial uses in the C1 zone (including the previous professional office use), the Zoning Code, and the City's General Plan. The required findings for the CUP can be made, as described above, and therefore, staff recommends approval of Planning Application 22-42 subject to the conditions of approval.

RESOLUTION NO. PC-2023-

**A RESOLUTION OF THE PLANNING COMMISSION OF THE
CITY OF COSTA MESA, CALIFORNIA APPROVING
PLANNING APPLICATION 22-42 FOR A NON-STOREFRONT
RETAIL BUSINESS (“A & D COURIERS”) AT 2706 HARBOR
BOULEVARD, SUITE 208**

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA 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 cannabis 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, on or about November 3, 2020, Costa Mesa voters approved Measure Q; which allows for storefront and non-storefront retail cannabis uses in commercially zoned properties meeting specific location requirements, and non-storefront retail cannabis uses in Industrial Park (MP) and Planned Development Industrial (PDI) zoned properties.

WHEREAS, Planning Application 22-42 was filed by Annie Santillan, authorized agent for the property owner, Mesa Verde Center, LLC, requesting approval of the following:

A Conditional Use Permit to operate a cannabis non-storefront retail business (delivery only) use within a 744-square-foot tenant space at 2706 Harbor Boulevard, Suite 208.

WHEREAS, a duly noticed public hearing was held by the Planning Commission on April 10, 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 the California Environmental Quality Act (CEQA) per 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, based on the evidence in the record and the findings contained in Exhibit A, and subject to the conditions of approval contained within Exhibit B, the Planning Commission hereby **APPROVES** Planning Application 22-42 with respect to the property described above.

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 22-42 and upon applicant's compliance with each and all of the conditions in Exhibit B, and compliance of all applicable 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 10th day of April, 2023.

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 April 10, 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(g)(2) because:

Finding: The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area

- **Facts in Support of Findings:** The subject site is located within a commercial zone (C1, Local Business District) where commercial development is specifically allowed to include retail uses. In addition, the property is located on one of the City's primary commercial corridors which is predominantly intended for commercial uses. Pursuant to the CMMC, cannabis retail storefronts and non-storefronts (delivery) are permitted uses in the City's commercial zones and are subject to extensive regulation (as specifically described in this report). These regulations are adopted to prevent land use inconsistencies with adjacent properties. Additionally, the proposed cannabis retail non-storefront use is not open to the public. All retail sales would be conducted via delivery only. No outdoor storage or sales are proposed nor would be allowed and delivery operations would be conditioned to be compliant with applicable local and State laws and to minimize potential impacts to surrounding properties. Cannabis products would arrive in State compliant packaging that is sealed and odor resistant, and remain unopened while on the premises. Further, as conditioned, a portable air filter must be located and powered within the product room, and if cannabis odor is detected outside of the building or off-site, the business owner/operator will be required to institute further operational measures necessary to eliminate off-site odors in a manner deemed appropriate by the Director of Economic and Development Services. Staff does not anticipate that the proposed non-storefront retail cannabis use would be materially detrimental to the adjacent uses that include several multi-tenant commercial centers with a variety of commercial businesses (offices, medical uses, restaurants, beauty parlors, grocery store, automotive dealerships, and other retail and service amenities). In addition, staff does not anticipate that the use would be materially detrimental to the existing businesses.

Finding: Granting the conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.

- **Facts in Support of Finding:** The proposed cannabis non-storefront retail (direct delivery) use would follow safety measures detailed in a professionally prepared security plan. The security plan was evaluated for compliance by the City's cannabis consultant, HdL. Measures designed to maintain safety at the

site include, but are not limited to 24-hour video surveillance and security devices which would be installed before operation. In addition, the business employees, including delivery drivers and staff, must pass a live scan background check and obtain an identification badge from the City. The conditions of approval include security measures to ensure that the use would not be materially detrimental to the health, safety and general welfare of the public or be otherwise injurious to property or improvements within the immediate neighborhood.

Finding: Granting the conditional use permit will not allow a use, density or intensity which is not in accordance with the general plan designation and any applicable specific plan for the property.

- **Facts in Support of Finding:** The proposed retail use is located within an existing commercial building on a property that has a General Plan land use classification of "General Commercial." No additional square footage is proposed and the proposed retail cannabis establishment would replace a previous retail establishment; therefore, approving the CUP would not increase site intensity. As stated in the General Plan Land Use Element, the City's commercial designations "accommodate the full range of commercial activity present and desired in Costa Mesa." The use is consistent with General Plan policies related to providing a mixture of commercial goods, services, and employment opportunities; expanding the City's tax base; and promoting the incubation of unique and specialized businesses.

- B. The project is categorically exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15301 for the permitting and/or minor alteration of Existing Facilities. This project site contains an existing building and the application does not propose an increase in floor area. The project would result in limited interior and exterior site improvements to adequately address operation and safety concerns as conditioned. 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. Furthermore, the proposed use would not intensify the site because it is replacing another commercial use. Furthermore, none of the exceptions that bar the application of a categorical exemption pursuant to CEQA Guidelines Section 15300.2 applies. The Project would not result in a cumulative impact; would not have a significant effect on the environment due to unusual circumstances; would not result in damage to scenic resources; is not located on a hazardous site or location, and would not impact any historic resources.
- C. The project is subject to a traffic impact fee, pursuant to Chapter XII, Article 3 Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

EXHIBIT B

CONDITIONS OF APPROVAL

General

1. The use of this property as a non-storefront retail (delivery) business shall comply with the approved plans and terms described in the resolution and these conditions of approval. The Planning Commission may modify or revoke any planning application based on findings related to public nuisance and/or noncompliance with conditions of approval [Title 13, Section 13-29(o)].
2. Approval of the planning/zoning application is valid for two years from the effective date of this approval and will expire at the end of that period unless applicant establishes the use by one of the following actions: 1) a building permit has been issued and construction has commenced, and has continued to maintain a valid building permit by making satisfactory progress as determined by the Building Official, 2) a certificate of occupancy has been issued, or 3) the use is established and a business license has been issued. A time extension can be requested no less than 30 days or more than sixty (60) days before the expiration date of the permit and submitted with the appropriate fee for review to the Planning Division. The Director of Development Services may extend the time for an approved permit or approval to be exercised up to 180-days subject to specific findings listed in Title 13, Section 13-29 (k) (6). Only one request for an extension of 180 days may be approved by the Director. Any subsequent extension requests shall be considered by the original approval authority.
3. No person may engage in any cannabis business or in any cannabis activity within the City including manufacturing, processing, laboratory testing, transporting, delivery, distribution, or sale of cannabis or a cannabis product unless the person:
 - a. Has a valid Cannabis Business Permit from the City;
 - b. Has paid all Cannabis Business Permit and all application fees and deposits established by resolution of the City Council, including annual Community Improvement Division Inspection deposits;
 - c. Has obtained all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such cannabis business intends to operate;
 - d. Has obtained a City business license pursuant to Chapter I of the Municipal Code;
 - e. Has met all requirements of Community Improvement Division regarding the property;
 - f. Has obtained any and all licenses required by State law and/or regulations; and
 - g. Has satisfied all conditions of approval of this CUP.

4. Any change in the operational characteristics of the use shall be subject to Planning Division review and may require an amendment to the conditional use permit, subject to either Zoning Administrator or Planning Commission approval, depending on the nature of the proposed change.
5. The subject business shall comply with the operating requirements for non-storefront delivery listed in CMMC Title 9, Chapter VI, Section 9-495(i), except for No. 4, which applies only to delivery conducted from a retail storefront, not non-storefront delivery.
6. No storefront retail or cultivation of cannabis is allowed anywhere on the premises.
7. No signage shall be installed until the owner/operator or its designated contractor has obtained permits required from the City. Business identification signage shall be limited to that needed for identification only. Business identification signage shall not include any references to cannabis, whether in words or symbols. All signs shall comply with the CMMC.
8. A Cannabis Business Permit may be revoked upon a hearing by the Director of Development Services pursuant to Section 9-120 of the CMMC for failing to comply with the terms of the permit, the applicable provisions of the CMMC, State law or regulation and/or any condition of any other permit issued pursuant to this code. Revocation of the Cannabis Business Permit shall trigger the City's proceedings to revoke the CUP and its amendments. The CUP granted herein shall not be construed to allow any subsequent owner/operator to continue operating under PA-22-34, until a valid new Cannabis Business Permit is received from the City of Costa Mesa.
9. The uses authorized by this Conditional Use Permit must be conducted in accordance with all applicable State and local laws, including, but not limited to compliance with the most current versions of the provisions of the California Code of Regulations that regulate the uses permitted hereby. Any violation thereof shall be a violation of the conditions of this permit and may be cause for revocation of this permit.
10. The applicant shall obtain State License Types 9 prior to operating. The uses authorized by this Conditional Use Permit must be conducted in accordance with all applicable state and local laws, including, but not limited to compliance with the most current versions of the provisions of the California Code of Regulations that regulate the uses permitted hereby. Any violation thereof shall be a violation of the conditions of this permit and may be cause for revocation of this permit.
11. Except for delivery operations allowed by this CUP and under an active CBP and State Type 9 license, the applicant, including any employee thereof, shall not sell, distribute, furnish, and/or otherwise provide any cannabis or cannabis product under its possession and/or control to any person, firm, corporation, group or any other entity, unless that person or entity possesses all currently valid permits and/or licenses required by both the state of California and applicable local governmental entity to

lawfully receive such cannabis and to engage in a “cannabis activity” as defined by Costa Mesa Municipal Code sec. 9-485. Applicant is charged with a duty to, and shall first verify, that the recipient, whether located in the City or elsewhere, of any cannabis or cannabis product so sold, distributed, furnished, and/or otherwise provided by or on behalf of Applicant, possesses all required permits and/or licenses therefore.

12. Vehicle loading and unloading shall only take place in designated parking spaces within direct unobstructed view of surveillance cameras, as shown on an exhibit approved by the Director of Development Services or designee. No loading and unloading of cannabis products into the vehicles shall take place outside of camera view. Any modifications or additional vehicle loading and unloading areas shall be submitted to the Director of Development Services or designee for approval.
13. If distribution is conducted by a third-party company, the loading areas shall be free and clear of any cannabis products and the third party distributor shall be escorted at all times. All cannabis products within the receiving/quarantine or storage area shall be secured in a locked container. Prior to a distributor's arrival, distributors are required to give notice to authorized facility personnel. Upon arrival, authorized facility personnel shall escort the distributor vehicle to the loading area.
14. Third parties are prohibited from providing delivery services for the Type 9 non-storefront retail (delivery) license.
15. The applicant shall defend, with attorneys of City's choosing, indemnify, and hold harmless the City, its elected and appointed officials, agents, officers and employees from any claim, legal action, or proceeding (collectively referred to as "proceeding") brought against the City, its elected and appointed officials, agents, officers or employees arising out of City's approval of the project, including but not limited to any proceeding under the California Environmental Quality Act. The indemnification shall include, but not be limited to, damages, fees and/or costs awarded against the City, if any, and cost of suit, attorney's fees, and other costs, liabilities and expenses incurred in connection with such proceeding whether incurred by the applicant, the City and/or the parties initiating or bringing such proceeding. This indemnity provision shall include the applicant's obligation to indemnify the City for all the City's costs, fees, and damages that the City incurs in enforcing the indemnification provisions set forth in this section.
16. If any section, division, sentence, clause, phrase or portion of this approval is 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.
17. The owner/operator shall obtain and maintain at all times during the term of the permit comprehensive general liability insurance and comprehensive automotive liability insurance protecting the permittee in an amount of not less than two million dollars (\$2,000,000.00) per occurrence, combined single limit, including bodily injury and property

damage and not less than two million dollars (\$2,000,000.00) aggregate for each personal injury liability, products-completed operations and each accident, issued by an insurance provider admitted and authorized to do business in California and shall be rated at least A-:viii in A.M. Best & Company's Insurance Guide. Proof of said insurance must be provided to the Planning Division before the business commences operations. Any changes to the insurance policy must be submitted to the Planning Division within 10 days of the date the change is effective.

18. The operator shall maintain a valid Cannabis Business Permit and a valid Business License at all times. The original Cannabis Business Permit application number associated with this address is MQ-22-0007. Upon issuance, the Cannabis Business Permit will be valid for a two-year period and must be renewed with the City prior to its expiration date, including the payment of permit renewal fees. No more than one Cannabis Business Permit may be issued to this tenant space.
19. Cannabis shall not be consumed on the premises at any time, in any form.
20. No outdoor storage of cannabis or cannabis products is permitted at any time.
21. All cannabis and cannabis products tested, sold, distributed and/or manufactured pursuant to this CUP shall be transported by persons licensed to do so and shall only be sold, distributed, transported or otherwise furnished to facilities operating in full conformance with all applicable State and local laws and regulations. The discovery of a cannabis product originating from this facility at any unpermitted or otherwise unlawful cannabis facility or operation, including a dispensary, may be considered as evidence in any action to revoke, suspend or modify this CUP and/or the corresponding Cannabis Business Permit that is based on whole or in part on this condition of approval or any related provision of the Municipal Code.
22. The sale, dispensing, or consumption of alcoholic beverages on or about the premises is prohibited.
23. Persons under the age of twenty-one (21) years shall not be allowed on the premises of this business. It shall be unlawful and a violation of this CUP for the owner/operator to employ any person who is not at least twenty-one (21) years of age.
24. The owner/operator shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.
25. No cannabis or cannabis products, or graphics depicting cannabis or cannabis products, shall be visible from the exterior of this property, or on any of the vehicles owned or used as part of the cannabis business.
26. Every manager, supervisor, employee or volunteer of the cannabis business must submit fingerprints and other information specified on the Cannabis Business Permit for a background check by the Costa Mesa Police Department to verify that person's criminal history. No employee or volunteer may commence paid or unpaid work for the business until the background checks have been approved. No cannabis business or owner

thereof may employ any person who has convicted of a felony within the past 7 years, unless that felony has been dismissed, withdrawn, expunged or set aside pursuant to Penal Code sections 1203.4, 1000 or 1385, or who is currently on probation or parole for the sale, distribution, possession or manufacture of a controlled substance.

27. Should any employee, volunteer or other person who possess an identification badge be terminated or cease their employment with the business, the applicant shall return such identification badge to the Community Improvement Division within 24 hours, not including weekends and holidays.
28. The City Manager or designees may enter this business at any time during the hours of operation without notice, and inspect all areas of this business as well as any recordings and records required to be maintained pursuant to Title 9, Chapter VI or under applicable provisions of State law. It is a violation of this use permit for any person having responsibility for the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection of the business or areas within and/or associated with the business. If business areas are located behind access controlled (locked) doors, these areas shall be opened/available immediately for inspection upon request. If areas of the business are not available to the City Manager or designees for inspection upon immediate request, the Cannabis Business Permit (CBP) may be subject to revocation pursuant Costa Mesa Municipal Code section 9-120.
29. Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a cannabis business to operate within the City, until the State of California, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the license of a cannabis business, such revocation or termination shall also revoke or terminate the ability of a cannabis business to operate within the City. This CUP will expire and be of no further force and effect if any State issued license remains suspended for a period of 6 months. Documentation of three violations during routine inspections or investigations of complaints shall result in the Community Improvement Division scheduling a hearing before the Director of Development Services to consider revocation of the Cannabis Business Permit.
30. The business must obtain any and all licenses required by State law and/or regulation prior to engaging in any cannabis activity at the property.
31. This business operator shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees and permits required under state and local law. This business operator shall cooperate with the City with respect to any reasonable request to audit the cannabis business' books and records for the purpose of verifying compliance with the CMMC and this CUP, including but not limited to a verification of the amount of taxes required to be paid during any period.

32. The following records and recordkeeping shall be maintained/conducted:
 - a. The owner/operator of this cannabis business shall maintain accurate books and records, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis, or at any time upon reasonable request of the City, the owner/operator shall file a sworn statement detailing the number of sales by the cannabis business during the previous twelve month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes paid or due to be paid.
 - b. The owner/operator shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the cannabis business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the cannabis business. The register required by this condition shall be provided to the City Manager upon a reasonable request.
 - c. The owner/operator shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the production or manufacturing, laboratory testing and distribution processes. Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPPA), the owner/operator shall allow City officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the City's request, unless otherwise stipulated by the City.
 - d. The owner/operator shall have in place a point-of-sale tracking system to track and report on all aspects of the cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and by sale). The owner/operator shall ensure that such information is compatible with the City's record-keeping systems. The system must have the capability to produce historical transactional data for review by the City Manager.
33. A change in ownership affecting an interest of 51 or more percent, or an incremental change in ownership that will result in a change of 51 or more percent over a three year period, shall require submittal and approval of a new CBP. A change in ownership that affects an interest of less than 51 percent shall be required to be a minor modification to the CBP.
34. Pursuant to Title 9, Chapter VI It is unlawful for any person having responsibility for the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a cannabis business under this chapter or under State or

local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsifies any records, recordings or other documents required to be maintained by a cannabis business under this chapter or under State or local law.

35. The use is approved for delivery of pre-packaged cannabis items only, there shall be no extraction operations, refining, or winterization conducted in this facility.
36. There shall be no storage or use of volatiles, solvents, or hazardous materials at this facility.
37. Any change in equipment, operation, or hazard shall be submitted to the City for review and approval prior to the change taking place.
38. Cannabis liquid or solid waste must be made unusable and unrecognizable prior to leaving a secured storage area and shall be disposed of at facility approved to receive such waste.
39. A copy of the approved Safety Plan shall be maintained onsite at all times, and it shall be available at the request of any City Official.
40. Quarterly Fire & Life Safety Inspections will be conducted by the Community Risk Reduction Division to verify compliance with the approved operation. The applicant will pay for the inspection according to the Additional Required Inspections as adopted in the Fee Schedule.
41. Annual Fire & Life Safety Inspections will be conducted by the Fire Station Crew for emergency response pre-planning and site access familiarization. The applicant will pay for the inspection according to the adopted Fee Schedule.
42. Hours of construction shall comply with Section 13-279, Title 13, of the Costa Mesa Municipal Code.
43. Street address shall be visible from the public street and/or shall be displayed on the freestanding sign. If there is no freestanding sign, the street address may be displayed on the fascia adjacent to the main entrance or on another prominent location. When the property has alley access, address numerals shall be displayed in a prominent location visible from the alley. Numerals shall be a minimum twelve (12) inches in height with not less than three-fourth-inch stroke and shall contrast sharply with the background. Identification of individual units shall be provided adjacent to the unit entrances. Letters or numerals shall be four (4) inches in height with not less than one-fourth-inch stroke and shall contrast sharply with the background.
44. Any mechanical equipment such as air-conditioning equipment and duct work shall be screened from view in a manner approved by the Planning Division.
45. Vehicle standing, loading and unloading shall be conducted so as not to interfere with normal use of streets, sidewalks, driveways and on-site parking.
46. No vehicle loading area shall encroach into a required building setback along a public right-of-way.

47. Development shall comply with the requirements of the following adopted codes: 2019 California Residential Code, 2019 California Building Code, 2019 California Electrical Code, 2019 California Mechanical Code, 2019 California Plumbing Code, 2019 California Green Building Standards Code and 2019 California Energy Code (or the applicable adopted, California Residential Code, California Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Green Building Standards and California Energy Code at the time of plan submittal or permit issuance) and California Code of Regulations also known as the California Building Standards Code, as amended by the City of Costa Mesa. Requirements for accessibility to sites, facilities, buildings and elements by individuals with disability shall comply with chapter 11B of the 2019 California Building Code.
48. Equipment shall comply with the California Building and Fire Code requirements, including, but not limited to, the requirement that equipment be approved by a recognized testing laboratory for the specific use.
49. The use shall operate in accordance with the Business Plan approved as part of the Cannabis Business Permit. Any changes to the Business Plan must submitted to, and approved by, the Planning Division. A written explanation of the changes shall accompany the submittal. Changes to the Business Plan will trigger an amendment to the CBP and may trigger an amendment to this CUP.
50. The use shall operate in accordance with the Security Plan approved as part of the Cannabis Business Permit. Any changes to the Security Plan must submitted to, and approved by, the Planning Division. A written explanation of the changes shall accompany the submittal. Changes to the Security Plan will trigger an amendment to the CBP and may trigger an amendment to this CUP.

Prior to Issuance of Building Permits

1. Plans shall be prepared by a California licensed Architect or Engineer. Plans shall be wet stamped and signed by the licensed Architect or Engineer.
2. No sign shall be installed until the owner/operator or its designated contractor has obtained any permit required from the City. Business identification signage shall be limited to that needed for identification only. Business identification signage shall not include any references to cannabis, whether in words or symbols. All signs shall comply with the CMMC.
3. The conditions of approval and ordinance or code provisions of Planning Application 22-42 shall be blueprinted on the face of the site plan as part of the plan check submittal package when building permits are necessary.
4. Prior to the Building Division issuing a demolition permit, contact South Coast Air Quality Management District (AQMD) located at: 21865 Copley Dr.

Diamond Bar, CA 91765-4178
Tel: 909- 396-2000

or
Visit their web site:

<http://www.costamesaca.gov/modules/showdocument.aspx?documentid=23381>. The Building Div. will not issue a demolition permit until an Identification Number is provided by AQMD.

5. Odor control devices and techniques shall be incorporated to ensure that odors from cannabis are not are not detected outside the property, anywhere on adjacent property or public right-of-way, or within any other units located within the same building as the cannabis business. Building and mechanical permits must be obtained from the Building Division prior to work commencing on any part of an odor control system.
6. The plans shall comply with the requirements of the 2019 California Fire Code, including the 2019 Intervening Update and referenced standards as amended by the City of Costa Mesa.

Prior to Issuance of a Certificate of Use/Occupancy

1. The operator, contractors, and subcontractors must have valid business licenses to do business in the City of Costa Mesa. Final inspections, final occupancy and utility releases will not be granted until all such licenses have been obtained.

Prior to Issuance of Cannabis Business Permit

1. The applicant shall contact the Planning Division for a facility inspection and provide a matrix of conditions of approval explaining how each was met prior to issuance of a modification to the Cannabis Business Permit.
2. The applicant shall submit to the City a list of all vehicles to be used for retail delivery purposes. The list shall identify the make, model, color, license plate number and registered owner of each vehicle.
3. The applicant shall pay the public notice fees (\$1 per notice post card) and the newspaper ad publishing cost.
4. The final Security Plan shall be consistent with the approved building plans.
5. Each entrance to the business shall be visibly posted with a clear and legible notice stating the following:
 - a. That smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the cannabis business is prohibited.
 - b. That no person under the age of twenty-one (21) years of age is permitted to enter upon the premises.
 - c. That loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises is prohibited.
6. The applicant shall submit an executed Retail Cannabis Business Permit Defense and Indemnity Agreement on a form to be provided by the City.

Operational Conditions

1. No product distribution shall occur between 12:00 AM and 5:00 AM.
2. Delivery to customers is limited to the hours between 7:00 AM and 10:00 PM.
3. The applicant shall submit an updated vehicle list each quarter with the quarterly update to the employee roster required pursuant to the CBP. The number of vehicles parked onsite in commonly-held parking areas shall not exceed the number of available onsite surplus parking spaces. Delivery vehicles not owned by employees shall not be parked on City streets when not in use.
4. The operator shall ensure that all vehicles are properly maintained, all delivery drivers have a good driving record, and each driver conducts a visual inspection of the vehicle at the beginning of each shift.
5. The operator shall maintain free of litter all areas of the premises under which applicant has control.
6. The use shall be conducted, at all times, in a manner that will allow the quiet enjoyment of the surrounding neighborhood. The operator shall institute whatever security and operational measures are necessary to comply with this requirement.
7. If parking shortages or other parking-related problems develop, the business owner or operator will be required to institute appropriate operational measures necessary to minimize or eliminate the problem in a manner deemed appropriate by the Development Services Director.
8. All employees must wear an identification badge while on the premises of the business and/or performing deliveries, in a format proscribed by the City Manager. When on the premises, badges must clearly visible and worn on outermost clothing and above the waist in a visible location.
9. During each delivery stop, the delivery vehicle shall be parked in a safe manner (i.e., not impeding traffic circulation), the engine shall be turned off and the vehicle shall be locked.
10. The operator shall ensure that deliveries are grouped to decrease total trip generation.
11. Vehicle loading and unloading shall only take place in designated parking spaces within direct unobstructed view of surveillance cameras, as shown on an exhibit approved by the Director of Development Services or designee. No loading and unloading of cannabis products into the vehicles shall take place outside of camera view. Video surveillance cameras shall be installed on the exterior of the building with direct views of the loading/unloading areas. Any modifications or additional vehicle loading and unloading areas shall be submitted to the Director of Development Services or designee for approval.
12. Prior to exiting the premises for loading/unloading cannabis products for deliveries into the delivery vehicle(s) from the licensed premises, products shall be transferred in a secured/locked container approved by the

Economic and Development Services Director, or his/her designee. In addition, delivery/distribution vehicles shall also be equipped with a locked container where products shall be stored during deliveries/distribution.

13. Cannabis products shall arrive in State compliant packaging that is sealed and odor resistant, and remain unopened while on the premises. If cannabis odor is detected within an adjacent suite, outside of the building or off-site/outside of the premises, permanent and/or portable air filtration devices shall be installed to eliminate the detection of odor. The business owner/operator will be required to institute odor mitigation in a manner deemed appropriate by the Director of Economic and Development Services.

April 2, 2023

A & D Couriers, Inc.
2706 Harbor Boulevard, Suite 208
Costa Mesa, CA 92626

City of Costa Mesa
Development Services Department
77 Fair Drive, 2nd Floor
Costa Mesa, CA 92626

RE: A&D COURIERS INC. LETTER OF COMMERCIAL CANNABIS NON-STOREFRONT BUSINESS

We are writing this Applicant Letter as part of our Commercial Cannabis Non-Storefront Business Conditional Use Permit application for a non-storefront retail and delivery service in the City of Costa Mesa. A&D Couriers is working to establish a retail non-storefront delivery service at the address of 2706 Harbor Blvd. Suite 208, Costa Mesa CA 92626 on parcel 141-361-28 under the provisions of measure Q and Costa Mesa's code and ordinances regulating cannabis licensing. Zoning at the proposed address is C.

A&D Couriers Inc. is an 100%-percent female owned and operated company. Annie Santillan owns 75%, Nicole Sanchez owns 12.5% and Brittany Santillan 12.5%. A&D Couriers' leadership team consist of a mother (Annie Santillan) and two daughters (Nicole Sanchez and Brittany Santillan).

Annie Santillan has experience as a business owner since 2009 in the bail bonds industry. A Bail Bondsperson is a licensed agent by Department of Insurance who helps people get released from jail by means of posting a Power of Attorney also known as a surety bond. Day-to-day operations of the bail bonds business include but not limited to, meeting with clients, preparing documents and contracts, communicating between insurance companies and clients preparing monthly bail bond reports for the insurance companies and appearing in court on behalf of the insurance companies and/or on behalf of our clients. Experience in this industry has provided Ms. Santillan a strong background in regulatory and legal compliance.

Nicole Sanchez has over 8 years of work experience in managing and dispatching as a Transportation Manager for Stericycle, overseeing 65+ employees.

Brittany Santillan has experience as an administrative assistant. Her duties and responsibilities have included, but not limited to supporting the business owner and other executives at a staffing personnel company, including scheduling their appointments and maintained their calendars. Other duties included, coordinating staff and client meetings, preparing communication letters, memos, invoices, reports, and correspondence. She also maintained both electronic and physical filing systems and performed bookkeeping duties.



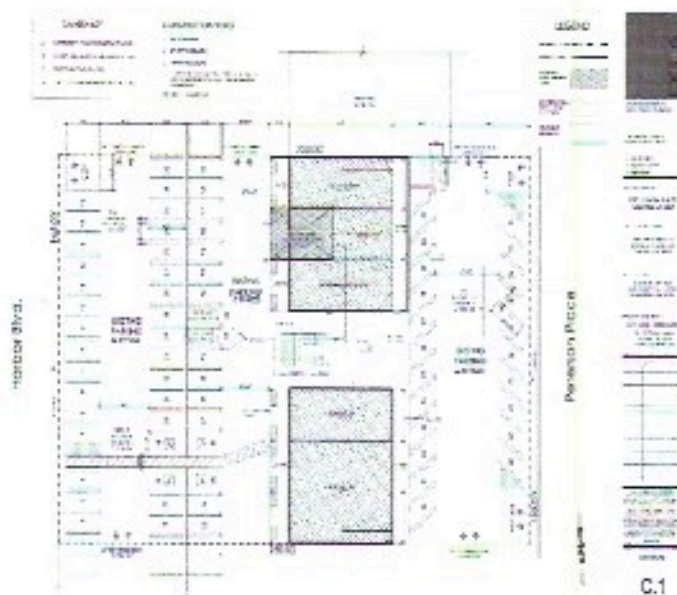
Business Description: A&D Couriers is a cannabis dispensary that comes to the customer, versus the consumer having to go to a cannabis store. Many cannabis consumers strongly like the idea of a cannabis delivery service due to discretion reasons, their professions and or their image or role in the community. A&D Couriers understands that need for privacy and convenience. It would be our focus to give the consumer not only the privacy but the convenience of bringing cannabis directly to their door without them having to leave the comfort of their homes. Our cannabis delivery service would also benefit and be valuable to people with limited mobility or who may have health risk including being immunocompromised, such as disabled and elderly consumers including medical customers.

A&D Couriers is a non-storefront retail cannabis company with no public access. Owners, employees and vendors will only be allowed on the premises. Our business model will look very similar to Door Dash and/or UberEATS. Our drivers will come to our location in the morning, the owners will supply the driver(s) with cannabis products which are securely stored in smell proof containers, and then put the product to be delivered into their vehicles. Drivers then will proceed with their deliveries.

A&D Couriers proposed operation may employ as many 10 or more employees which will include two to four staff members on site during any given shift. There is ample parking available for both drivers and employees during their shifts at property.

Dispatchers will be in constant communication with driver and dispatchers have the ability to see and monitor our drivers with GPS on their routes. When dispatchers receive calls with orders, they will call the driver(s) the driver(s) will prepare the order(s) to be delivered to the client(s). Drivers are allowed to carry up to \$5000 worth of product including preordered orders. All orders that are sent out from dispatch to drivers are all scanned and reported real-time through our POS system to metrics. If drivers need more product they are allowed to come back to the premises to restock on any items needed it to complete their shift.

The premises is located at 2706 Harbor Blvd. Our office is approximately 720 square feet, within our office we have a lobby area, product room package ready for delivery, a storage room where cannabis product will be stored and an office.



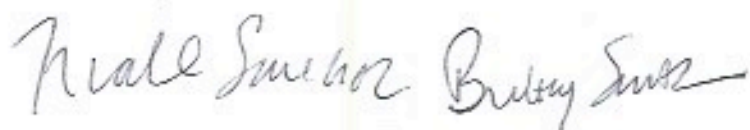


A&D Couriers shall partner with licensed cultivators, manufacturers, and distributors to source product, including licensed cannabis flower and cannabis products. Customers will be able to choose from over 300 types of products, including flower, pre-rolls, concentrates, extracts, vapors, edibles, capsules, lotion, tinctures, and accessories and topicals.

We are excited and we look forward to working in the city of Costa Mesa and bringing safe and legal cannabis to the consumers right to their door with discretion and convenience.



Annie Yumiko Santillan



Nicole N. Sanchez

Brittany Y. Santillan

A&D Couriers Community Outreach was held on Wednesday, March 15, 2023 @ 12PM which included the following neighbors/companies below:

Sassy Nail Bar
Kevin Nguyen



Ding Tea
Tina & Billy



Lollipop Dental
Lilly Hernandez



Harbor Modern
Dentistry
Irene



Hertz Rental
Marc



Pizza Hut
Christie Galaviz



Up in Smoke Vapes
Michael

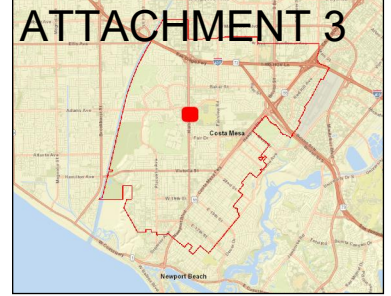


Apostle Pros.
Dean Warmington



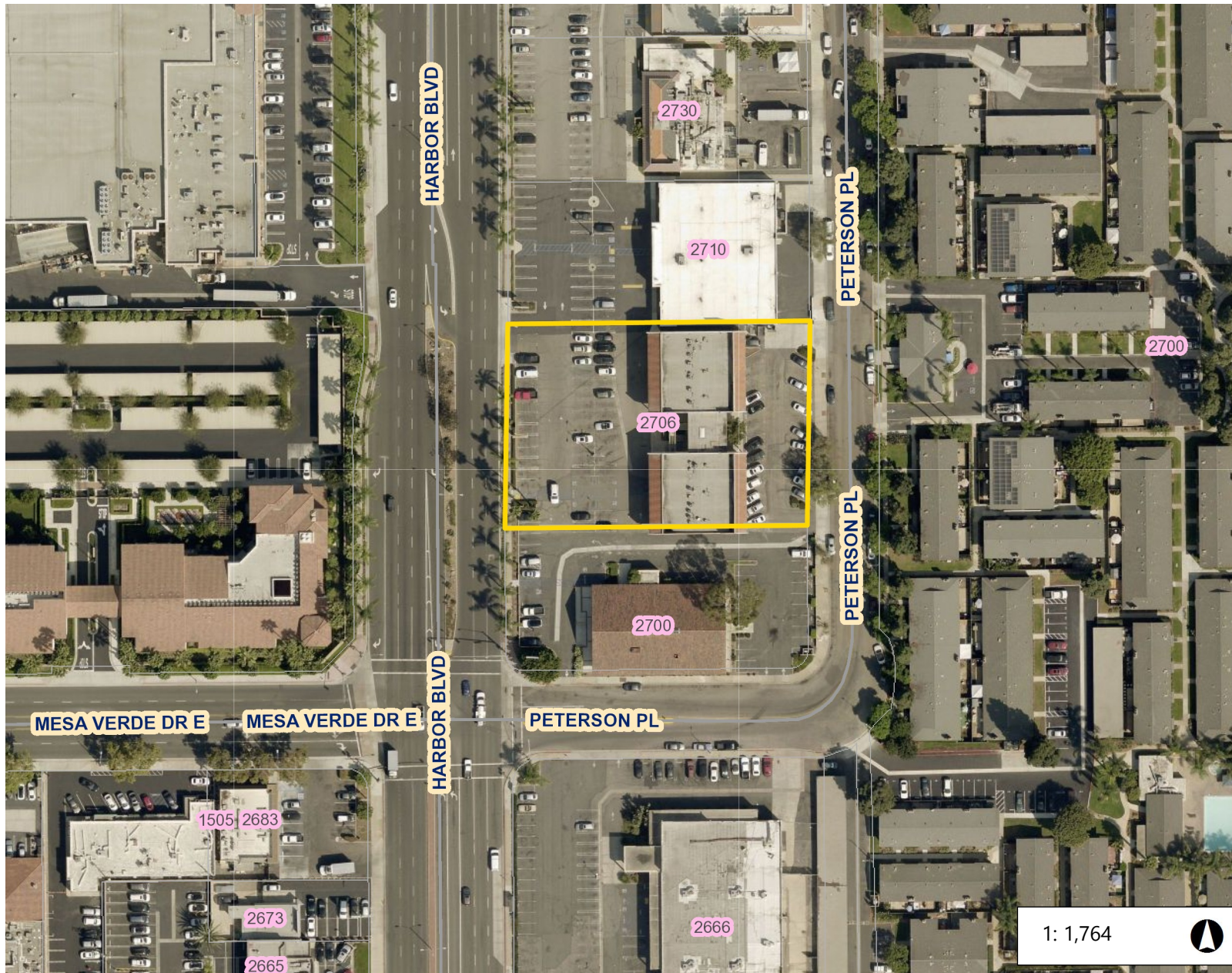
Social Supplements
Dave Doyle & Gene
Breazelle





Legend

 Costa Mesa



1:1,764

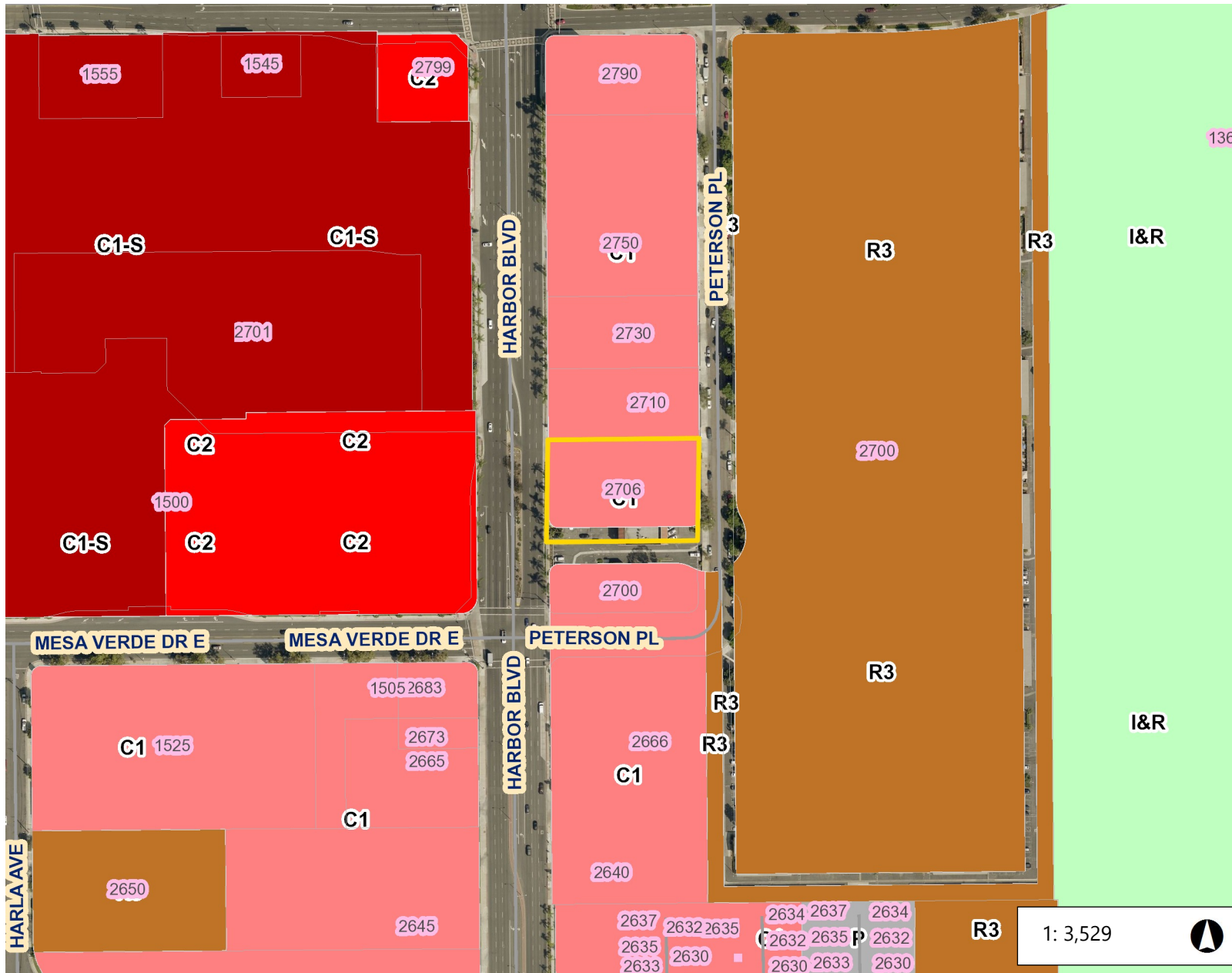


0.1 0 0.03 0.1 Miles

WGS_1984_Web_Mercator_Auxiliary_Sphere
© City of Costa Mesa

The City of Costa Mesa makes no guarantee as to the accuracy of any of the information provided and assumes no liability for any errors, omissions, or inaccuracies.

Notes



Legend

Costa Mesa

Zoning

- AP - Administrative Professional
- IR-MLT - Institutional Recreational I
- R1 - Single-Family Residential
- R2-MD - Multiple-Family Residentie
- R2-HD - Multiple-Family Residentia
- R3 - Multiple Family Residential
- MG - General Industrial
- MP - Industrial Park
- PDI - Planned Development Indust
- C1 - Local Business
- C2 - General Business
- C1-S - Shopping Center
- TC - Town Center
- PDR-NCM - Planned Development Mesa
- I&R - Institutional Recreational
- I&R-S - Institutional Recreational - S
- P - Parking
- CL - Commercial Limited
- PDC - Planned Development Comr
- PDR-LD - Planned Development R
- PDR-MD - Planned Development R Density
- PDR-HD - Planned Development R

Notes

Site Photos





2706 Artesia Blvd. Suite D
Redondo Beach, Ca. 90278

o 310.920.9995
e dg@dgassoc.net
w dgassoc.net

PROPERTY ADDRESS:
2706 Harbor Blvd. Unit 208
Costa Mesa, Ca. 92626

CLIENT / BUSSINESS OWNER:

West Coast Safe Delivery
2706 Harbor Blvd. Unit 208
Costa Mesa, Ca. 92626

PROPERTY OWNER:
Mesa Verde Center LLC
2549 Eastbluff Drive. Unit 362
Newport Beach, Ca. 92260

STRUCTURAL ENGINEERING:

AART ASSINK ASSOCIATES
1611 El Prado Avenue
Torrance, Ca. 90501
Phone (310) 618-0782

[illegible]

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DRAWN BY: D.GREGG

TITLE SHEET

T.1

DATE: 11/07/22 SCALE: NTS

Project Address:

2706 Harbot Blvd. Unit 208
Costa Mesa, Ca. 92626

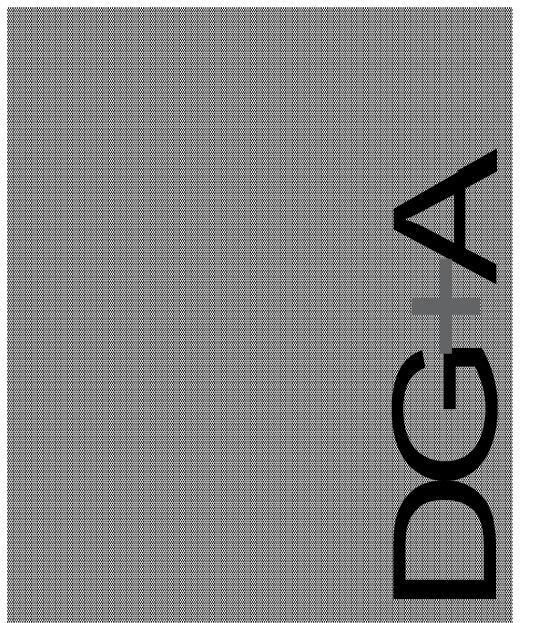
-1-

CONSTRUCTION NOTES

- | | |
|-----|---|
| 1 | EXISTING CURB |
| 2 | EXISTING SIDEWALK |
| 3 | TRASH ENCLOSURE |
| 4 | ACCESSIBLE PARKING STALL WITH ALL SYMBOLS,
SIGNS, AND RAMPS TO MEET TITLE 24 AND ADA
REQUIREMENTS |
| S-X | SECURITY CAMERAS |

LEGEND

- PROPERTY LINE
- BUILDING LINE
- PROPOSED
IMPROVEMENT
AREA
- EXISTING AREA
NOT PART OF
THIS PERMIT
- ADJOINING
NEIGHBOR



DG+Associates llc
Design // Planning // Development

2706 Artesia Blvd. Suite D
Redondo Beach, Ca. 90278

- o 310.920.9995
- e dg@dgassoc.net
- w dgassoc.net

PROPERTY ADDRESS:

2706 Harbor Blvd. Unit 208
Costa Mesa, Ca. 92626

CLIENT / BUSSINESS OWNER:

West Coast Safe Delivery
2706 Harbor Blvd. Unit 208
Costa Mesa, Ca. 92626

PROPERTY OWNER:

Mesa Verde Center LLC
2549 Eastbluff Drive. Unit 362
Newport Beach, Ca. 92260

STRUCTURAL ENGINEERING:

AART ASSINK ASSOCIATES
1611 El Prado Avenue
Torrance, Ca. 90501
Phone (310) 618-0782

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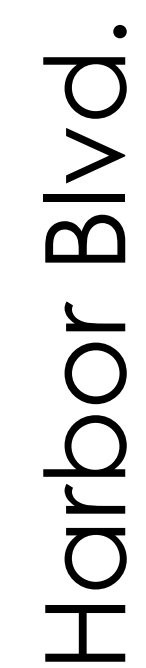
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AND NOTIFY THIS OFFICE IMMEDIATELY IF
DISCREPANCIES OCCUR. SHOP DRAWINGS SHALL BE
SUBMITTED TO THIS OFFICE FOR REVIEW PRIOR TO
FABRICATION.

DRAWN BY: D.GREGG

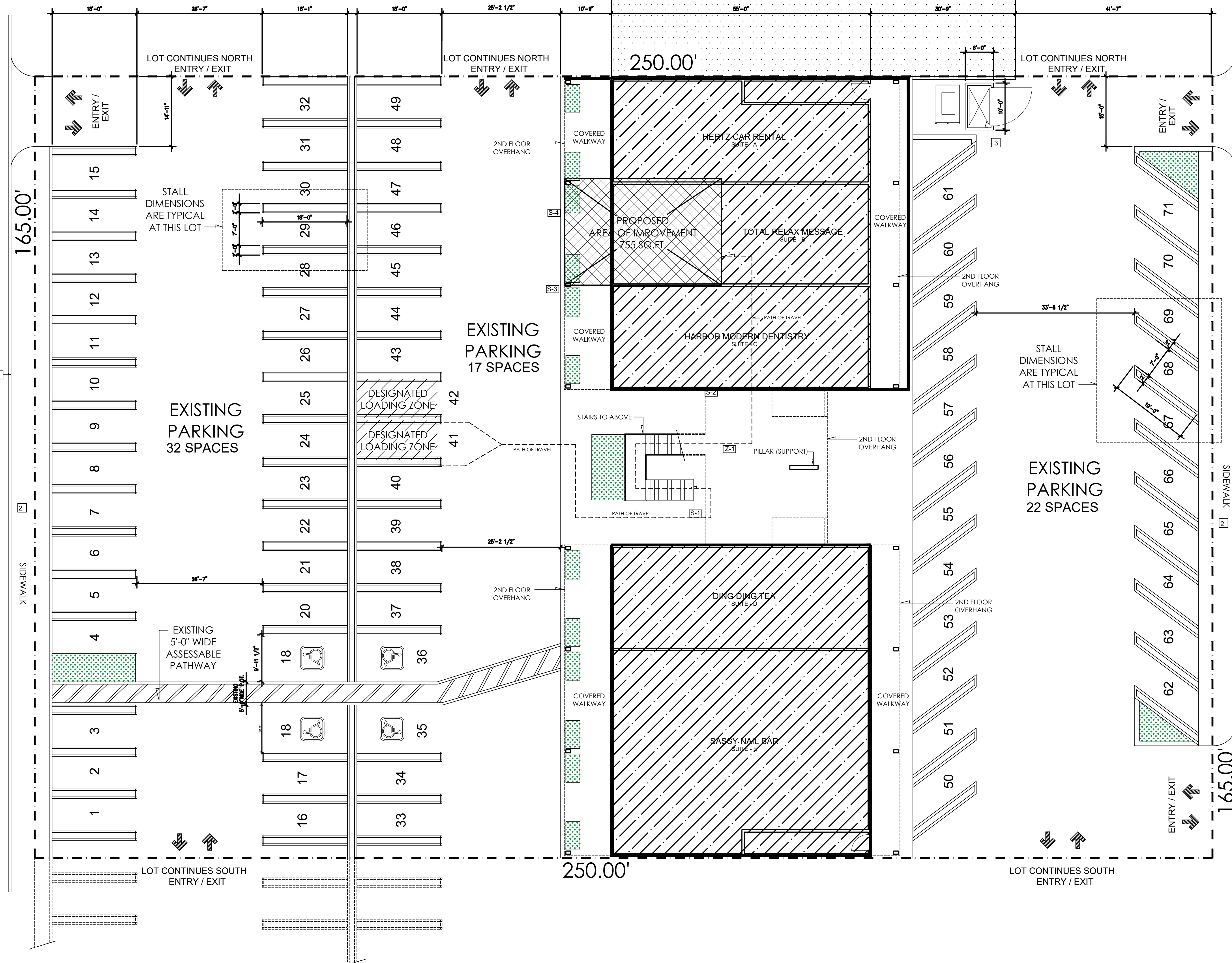
SITE PLAN

C.1

DATE : 11/07/22 SCALE : NTS



Peterson Place



1611 El Prado Avenue
Torrance, Ca. 90501
Phone (310) 618-0782

[illegible]

DRAWN BY: D GREGG

C.2

SCALE : NTS

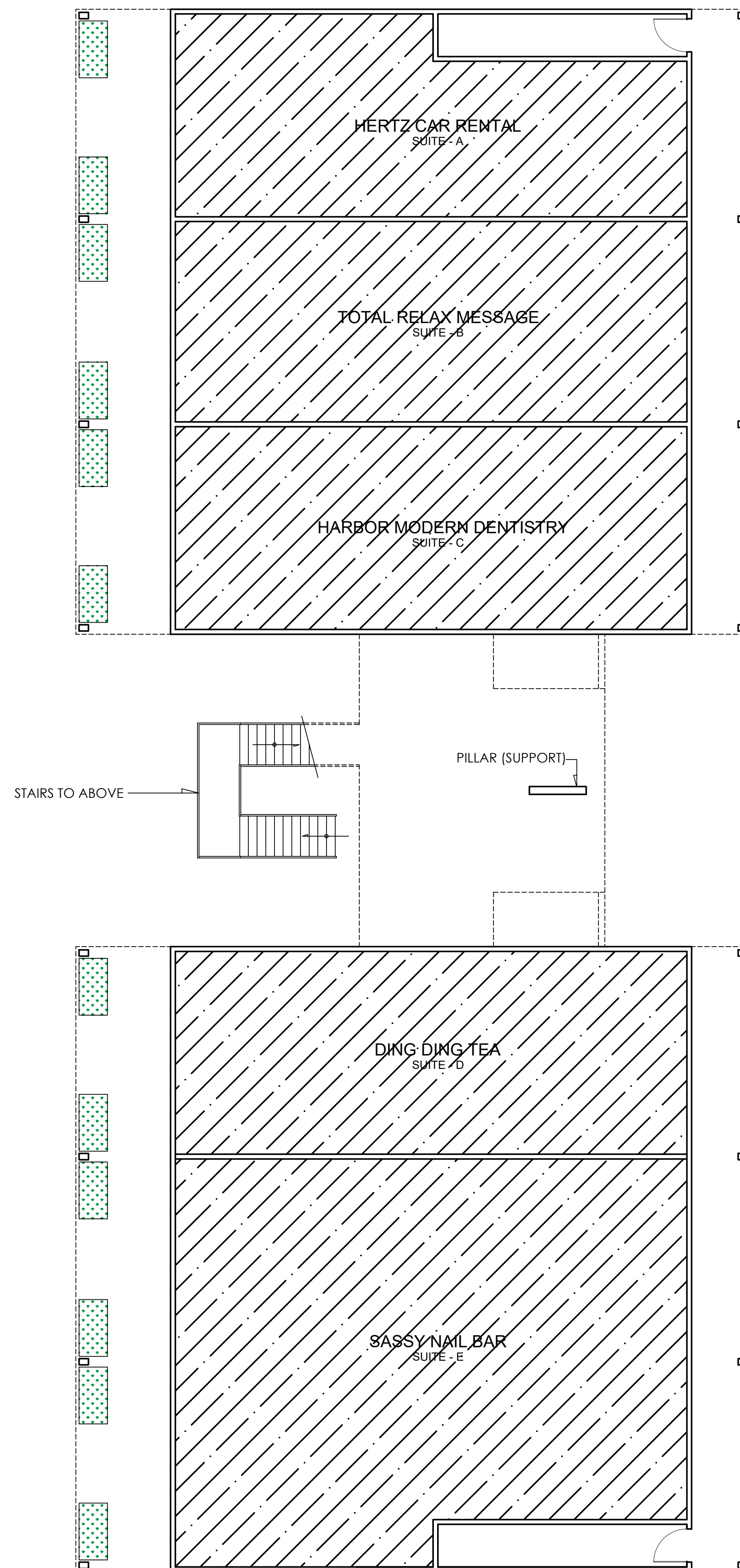
[illegible]

DRAWN BY: D GREG

C.3

DATE: 11/07/22 SCALE: 1/8" = 1'-0

Z--	EXTERIOR ENTRANCE CAMERA (Z-1 - Z-2)
S--	SURROUNDING AREA CAMERAS (S-1 - S-5)
R--	ROOF CAMERAS (R-1 - R-2)
B--	ROOF LAZER BEAMS/SENSORS (B-1 - B-4)



1 - Z-2)

1 - S-5)

1 - B-4)

20'-0"

20'-0"

AREA OF IMPROVEMENT (UNIT - 208)

R-1

B-2

OFFICE

OFFICE

C-5

6'-11"

S-4

B-1

OFFICE

B-3

CLOSET

B-4

R-2

Z-2

DAVID L. GRUPER ACCOUNTING UNIT 207

APOSTLE PROS UNIT 206

S-2

EXISTING GATE (CODED ENTRY)

Z-1

S-1

F

M

EXISTING BATHROOMS (COMMON USE)

FARMERS INSURANCE UNIT 201

HEALTHY HOMES UNIT 202

OPTIMAL REV. CYCLE MGMT. SOLUTIONS LLC. UNIT 203

URIDE UNIT 205

RAYNEL COMPANY INC. UNIT 204

EXISTING SECOND FLOOR PLAN

2706 Artesia Blvd. Suite D
Redondo Beach, Ca. 90788

- o 310.920.9995
- e dg@dgassoc.net
- w dgassoc.net

PROPERTY ADDRESS:

2706 Harbor Blvd. Unit 208
Costa Mesa, Ca. 92626

CLIENT / BUSSINESS OWNER:

West Coast Safe Delivery
2706 Harbor Blvd. Unit 208
Costa Mesa, Ca. 92626

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Mesa Verde Center LLC
2549 Eastbluff Drive. Unit 362
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STRUCTURAL ENGINEERING:

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[illegible]

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DRAWN BY: D.GREGO

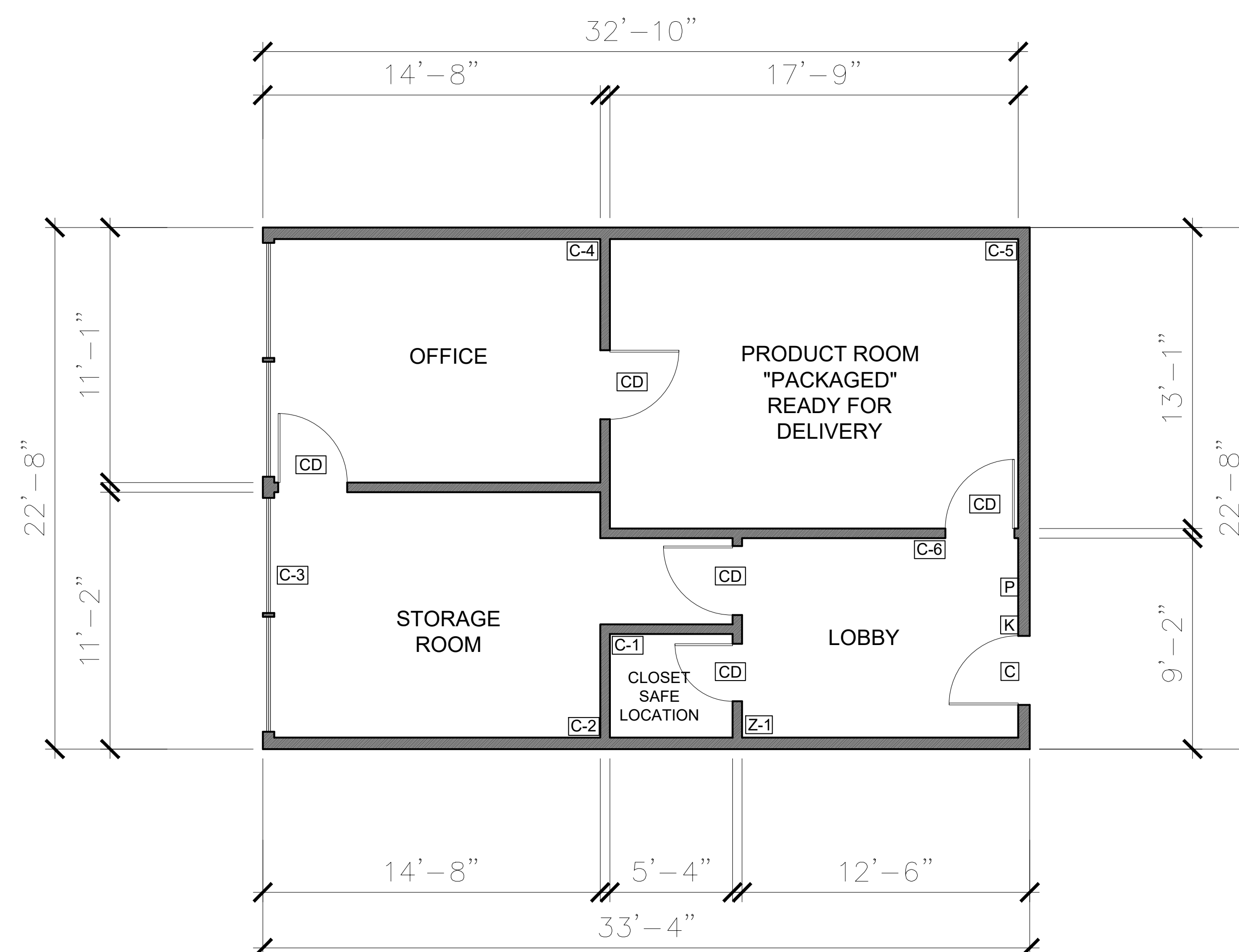
FLOOR PLAN /
SECURITY PLAN

A.1

DATE: 11/07/22 SCALE: 1/4" = 1'-0"

Z--	-INTERIOR ENTRANCE CAMERA (Z-1)
C--	-INTERIOR CAMERAS (C-1 - C-6)
K	-ALARM KEY PAD
C	-ALARMED DOOR CONTACT
P	-PANIC ALARM
CD	- 3068 SECURITY DOOR - CONTROLLED ACCESS

 EXISTING WOOD FRAMED WALL



PROPOSED (DELIVERY ONLY) UNIT - 208 (SECOND FLOOR)

-5-



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 23-1164

Meeting Date: 4/10/2023

TITLE:

PLANNING APPLICATION 22-27 FOR A RETAIL CANNABIS NON-STOREFRONT AND CANNABIS DISTRIBUTION FACILITY LOCATED AT 3505 CADILLAC AVE, UNIT O-209A (AK EXCLUSIVES)

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/ PLANNING DIVISION

PRESENTED BY: GABRIEL VILLALOBOS, ASSISTANT PLANNER

CONTACT INFORMATION: GABRIEL VILLALOBOS 714-754-5610
GABRIEL.VILLALOBOS@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 Planning Application 22-27, subject to conditions of approval.



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: APRIL 10, 2023

ITEM NUMBER: PH-2

SUBJECT: PLANNING APPLICATION 22-27 FOR A RETAIL CANNABIS NON-STOREFRONT AND CANNABIS DISTRIBUTION FACILITY LOCATED AT 3505 CADILLAC AVE, UNIT O-209A (AK EXCLUSIVES)

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

PRESENTATION BY: GABRIEL VILLALOBOS, ASSISTANT PLANNER

**FOR FURTHER INFORMATION: GABRIEL VILLALOBOS
714-754-5610**

CONTACT: GABRIEL.VILLALOBOS@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 Planning Application 22-27, subject to conditions of approval.

APPLICANT OR AUTHORIZED AGENT

The applicant/authorized agent is Eileen Wade on behalf of AK Exclusives Inc. and the property owner, Don Siriani.

PLANNING APPLICATION SUMMARY

Location:	3505 Cadillac Ave, Unit O-209A	Application Numbers:	PA-22-27
Request:	Planning Application 22-27 is for a Conditional Use Permit for the establishment of a cannabis retail non-storefront and cannabis distribution facility in the PDI (Planned Development Industrial) zone.		

SUBJECT PROPERTY:

SURROUNDING PROPERTY:

Zone:	PDI (Planned Development Industrial)	North:	PDI (Planned Development Industrial)
General Plan:	Industrial Park	South:	PDI (Planned Development Industrial)
Lot Dimensions:	36 FT x 55 FT	East:	PDI (Planned Development Industrial)
Lot Area:	2,178 SF	West:	PDI (Planned Development Industrial)
Existing Development:	Existing approximate 877-square-foot facility previously utilized as an office space.		

DEVELOPMENT STANDARDS COMPARISON

Development Standard	Required/Allowed PDI Dev. Standard	Proposed/Provided
Building Height	N/A ¹	31 ft.
Setbacks:		
Front	N/A ²	0 ft.
Side (left/ right)	N/A ²	0 ft.
Rear	N/A ²	0 ft.
Landscape Setback – front	20 ft.	15 ft. ³
Parking	3 spaces/1,000 sq.ft.	648 spaces
Floor area ratio (FAR)	0.30	0.37 ⁴
¹ The maximum number of stories and building height undefined for the PDI zone (CMMC Section 13-58). ² Setback distance undefined for the PDI zone (CMMC Section 13-58). ³ Variance for front setback landscaping approved through ZE-80-160. ⁴ FAR approved through ZE-80-160.		
CEQA Status	Exempt per CEQA Guidelines Section 15301 (Existing Facilities)	
Final Action	Planning Commission	

BACKGROUND:

The subject property is located on the west side of Cadillac Avenue, within a portion of the City's industrial area known as the "Green Zone" (described below). The subject property is specifically located within "Cambridge Park," a multi-tenant industrial business park center. The units in Cambridge Park are individually owned. The 14-acre property is zoned PDI (Planned Development Industrial) and is surrounded by properties zoned Industrial Park (MP) to the north and east, the I-405 Freeway to the south, and the Santa Ana River to the west. A variety of cannabis uses can be permitted in the "Green Zone", including manufacturing, distribution, testing and non-storefront retail (direct retail delivery to consumers).

The proposed project location, Unit O-209-A, is an approximate 877-square-foot tenant suite, located in the southern portion of Cambridge Park. The adjacent suite sharing the

second floor, Unit O-209B, is currently used part time by the subject property owner as an office space for a freight planning business. Units O-209-A/B were originally developed as a single unit; however, have since been permitted to be divided into two units. Units O-209-A/B are owned in common. The previous use of the subject tenant space was an office. Unit O-209-A/B share a common access hallway that connects to their individual bathrooms and for Unit O-209-A, non-cannabis storage and video surveillance areas.

There are no active Code Enforcement cases on this property.

City of Costa Mesa Medical Marijuana Measure (Measure X) and Costa Mesa Retail Cannabis Tax and Regulation Measure (Measure Q)

In November 2016, Costa Mesa voters approved Measure X, allowing medical cannabis manufacturing, packaging, distribution, research and development laboratories, and testing laboratories in a specified area known as “the Green Zone.” The Green Zone includes specific Industrial Park (MP) and Planned Development Industrial (PDI) zoned properties that are located north of South Coast Drive and west of Harbor Boulevard, excluding the South Coast Collection (SOCO) property located at 3303 Hyland Avenue. Measure X is codified in Titles 9 and 13 of the Costa Mesa Municipal Code (CMMC).

In 2018, non-medical adult use cannabis became legal in California under the State’s Medicinal and Adult-Use Cannabis Regulation and Safety Act (Proposition 64). On April 3, 2018, the City Council adopted Ordinance No. 18-04 to allow non-medical use cannabis facilities in the same manner and within the same geographic area as were previously allowed pursuant to Measure X.

On November 3, 2020, Costa Mesa voters approved Measure Q, the Costa Mesa Retail Cannabis Tax and Regulation Measure. This measure allowed the City to adopt regulations permitting storefront retail (dispensaries) and non-storefront retail (delivery) within the City subject to numerous standards and requirements. On June 15, 2021, the City Council adopted Ordinances No. 21-08 and No. 21-09 to amend Titles 9 and 13 of the CMMC to establish regulations for retail cannabis storefront and non-storefront uses.

Cannabis Business Permit (CBP) Process

Prior to establishing a cannabis business in the City, an applicant is subject to an extensive submittal and application review process and must obtain all of the following City approvals before conducting business:

- Cannabis Business Permit Notice to Proceed;
- Conditional Use Permit (or Minor Conditional Use Permit in specific circumstances);
- Building Permits (and final inspections by multiple departments and the City’s cannabis security consultant);
- Cannabis Business Permit; and
- City Business License.

The initial phase of a CBP review includes a background check of the proposed owner and an evaluation of the proposed business plan and security plan by the City's cannabis security consultant (HdL Companies). The applicant has successfully completed these evaluations and staff issued a "Notice to Proceed," which allows the applicant to submit a Conditional Use Permit (CUP) application.

If the CUP were approved, the applicant would begin the remaining steps of the CBP process. The applicant must obtain building permits, complete building improvements, demonstrate that all conditions of approval have been satisfied, and that all other requirements of the CMMC have been satisfied. After passing the final City inspection, the CBP would be issued. CBP approval is valid for a two-year period and must be renewed prior to expiration. During the two-year CBP permit periods, the Community Improvement Division (CID), along with other City staff, will conduct site visits to verify the operation complies with all CUP and CBP requirements. Violations identified during these two-year site visits may be grounds for the revocation of the CBP or for non-renewal of a CBP.

After obtaining the CBP, the applicant may apply for and obtain a City Business License. In addition to the CUP, CBP, and City Business License, the applicant must obtain the appropriate licenses from the State Department of Cannabis Control (DCC) prior to operating.

DESCRIPTION:

Planning Application 22-27 is a request for a CUP to operate a combination non-storefront retail and distribution facility located within a second-floor tenant space in a multi-tenant industrial office building located at 3505 Cadillac Avenue (Unit O-209A). There are 27 other tenant spaces located in Building "O", six of which are cannabis related businesses per Table 1 shown below.

Table 1 – Building O Cannabis Tenant List

Unit	Name	Use	Case Number	Status
O-101	Yummi Karma	Manufacturing (Type 6)	PA-18-07/ PA18-07 A1	CBP Issued; In Operation
O-201	AuBio Labs	Manufacturing (Type 6)	PA-18-21/ PA-18-21 A1	CUP Approved
O-102	Outrageous Ventures	Distribution (Type 11)	PA-22-01	CBP Issued; In Operation
O-106	Complex Plus	Manufacturing (Type 7)	PA-19-29	CUP Approved
O-107	Gold Flora	Distribution (Type 11)	PA-19-09	CBP Issued; In Operation
O-108	Ash Capital	Manufacturing, Non-Storefront Retail, and Distribution (Types 6, 9 & 11)	PA-20-16/ PA-20-16 A1	CBP Issued; In Operation

The proposed non-storefront retail and distribution use involve the intake, storing, and transportation of cannabis products in their finished packaging for both direct home delivery to consumers as well as distribution to other licensed retailers. In order to operate said cannabis business types, the applicant must obtain a State License Type 9 to operate as a non-storefront retailer that delivers cannabis goods to customers only as a delivery service, and a State License Type 11 to distribute cannabis and cannabis products between non-retail cannabis uses and to licensed cannabis retail premises. The proposed use will also include one distribution vehicle and one delivery vehicle parked at a designated loading/unloading area (see Attachment 7 - Plan A1.10 for specific illustrated cannabis loading/unloading distribution path of travel), located approximately 45 feet from the front entrance. There will be no vehicles parked overnight at the project site.

The proposed hours of operation for the facility is 10 a.m. to 10 p.m., seven days a week. All retail deliveries will be conditioned to be completed by 10 p.m. pursuant to Section 13-200.93 of the CMMC. The facility will initially have two employees onsite and may expand to potentially eight to ten employees at full operations. The applicant proposes to use separate vehicles for distribution and for home deliveries, with both vehicles operated by employees of the proposed company. Tenant improvements necessary to convert the existing office space to a distribution/delivery use include the implementation of new electrical and safety features including security cameras, new commercial locks and secured storage for cannabis products. As conditioned, vehicles for delivery and distribution will be installed with secure storage areas within the vehicle for cannabis products. In addition and as also conditioned, all transfer of cannabis products from the licensed premises to the delivery/distribution vehicles will be within a secured container.

No expansion is proposed to the existing tenant space, nor are any changes proposed to the exterior of the building or parking lot other than adding security cameras to cover the path of travel from the designated loading area to the facility.

ANALYSIS

Conditional Use Permit

Pursuant to the Costa Mesa Municipal Code (CMMC) Section 13-200.92, cannabis distribution is prohibited in all zoning districts within the City, except for those portions of the Manufacturing Park (MP) and PDI zones that are located both north of South Coast Drive and west of Harbor Boulevard, excluding any portion of the South Coast Collection (the “Green Zone”). Pursuant to CMMC Section 13-200.93, cannabis retail non-storefront uses are prohibited in all zoning districts within the City, except for the commercial districts and within the Green Zone. The CMMC requires further that a cannabis distribution and non-storefront delivery use requires approval of a conditional use permit and is subject to specific CUP findings (described further below under *Findings*).

Exterior and Interior Improvements

The proposed 877-square-foot non-storefront retail and distribution facility will include an approximate 165-square-foot distribution area, a 171-square-foot home delivery area, and 541-square feet of office area dedicated to the cannabis business. The applicant is not proposing any exterior modifications other than the addition of new security cameras. The interior changes are limited to non-structural changes including upgrades to security features (security cameras, alarms, access control doors) within the tenant space and the installation of secured racking to create storage space for both the distribution and delivery rooms. Each licensed area will be secured with magnetic door locks to restrict access into each respective area.

Distribution Use

The distribution component of this facility will be limited to a 165-square-foot room. The distribution room will house distribution records and finished cannabis products ready for distribution to licensed cannabis businesses. The cannabis products that are brought into this facility will be transferred from an associated distribution facility ("Shoebox Distribution") that is located in Oakland, California. All packaging and testing of cannabis distributed into the Costa Mesa facility will be completed from the Oakland facility. The proposed cannabis products to be distributed will be limited to the applicant's "in-house" brand. All distributions will be pre-scheduled and will be coordinated with staff onsite to transfer the products into the facility, using locked carrying cases to move product from the designated parking area to inside the secured facility. Once inside, the product will be unloaded in the office area, inspected, entered into the METRC tracking software and then brought into the distribution room for storage.

The local customer distribution component of this operation will utilize one "Sprinter" van for transporting products. The products will be obtained and distributed in their final packaging. For outgoing distribution, an invoice and manifest will be generated with a drop-off time scheduled prior to any product leaving for distribution. During distributions, the vehicle movement will be tracked with GPS software, and all State and local required distribution documents will be carried in the vehicle and provided to the customer. All products distributed shall include a valid certificate of analysis confirming that the product has been tested and pre-approved for consumption.

Non-Storefront Retail (Delivery) Use

The non-storefront retail component of this facility will be limited to a 171-square-foot room. The "delivery" room will include the storage of finished cannabis products specifically for delivery. All areas of the facility including the non-storefront retail use would be restricted from public access. Customers will be able to submit orders via the non-storefront retailer's webpage and by phone. First time customers will need to submit orders online and must be verified with a state issued ID before any delivery is made. All transactions are required to be entered into the point-of-sale tracking system to maintain a list of all orders received and fulfilled by the non-storefront retailer.

The applicable State and local operating requirements for non-storefront retail (delivery) operations are summarized below:

- All employees who deliver cannabis shall have valid identification and a copy of the CBP and State license at all times while making deliveries.
- All delivery employees are at least 21 years of age.
- Delivery to consumers is limited to the hours between 7 a.m. to 10 p.m.
- All commercial cannabis retail businesses shall maintain proof of vehicle insurance for all vehicles being used to transport cannabis goods as required by State law.
- Business deliveries shall not leave the State of California while possessing cannabis products.
- A commercial cannabis retail business shall maintain a list of all deliveries, including the address delivered to, the amount and type of product delivered, and any other information required by the State.
- A manifest with all information required pursuant to local and State provisions shall accompany any delivery person at all times during the delivery process and delivery hours.
- Deliveries shall occur in compliance with State law, as amended, including use of a vehicle that has a dedicated GPS device for identifying the location of the vehicle (cell phones and tablets are not sufficient).
- Each delivery request shall be entered into a point-of-sale tracking system and have a receipt prepared by the commercial cannabis retail business with the following information:
 - Name and address of the commercial cannabis retail business;
 - The name of the employee who delivered the order;
 - The date and time the delivery request was made;
 - The complete customer's name, retail-assigned identification number, and delivery addresses;
 - A detailed description of the cannabis goods requested for delivery including the weight or volume, or any accurate measure of the amount of cannabis goods requested;
 - The total amount paid for the delivery including any fees or taxes;
 - The date and time delivery was made and the signature of the person who received the delivery; and
 - At the time of the delivery, the person receiving the delivery provides identification and must be 21 years old.
- No cannabis delivery vehicle shall display signs, decals or any other form of advertisement.
- Inspections of vehicle or delivery areas by an authorized City representative may be conducted anytime during regular business hours.
- Delivery must be made to a physical address that is not on publicly owned land, a school, a day care, or a youth center.
- The delivery employee shall not carry cannabis goods valued in excess of \$5,000 at any time with no more than \$3,000 of cannabis goods that are not already part of a customer order that was processed prior to leaving the premises.

- A direct employee of the licensed retailer must make delivery in person. An independent contractor, third-party courier service, or an individual employed through a staffing agency would not be considered directly employed by the licensed retailer.
- The delivery employee shall confirm the age of the buyer through entering government issued identification information into an electronic age verification system.

Parking

The existing surface parking lot was designed with the intent to be shared and to serve all of the businesses operating within the Cambridge Park industrial complex. The industrial complex was originally developed in 1981 and was required to provide 591 parking spaces based on the City's established industrial use parking requirement of three spaces per 1,000 gross square feet. There are 731 parking spaces provided in the existing surface lot, which exceeds the City's industrial floor area/parking requirement by 140 spaces. The delivery use involves no customer traffic and therefore would not further intensify the site or require additional parking. Therefore, the project does not require any additional parking stalls. Although not anticipated, conditions of approval are included to ensure that if parking shortages or parking related issues arise that the business operator would be required to institute appropriate measures necessary to minimize or eliminate the parking problem to the satisfaction of the Director of Economic and Development Services or their designee.

Odor

Cannabis products would arrive and leave the facility in State compliant packaging that is tested and sealed, therefore the applicant anticipates only minimal odor from the finished cannabis products held onsite. In addition, the applicant's business plan generally entails that cannabis products moving through the proposed facility will remain packaged to prevent added cost for product retesting, as required by the State.

To prevent odors from being released from the facility, one freestanding carbon filter will be placed in both the distribution and delivery rooms. The filter will not be connected to the building's HVAC system, which is shared with the adjacent tenant suite, O-209B. Lastly, and as conditioned in the attached Resolution, if cannabis odor is detected outside of the building, off-site specifically and/or in an adjacent building suite, the business owner/operator will be required to institute further operational measures necessary to eliminate odors in a manner deemed appropriate by the Director of Economic and Development Services.

Business Plan

The applicant provided a detailed business plan that was evaluated by the City's cannabis security consultant, HdL Companies. The business plan described the owner's background, proof of capitalization, start-up budget, a three-year pro forma, target

customers, and day-to-day operations. Generally, the approved business plan contains the distribution & home delivery operating procedures which detail the process in which the products are obtained from their sources as well as the methods in which they are tracked when passing through the facility to their ultimate destination, which must be documented during each step for track and trace purposes and for reporting to the State.

Security Plan

The applicant provided a professionally prepared security plan for the proposed project. The City's cannabis security consultant (HdL Companies), reviewed the proposed security plan. HdL Companies determined that appropriate security measures were included to address the City's security requirements pursuant to Chapter VI of CMMC Title 9 and State law. Since the security plan contains sensitive operational measures that require limited exposure to remain effective, the plan is not included as an attachment. However, the following is generally a list of measures that are provided in the plan and required by the CMMC:

- Live scan background check for every employee including drivers;
- City-issued identification badge for each employee;
- Professionally installed and monitored exterior and interior surveillance cameras;
- Professionally installed, maintained, and monitored alarm system including panic buttons and window and door alarms;
- Surveillance footage must be maintained for a minimum of 90 days;
- Secured storage of cash, cannabis and cannabis products;
- Security lighting;
- Sensors that detect entry and exit from all secured areas;
- Emergency power supply;
- Emergency equipment and training;
- Driver and vehicle safety protocol;
- Cash and product transportation protocol; and
- Limited access areas and visitor check-in.

GENERAL PLAN CONFORMANCE

Conformance with the City of Costa Mesa General Plan

The Costa Mesa General Plan establishes the long-range planning and policy direction that guides change and preserves the qualities that define the community. The 2015-2035 General Plan sets forth the vision for Costa Mesa for the next two decades. This vision focuses on protecting and enhancing Costa Mesa's diverse residential neighborhoods, accommodating an array of businesses that both serve local needs and attract regional and international spending, and continuing to provide cultural, educational, social, and recreational amenities that contribute to the quality of life in the community. Over the long term, General Plan implementation will ensure that development decisions and improvements to public and private infrastructure are consistent with the goals, objectives, and policies contained in this Plan.

The following analysis evaluates the proposed project's consistency with specific policies and objectives of the 2015-2035 General Plan.

1. **Policy LU-1.1:** *Provide for the development of a mix and balance of housing opportunities, commercial goods and services and employment opportunities in consideration of the need of the business and residential segments of the community.*

Consistency: The proposed cannabis distribution/delivery use would provide a new entrepreneurial business in Costa Mesa as allowed under Measure X and Measure Q, new goods and services, and provide new employment opportunities in the community. The distribution component will offer/provide products to cannabis storefronts approved in the City, and the delivery component will offer direct commercial product delivery to customers.

2. **Policy LU-6.3:** *Continue to prioritize commercial and industrial park use of properties located north of I-405 and within the Airport Industrial District.*

Consistency: The proposed use would continue and supplement permitted industrial and commercial uses located within an existing industrially-zoned property located north of I-405.

3. **Policy LU-6.15:** *Promote unique and specialized commercial and industrial districts within the City which allow for incubation of new or growing businesses and industries.*

Consistency: The proposed use is part of a growing industry and is proposed in a location as specifically identified for such uses by the City's electorate through Measure X and Measure Q.

Conformance with the Zoning Code

The proposed cannabis distribution and non-storefront retail use is conditionally permitted in the PDI (Planned Development Industrial) zone ("Green Zone") and complies with the applicable Costa Mesa Zoning Code requirements.

FINDINGS

Pursuant to Title 13, Section 13-29(g), Findings, of the Costa Mesa Municipal Code, in order to approve the project, the Planning Commission must find that, based on the evidence presented in the administrative record, the proposed use substantially meets the following specified findings:

- *The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.* The subject use is proposed within the City's "Green Zone," an industrial area of the community where specific types of cannabis uses

are conditionally permitted, such as distribution, manufacturing, testing and non-storefront retail (delivery only). The proposed use is a cannabis distribution facility that provides home deliveries and is located in an area specifically designated for these types of uses. The specific building in which the proposed cannabis business is to be located, includes six other tenants that provide similar types of cannabis related services. Similar to other industrial uses, the proposed cannabis business would generate limited customer traffic to the site as the business is not open to the public and, as proposed and conditioned, the cannabis use would be compatible with adjacent industrial and commercial uses. Compliance with conditions of approval, local regulations, and State requirements would allow this use to operate with minimal impact on surrounding properties and uses.

- *Granting the conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.* The proposed cannabis business would follow safety measures as detailed in the professionally prepared security plan submitted to the City. The security plan was evaluated for compliance by the City's cannabis security consultant (HdL Companies). Measures designed to maintain safety at the facility include, but are not limited to, window and door alarms, panic buttons, motion-detectors, limited access areas, a video surveillance system that monitors all exterior entrances, exits and all interior limited access areas, and security lighting. As proposed and conditioned, video recordings shall be maintained for a minimum of three months. As required by the CMMC and affirmed in the security plan, the business shall designate a security representative to be available to meet with the City Manager, Chief of Police, or their designees, regarding any security or operational concerns. All business employees shall pass a live scan background check and obtain identification badges from the City. The recommended conditions of approval and local and State laws are intended to ensure that the use would not be materially detrimental to the health, safety and general welfare of the public, and would not be otherwise injurious to property or improvements within the immediate neighborhood.
- *Granting the conditional use permit will not allow a use, density or intensity which is not in accordance with the General Plan designation and any applicable specific plan for the property.* The use is consistent with the General Plan goals and policies as discussed in this report. The proposed use would occupy an existing industrial/office tenant space and there are no proposed additions to the building, therefore there is no change in land use intensity. As stated in the General Plan Land Use Element, the City's industrial designations "accommodate a variety of industrial and compatible office uses, as well as limited and supportive commercial uses." The use is consistent with the General Plan policies related to providing a mixture of commercial goods, services, and employment opportunities; prioritizing commercial and industrial uses at properties north of I-405; and promoting the incubation of unique and specialized commercial and industrial businesses.

ENVIRONMENTAL DETERMINATION

The project is categorically exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15301 for the permitting and/or minor alteration of Existing Facilities, involving negligible or no expansion of the existing use. This proposal includes a permitted use in an existing industrial building with no increase in floor area. The project is consistent with the applicable General Plan land use designation and General Plan policies as well as with the applicable zoning designation and regulations.

ALTERNATIVES

The Planning Commission has the following alternatives:

1. Approve the project. The planning Commission may approve the project as proposed, subject to the conditions outlined in the attached Resolution.
2. Approve the project with modifications. The Planning Commission may suggest specific changes that are necessary to alleviate concerns. If any of the additional requested changes are substantial, the item should be continued to a future meeting to allow a redesign and/or additional analysis. In the event of significant modifications to the proposal, staff will return with a revised Resolution incorporating new findings and/or conditions.
3. Deny the project. If the Planning Commission believes that there are insufficient facts to support the findings for approval, 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. If the project is denied, the applicant could not submit substantially the same type of application for at least six months.

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 circulated, no written public comments have been received. Any public comments received prior to the Planning Commission meeting will be forwarded separately to the Planning Commission.

CONCLUSION

The proposed project is a cannabis distribution facility that also provides non-storefront retail cannabis delivery services. As proposed and conditioned, the cannabis business will be consistent with other industrial uses in the Green Zone and is consistent with the Zoning Code and the City's General Plan. In addition, the required findings for the Conditional Use Permit can be made as described above. Therefore, staff recommends approval of Planning Application 22-27, subject to the conditions of approval.

RESOLUTION NO. PC-2023-**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA APPROVING PLANNING APPLICATION 22-27 FOR A CANNABIS DISTRIBUTION AND NON-STOREFRONT RETAIL FACILITY (AK EXCLUSIVES) AT 3505 CADILLAC AVENUE, UNIT O-209A**

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA 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, on or about November 3, 2020, Costa Mesa voters approved Measure Q; which allows for storefront and non-storefront retail cannabis uses in commercially zoned properties meeting specific location requirements, and non-storefront retail cannabis uses in Industrial Park (MP) and Planned Development Industrial (PDI) zoned properties.

WHEREAS, Planning Application 22-27 was filed by Eileen Wade, authorized agent for the property owner, Don Siriani, requesting approval of the following:

A Conditional Use Permit to operate a cannabis distribution and non-storefront retail facility within a 1,170-square-foot tenant space at 3505 Cadillac Avenue, Unit O-209A.

WHEREAS, a duly noticed public hearing was held by the Planning Commission on April 10, 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 the California Environmental Quality Act (CEQA) per 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, based on the evidence in the record and the findings contained in Exhibit A, and subject to the conditions of approval contained within Exhibit B, the Planning Commission hereby **APPROVES** Planning Application 22-27 with respect to the property described above.

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 22-27 and upon applicant's compliance with each and all of the conditions in Exhibit B, and compliance of all applicable 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 10th day of April, 2023.

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 April 10, 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(g)(2) because:

Finding: The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area

Facts in Support of Findings: The subject use is proposed within the City's "Green Zone," an industrial area of the community where specific types of cannabis uses are conditionally permitted, such as distribution, manufacturing, testing and non-storefront retail (delivery only). The proposed use is a cannabis distribution facility that provides home deliveries and is located in an area specifically designated for these types of uses. The specific building in which the proposed cannabis business is to be located, includes six other tenants that provide similar types of cannabis related services. Similar to other industrial uses, the proposed cannabis business would generate limited customer traffic to the site as the business is not open to the public and, as proposed and conditioned, the cannabis use would be compatible with adjacent industrial and commercial uses. Compliance with conditions of approval, local regulations, and State requirements would allow this use to operate with minimal impact on surrounding properties and uses.

Finding: Granting the conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.

Facts in Support of Finding: The proposed cannabis business would follow safety measures as detailed in the professionally prepared security plan submitted to the City. The security plan was evaluated for compliance by the City's cannabis security consultant (HdL Companies). Measures designed to maintain safety at the facility include, but are not limited to, window and door alarms, panic buttons, motion-detectors, limited access areas, a video surveillance system that monitors all exterior entrances, exits and all interior limited access areas, and security lighting. As proposed and conditioned, video recordings shall be maintained for a minimum of three months. As required by the CMMC and affirmed in the security plan, the business shall designate a security representative to be available to meet with the City Manager, Chief of Police, or their designees, regarding any security or operational concerns. All business employees shall pass a live scan background check and obtain identification badges from the City. The recommended conditions of approval and local and State laws are intended to ensure that the use would not be materially detrimental to the health, safety and general welfare of the public, and would not be otherwise injurious to property or improvements within the immediate neighborhood.

Finding: Granting the conditional use permit will not allow a use, density or intensity which is not in accordance with the general plan designation and any applicable specific plan for the property.

Facts in Support of Finding: The proposed cannabis operations are allowed in the PDI Zoning District. The proposed use would occupy an existing industrial/office tenant space and there are no proposed additions to the building, therefore there is no change in land use intensity. As stated in the General Plan Land Use Element, the City's industrial designations "accommodate a variety of industrial and compatible office uses, as well as limited and supportive commercial uses." The use is consistent with the General Plan policies related to providing a mixture of commercial goods, services, and employment opportunities; prioritizing commercial and industrial uses at properties north of I-405; and promoting the incubation of unique and specialized commercial and industrial businesses,

- B. **Finding:** The project is categorically exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15301 for the permitting and/or minor alteration of Existing Facilities. This project site contains an existing building and does not propose an increase in floor area. 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. The project is not subject to a traffic impact fee, pursuant to Chapter XII, Article 3 Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

EXHIBIT B

CONDITIONS OF APPROVAL

General

1. The use of this property as a cannabis distribution and non-storefront retail (delivery) business shall comply with the approved plans and terms described in the resolution and these conditions of approval. The Planning Commission may modify or revoke any planning application based on findings related to public nuisance and/or noncompliance with conditions of approval [Title 13, Section 13-29(o)].
2. Approval of the planning/zoning application is valid for two years from the effective date of this approval and will expire at the end of that period unless applicant establishes the use by one of the following actions: 1) a building permit has been issued and construction has commenced, and has continued to maintain a valid building permit by making satisfactory progress as determined by the Building Official, 2) a certificate of occupancy has been issued, or 3) the use is established and a business license has been issued. A time extension can be requested no less than 30 days or more than sixty (60) days before the expiration date of the permit and submitted with the appropriate fee for review to the Planning Division. The Director of Development Services may extend the time for an approved permit or approval to be exercised up to 180-days subject to specific findings listed in Title 13, Section 13-29 (k) (6). Only one request for an extension of 180 days may be approved by the Director. Any subsequent extension requests shall be considered by the original approval authority.
3. No person may engage in any cannabis business or in any cannabis activity within the City including manufacturing, processing, laboratory testing, transporting, delivery, distribution, or sale of cannabis or a cannabis product unless the person:
 - a. Has a valid Cannabis Business Permit from the City;
 - b. Has paid all Cannabis Business Permit and all application fees and deposits established by resolution of the City Council, including annual Community Improvement Division Inspection deposits;
 - c. Has obtained all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such cannabis business intends to operate;
 - d. Has obtained a City business license pursuant to Chapter I of the Municipal Code;
 - e. Has met all requirements of Community Improvement Division regarding the property;
 - f. Has obtained any and all licenses required by State law and/or regulations; and
 - g. Has satisfied all conditions of approval of this MCUP.

4. Any change in the operational characteristics of the use shall be subject to Planning Division review and may require an amendment to the conditional use permit, subject to either Zoning Administrator or Planning Commission approval, depending on the nature of the proposed change.
5. The subject business shall comply with the applicable operating requirements for non-storefront delivery listed in CMMC Title 9, Chapter VI, Section 9-495(i).
6. No storefront retail or cultivation of cannabis is allowed anywhere on the premises.
7. No signage shall be installed until the owner/operator or its designated contractor has obtained permits required from the City. Business identification signage shall be limited to that needed for identification only. Business identification signage shall not include any references to cannabis, whether in words or symbols. All signs shall comply with the CMMC.
8. A Cannabis Business Permit may be revoked upon a hearing by the Director of Development Services pursuant to Section 9-120 of the CMMC for failing to comply with the terms of the permit, the applicable provisions of the CMMC, State law or regulation and/or any condition of any other permit issued pursuant to this code. Revocation of the Cannabis Business Permit shall trigger the City's proceedings to revoke the CUP and its amendments. The CUP granted herein shall not be construed to allow any subsequent owner/operator to continue operating under PA-22-27 until a valid new Cannabis Business Permit is received from the City of Costa Mesa.
9. The uses authorized by the Conditional Use Permit must be conducted in accordance with all applicable State and local laws, including, but not limited to compliance with the most current versions of the provisions of the California Code of Regulations that regulate the uses permitted hereby. Any violation thereof shall be a violation of the conditions of this permit and may be cause for revocation of this permit.
10. The applicant shall obtain State License Type 9 and Type 11 prior to operating. The uses authorized by this Conditional Use Permit must be conducted in accordance with all applicable state and local laws, including, but not limited to compliance with the most current versions of the provisions of the California Code of Regulations that regulate the uses permitted hereby. Any violation thereof shall be a violation of the conditions of this permit and may be cause for revocation of this permit.
11. Except for delivery operations allowed by this CUP and under an active CBP and State Type 9 license, the applicant, including any employee thereof, shall not sell, distribute, furnish, and/or otherwise provide any cannabis or cannabis product under its possession and/or control to any person, firm, corporation, group or any other entity, unless that person or entity possesses all currently valid permits and/or licenses required by both the state of California and applicable local government entity to lawfully receive such cannabis and to engage in a "cannabis activity" as defined by Costa Mesa Municipal Code sec. 9-485. Applicant is charged

with a duty to, and shall first verify, that the recipient, whether located in the City or elsewhere, of any cannabis or cannabis product so sold, distributed, furnished, and/or otherwise provided by or on behalf of applicant, possesses all required permits and/or licenses therefore.

12. Vehicle loading and unloading shall only take place in designated parking spaces with direct unobstructed view of surveillance (as indicated on the approved site plans). No loading and unloading of cannabis products into the vehicles shall take place outside of camera view. Video surveillance cameras shall be installed on the exterior of the building with direct views of the exterior door and loading areas. Any modifications or additional vehicle loading and unloading areas shall be submitted to the Director of Development Services or designee for approval.
13. If distribution is conducted by a third party company, the loading areas shall be free and clear of any cannabis products and the third party distributor shall be escorted at all times. All cannabis products within the receiving/quarantine or storage area shall be secured in a locked container. Prior to a distributor's arrival, distributors are required to give notice to authorized facility personnel. Upon arrival, authorized facility personnel shall escort the distributor vehicle to the loading area.
14. Third parties are prohibited from providing delivery services for the Type 9 non-storefront retail (delivery) license.
15. The applicant, the property owner and the operator (collectively referred to as "indemnitors") shall each jointly and severally defend, with the attorneys of City's choosing, indemnify, and hold harmless the City, its elected and appointed officials, agents, officers and employees from any claim, legal action, or proceeding (collectively referred to as "proceeding") brought against the City, its elected and appointed officials, agents, officers or employees arising out of City's approval of the project, including but not limited to any proceeding under the California Environmental Quality Act. The indemnification shall include, but not be limited to, damages, fees and/or costs awarded against the City, if any, and cost of suit, attorney's fees, and/or costs, liabilities and expenses incurred in connection with such proceeding whether incurred by the applicant, the City and/or the parties initiating or bringing such proceeding. This indemnity provision shall include the indemnitors' joint and several obligation to indemnify the City for all the City's costs, fees, and damages that the City incurs in enforcing the indemnification provisions set forth in this condition.
16. If any section, division, sentence, clause, phrase or portion of this approval is 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.
17. The owner/operator shall obtain and maintain at all times during the term of the permit comprehensive general liability insurance and comprehensive automotive liability insurance protecting the permittee in an amount of not less than two million dollars (\$2,000,000.00) per occurrence, combined single limit, including bodily injury and property

damage and not less than two million dollars (\$2,000,000.00) aggregate for each personal injury liability, products-completed operations and each accident, issued by an insurance provider admitted and authorized to do business in California and shall be rated at least A-:viii in A.M. Best & Company's Insurance Guide. Such policies of insurance shall be endorsed to name the City of Costa Mesa as an additional insured. Proof of said insurance must be provided to the Planning Division before the business commences operations. Any changes to the insurance policy must be submitted to the Planning Division within 10 days of the date the change is effective.

18. The operator shall maintain a valid Cannabis Business Permit and a valid Business License at all times. The original Cannabis Business Permit application number associated with this address is MX-22-01. Upon issuance, the Cannabis Business Permit will be valid for a two-year period and must be renewed with the City prior to its expiration date, including the payment of permit renewal fees. No more than one Cannabis Business Permit may be issued to this tenant space.
19. Cannabis shall not be consumed on the premises at any time, in any form.
20. No outdoor storage of cannabis or cannabis products is permitted at any time.
21. All cannabis and cannabis distributed pursuant to this CUP shall be transported by persons licensed to do so and shall only be sold, distributed, transported or otherwise furnished to facilities operating in full conformance with all applicable State and local laws and regulations. The discovery of a cannabis product originating from this facility at any unpermitted or otherwise unlawful cannabis facility or operation, including a dispensary, may be considered as evidence in any action to revoke, suspend or modify this CUP and/or the corresponding Cannabis Business Permit that is based on whole or in part on this condition of approval or any related provision of the Municipal Code.
22. The sale, dispensing, or consumption of alcoholic beverages on or about the premises is prohibited.
23. Persons under the age of twenty-one (21) years shall not be allowed on the premises of this business. It shall be unlawful and a violation of this CUP for the owner/operator to employ any person who is not at least twenty-one (21) years of age.
24. The owner/operator shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.
25. No cannabis or cannabis products, or graphics depicting cannabis or cannabis products, shall be visible from the exterior of this property, or on any of the vehicles owned or used as part of the cannabis business.
26. Every manager, supervisor, employee or volunteer of the cannabis business must submit fingerprints and other information specified on the Cannabis Business Permit for a background check by the Costa Mesa Police Department to verify that person's criminal history. No employee or volunteer may commence paid or unpaid work for the business until the

background checks have been approved. No cannabis business or owner thereof may employ any person who has convicted of a felony within the past 7 years, unless that felony has been dismissed, withdrawn, expunged or set aside pursuant to Penal Code sections 1203.4, 1000 or 1385, or who is currently on probation or parole for the sale, distribution, possession or manufacture of a controlled substance.

27. Should any employee, volunteer or other person who possess an identification badge be terminated or cease their employment with the business, the applicant shall return such identification badge to the Community Improvement Division within 24 hours, not including weekends and holidays.
28. The City Manager or her or his designees may enter this business at any time during the hours of operation without notice, and inspect this business as well as any recordings and records required to be maintained pursuant to Title 9, Chapter VI or under applicable provisions of State law. If the City Manager or his or her designees are not allowed to enter the business or inspect any area of the premises, a revocation process may immediately be started pursuant to the applicable provisions of the CMMC.
29. Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a cannabis business to operate within the City, until the State of California, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the license of a cannabis business, such revocation or termination shall also revoke or terminate the ability of a cannabis business to operate within the City. This CUP will expire and be of no further force and effect if any State issued license remains suspended for a period of 6 months. Documentation of three violations during routine inspections or investigations of complaints shall result in the Community Improvement Division scheduling a hearing before the Director of Development Services to consider revocation of the Cannabis Business Permit.
30. The business must obtain any and all licenses required by State law and/or regulation prior to engaging in any cannabis activity at the property.
31. This business operator shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees and permits required under state and local law. This business operator shall cooperate with the City with respect to any reasonable request to audit the cannabis business' books and records for the purpose of verifying compliance with the CMMC and this CUP, including but not limited to a verification of the amount of taxes required to be paid during any period.
32. The following records and recordkeeping shall be maintained/conducted:
 - a. The owner/operator of this cannabis business shall maintain accurate books and records, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis, or at any time upon reasonable request of the City, the

owner/operator shall file a sworn statement detailing the number of sales by the cannabis business during the previous twelve month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes paid or due to be paid.

- b. The owner/operator shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the cannabis business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the cannabis business. The register required by this condition shall be provided to the City Manager upon a reasonable request.
 - c. The owner/operator shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the production or manufacturing, laboratory testing and distribution processes. Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPPA), the owner/operator shall allow City officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the City's request, unless otherwise stipulated by the City.
 - d. The owner/operator shall have in place a point-of-sale tracking system to track and report on all aspects of the cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and by scale). The owner/operator shall ensure that such information is compatible with the City's recordkeeping systems. The system must have the capability to produce historical transactional data for review by the City Manager.
33. A change in ownership affecting an interest of 51 or more percent, or an incremental change in ownership that will result in a change of 51 or more percent over a three year period, shall require submittal and approval of a new CBP. A change in ownership that affects an interest of less than 51 percent shall be require a minor modification to the CBP.
34. Pursuant to Title 9, Chapter VI It is unlawful for any person having responsibility for the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a cannabis business under this chapter or under State or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsifies any records, recordings or other documents required to be maintained by a cannabis business under this chapter or under State or local law.

35. The approved use includes distribution and direct delivery to customers only. There shall be no extraction operations, refining, or winterization conducted in this facility.
36. The approved use includes distribution and direct delivery to customers only. There shall be no storage or use of volatiles, solvents, or hazardous materials at this facility.
37. Any change in equipment, operation, or hazard shall be submitted to the City for review and approval prior to the change taking place.
38. Cannabis liquid or solid waste must be made unusable and unrecognizable prior to leaving a secured storage area and shall be disposed of at facility approved to receive such waste.
39. A copy of the approved Safety Plan shall be maintained onsite at all times, and it shall be available at the request of any City Official.
40. Quarterly Fire & Life Safety Inspections will be conducted by the Community Risk Reduction Division to verify compliance with the approved operation. The applicant will pay for the inspection according to the Additional Required Inspections as adopted in the Fee Schedule.
41. Annual Fire & Life Safety Inspections will be conducted by the Fire Station Crew for emergency response pre-planning and site access familiarization. The applicant will pay for the inspection according to the adopted Fee Schedule.
42. Hours of construction shall comply with Section 13-279, Title 13, of the Costa Mesa Municipal Code.
43. Street address shall be visible from the public street and/or shall be displayed on the freestanding sign. If there is no freestanding sign, the street address may be displayed on the fascia adjacent to the main entrance or on another prominent location. When the property has alley access, address numerals shall be displayed in a prominent location visible from the alley. Numerals shall be a minimum twelve (12) inches in height with not less than three-fourth-inch stroke and shall contrast sharply with the background. Identification of individual units shall be provided adjacent to the unit entrances. Letters or numerals shall be four (4) inches in height with not less than one-fourth-inch stroke and shall contrast sharply with the background.
44. Any mechanical equipment such as air-conditioning equipment and duct work shall be screened from view in a manner approved by the Planning Division.
45. Trash enclosure(s) or other acceptable means of trash disposal shall be provided. Design of trash enclosure(s) shall conform to City standards.
46. Vehicle standing, loading and unloading shall be conducted so as not to interfere with normal use of streets, sidewalks, driveways and on-site parking.
47. No vehicle loading area shall encroach into a required building setback along a public right-of-way.
48. Development shall comply with the requirements of the following adopted codes: 2022 California Residential Code, 2022 California Building Code,

2022 California Electrical Code, 2022 California Mechanical Code, 2022 California Plumbing Code, 2022 California Green Building Standards Code and 2022 California Energy Code (or the applicable adopted, California Residential Code, California Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Green Building Standards and California Energy Code at the time of plan submittal or permit issuance) and California Code of Regulations also known as the California Building Standards Code, as amended by the City of Costa Mesa. Requirements for accessibility to sites, facilities, buildings and elements by individuals with disability shall comply with chapter 11B of the 2022 California Building Code.

49. Equipment shall comply with the California Building and Fire Code requirements, including, but not limited to, the requirement that equipment be approved by a recognized testing laboratory for the specific use.
50. The use shall operate in accordance with the Business Plan approved as part of the Cannabis Business Permit. Any changes to the Business Plan must submitted to, and approved by, the Planning Division. A written explanation of the changes shall accompany the submittal. Changes to the Business Plan will trigger an amendment to the CBP and may trigger an amendment to this CUP.
51. The use shall operate in accordance with the Security Plan approved as part of the Cannabis Business Permit. Any changes to the Security Plan must submitted to, and approved by, the Planning Division. A written explanation of the changes shall accompany the submittal. Changes to the Security Plan will trigger an amendment to the CBP and may trigger an amendment to this CUP.

Prior to Issuance of Building Permits

1. Plans shall be prepared by a California licensed Architect or Engineer. Plans shall be wet stamped and signed by the licensed Architect or Engineer.
2. No sign shall be installed until the owner/operator or its designated contractor has obtained any permit required from the City. Business identification signage shall be limited to that needed for identification only. Business identification signage shall not include any references to cannabis, whether in words or symbols. All signs shall comply with the CMMC.
3. The conditions of approval and ordinance or code provisions of Planning Application 22-27 shall be blueprinted on the face of the site plan as part of the plan check submittal package when building permits are necessary.
4. Prior to the Building Division issuing a demolition permit. contact South Coast Air Quality Management District (AQMD) located at:
21865 Copley Dr.
Diamond Bar, CA 91765-4178
Tel: 909- 396-2000

or
Visit their web site:
<http://www.costamesaca.gov/modules/showdocument.aspx?documentid=23381>. The Building Div. will not issue a demolition permit until an Identification Number is provided by AQMD.

5. Odor control devices and techniques shall be incorporated to ensure that odors from cannabis are not detected outside the property, anywhere on adjacent property or public right-of-way, or within any other units located within the same building as the cannabis business. Building and mechanical permits must be obtained from the Building Division prior to work commencing on any part of the odor control system.
6. The plans shall comply with the requirements of the 2022 California Fire Code, including the 2022 Intervening Update and referenced standards as amended by the City of Costa Mesa.

Prior to Issuance of a Certificate of Use/Occupancy

1. The operator, contractors, and subcontractors must have valid business licenses to do business in the City of Costa Mesa. Final inspections, final occupancy and utility releases will not be granted until all such licenses have been obtained.

Prior to Issuance of Cannabis Business Permit

1. The applicant shall contact the Planning Division for a facility inspection and provide a matrix of conditions of approval explaining how each was met prior to issuance of a modification to the Cannabis Business Permit.
2. The applicant shall submit to the City a list of all vehicles to be used for retail delivery purposes. The list shall identify the make, model, color, license plate number and registered owner of each vehicle.
3. The applicant shall pay the public notice fees (\$1 per notice post card) and the newspaper ad publishing cost.
4. The final Security Plan shall be consistent with the approved building plans.
5. Each entrance to the business shall be visibly posted with a clear and legible notice stating the following:
 - a. That smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the cannabis business is prohibited.
 - b. That no person under the age of twenty-one (21) years of age is permitted to enter upon the premises.
 - c. That loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises is prohibited.
6. The applicant shall submit an executed Retail Cannabis Business Permit Defense and Indemnity Agreement on a form to be provided by the City.

Operational Conditions

1. No product distribution shall occur between 12:00 AM and 5:00 AM.
2. Delivery to customers is limited to the hours between 7:00 AM and 10:00 PM.
3. The applicant shall submit an updated vehicle list each quarter with the quarterly update to the employee roster required pursuant to the CBP. The number of vehicles parked onsite in commonly-held parking areas shall not exceed the number of available onsite surplus parking spaces. Delivery vehicles not owned by employees shall not be parked on City streets when not in use.
4. The operator shall ensure that all vehicles are properly maintained, all delivery drivers have a good driving record, and each driver conducts a visual inspection of the vehicle at the beginning of each shift.
5. The operator shall maintain free of litter all areas of the premises under which applicant has control.
6. The use shall be conducted, at all times, in a manner that will allow the quiet enjoyment of the surrounding neighborhood. The operator shall institute whatever security and operational measures are necessary to comply with this requirement.
7. If parking shortages or other parking-related problems develop, the business owner or operator will be required to institute appropriate operational measures necessary to minimize or eliminate the problem in a manner deemed appropriate by the Development Services Director.
8. All employees must wear an identification badge while on the premises of the business and/or performing deliveries, in a format proscribed by the City Manager. When on the premises, badges must clearly visible and worn on outermost clothing and above the waist in a visible location.
9. During each delivery stop, the delivery vehicle shall be parked in a safe manner (i.e., not impeding traffic circulation), the engine shall be turned off and the vehicle shall be locked.
10. The operator shall ensure that deliveries are grouped to decrease total trip generation.
11. Vehicle standing, loading and unloading shall be conducted so as not to interfere with normal use of streets, sidewalks, driveways and on-site parking.
12. Cannabis shall not be consumed on the premises at any time, in any form.
13. The sale, dispensing, or consumption of alcoholic beverages on or about the premises is prohibited.
14. No outdoor storage of cannabis or cannabis products is permitted at any time.
15. The owner/operator shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.
16. No cannabis or cannabis products, or graphics depicting cannabis or cannabis products, shall be visible from the exterior of this property, or on any of the vehicles owned or used as part of the cannabis business.

17. Cannabis liquid or solid waste must be made unusable and unrecognizable prior to leaving a secured storage area and shall be disposed of at facility approved to receive such waste.
18. Cannabis products shall arrive in State compliant packaging that is sealed and odor resistant, and remain unopened while on the premises. If cannabis odor is detected within an adjacent suite, outside of the building or off-site/outside of the premises, the business owner/operator is required to institute odor mitigation in a manner deemed appropriate by the Director of Economic and Development Services.
19. Prior to exiting the premises for loading/unloading cannabis products for deliveries/distribution into the delivery/distribution vehicle(s) from the licensed premises, products shall be transferred in a secured/locked container approved by the Economic and Development Services Director, or his/her designee. In addition, delivery/distribution vehicles shall also be equipped with a locked container where products shall be stored during deliveries/distribution.

APPLICANT LETTER

Project Address: 3505 Cadillac Avenue, Suite O-209, Costa Mesa 92626

Description of Proposed Business

AK Exclusives Inc. has secured a turnkey location to run a distribution and non-storefront retail (delivery) commercial cannabis operation.

AK will seek a Type 9 non-storefront retail and Type 11 distribution license from the state.

Hours of operation will be 7 days per week, 10am-10pm.

AK will initially start with 2 employees, including the owner and manager. Assuming that operations expand as planned, AK hopes to retain 8-10 employees at full capacity. One distribution vehicle and one leased delivery vehicle will be employed initially. Depending on whether AK will be able to market successfully and serve more customers in the area, AK hopes to expand to a fleet of four delivery vehicles.

The distribution function will enable AK to source, transport, and test products for its retail operation, reducing reliance on a third party distributor and significantly reducing the timeline to have inventory on hand for consumers. AK will also benefit from having direct relationships with suppliers, which will improve inventory management, strengthen quality control, and allow AK to pass savings on to customers.

Equipment

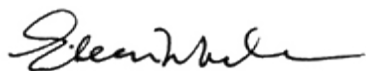
AK expects to install a vault/drop safe in its delivery premises, to ensure that products and assets are secure within the licensed facility. No other equipment will be installed.

Building and Space

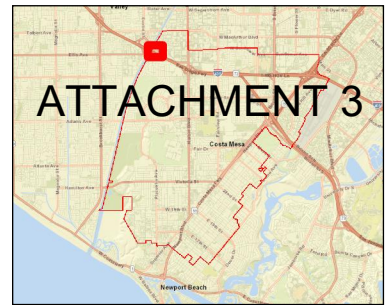
AK Exclusives' premises is located in a large business park with a great deal of parking. Year Built 1983. Total building area is 50,510 SF. Unit #O-209 is located in a two story office of the building with a total of 4,212 square feet, where the suite consists of 2,079 square feet, and approximately 1,170 square feet of usable space. AK has shared access to 200 square feet of common area, as well as exclusive use of one restroom.

The prior use of the building and space appear to be office and storage uses.

If you have any questions regarding this application letter, please don't hesitate to contact me:



Eileen Wade
eileen@magellanarchitects.com
(949) 515-9600



ATTACHMENT 3

Legend

 Costa Mesa



1:3,102

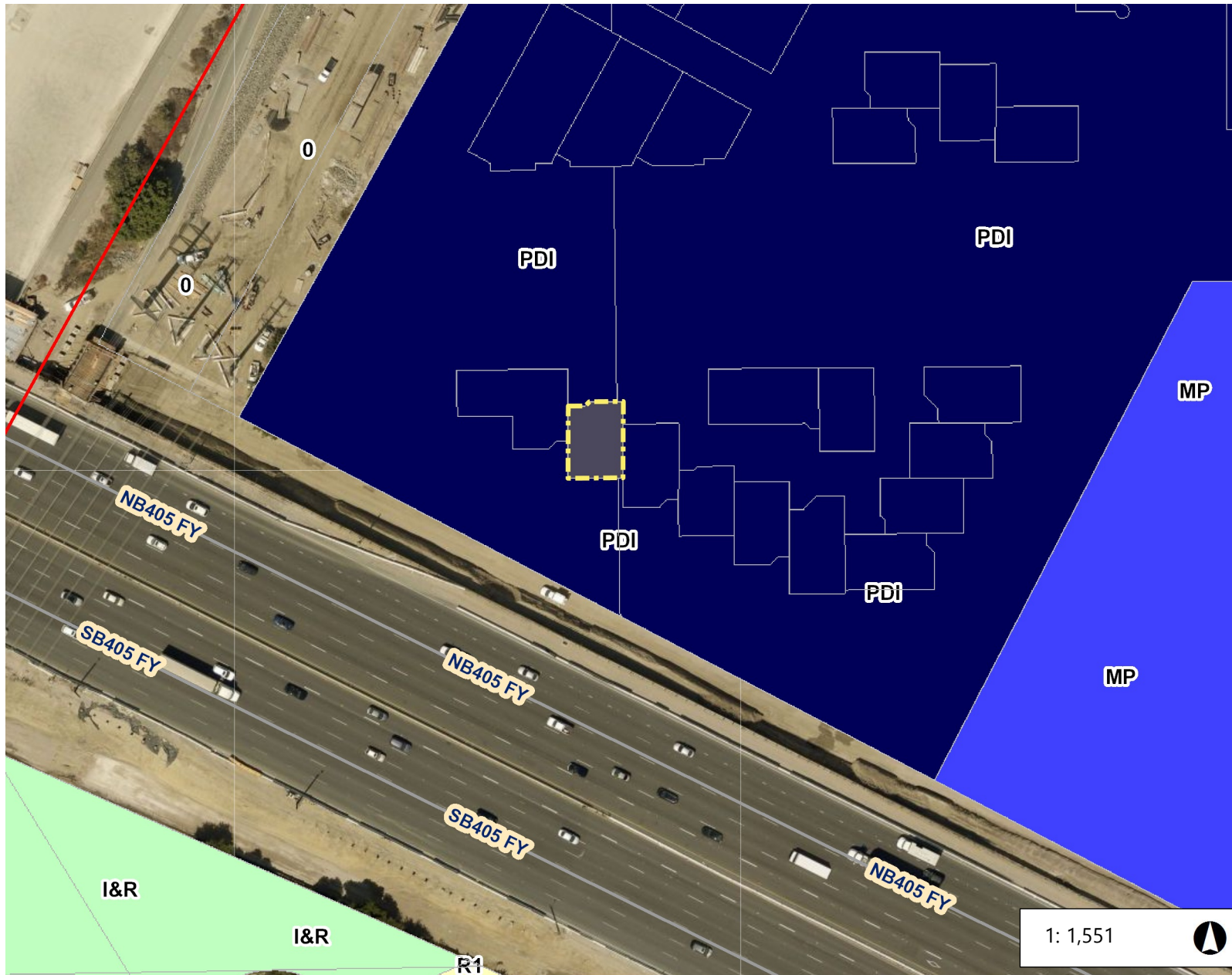

























Notes

0.1 0 0.05 0.1 Miles

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© City of Costa Mesa

The City of Costa Mesa makes no guarantee as to the accuracy of any of the information provided and assumes no liability for any errors, omissions, or inaccuracies.



Legend	
	Costa Mesa
Zoning	
	AP - Administrative Professional
	IR-MLT - Institutional Recreational I
	R1 - Single-Family Residential
	R2-MD - Multiple-Family Residentie
	R2-HD - Multiple-Family Residentia
	R3 - Multiple Family Residential
	MG - General Industrial
	MP - Industrial Park
	PDI - Planned Development Indust
	C1 - Local Business
	C2 - General Business
	C1-S - Shopping Center
	TC - Town Center
	PDR-NCM - Planned Development Mesa
	I&R - Institutional Recreational
	I&R-S - Institutional Recreational - S
	P - Parking
	CL - Commercial Limited
	PDC - Planned Development Comr
	PDR-LD - Planned Development R
	PDR-MD - Planned Development R Density
	PDR-HD - Planned Development R

Notes

0.0 0 0.02 0.0 Miles

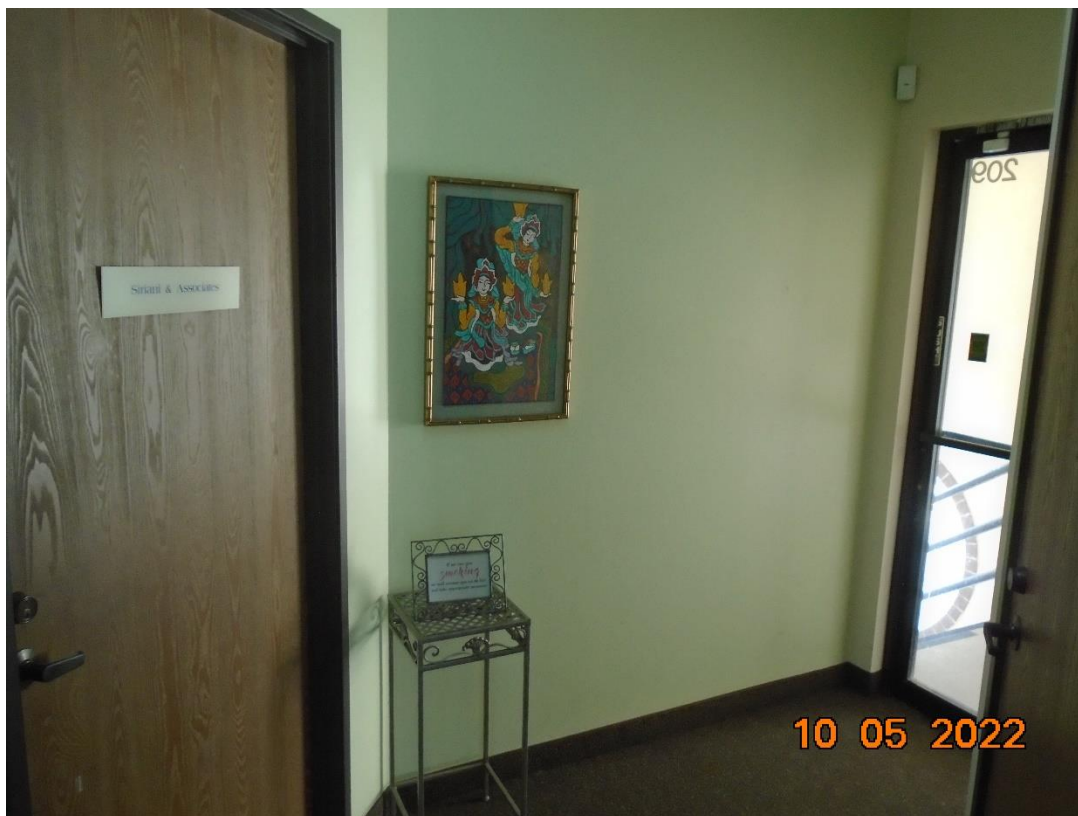
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1: 1,551









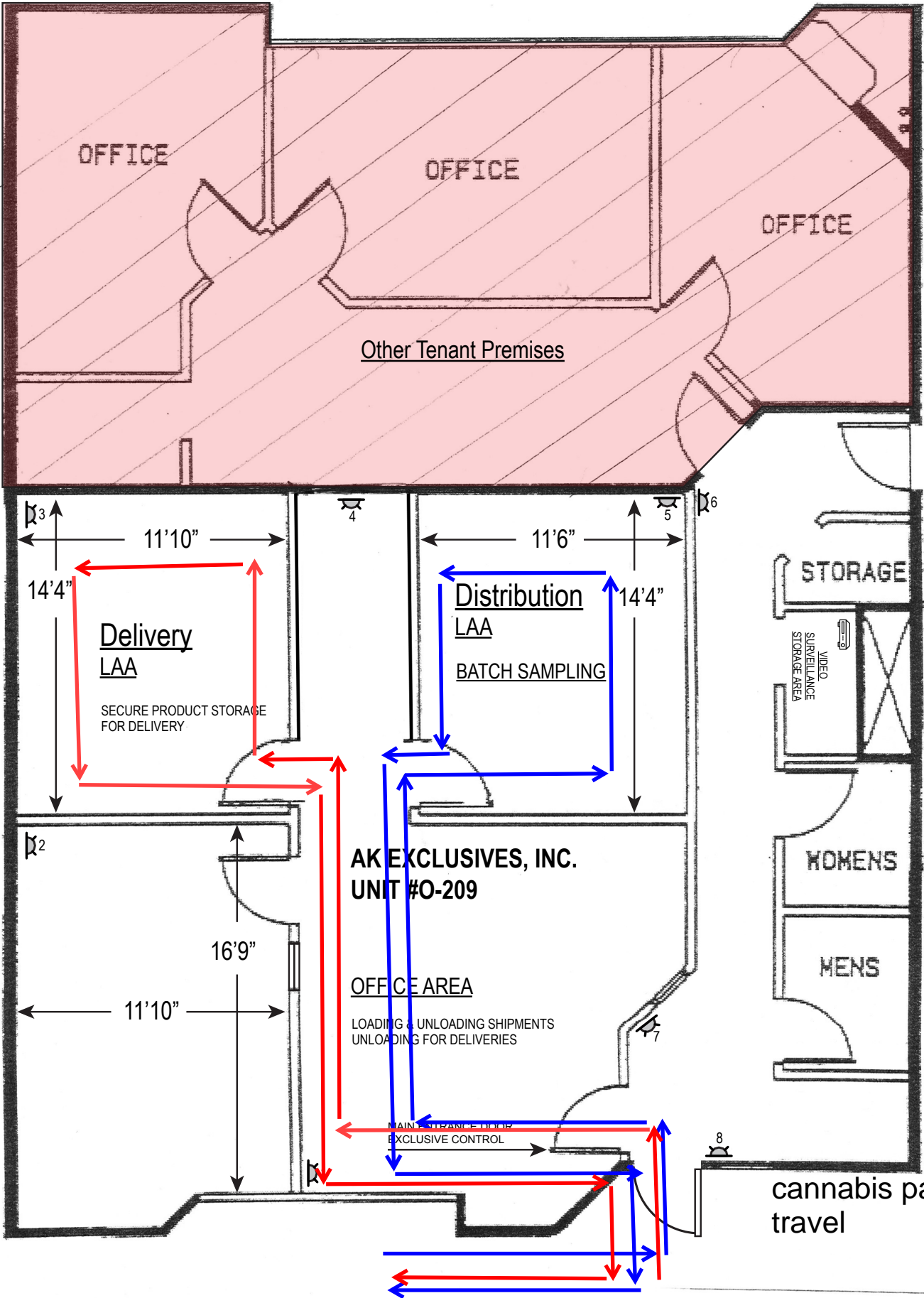




LEGEND

-  SECURITY CAMERA
-  DVR STORAGE
- LAA LIMITED ACCESS AREA

Path of Travel for Cannabis Products
Red for Non-Storefront Retail
Blue for Distribution



cannabis path of travel

GENERAL NOTES

A. REFER TO BASIC BUILDING SPECIFICATIONS, REQUIREMENTS AND STANDARDS FOR EXISTING SHELL AND CORE CONSTRUCTION. ALL WORK IS TO BE COMPATIBLE WITH EXISTING CONSTRUCTION.

B. ALL WORK SHALL BE PERFORMED IN STRICT ACCORDANCE WITH ALL GOVERNING BUILDING CODES AND REGULATIONS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR ALL WORK THAT HAS BEEN PERFORMED WHICH DOES NOT MEET THESE CODES AND REGULATIONS.

C. ALL WORK SHALL BE PERFORMED IN STRICT ACCORDANCE TO THE ARCHITECT'S CONSTRUCTION DOCUMENTS. THE CONTRACTOR IS RESPONSIBLE FOR REPORTING IMMEDIATELY TO THE ARCHITECT ANY DISCREPANCIES OR DETAILS WHICH DO NOT MEET BUILDING CODES AND CONSTRUCTION STANDARDS.

D. THE CONTRACTOR SHALL VERIFY ALL CONDITIONS AND DIMENSIONS ON SITE PRIOR TO THE COMMENCEMENT OF CONSTRUCTION. IN THE EVENT OF CONFLICTS OR CHANGES BETWEEN DETAILS, OR BETWEEN THE PLANS AND SPECIFICATIONS, THE ARCHITECT SHALL BE NOTIFIED IMMEDIATELY.

E. THE CONTRACTOR SHALL VERIFY LOCATION OF ALL UTILITIES AND PIPING BEFORE BEGINNING WORK.

F. THE GC SHALL COORDINATE ALL OPERATIONS WITH THE OWNER, INCLUDING AREA FOR WORK, MATERIALS STORAGE, AND ACCESS TO AND FROM THE WORK, SPECIAL CONDITIONS OR NOISY WORK, TIMING OF WORK AND INTERRUPTION OF MECHANICAL AND ELECTRICAL SERVICES. NOISY OR DISRUPTIVE WORK SHALL BE SCHEDULED AT LEAST ONE (1) WEEK IN ADVANCE OF THE TIME WORK IS TO COMMENCE.

G. ALL WORK SHALL BE PERFORMED IN ACCORDANCE WITH THE HIGHEST STANDARD OF WORKMANSHIP IN GENERAL AND WITH SUCH STANDARDS AS ARE SPECIFIED.

H. GC SHALL SUBMIT SAMPLES OF ALL FINISHES OF SUCH SIZE AND NUMBER THAT THEY REPRESENT A REASONABLE DISTRIBUTION OF COLOR RANGES AND PATTERN PRIOR TO INSTALLATION FOR ARCHITECT'S APPROVAL. GC SHALL PROVIDE SHOP DWGS AND PRODUCT DATA FOR ARCHITECT'S APPROVAL ON ALL SPECIAL ITEMS REQUIRING CUSTOM FABRICATION (SHALL INCLUDE RATED FIRE DOORS AND HARDWARE).

I. ALL MATERIALS INDICATED TO MATCH EXISTING SHALL DO SO WITH RESPECT TO SIZE, SHAPE, COLOR, TEXTURE, PATTERN, QUALITY AND METHOD OF INSTALLATION INsofar AS PRACTICABLE AND SHALL BE APPROVED BY THE ARCHITECT BEFORE USE.

J. THE FLOORS MAY BE OCCUPIED DURING CONSTRUCTION. THE GC SHALL PROTECT ALL PERSONNEL, PASSERSBY OR VISITORS TO THE SITE FROM HARM AND INJURY. BARRIERS SHALL BE INSTALLED AS REQUIRED TO PROTECT EQUIPMENT INSTALLED DURING CONSTRUCTION, CAREFULLY MAINTAIN AND PROTECT MONUMENTS, BENCH MARKS AND THEIR REFERENCE POINT FROM BEING DESTROYED OR DISTURBED; REPLACE AS REQUIRED.

K. EXISTING WORK DAMAGED AS A RESULT OF WORK DONE UNDER THIS CONTRACT SHALL BE REPAIRED TO ORIGINAL CONDITION AND FINISHED TO MATCH ADJACENT FINISHES, SUBJECT TO ARCHITECT'S APPROVAL, AND AT NO ADDITIONAL COST TO THE OWNER. ALL REPLACEMENT MATERIALS REQUIRED TO MATCH EXISTING MATERIALS SHALL DO SO WITH RESPECT TO TYPE, PATTERN, TEXTURE, SIZE, SHAPE, COLOR AND METHOD OF INSTALLATION INsofar AS PRACTICABLE, AND SHALL BE APPROVED BY THE ARCHITECT AND OWNER PRIOR TO INSTALLATION.

L. MATERIALS, ARTICLES, DEVICES AND PRODUCTS ARE SPECIFIED IN THE DOCUMENTS BY LISTING ACCEPTABLE MANUFACTURERS OR PRODUCTS, BY REQUIRING COMPLIANCE WITH REFERENCE STANDARDS, OR BY PERFORMANCE SPECIFICATIONS. FOR ITEMS SPECIFIED BY NAME, SELECT ANY PRODUCT NAMED. FOR THOSE SPECIFIED BY REFERENCE STANDARDS OR BY PERFORMANCE SPECIFICATIONS SELECT ANY PRODUCT MEETING OR EXCEEDING SPECIFIED CRITERIA. FOR APPROVAL OF AN ITEM NOT SPECIFIED, SUBMIT REQUIRED SUBMITTALS, PROVIDING COMPLETE BACK-UP INFORMATION FOR PURPOSES OF EVALUATION. WHERE BUILDING STANDARD ITEMS ARE CALLED FOR, NO SUBSTITUTE WILL BE ACCEPTED.

M. INSTALLATION OF MECHANICAL, ELECTRICAL AND STRUCTURAL SYSTEMS WILL REQUIRE OPENING OF SOME EXISTING WALLS, CEILINGS OR FLOOR CAVITIES. THE GC SHALL BE RESPONSIBLE FOR THE REPAIR OF THESE OPENINGS TO MATCH EXISTING, EXCEPT WHERE NOTED OTHERWISE, FILL ALL HOLES AND VOIDS IN FLOORS WALLS AND CEILINGS WHICH RESULT FROM INSTALLATION OF WORK, AND REMOVAL OF EXISTING MATERIALS AND EQUIPMENT REQUIRED BY THIS CONTRACT. PATCHED AREAS SHALL MATCH THE MATERIALS, FINISHES, AND LEVELS ADJACENT, OR SHALL BE PUT IN THE PROPER CONDITION TO RECEIVE THE FINISH INDICATED.

N. OPENINGS REQUIRED FOR NEW WORK THAT PENETRATES EXISTING STRUCTURE SHALL BE COORDINATED WITH OWNER PRIOR TO COMMENCING THE WORK. ANY OPENING OVER 2" IN DIAMETER SHALL BE REVIEWED AND APPROVED BY OWNER. THROUGH CONCRETE SLABS OR WALLS, OR MASONRY WALLS, ALL ROUND HOLES SHALL BE CORE DRILLED WITH A DIAMOND DRILL, AND ALL RECTANGULAR OPENINGS SHALL BE CUT WITH A DIAMOND SAW. IN NO CASE SHALL ANY STRUCTURAL MEMBER BE CUT. USE CARBIDE-TIPPED DRILLS FOR GYPSUM WALLBOARD PARTITIONS. KEEP OVER CUTTING TO A MIN. MAINTAIN CONTINUITY AND INTEGRITY OF FIRE SEPARATION AT ALL TIMES. GROUT AROUND CONDUITS PASSING THROUGH CONCRETE WALLS AND FLOORS AND MASONRY WALLS. MAKE PATCHES WITH NEAT, TRIMMED EDGES; MATCH ADJACENT EXISTING WORK.

O. BIDDING CONTRACTORS ARE NOT TO DIRECTLY CONTACT THE SHOPPING CENTER MANAGEMENT. ALL BIDDING INQUIRIES SHALL GO THROUGH THE TENANT'S REPRESENTATIVE FIRST.

VICINITY MAP

DEFERRED SUBMITTALS

FIRE PROTECTION/FIRE ALARM:

1. THE FIRE PROTECTION WORK FOR THE PROJECT SHALL BE PERFORMED AS DESIGN-BUILD. THE GENERAL CONTRACTOR SHALL SUBMIT WITH THE BID A PROPOSED FIRE PROTECTION DRAWING THAT COORDINATES WITH THE ARCHITECTURAL DRAWINGS.

2. THE GENERAL CONTRACTOR'S FIRE PROTECTION SUBCONTRACTOR WILL BE RESPONSIBLE FOR APPLYING FOR AND SECURING ALL NECESSARY FIRE PROTECTION PERMITS.

EXTERIOR SIGNAGE

1. ANY EXTERIOR SIGNAGE SHALL BE SUBMITTED SEPARATELY.

DOCUMENTS FOR DEFERRED SUBMITTAL ITEMS SHALL BE SUBMITTED TO THE REGISTERED DESIGN PROFESSIONAL IN RESPONSIBLE CHARGE WHO SHALL REVIEW THEM AND FORWARD THEM TO THE BUILDING OFFICIAL WITH A NOTATION INDICATING THAT THE DEFERRED SUBMITTAL DOCUMENTS HAVE BEEN REVIEWED AND BEEN FOUND TO BE IN GENERAL CONFORMANCE TO THE DESIGN OF THE BUILDING. THE DEFERRED SUBMITTAL ITEMS SHALL NOT BE INSTALLED UNTIL THE DESIGN AND SUBMITTAL DOCUMENTS HAVE BEEN APPROVED BY THE BUILDING OFFICIAL.

SUBMIT ALL DEFERRED SUBMITTALS TO LANDLORD FOR REVIEW.

SCOPE OF WORK

APPROXIMATELY 1,170 SF TENANT IMPROVEMENT PROJECT FOR A DISTRIBUTION AND DELIVERY SERVICE FOR CANNABIS IN AN EXISTING COMMERCIAL BUILDING. SUITE IS LOCATED ON THE SECOND FLOOR. A CUP APPLICATION AND REVIEW WILL BE REQUIRED BY THE CITY OF COSTA MESA. NO INTERIOR RENOVATIONS ARE EXPECTED BY THE CLIENT AT THIS TIME. NO MECHANICAL, ELECTRICAL, OR PLUMBING IS ASSUMED.

TENANT IMPROVEMENT

GREEN COSTA MESA CUP

3505 CADILLAC AVENUE SUITE #O-209,
COSTA MESA, CA 92626

PROJECT TEAM

CLIENT:

AK EXCLUSIVE, INC
1805 SILLIMAN STREET
SAN FRANCISCO, CA 94134

CELL: (925) 765-8824

PM CONTACT: AMIN KHAN
Amin@citygreens.org

ARCHITECT:

MAGELLAN ARCHITECTS
10540 TALBERT AVE. SUITE 175
FOUNTAIN VALLEY, CA 92708
PH: (949) 515-9600
CELL: (714) 381-3732

CONTACT: PATRICK ANDERSEN
patrick@magellanarchitects.com

FIRE SAFETY PLAN:

TBD

PROJECT DATA

SITE AND PARKING DATA:

PARCEL NUMBER: 139-662-18

PARCEL MAP 160-22
BEING A DIVISION OF A PORTION ON PARCEL MAP 160-22, RECORDED IN BOOK 139, PAGES 662, INCLUSIVE OF PARCEL MAP RECORDS, ORANGE COUNTY, CALIFORNIA

JURISDICTION: CITY OF COSTA MESA
COUNTY: ORANGE COUNTY
ZONING: PDI: PLANNED DEVELOPMENT INDUSTRIAL

BUILDING DATA

OCCUPANCY GROUP: GROUP B
TYPE OF CONSTRUCTION: TYPE VB
TOTAL AREA: 50,510 S.F.
GROSS LEASEABLE AREA: 1,170 S.F.
SPRINKLER SYSTEM: NONE

NO PROPOSED CHANGES TO SURROUNDING SITE, LANDSCAPING OR EXTERIOR PORTIONS OF BUILDING.

PARKING INFORMATION

BASED ON NET S.F. 1,170 @ 4 STALL PER 1,000 S.F. FOR OFFICES

	REQ'D	PROVIDED
STANDARD (list size) STALLS	4	183
ACCESSIBLE (list size) STALLS	1	2
TOTAL PARKING STALLS	5	185

THERE ARE NO CRITICAL AREAS ON THIS PROPERTY

SHEET INDEX

ARCHITECTURAL:

A0.01	COVER SHEET
A0.02	NOTICE TO PROCEED LETTER
A1.10	SITE PLAN
A2.10	FLOOR PLAN

ABBREVIATIONS

A.B.E.	AVG. BUILDING ELEVATION	ENCL	ENCLOSURE	M.B.S.	METAL BUILDING SUPPLIER	REINF	REINFORCING
A.C.	AIR CONDITIONER	EQ	EQUAL	MCT	MARMOLEUM COMPOSITE TILE	REQ'D	REQUIRED
ACJUST	ADJUSTABLE	EXH	EXHAUST	MECH	MECHANICAL	R.F.	RUBBER FLOORING
ADJ	ADJUSTABLE, ADJACENT	EXIST	EXISTING	MEZZ	MEZZANINE	R.O.	ROUGH OPENING
ADMIN	ADMINISTRATION	E.J.	EXPANSION JOINT	MTL	METAL	S.A.M.	SELF ADHESIVE MEMBRANE
A.F.A.	ABOVE FINISH FLOOR	EXP	EXPANSION	MFG	MANUFACTURING	SCHED	SCHEDULE
ALUM	ALUMINUM	EXT	EXTERIOR	MFR	MANUFACTURER	S.C.	SOLID CORE
ANOD	ANODIZED	F.C.I.C.	FURNISH BY CONTRACTOR	M.H.	MANHOLE	S.G.	SAFETY GLASS
ANSI	AMERICAN NAT'L STDS INST.	F.D.	FLOOR DRAIN	MIN	MINIMUM	SH	SHEET
APPROX	APPROXIMATE	FDN	FOUNDATION	MISC	MISCELLANEOUS	SIM	SIMILAR
ASR	AUTOMATIC SPRINKLER RISER	F.F.	FINISH FLOOR	M.O.	MASONRY OPENING	SPEC'D	SPECIFIED
AVG	AVERAGE	F.HS	FLAT HEAD SCREW	M.R.	MOISTURE RESISTANT	SQ	SQUARE
BO	BOARD	F.I.O.	FURNISHED & INSTALLED BY OWNER	MULL	MULLION	S.S.	SERVICE SINK, SANITARY SEWER
BLD	BUILDING	F.O.I.C.	FURNISHED BY OWNER, INSTALLED BY CONTRACTOR	MTD	MOUNTED	SST	STAINLESS STEEL
BLK	BLOCK	FPHB	FIBER REINFORCED PANEL(S)	MTG	MOUNTING	STD	STANDARD
BLK'G	BLOCKING	FTG	FOOTING	N.I.C.	NOT IN CONTRACT	STL	STEEL
BM	BEAM	GALV	GALVANIZED	NOM	NOMINAL	STRUCT	STRUCTURE, STRUCTURAL
B.O.	BOTTOM OF	G.I.	GALVANIZED IRON	N.T.S.	NOT TO SCALE	SUSP	SUSPENDED
BOT	BOTTOM	GLP	GYPSUM LATH & PLASTER	O/C	ON CENTER	SYS	SYSTEM
BTW	BETWEEN	GWB	GYPSUM WALLBOARD	O.A.	OVERALL	T	TREAD, TOP
CB	CATCH BASIN	H.B.	HOSE BIBB	O.C.	ON CENTER	T&B	TOP & BOTTOM
C.C.	CAST IRON	H.M.	HOLLOW METAL	O.H.	OVERHEAD	TEL	TELEPHONE
C.I.P.	CAST IN PLACE	HORIZ	HORIZONTAL	OP'G	OPENING	TEMP	TEMPERED
C.J.	CONTROL JOINT	HT	HEIGHT	OPP	OPPOSITE	T&G	TONGUE & GROOVE
CL	CENTER LINE	HTR	HEATER	PTN	PARTITION	T.G.	TEMPERED GLASS
CLG	CEILING	INSUL	INSULATION	PERP	PERPENDICULAR	T.O.	TOP OF
CMU	CONCRETE MASONRY UNIT	JT/JTS	JOINT, JOINTS	P.L.	PLATE, PROTECTIVE LINE	TYP	TYPICAL
COL	COLUMN	LAM	LAMINATE, LAMINATED	P-LAM	PLASTIC LAMINATE	UTIL	UTILITY
CONC	CONCRETE	L.F.	LINEAR FOOT, LINEAL FOOT	PLYWD	PLYWOOD	U.O.A.	UNLESS OTHERWISE NOTED
CONT	CONTINUOUS	LQ.	LIQUID	PLBG	PLUMBING	VCT	VINYL COMPOSITION TILE
CONSTR	CONSTRUCTION	LT.WT.	LIGHT WEIGHT	PNL	PANEL, PANELING	VERT	VERTICAL
CONTR	CONTRACTOR	LVL	LEVEL	PAIR	PAIR	W/	WITH
CPT	CARPET	MAS	MASONRY	PROJ	PROJECT	W/O	WITHOUT
C.T.	CERAMIC TILE	MAX	MAXIMUM	PRV	PRESSURE REDUCING VALVE	WO	WOOD
DBL	DOUBLE			PT	POINT	WDO	WINDOW
DTL	DETAIL			Q.T.	QUARRY TILE	W-MAT	WALK OFF MAT
D.F.	DRINKING FOUNTAIN			QTR	QUARTER	W.P.	WATERPROOF
D.S.	DOWNSPOUT			R	RADIUS	W.R.	WATER RESISTANT
DWG	DRAWING			R.D.	ROOF DRAIN	WRB	WATER RESISTANT BARRIER
EA	EACH			R.L.	RAIN LEADER	WV	WELDED WIRE MESH
ELEV	ELEVATION, ELEVATOR			REC'D	RECEIVED	WWF	WELDED WIRE FABRIC
ELEC	ELECTRICAL			REF	REFRIGERATOR, REFERENCE	Y.D.	YARD DRAIN

LEGEND OF SYMBOLS

REVISION NO. (TITLE BLOCK SHOWS REV. DATE)

INDICATES REVISED AREA

DETAIL NO. DESIGNATION

SHEET THAT DETAIL IS SHOWN

BLDG. SECTION NO.

SHEET THAT SECTION IS SHOWN

WALL SECTION NO.

SHEET THAT SECTION IS SHOWN

INTERIOR ELEV. NO.

WALL ORIENTATION

SHEET THAT INTERIOR ELEV. IS SHOWN

TRUE NORTH

PROJECT NORTH

SHEET KEY NOTE

DOOR SCHEDULE KEY (CORRESP. TO ROOM NO. WHERE DOOR OCCURS)

DOOR SUFFIX

WINDOW SCHEDULE KEY

ROOM NAME

ROOM NAME

ROOM NO.

ROOM AREA

FINISH SCHEDULE KEY

EQUIP. SCHEDULE KEY

CASEWORK DTL. NO.

SHEET NO.

WALL TYPE NO.

INSULATION KEY

WALL TYPE LETTER

DATUM POINT

CEILING HEIGHT

ACT CEILING

FINISH CEILING TYPE

GRID DESIGNATION

ROOF SLOPE AND DIRECTION KEY

BREAK LINE SYMBOL

MATCH LINE

MATCH LINE

DESIGN CODES

DESIGN CODES

2019 CALIFORNIA BUILDING CODE (CBC)

2019 CALIFORNIA PLUMBING CODE (CPC)

2019 CALIFORNIA MECHANICAL CODE (CMC)

2019 CALIFORNIA ELECTRICAL CODE (CEC)

2019 CALIFORNIA FIRE CODE (CFC)

2019 CALIFORNIA ENERGY EFFICIENCY STANDARDS (CEES)

2019 CALIFORNIA GREEN BUILDERS STANDARDS CODE (CGBSC)

ATTACHMENT 7

Magellan ARCHITECTURE

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Fountain Valley, California 92708
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GREEN COSTA MESA CUP

3505 CADILLAC AVENUE SUITE #O-209
COSTA MESA, CA 92626

REVISIONS

NO.	DATE	BY
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ISSUE DATES

DESIGN APPROVAL:

PERMIT SUBMITTAL:

PERMIT RECEIVED:

BID DOCS:

CONSTR. DOCS:

24"x36" SCALE: AS NOTED

PLOT DATE: 2022-04-15

CAD FILE: 22-022_A0.01

JOB NUMBER: 22-022

CHECKED:

DRAWN: CT

STATUS: CD SET

COVER SHEET

A0.01

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COSTA MESA, CA 92626

REVISIONS

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JOB NUMBER: 22-022

CHECKED:

DRAWN: CT

STATUS: CD SET

COVER SHEET

A0.01

-1-

108



CITY OF COSTA MESA

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

DEVELOPMENT SERVICES DEPARTMENT

Notice to Proceed and Background Check Clearance
Cannabis Business Permit MX-22-01
Distribution and Non-Storefront Retail Facility

April 6, 2022

Amin Khan
1805 Silliman St.
San Francisco, CA 94134

Transmitted via email to amin@citygreens.org; alice@linlegalservices.com

RE: 3505 CADILLAC AVENUE, UNIT 0209

Dear Amin,

This Notice to Proceed (NTP) indicates that AK Exclusives, Inc. has satisfied the initial Cannabis Business Permit application submittal requirements for MX-22-01 and all listed business owners and officers have successfully passed a preliminary background check. The issuance of this notice shall not confer any rights or entitlements on the applicant nor shall it be deemed an approval of the Cannabis Business Permit.

At this time, you may submit a Conditional Use Permit (CUP) application to operate a cannabis distribution and non-storefront retail facility at the subject location. Please include a copy of this letter with your CUP application.

Please refer to the CUP Submittal Guide for Retail Cannabis Businesses found on the City's website for information regarding the required information. You will not need to re-submit copies of your security plan and business plan unless you are proposing to make revisions to the documents that were approved in conjunction with this NTP.

Please note that the Cannabis Business Permit must be finalized after the CUP has been approved and all improvements to the facility have been inspected and approved by the City. As part of that process, you will need to submit proof of insurance and demonstrate that all conditions of approval have been satisfied.

Finally, please be advised that the Cannabis Business Permit application shall be subject to denial for failure to comply with any of the provisions of Title 9, Chapter VI of the CMMC or Administrative Regulation 4.2 including, but not limited to the prohibition against any owner, manager, supervisor or employee having a disqualifying criminal offense pursuant to CMMC section 9-495, et seq.

You may contact me at 714-754-5609 or nancy.huynh@costamesaca.gov if you have any questions regarding this Cannabis Business Permit.

Sincerely,

NANCY HUYNH
Senior Planner

cc: Scott Drapkin, Assistant Director
Nancy Huynh, Senior Planner
Michelle Halligan, Contract Planner
Justin Arios, Associate Planner
File: MX-22-01



NOTICE TO PROCEED LETTER

SCALE: 1'-0" = 1'-0"



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3505 CADILLAC AVENUE SUITE #0-209
COSTA MESA, CA 92626

REVISIONS		
NO.	DATE	BY
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ISSUE DATES		
DESIGN APPROVAL:		
PERMIT SUBMITTAL:		
PERMIT RECEIVED:		
BID DOCS:		
CONSTR. DOCS:		

24"x36" SCALE:	AS NOTED
PLOT DATE:	2022-04-15
CAD FILE:	22-022_A0.01
JOB NUMBER:	22-022
CHECKED:	
DRAWN:	CT
STATUS:	CD SET

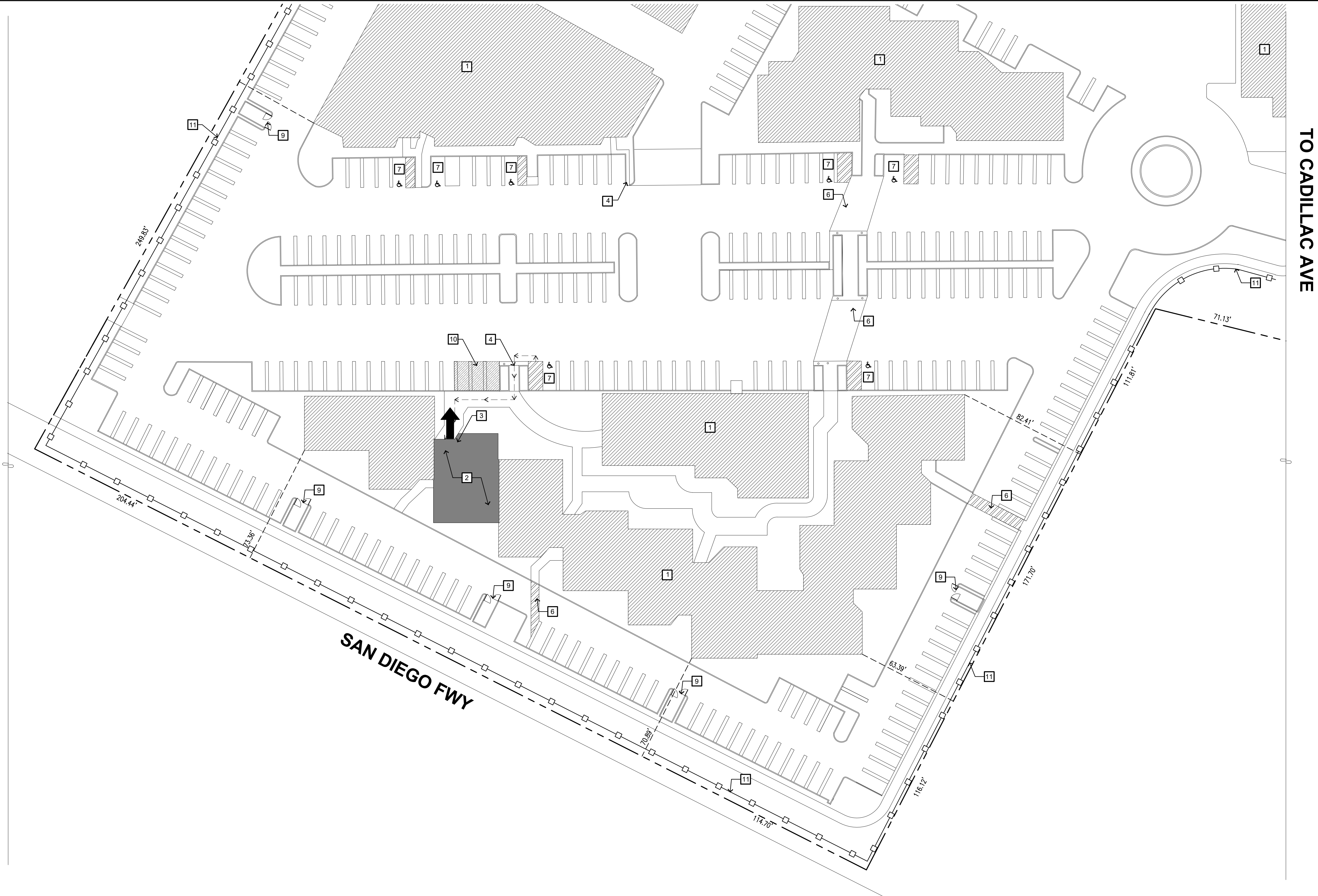
NOTICE TO PROCEED LETTER

A0.02



SITE PLAN

SCALE: 1/32" = 1'-0"



PROJECT TEAM

APPLICANT:
MACELLAN ARCHITECTS
10540 TALBERT AVE. SUITE 175
FOUNTAIN VALLEY, CA 92708
PH: (949) 515-9600
CELL: (443) 812-1868

CONTACT: EILEEN WADE
eileen@mgellanarchitects.com

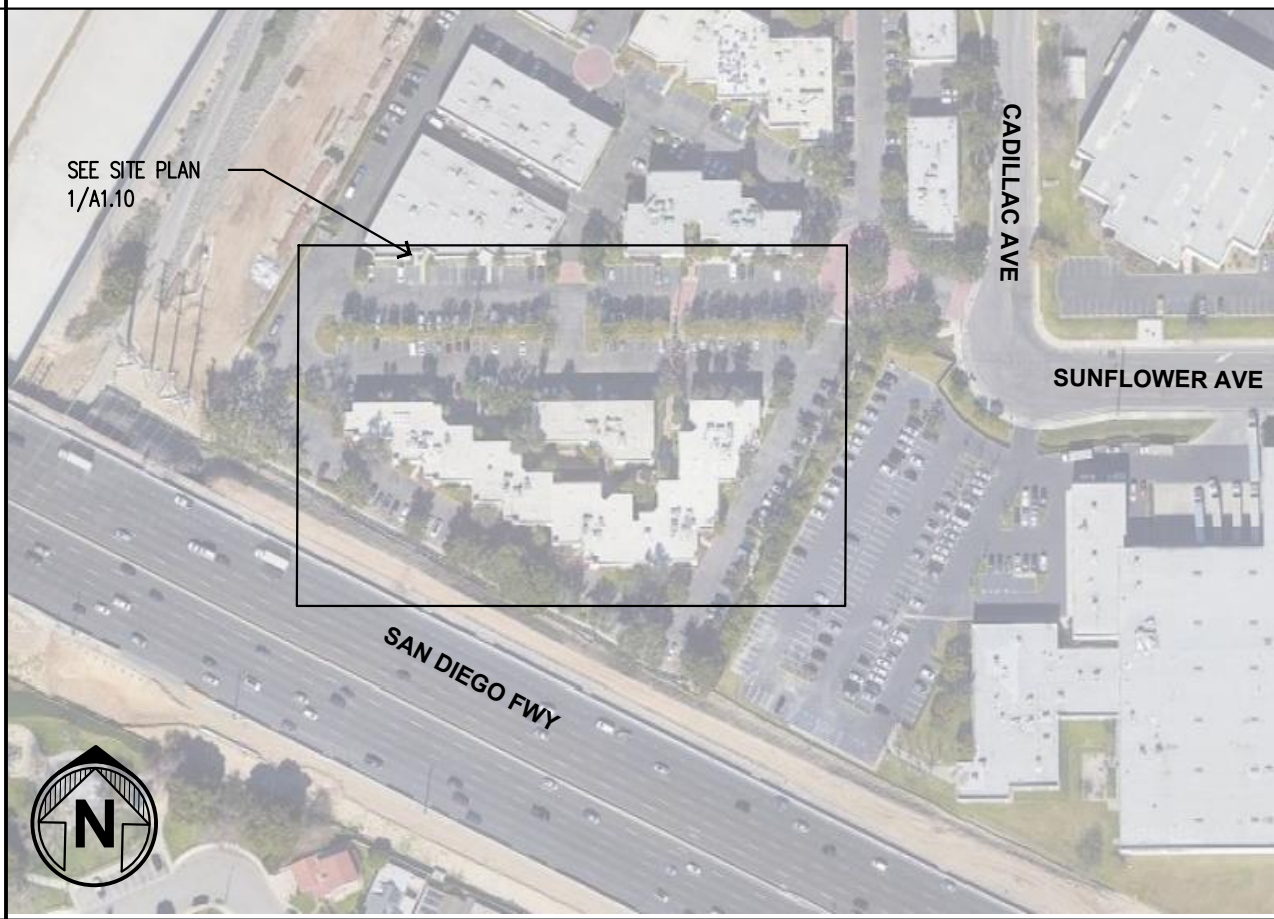
CLIENT:
AK EXCLUSIVE, INC
1805 SILLIMAN STREET
SAN FRANCISCO, CA 94134
CELL: (925) 765-8824

PM CONTACT: AMIN KHAN
Amin@citygreens.org

LEGEND

- (E) AREA OF BUILDING IN SCOPE
- (E) BUILDING(S) NOT PART OF SCOPE
- PROPERTY LINE
- EXISTING EGRESS PATH
- EXISTING FENCING SURROUNDING PROPERTY
- UNLOADING/LOADING PARKING FOR DELIVERY AND DISTRIBUTION VEHICLES

VICINITY MAP



KEY NOTES

- 1 EXISTING BUILDING TO REMAIN.
- 2 AREA OF WORK. SEE SHEET A2.10 FOR FLOOR PLAN.
- 3 MAIN ENTRY TO PROJECT.
- 4 DIRECT ROUTE, ACCESSIBLE PATH OF TRAVEL. THERE SHALL BE NO ABRUPT CHANGES IN ELEVATION ALONG THE PATH OF TRAVEL SHOWN. THE SLOPE AND CROSS-SLOPE ALONG THE PATH OF TRAVEL SHALL NOT EXCEED 5% AND 2% RESPECTIVELY.
- 5 EXISTING TRUNCATED DOMES TO REMAIN.
- 6 EXISTING PUBLIC RIGHT OF WAY.
- 7 EXISTING ADA COMPLIANT PARKING.
- 8 EXISTING PROPERTY LINE.
- 9 EXISTING TRASH ENCLOSURE.
- 10 UNLOADING/LOADING PARKING FOR DELIVERY AND DISTRIBUTION VEHICLES.
- 11 EXISTING FENCING- CHAINLINK, 5 FEET TALL.

GENERAL SITE PLAN NOTE: NO EXTERIOR ALTERATIONS ARE PROPOSED TO THE EXISTING SITE. ALL ACCESSIBLE PATHS OF TRAVEL AND ACCESSIBLE PARKING HAVE BEEN EVALUATED AND APPEAR TO BE WITHIN COMPLIANCE.



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GREEN COSTA MESA CUP

3505 CADILLAC AVENUE SUITE #O-209
COSTA MESA, CA 92626

REVISIONS

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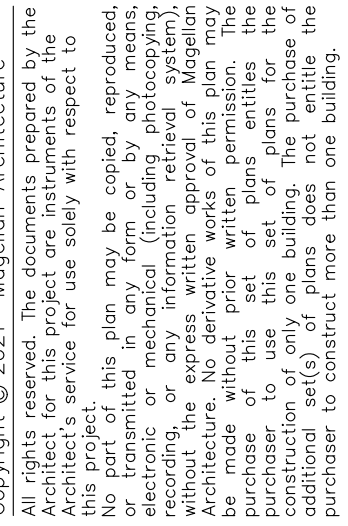
ISSUE DATES

DESIGN APPROVAL:
PERMIT SUBMITTAL:
PERMIT RECEIVED:
BID DOCS:
CONSTR. DOCS:

24"x36" SCALE:	AS NOTED
PLOT DATE:	2022-04-15
CAD FILE:	22-022_A1.10
JOB NUMBER:	22-022
CHECKED:	
DRAWN:	CT
STATUS:	CD SET

SITE PLAN

A1.10



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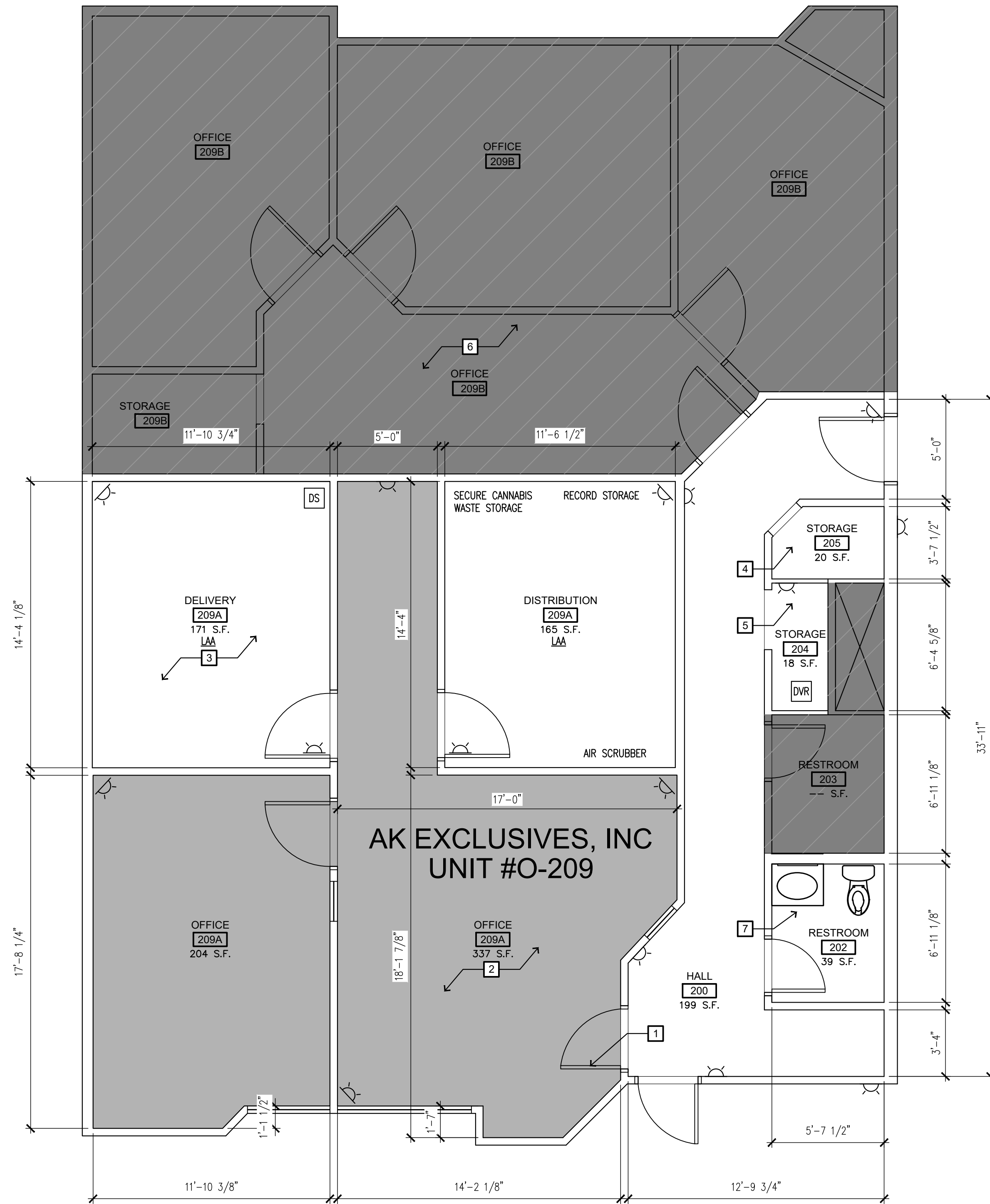
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ISSUE DATES
DESIGN APPROVAL:
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CONSTR. DOCS:




24"x36" SCALE:	AS NOTED
PLOT DATE:	2022-04-15
CAD FILE:	22-022_A2.10
JOB NUMBER:	22-022
CHECKED:	
DRAWN:	
STATUS:	CD SET

FLOOR PLAN

A2.10



SCALE: 1/4" = 1'-0'

LEGEND		KEY NOTES	
	NOT IN CONTRACT	<div>1</div>	MAIN ENTRANCE DOOR EXCLUSIVE CONTROL.
	COMMON AREA	<div>2</div>	LOADING & UNLOADING SHIPMENTS UNLOADING FOR DELIVERIES.
<div>DS</div>	DROP SAFE	<div>3</div>	SECURE PRODUCT STORAGE FOR DELIVERY.
	SECURITY CAMERA (15 TOTAL)	<div>4</div>	NON-CANNABIS STORAGE.
<div>DVR</div>	DVR STORAGE	<div>5</div>	VIDEO SURVEILLANCE STORAGE AREA.
<u>LAA</u>	LIMITED ACCESS AREA	<div>6</div>	CURRENTLY BEING USED BY LANDLORD FOR STORAGE PURPOSES.
		<div>7</div>	AK EXCLUSIVES, INC. RESTROOM



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 23-1167

Meeting Date: 4/10/2023

TITLE:

PLANNING APPLICATION 21-38 FOR A RETAIL CANNABIS STOREFRONT BUSINESS LOCATED AT 2424 NEWPORT BOULEVARD UNITS C AND F (GAIA WELLNESS)

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/ PLANNING DIVISION

PRESENTED BY: MICHELLE HALLIGAN, CONTRACT PLANNER

CONTACT INFORMATION: MICHELLE HALLIGAN 714-754-5608
MICHELLE.HALLIGAN@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; and
2. Approve Planning Application 21-38 subject to conditions of approval contained in the resolution.



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: APRIL 10, 2023

ITEM NUMBER: PH-3

**SUBJECT: PLANNING APPLICATION 21-38 FOR A RETAIL CANNABIS
STOREFRONT BUSINESS LOCATED AT 2424 NEWPORT
BOULEVARD UNITS C AND F (GAIA WELLNESS)**

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

PRESENTATION BY: MICHELLE HALLIGAN, CONTRACT PLANNER

FOR FURTHER MICHELLE HALLIGAN

INFORMATION 714-754-5608

CONTACT: MICHELLE.HALLIGAN@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; and
2. Approve Planning Application 21-38 subject to conditions of approval contained in the resolution.

APPLICANT OR AUTHORIZED AGENT

The applicant/authorized agent is Sean Maddocks on behalf of Ash & Lex, LLC and the property owner, Albert Mardikian.

PLANNING APPLICATION SUMMARY

Location:	2424 Newport Boulevard	Application Number:	PA-21-38
Request:	Planning Application 21-38 for a Conditional Use Permit for the establishment of a cannabis retail storefront in the C1 (Local Business District) zone.		

SUBJECT PROPERTY:

SURROUNDING PROPERTY:

Zone:	C1 (Local Business District)	North:	C1 (Local Business District)
General Plan:	Commercial Residential	South:	C1 (Local Business District)
Lot Dimensions:	300' x 66'	East:	R2-MD (Multiple-Family Residential District, Medium Density)
Lot Area:	19,799 sq. ft.	West:	State Route 55
Existing Development:	4,967 sq. ft. one-story multi-tenant commercial building and a 2,037 sq. ft. multiple-family residential building containing five units		

DEVELOPMENT STANDARDS COMPARISON

Development Standard	Required/Allowed C1 Zone	Provided/Proposed
Building Height	2 stories/30'	1 story/15'
Setbacks:		
Front	20'	25'-2"
Side	15'/0'	18'/0'
Rear	0'	178'-6"
Landscape Setback – front	20'	21'-2" ¹
Parking	25 ²	26 ²
Floor area ratio (FAR)	0.20	0.35 ³
<p>1 The existing front setback is over 20 feet; however, no landscaping is currently provided. Proposed improvements would provide landscaping and reduce the number of parking spaces within the front setback to only one accessible space. Landscaping would also be improved along one side of the property.</p> <p>2 The existing parking lot striping is nonconforming. The proposed site plan includes appropriately designed commercial and residential parking stalls onsite, a bike rack credit of one stall, and eight offsite parking stalls on an adjacent property.</p> <p>3 The existing floor area ratio is legal nonconforming.</p>		
CEQA Status	Exempt per CEQA Guidelines Section 15301 (Existing Facilities)	
Final Action	Planning Commission	

BACKGROUND

The subject site is an approximately 19,799-square-foot property that is located at 2424 Newport Boulevard. The nearest cross streets are Santa Isabel Drive to the south and Monte Vista Avenue to the north. The site is zoned C1 (Local Business District) and is surrounded by C1 properties to the north and south, and street rights-of-way to the west (Newport Boulevard and State Route 55). Residential properties, zoned R2-MD (Multiple-Family Residential District, Medium Density) are located to the east. The site has a General Plan Land Use Designation of "Commercial Residential". The property shares a common access driveway with the adjacent property to the north (2428

Newport Boulevard). The driveway access is generally located on the 2428 Newport Boulevard property; however, existing site parking is located on the subject property.

Existing development on the subject property consists of a one-story, 4,967-square-foot multi-tenant commercial building containing six tenant suites oriented toward Newport Boulevard and a one-story, five-unit residential building in the rear. The proposed cannabis retail establishment, Gaia Wellness, would occupy suites C and F (a 1,552-square-foot tenant space). Both suites C and F are vacant. Suite F was previously occupied by a dog grooming business that was open between the hours of 7:30 AM and 5 PM, and Suite C was occupied by a massage business that was open between 10 AM and 10 PM. Two salons, a glass door retailer, and an automobile broker occupy the remainder of the commercial building. Historic records indicate that the existing residential structure was constructed in 1936 and that the Orange County Board of Supervisors approved the addition of a commercial structure in front of the residences in 1946. The two structures are approximately 95 feet apart. There are no open Code Enforcement cases on the subject property.

The subject property is located in between two multi-tenant commercial centers on one of the City's primary commercial corridors. Existing uses along this block of Newport Boulevard include, but are not limited to, hotels, restaurants, salons, mini warehousing, automobile services, and single-family homes. The rear of the subject property abuts 126 Isabella Avenue and 2417 Elden Ave, residential properties that are zoned R2-MD (Multiple-Family Residential District, Medium Density).

The applicant is partnering with an existing cannabis manufacturing and distribution business in Costa Mesa, Se7enLeaf, LLC, which obtained a CUP in 2018 under Measure X. There are no Code Enforcement cases on the property.

Non-Conforming Development

The existing development is legal nonconforming in terms of floor area ratio, parking, landscaping, and residential use, and therefore is subject to the nonconforming provisions of the Costa Mesa Municipal Code Section 13-204. Pursuant to this code section, a conforming use may be located on a nonconforming property so long as the new site modifications do not result in greater site nonconformities, and such improvements bring the site into greater conformance with Code requirements.

The proposed use would not increase the building square footage and would not modify the residential structure nor residential use. Improvements would be made to bring the two subject commercial suites into compliance with current building and safety codes; however, and as specifically allowed by the CMMC, the existing nonconformities can remain pursuant to the City's legal nonconforming provisions. The applicant is proposing to bring the property into closer conformance by adding landscaping in the front setback, a tree in the front setback, and a bicycle rack. Additional landscaping improvements would be made along the southwestern property line. Although existing parking at the site is legal nonconforming (discussed further in the *Parking and*

Circulation section of this report), the applicant proposes to lease eight surplus parking stalls from an adjacent property.

City of Costa Mesa Medical Marijuana Measure (Measure X) and Costa Mesa Retail Cannabis Tax and Regulation Measure (Measure Q)

In November 2016, Costa Mesa voters approved Measure X, allowing medical cannabis manufacturing, packaging, distribution, research and development laboratories, and testing laboratories in “Industrial Park” (MP) and “Planned Development Industrial” (PDI) zoned properties north of South Coast Drive and west of Harbor Boulevard (“The Green Zone,” excluding the South Coast Collection property located at 3303 Hyland Avenue). Measure X is codified in Titles 9 and 13 of the CMMC.

In 2018, non-medical adult use cannabis became legal in California under the State’s Medicinal and Adult-Use Cannabis Regulation and Safety Act (Proposition 64). On April 3, 2018, the City Council adopted Ordinance No. 18-04 to allow non-medical cannabis facilities in the same manner and within the same geographic area as were previously allowed pursuant to Measure X.

On November 3, 2020, Costa Mesa voters approved Measure Q, the Costa Mesa Retail Cannabis Tax and Regulation Measure. This measure allowed the City to adopt regulations permitting storefront retail (dispensaries) and non-storefront retail (delivery) within the City subject to certain requirements. On June 15, 2021, the City Council adopted Ordinances No. 21-08 and No. 21-09 to amend Titles 9 and 13 of the CMMC to establish regulations for legal cannabis storefront and non-storefront uses. A “non-storefront” retailer sells packaged cannabis goods to customers through direct delivery.

Cannabis Business Permit (CBP) Application Process

The process to establish a retail cannabis business is subject to an extensive submittal and application review procedure. Retail cannabis applicants must obtain the following City approvals and obtain State approval before conducting business in Costa Mesa:

- Pre-Application Determination;
- CBP Notice to Proceed;
- Conditional Use Permit (CUP);
- Building Permit(s);
- Final City Inspections;
- CBP Issuance; and
- City Business License.

The “Pre-Application Determination” includes staff review of a detailed applicant letter that describes the proposed business, an existing site plan, statement attesting that there is/has been no unpermitted cannabis activity at the site within one year, and a detailed map demonstrating the proposed storefront’s distance from sensitive uses. Staff also visits the site at this time. Planning staff has completed the aforementioned pre-application review, visited the site, and issued a letter indicating that the application

complies with the City's required separation distances from sensitive uses and may proceed to submittal of a CBP.

Following completion of the pre-application review, the applicant submitted a CBP application for the initial phase of the CBP review. Staff's initial CBP review includes:

- A background check of the business owner(s)/operator(s);
- An evaluation of the proposed business plan (including a capitalization analysis); and
- An evaluation of the proposed security plan by the City's cannabis security consultant, HdL Companies (HdL).

The applicant successfully passed these evaluations and staff issued a "CBP Notice to Proceed," which allows the applicant to submit a CUP application.

The CUP application and required supportive materials were submitted by the applicant and reviewed for conformance with City standards and regulations by the Planning Division, Building Division, Public Works Department (including Transportation and Engineering Divisions), Fire Department, and Police Department.

If the Planning Commission approves the CUP, the applicant may then begin the remaining steps of the CBP process, which include:

- Obtaining building permits;
- Completing tenant improvements; and
- Demonstrating through various City reviews/inspections that all conditions of approval have been satisfied, and that all other requirements of the CMMC have been met.

After passing the final City and HdL inspections, the CBP would be issued. CBP approval is valid for a two-year period and must be renewed (every two-years) prior to expiration. During the two-year CBP period, the Community Improvement Division (CID), along with other City staff, will conduct site inspections to verify that the business is operating in compliance with CUP and CBP requirements. Violations identified during site inspections may be grounds for revocation of issued permits or non-renewal of a CBP.

After obtaining the CBP, the applicant would apply for and obtain a City Business License through the Finance Department. Lastly, the applicant must obtain the appropriate license from the State Department of Cannabis Control (DCC) prior to operating.

Cannabis retail businesses are subject to a City established seven-percent gross receipts tax, which must be paid to the City of Costa Mesa's Finance Department. Records and revenues are audited annually by the Finance Department and HdL Companies.

DESCRIPTION

Planning Application 21-38 is a request for a CUP to allow a 1,552-square-foot retail cannabis storefront in an existing multi-tenant commercial building at 2424 Newport Boulevard (Units C and F). The affiliated State license is a Type 10 "storefront retailer"

license. If the CUP is approved and the operator also obtains a CBP, City Business License, and State license(s), the business would be allowed to sell pre-packaged cannabis and pre-packaged cannabis products to customers onsite, subject to conditions of approval and other City and State requirements. The applicant is not proposing non-storefront retail (delivery to customers) from this location.

ANALYSIS

Conditional Use Permit Required

Pursuant to CMMC Sections 13-28(B) and 13-200.93(c)(1), subject to the approval of the Planning Commission, a CUP is required for the establishment of cannabis retail storefronts in a commercial zone. To obtain a CUP, an applicant must show that the proposed use is compatible with the City's applicable zoning and General Plan provisions/policies, and will not be detrimental to public health, safety, and welfare.

The subject site is located within a commercial zone (C1 – Local Business District) where commercial development is allowed to include retail uses. As defined in the CMMC, “This district is intended to meet the local business needs of the community by providing a wide range of goods and services in a variety of locations throughout the City.” Pursuant to the CMMC, cannabis retail storefronts are subject to extensive regulation (as specifically described in this report). These regulations are adopted to prevent land use inconsistencies with adjacent properties. Pursuant to the CMMC, the approval of a CUP requires that the Planning Commission make findings related to neighborhood compatibility, health and safety and land use compatibility. Proposed uses subject to CUPs will generally have site-specific conditions of approval to ensure the required findings can be met. A detailed project analysis regarding CUP findings is provided below in this report.

Separation Requirements

CMMC Section 13-200.93(e) stipulates that no cannabis retail storefront use shall be located within 1,000 feet from a K-12 school, playground, licensed child daycare, or homeless shelter, or within 600 feet from a youth center as defined in CMMC Title 9, Chapter VI, Section 9-485, that is in operation at the time of submission of a completed cannabis business permit application. All separation distances are measured in a straight line (“as the crow flies”) from the “premises” (with the exception of playgrounds), where the cannabis retail use is to be located to the closest property line of the sensitive use(s). (For playgrounds, the property line is a 30-foot radius from the exterior physical boundaries of the playground equipment area.) Premises is as defined in the State's Business and Professions Code Section 26001 as *the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one licensee.* Therefore, the premises only include the retail cannabis activity areas (including sales, storage, back-of-house and/or other ancillary areas) and excludes the parking lot

and other areas that are not part of the area licensed by the State for commercial cannabis activity. The subject site complies with the required separation from sensitive uses.

Exterior Tenant Improvements

The applicant proposes only minor updates to the building façade. Other proposed exterior improvements include:

- Removing parking from the front setback, except for one accessible parking stall;
- Repaving and restriping the surface parking lot to comply with the City's Parking Design Standards (refer to the parking discussion below);
- Adding bicycle racks to encourage multi-modal transportation;
- Improve the site landscaping to bring the property into closer conformance with the CMMC landscape requirements. New landscaping would be installed along the frontage including at least one new 24-inch box tree and live, drought-tolerant groundcover. Additional landscaping would be provided in planters along the southwestern property line. A detailed landscaping plan would be reviewed during the building plan check process for consistency with the conceptual plan as conditioned, should the CUP be approved;
- Installation of security lighting and surveillance cameras. Should the CUP be approved, a detailed lighting and photometric plan will be further reviewed during the building plan check process, as conditioned; and
- New business signs. Proposed business signs would be reviewed and permitted separately per the City's sign code requirements. Pursuant to Condition of Approval No. 6 (Prior to Issuance of Building Permits), business signage shall not include references to cannabis, whether in words or symbols.

Interior Tenant Improvements

The proposed floor plan would include the construction of new demising walls to combine Units C and F, and accommodate the proposed retail and back-of-house operations. The interior space would be renovated to meet the specific needs of the proposed storefront, which include limited access areas where only employees with proper security credentials are allowed. A floor plan summary of the 1,552-square-foot tenant space is provided on the following page.

Table 1 – Floor Plan Summary

Operational Area	Square Feet
Lobby	120
Secure Check-In	90
Display Area (Sales Floor)	540
Restroom	72
Breakroom	83
Office	85
Fulfillment	132.3
Storage	155
Hallways	274.8
Total	1,552

Customer and Employee Access

Customer access would be limited to the lobby and display area. Customer circulation into the proposed establishment includes entering the licensed premise through the door fronting Newport Boulevard where a greeter employee would verify the customer's identity and age before allowing the customer to enter the retail sales area. After a customer's identity and age is verified and their transaction is completed, they must leave the premise through the lobby and front door. As further conditioned, a security guard would monitor the area at all times to ensure that customers are following regulations.

Vendor Delivery Operations and Access

All vendors (licensed distributors) will have pre-committed arrival times set by the storefront's operational managers for product delivery. All vendor vehicles will load and unload at the designated parking space located immediately adjacent to the employee access door. Vendor employees delivering products for sale would only be allowed to enter the premise while accompanied by an employee with the proper security credentials. All access-controlled doors, path of travel, and vehicle loading/unloading area would be under camera surveillance at all times.

Storefront Operations

The proposed business is required to comply with the City's adopted retail storefront operational requirements as follows:

- Display State license, CBP, and City business license in a conspicuous building location;

- Shipments of cannabis goods may only be accepted during regular business hours;
- Cannabis inventory shall be secured using a lockable storage system during non-business hours;
- At least one licensed security guard shall be on premises 24-hours a day;
- The premises and the vicinity must be monitored by security and/or other staff to ensure that patrons immediately leave and do not consume cannabis onsite or within close proximity. The CMMC prohibits the consumption of cannabis or cannabis products in public areas; cannabis consumption is limited to non-public areas, such as within a private residence. State law further prohibits cannabis consumption and open container possession within 1,000 feet of sensitive uses and while riding in or driving a vehicle;
- There must be continuous video monitoring and recording of the interior and exterior of the premises;
- Adequate security lighting shall be provided and shall be designed to prevent light spill;
- Onsite sales of alcohol or tobacco products and on-site consumption of alcohol, cannabis, and tobacco products is prohibited;
- No one under the age of 21 is allowed to enter the premises. If the business holds a retail medical cannabis license (M-license) issued by the State, persons over the age of 18 may be allowed with the proper medical approvals i.e. physician's recommendation or medical card pursuant to CMMC Section 9-495(h)(6);
- Prior to employment, all prospective employees must successfully pass a background check conducted by the City, and the employee must obtain a City issued identification badge (applicants are encouraged and allowed to apply for employee badges after a CUP is approved);
- Customers are only granted access to the retail area after their age and identity has been confirmed by an employee;
- Each transaction involving the exchange of cannabis goods between the business and consumer shall include the following information:
 - Date and time of transaction;
 - Name and employee number/identification of the employee who processed the sale;
 - List of all cannabis goods purchased including quantity; and
 - Total transaction amount paid.
- There must be specific video surveillance of the point-of-sale area and where cannabis goods are displayed and/or stored;
- Cannabis products shall not be visible from the exterior of the building;
- Free samples of cannabis goods are prohibited;
- When receiving new inventory from licensed distributors, employees will verify the distributor's identity and license prior to allowing them to enter the facility through an access-controlled door. After distributor's credentials have been confirmed, an employee will escort the distributor to the appropriate interior location and remain with them throughout the process;

- Cannabis goods to be sold at this establishment must be obtained by a licensed cannabis distributor and have passed laboratory testing;
- Cannabis product packaging must be labeled with required test results and batch number; and
- Packaging containing cannabis goods shall be tamper and child-resistant; if packaging contains multiple servings, the package must also be re-sealable.

Business Plan

The applicant has submitted a detailed business plan that was evaluated by the City's cannabis consultant (HdL). The business plan describes the owner's experience, proof of capitalization, start-up budget, a three-year pro forma, target customers, key software, and daily operations. The business plan contains proprietary details and is therefore not included as an attachment to this staff report. The City's cannabis consultant determined that the applicant's business plan was appropriate for the proposed retail storefront use.

Security Plan

The applicant has submitted a professionally prepared security plan for the proposed retail cannabis establishment. The City's cannabis consultant reviewed the security plan and determined that appropriate security measures were included to address the City's security requirements pursuant to CMMC Title 9, Chapter VI, and State law. Since the security plan contains sensitive operational details that require limited public exposure to remain effective, the plan is not included as an attachment. However, the following is a list of general security measures that are included in the operations for the proposed cannabis retail establishment:

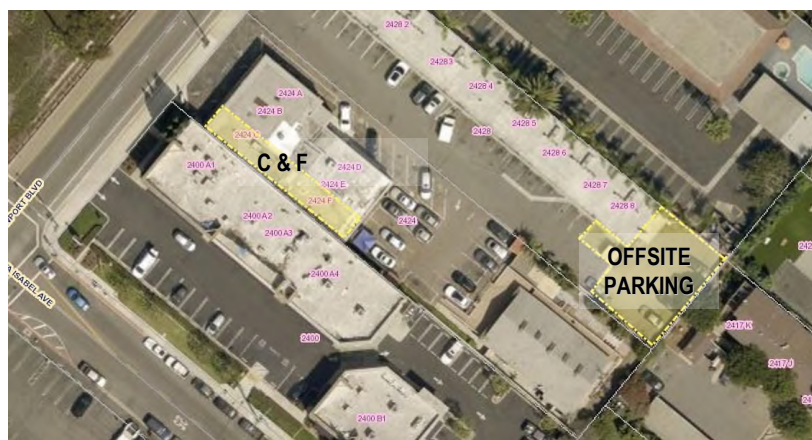
- At least one security guard will be on-site 24-hours a day;
- All employees must pass a "Live Scan" background check;
- City-issued identification badges are required for employees;
- An inventory control system shall be maintained;
- Exterior and interior surveillance cameras shall be monitored and professionally installed;
- An alarm system shall be professionally installed, maintained, and monitored;
- Surveillance footage must be maintained for a minimum of 90 days;
- Cash, cannabis, and cannabis products shall be kept in secured storage areas;
- Sensors shall be installed that detect entry and exit from all secured areas;
- Security lighting (interior and shielded exterior) shall be installed;
- Emergency power supply shall be installed;
- Employees shall be trained for use with any/all emergency equipment;
- Employees and vendors will be trained regarding cash and product transportation protocol;
- Visitor/customer specific security measures shall be required; and
- All facility entry and exit points and locations where cash or cannabis products are handled or stored shall be under camera surveillance.

Parking and Circulation

Retail cannabis establishments are subject to the same parking ratio as other retail storefronts in the City; four spaces per 1,000 square feet of gross floor area. The parking required pursuant to the CMMC for a 4,967-square-foot retail/office building is 20 parking spaces. However, City records show 17 onsite parking stalls were previously approved at the site, 12 spaces for the commercial uses and five spaces dedicated to the residential use; therefore, the site is legal non-conforming for parking.

The current parking lot striping does not meet CMMC design standards and, as proposed, the applicant would restripe the parking lot to meet the City's design standards. The proposed plan provides 17 onsite parking vehicular stalls (12 spaces for the commercial uses and five for the residential uses) and a bike rack (credited as one required parking space). As conditioned, the final location of the proposed bike rack will be determined during the plan check process. Although the site modifications/upgrades will accommodate the legal nonconforming number of parking stalls (17), the applicant proposes to provide a total of 26 parking stalls by leasing eight surplus parking spaces in the rear of 2428 Newport Boulevard, as shown in Exhibit 1. As previously indicated, the two properties share a driveway ingress/egress from Newport Boulevard and an internal drive aisle; however, the properties are owned separately and currently do not provide common customer parking. As conditioned, the applicant's employees shall park at the offsite parking spaces and the applicant shall post wayfinding signs to the offsite parking stalls assigned for cannabis storefront use.

Exhibit 1 – Offsite Parking



“Operational Conditions” of Approval No. 6 in the attached Resolution). Examples of parking demand management techniques include, but are not limited to, offsite parking for employees, reducing operating hours of the business, hiring an employee to monitor parking lot use and assist with parking lot circulation, incentivizing online orders for rapid pick-up, and incentivizing employee carpooling/cycling/walking.

Traffic

The CMMC Section 13-275(e) indicates that any increase in traffic generation by a change of use that is required to obtain a discretionary permit shall be subject to review by the appropriate reviewing authority, which may impose fees to address increased trip generation. If required, the fee collected is used to fund the City’s comprehensive transportation system improvement program (this includes various right-of-way improvements and complete streets/multi-modal circulation enhancements). The purpose of the program is to ensure that the City’s transportation system has the capacity to accommodate additional trips. The Citywide Traffic Impact Fee related to new or expanding developments is determined using estimated Average Daily Trips (ADT), which is the total number of vehicular trips both in and out of a development generated throughout an average weekday. The Transportation Services Division determined that the appropriate ADT for a cannabis retail establishment is approximately 108 trips per 1,000 square feet based on the Institute of Transportation Engineers (ITE) 11th Edition Trip Generation Manual for a pharmacy/drug store with a drive-through. The City’s traffic engineering review focuses on net trip increase for both the ADT and peak hour trips. Therefore, the trip generation is estimated for the previous use(s) and is credited (subtracted) from the proposed use to estimate potential changes in trip generation for ADT and peak hour trips.

CMMC Section 13-275(a) specifies that “a traffic impact study shall be required for all development projects estimated by the Public Works Department to generate one hundred (100) or more vehicle trip ends during a peak hour.” The highest peak hour trips in either the AM or PM peak is used to estimate the number of vehicular trips generated both in and out of a new or expanded development, known as vehicle trip ends, during a peak hour. Staff reviewed and determined that the proposed use does not meet the threshold of 100 peak hour trip ends; however, there would be a Traffic Impact Fee. The estimated fee is approximately \$19,000. The fee calculation would be finalized during the building permit plan check process and must be paid prior to building permit issuance.

Odor Attenuation

If approved, cannabis products would arrive in State compliant packaging that is sealed within odor-resistant packaging, and remain unopened while on the premises. The applicant proposes to “implement an Odor Control Plan that incorporates and exceeds industry best practices, including activated carbon filtration in a negatively pressurized environment, to ensure no odors are detectable outside of the proposed facility”. Pursuant to the CMMC, “odor control devices and techniques shall be incorporated in all

cannabis businesses to ensure that odors from cannabis are not detectable off site”. Further, as conditioned, if cannabis odor is detected outside of the building or off-site, the business owner/operator will be required to institute further operational measures necessary to eliminate off-site odors in a manner deemed appropriate by the Director of Economic and Development Services. Lastly, cannabis products are not allowed to be disposed of in the exterior trash enclosure.

Proximity to Residential

This portion of Newport Boulevard is characterized by a mixture of commercial and residential uses. The immediate vicinity of the proposed project is shown in Exhibit 2. There is a legal nonconforming five-unit residential building on the subject commercial property. Based on City records, the property has contained both residential and commercial uses since the late 1940s. The shortest distance between the proposed storefront and the onsite residential building is 95 feet.

Exhibit 2 – Existing Uses



In addition, there are two residentially-zoned properties that abut the subject property’s rear property line. The shortest distance between the proposed licensed premise and the nearest offsite residential buildings is approximately 215 feet. Block walls, landscaping, and the onsite residential building provide adequate buffers between the proposed storefront and adjacent residential properties. The following conditions of approval are proposed to ensure compatibility between the proposed use and onsite and adjacent residential uses:

- Business hours are limited from 7 AM to 10 PM;

- Signs shall be posted within the parking lot to remind customers and vendors to keep noise levels to a minimum (the security guard shall also be responsible for noise enforcement);
- A photometric study shall be submitted with building plan check that demonstrates the proposed security lighting is shielded and directed down/away from on- and offsite residences to prevent light spill;
- Disposal of waste at the trash enclosure shall be limited between 8 AM and 8 PM to avoid noise impacts to nearby residential uses during sensitive hours;
- A security guard shall be onsite 24 hours a day to patrol the property including parking areas; and
- A staff person and/or security guard will help monitor the site's parking areas to ensure that customers are quiet, turn off vehicle engines promptly, do not play loud music, and generally do not create excessive neighbor disturbances. The parking lot monitoring will be especially diligent to prevent noise and other neighbor disturbance during early morning and evening business hours.

GENERAL PLAN CONFORMANCE

The Costa Mesa General Plan establishes the long-range planning and policy direction that guides change and preserves the qualities that define the community. The 2015-2035 General Plan sets forth the vision for Costa Mesa for the next two decades. This vision focuses on protecting and enhancing Costa Mesa's diverse residential neighborhoods, accommodating an array of businesses that both serve local needs and attract regional and international spending, and providing cultural, educational, social, and recreational amenities that contribute to the quality of life in the community. Over the long term, General Plan implementation will ensure that development decisions and improvements to public and private infrastructure are consistent with the goals, objectives, and policies contained in this Plan.

The following analysis evaluates the proposed project's consistency with applicable policies and objectives of the 2015-2035 General Plan.

1. **Policy LU-1.1:** *Provide for the development of a mix and balance of housing opportunities, commercial goods and services and employment opportunities in consideration of the need of the business and residential segments of the community.*

Consistency: The proposed use would provide a new entrepreneurial business in Costa Mesa located within a commercial area as allowed under Measure Q, and provides new goods and services and new employment opportunities in the community.

2. **Objective LU-6B:** *Encourage and facilitate activities that expand the City's revenue base.*

Consistency: Retail cannabis uses are expected to generate increased tax revenues in that cannabis sales are subject to a seven-percent local tax on

gross receipts. This revenue can then be used for community services and infrastructure improvements that serve the community.

3. **Policy LU-6.15:** *Promote unique and specialized commercial and industrial districts within the City which allow for incubation of new or growing businesses and industries.*

Consistency: The proposed use is part of the specialized and growing cannabis industry that is limited in the surrounding region. Approval of this CUP would facilitate a new local business opportunity in a specialized and expanding industry.

4. **Policy LU-3.1:** *Protect existing stabilized residential neighborhoods, including mobile home parks (and manufactured housing parks), from the encroachment of incompatible or potentially disruptive land uses and/or activities.*

Consistency: The cannabis retail facility is proposed in an existing commercial building on a property that also contains a multiple-family residential structure. Historic records indicate that residential and commercial uses have coexisted on the subject site since the late 1940's. The proposed storefront would not result in the removal of the residential use. Like other properties along Newport Boulevard, the subject property is also adjacent to an established residential neighborhood. As conditioned, the proposed use would be required to control odor, noise, limit trash enclosure access, and provide adequate security and parking lot monitoring to ensure compatibility between uses (the aforementioned cannabis operation site controls exceed typical retail requirements).

5. **Policy N-2.9:** *Limit hours and/or attenuation of commercial/entertainment operations adjacent to resident and other noise sensitive uses in order to minimize excessive noise to these receptors.*

Consistency: The proposed cannabis storefront would be located on a site that includes other commercial tenants as well as a five-unit residential building. The previous use in Unit F was a dog groomer open between 7:30 AM and 5 PM and the previous use in Unit C was a massage business open from 10 AM to 10 PM. With the conditions of approval requiring 24-hour onsite security, parking lot monitoring, signage regarding noise, and limiting the hours the exterior trash enclosure can be used, excessive commercial noise is not anticipated to effect adjacent residential uses.

FINDINGS

Pursuant to Title 13, Section 13-29(g), Findings, of the Costa Mesa Municipal Code, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets specified findings as follows:

- *The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.*

The subject site is located within a commercial zone (C1, Local Business District) where commercial development is specifically allowed to include retail uses. In addition, the property is located on one of the City's primary commercial corridors that is predominantly intended for commercial uses. Existing uses along this block include hotels, restaurants, salons, mini warehousing, automobile services, and residential uses. Pursuant to the CMMC, cannabis retail storefronts are permitted uses in the City's commercial zones and are subject to extensive regulation (as specifically described in this report). Additionally, the proposed cannabis retail storefront use is not located within 1,000 feet of a K-12 school, playground, licensed child daycare, or homeless shelter, or within 600 feet of a youth center. No outdoor storage or sales are proposed nor would be allowed. The storefront business would operate indoors (underroof) and also be subject to odor and noise control measures as described in this report to minimize any potential impacts to adjacent uses.

The proposed customer entrance and exit fronts Newport Boulevard, away from onsite and adjacent residential uses. The rear of the proposed storefront is approximately 95 feet from the onsite residential building. The proposed storefront would also not be materially detrimental to residences because the project would include features such as: prohibiting customers from entering or exiting via the limited access door, limiting vendor deliveries and customer services to the hours between 7 AM and 10 PM, posting signs in the parking lot directing customers to use consideration, having a security guard onsite at all times, having a staff member periodically monitor the parking lot, limiting the hours the trash enclosure can be used, and shielding security lighting down and away from residential uses. Staff does not anticipate that the proposed retail cannabis use, as proposed and conditioned, would be materially detrimental to nearby uses that include hotels, restaurants, multi-tenant commercial centers, and residences. As proposed and conditioned, the proposed retail storefront would be substantially compatible with developments in the area.

- *Granting the conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.*

The proposed cannabis retail storefront would follow safety measures detailed in a professionally-prepared security plan. The security plan was evaluated for compliance by the City's cannabis consultant, HdL. Measures designed to maintain safety at the site include, but are not limited to, at least one security guard would be onsite at all times and security devices shall be installed before operation. Examples of security devices include window and door alarms, motion-

detectors, limited access areas, and a monitored video surveillance system covering all exterior entrances, exits, exterior loading and unloading, and all interior limited access spaces. In addition, all employees must pass a live scan background check and obtain an identification badge from the City. The City and State requirements are designed to ensure that the proposed use would not be materially detrimental to the health, safety and general welfare of the public or be otherwise injurious to property or improvements within the immediate neighborhood.

- Granting the conditional use permit will not allow a use, density or intensity which is not in accordance with the General Plan designation and any applicable specific plan for the property.

The property has a General Plan land use designation of “Commercial Residential”. It is the intent of this land use designation to allow a complementary mix of commercial and residential zoning along Newport Boulevard. The use is consistent with General Plan policies related to providing a mixture of commercial goods, services, and employment opportunities; expanding the City’s tax base; and promoting the incubation of unique and specialized businesses. The City’s General Plan sets forth long-term policies that guide future development, whereas the Zoning Ordinance implements general plan policies through detailed development regulations, such as specific use types and building standards. Therefore, in determining General Plan compliance for the proposed cannabis retail storefront use, a comparison of the proposed use with the use, density and intensity allowed by the applicable zoning district is required. In this case, the applicable zoning district is “Local Business District” (C1). A variety of commercial uses are allowed in the C1 zone, including a retail cannabis storefront, subject to a CUP. No additional square footage is proposed, therefore, the proposed use would not increase the floor area ratio (building intensity) or increase the number of residential units onsite (density).

ENVIRONMENTAL DETERMINATION

The project is categorically exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15301 for the permitting and/or minor alteration of Existing Facilities, involving negligible or no expansion of the existing use. This project site contains a commercial building that has been used for commercial activities and the application does not propose an increase in floor area. The project is consistent with the applicable General Plan land use designation and policies as well as with the applicable zoning designation and regulations.

ALTERNATIVES

The Planning Commission can consider the following decision alternatives:

1. Approve the project. The Planning Commission may approve the project as proposed, subject to the conditions outlined in the attached Resolution.
2. Approve the project with modifications. The Planning Commission may suggest specific changes that are necessary to alleviate concerns. If any of the additional requested changes are substantial, the hearing should be continued to a future meeting to allow a redesign or additional analysis. In the event of significant modifications to the proposal, staff will return with a revised Resolution incorporating new findings and/or conditions.
3. Deny the project. If the Planning Commission believes that there are insufficient facts to support the findings for approval, the Planning Commission must deny the application, provide facts in support of denial, and direct staff to incorporate the findings into a Resolution for denial. If the project is denied, the applicant could not submit substantially the same type of application for six months.

LEGAL REVIEW

The draft Resolution and this report have 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 circulated, no public comments have been received. Any public comments received prior to the April 10, 2023 Planning Commission meeting will be provided separately.

CONCLUSION

The proposed project is a retail cannabis storefront business at a developed property that is located on one of the City's commercial corridors and meets separation requirements established in CMMC 13-200.93(e). Staff and the City's cannabis consultant completed the Pre-application Determination, Business Plan and Security Plan evaluations, owner background checks, and thoroughly reviewed the CUP

materials. If approved, the operation would be required to comply with all conditions of approval and extensive City and State regulations.

If the Planning Commission approves the project, the applicant would next obtain building permits, complete tenant improvements, and pass City inspections prior to obtaining a CBP and City Business License. The CBP would be valid for two years and must be continuously renewed, including inspections, prior to expiration. During each two-year CBP period, the Community Improvement Division, along with other City staff, conducts site inspections to verify that the operation complies with CUP and CBP requirements.

As proposed and conditioned, the use would be consistent with other commercial uses in the C1 zone, the Zoning Code, and the City's General Plan. The required findings for the CUP can be made, as described above, and therefore, staff recommends approval of Planning Application 21-38 subject to conditions of approval.

RESOLUTION NO. PC-2023-

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA APPROVING PLANNING APPLICATION 21-38 FOR A STOREFRONT RETAIL CANNABIS BUSINESS (GAIA WELLNESS) IN THE C1 ZONE AT 2424 NEWPORT BOULEVARD, UNITS C AND F

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

WHEREAS, in November 2020, the Costa Mesa voters approved Measure Q; which allows for storefront and non-storefront retail cannabis uses in commercially zoned properties meeting specific location requirements, and non-storefront retail cannabis uses in Industrial Park (MP) and Planned Development Industrial (PDI) zoned properties;

WHEREAS, on June 15, 2021, the City Council adopted Ordinance Nos. 21-08 and No. 21-09 to amend Titles 9 and 13 of the Costa Mesa Municipal Code (CMMC) to establish regulations for cannabis storefront and non-storefront uses;

WHEREAS, Planning Application 21-38 was filed by Sean Maddocks representing Ash & Lex, LLC, authorized agent for the property owner, Albert Mardikian, requesting approval of the following:

A Conditional Use Permit to operate a storefront retail cannabis business within a 1,552-square-foot tenant space in an existing commercial building located at 2424 Newport Boulevard. The business would sell pre-packaged cannabis and pre-packaged cannabis products directly to customers onsite, subject to conditions of approval and other City and State requirements;

WHEREAS, a duly noticed public hearing was held by the Planning Commission on April 10, 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 per CEQA Guidelines Section 15301 (Class 1) for Existing Facilities, as described specifically in the staff report;

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

NOW, THEREFORE, based on the evidence in the record and the findings contained in Exhibit A, and subject to the conditions of approval contained within Exhibit B, the Planning Commission hereby **APPROVES** Planning Application 21-38 with respect to the property described above.

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 21-38 and upon applicant's compliance with each and all of the conditions in Exhibit B, and compliance of all applicable 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 10th day of April, 2023.

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 April 10, 2023 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

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(g)(2) because:

Finding: The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.

Facts in Support of Findings: The subject site is located within a commercial zone (C1, Local Business District) where commercial development is specifically allowed to include retail uses. In addition, the property is located on one of the City's primary commercial corridors that is predominantly intended for commercial uses. Existing uses along this block include hotels, restaurants, salons, mini warehousing, automobile services, and residential uses. Pursuant to the CMMC, cannabis retail storefronts are permitted uses in the City's commercial zones and are subject to extensive regulation (as specifically described in this report). Additionally, the proposed cannabis retail storefront use is not located within 1,000 feet of a K-12 school, playground, licensed child daycare, or homeless shelter, or within 600 feet of a youth center. No outdoor storage or sales are proposed nor would be allowed. The storefront business would operate indoors (underroof) and also be subject to odor and noise control measures as described in this report to minimize any potential impacts to adjacent uses.

The proposed customer entrance and exit fronts Newport Boulevard, away from onsite and adjacent residential uses. The rear of the proposed storefront is approximately 95 feet from the onsite residential building. The proposed use would also not be materially detrimental to residences because the project would include features to ensure neighborhood compatibility such as: prohibiting customers from entering or exiting via the limited access door, limiting vendor deliveries and customer services to the hours between 7 AM to 10 PM, posting signs in the parking lot directing all to use consideration when in or exiting the parking lot, having a security guard onsite at all times, and shielding security lighting down and away from the residential uses to prevent potential lighting impacts. Staff does not anticipate that the proposed retail cannabis use, as proposed and conditioned, would be materially detrimental to nearby uses that include hotels, restaurants, multi-tenant commercial centers, and residences. As proposed and conditioned, the proposed retail storefront would be substantially compatible with developments in the area.

Finding: Granting the conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.

Facts in Support of Finding: The proposed cannabis retail storefront would follow safety measures detailed in a professionally-prepared security plan. The security plan was evaluated for compliance by the City's cannabis consultant, HdL. Measures designed to maintain safety at the site include, but are not limited to, at least one security guard would be onsite at all times and security devices shall be installed before operation. Examples of security devices include window and door alarms, motion-detectors, limited access areas, and a monitored video surveillance system covering all exterior entrances, exits, exterior loading and unloading, and all interior limited access spaces. In addition, all employees must pass a live scan background check and obtain an identification badge from the City. The City and State requirements are designed to ensure that the proposed use would not be materially detrimental to the health, safety and general welfare of the public or be otherwise injurious to property or improvements within the immediate neighborhood.

Finding: Granting the conditional use permit will not allow a use, density or intensity which is not in accordance with the general plan designation and any applicable specific plan for the property.

Facts in Support of Finding: The property has a General Plan land use designation of "Commercial Residential". It is the intent of this land use designation to allow a complementary mix of commercial and residential zoning along Newport Boulevard. The use is consistent with General Plan policies related to providing a mixture of commercial goods, services, and employment opportunities; expanding the City's tax base; and promoting the incubation of unique and specialized businesses. The City's General Plan sets forth long-term policies that guide future development, whereas the Zoning Ordinance implements general plan policies through detailed development regulations, such as specific use types and building standards. Therefore, in determining General Plan compliance for the proposed cannabis retail storefront use, a comparison of the proposed use with the use, density and intensity allowed by the applicable zoning district is required. In this case, the applicable zoning district is "Local Business District" (C1). A variety of commercial uses are allowed in the C1 zone, including a retail cannabis storefront, subject to a CUP. No additional square footage is proposed, therefore, the proposed use would not increase the floor area ratio (building intensity) or increase the number of residential units onsite (density).

- B. The project is categorically exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15301 for the permitting and/or minor alteration of Existing Facilities, involving negligible or no expansion of the existing use. This project site

contains a commercial building that has been used for commercial activities and the application does not propose an increase in floor area. The project is consistent with the applicable General Plan land use designation and policies as well as with the applicable zoning designation and regulations.

- C. The project is subject to a traffic impact fee, pursuant to Chapter XII, Article 3 Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

EXHIBIT B

CONDITIONS OF APPROVAL

General

- Plng.
1. The use of this property as a cannabis storefront (without delivery to customers) shall comply with the approved plans and terms described in the resolution, these conditions of approval, and applicable sections of the Costa Mesa Municipal Code (CMMC). The Planning Commission may modify or revoke any planning application based on findings related to public nuisance and/or noncompliance with conditions of approval [Title 13, Section 13-29(o)].
 2. Approval of the planning/zoning application is valid for two years from the effective date of this approval and will expire at the end of that period unless the applicant establishes the use by one of the following actions: 1) a building permit has been issued and construction has commenced, and has continued to maintain a valid building permit by making satisfactory progress as determined by the Building Official, 2) a certificate of occupancy has been issued, or 3) the use is established and a business license has been issued. A time extension can be requested no less than 30 days or more than sixty (60) days before the expiration date of the permit and submitted with the appropriate fee for review to the Planning Division. The Director of Development Services may extend the time for an approved permit or approval to be exercised up to 180 days subject to specific findings listed in Title 13, Section 13-29 (k) (6). Only one request for an extension of 180 days may be approved by the Director. Any subsequent extension requests shall be considered by the original approval authority.
 3. No person may engage in any cannabis business or in any cannabis activity within the City including the sale of cannabis or a cannabis product unless the person:
 - a. Has a valid Cannabis Business Permit from the City;
 - b. Has paid all Cannabis Business Permit and all application fees and deposits established by resolution of the City Council, including annual Community Improvement Division inspection deposits;
 - c. Has obtained all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such cannabis business intends to operate;
 - d. Has obtained a City business license pursuant to Chapter I of the Municipal Code;
 - e. Is in compliance with all requirements of the Community Improvement Division regarding the property;
 - f. Has obtained any and all licenses required by State law and/or regulations; and
 - g. Has satisfied all CUP conditions of approval.

4. Any change in the operational characteristics of the use shall be subject to Planning Division review and may require an amendment to the Conditional Use Permit, subject to either Zoning Administrator or Planning Commission approval, depending on the nature of the proposed change.
5. No cultivation of cannabis is allowed anywhere on the premises.
6. The uses authorized by this Conditional Use Permit must be conducted in accordance with all applicable State and local laws, including, but not limited to compliance with the most current versions of the provisions of the California Code of Regulations that regulate the uses permitted hereby. Any violation thereof shall be a violation of the conditions of this permit and may be cause for revocation of this permit.
7. Except for operations allowed by this Conditional Use Permit (storefront only) and under an active Cannabis Business Permit and State Type 10 license (no delivery proposed nor approved), no permit holder or any of its employees shall sell, distribute, furnish, and/or otherwise provide any cannabis or cannabis product to any person, firm, corporation, group or any other entity, unless that person or entity is a lawful, bona fide customer, or it possesses all currently valid permits and/or licenses required by both the State of California and applicable local governmental entity to lawfully receive such cannabis and to engage in a "cannabis activity" as defined by Costa Mesa Municipal Code sec. 9-485. The permit holder shall verify that the recipient, regardless of where it is located, of any cannabis or cannabis product sold, distributed, furnished, and/or otherwise provided by or on behalf of the permit holder, possesses all required permits and/or licenses therefor.
8. The applicant, the property owner and the operator (collectively referred to as "indemnitors") shall each jointly and severally defend, indemnify, and hold harmless the City, its elected and appointed officials, agents, officers and employees from any claim, legal action, or proceeding (collectively referred to as "proceeding") brought against the City, its elected and appointed officials, agents, officers or employees arising out of City's approval of the project, including but not limited to any proceeding under the California Environmental Quality Act. The indemnification shall include, but not be limited to, damages, fees and/or costs awarded against the City, if any, and cost of suit, attorney's fees, and other costs, liabilities and expenses incurred in connection with such proceeding whether incurred by the applicant, the City and/or the parties initiating or bringing such proceeding. This indemnity provision shall include the indemnitors' joint and several obligation to indemnify the City for all the City's costs, fees, and damages that the City incurs in enforcing the indemnification provisions set forth in this section.
9. If any section, division, sentence, clause, phrase or portion of this approval is 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.

10. The use shall operate in accordance with the approved Security Plan. Any changes to the Security Plan must be submitted to the Planning Division with a written explanation of the changes. If the Director determines that changes are substantial, a modification to the Cannabis Business Permit and/or amendment to the CUP may be required.
11. A security and parking management plan, including techniques described in Operational Condition of Approval No. 6, must be approved by the Director of Economic and Development Services or designee at least 30 days prior to any grand opening or other high volume event on the subject property.
- Bldg. 12. Development shall comply with the requirements of the adopted codes: 2022 California Residential Code, 2022 California Building Code, 2022 California Electrical Code, 2022 California Mechanical Code, 2022 California Plumbing Code, 2022 California Green Building Standards Code and 2022 California Energy Code (or the applicable adopted, California Residential Code, California Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Green Building Standards and California Energy Code at the time of plan submittal or permit issuance) and California Code of Regulations also known as the California Building Standards Code, as amended by the City of Costa Mesa. Requirements for accessibility to sites, facilities, buildings and elements by individuals with disability shall comply with chapter 11B of the 2022 California Building Code.
- CBP 13. The operator shall maintain a valid Cannabis Business Permit and a valid Business License at all times. The Cannabis Business Permit application number associated with this address is MQ-21-24. Upon issuance, the Cannabis Business Permit will be valid for a two-year period and must be renewed with the City prior to its expiration date, including the payment of permit renewal fees. No more than one Cannabis Business Permit may be issued to this property.
14. The use shall operate in accordance with the approved Business Plan. Any changes to the Business Plan must be submitted to the Planning Division with a written explanation of the changes. If the Director determines that changes are substantial, a modification to the Cannabis Business Permit and/or amendment to the CUP may be required.
15. A Cannabis Business Permit may be revoked upon a hearing by the Director of Economic and Development Services or designee pursuant to Section 9-120 of the CMMC for failing to comply with the terms of the permit, the applicable provisions of the CMMC, State law or regulation and/or any condition of any other permit issued pursuant to this code. Revocation of the Cannabis Business Permit shall trigger the City's proceedings to revoke the Conditional Use Permit and its amendments. The Conditional Use Permit granted herein shall not be construed to allow any subsequent owner/operator to continue operating under PA-21-38 until a valid new Cannabis Business Permit is received from the City of Costa Mesa.

16. A change in ownership affecting an interest of 51 or more percent, or an incremental change in ownership that will result in a change of 51 or more percent over a three year period, shall require submittal and approval of a new Cannabis Business Permit. A change in ownership that affects an interest of less than 51 percent shall require approval of a minor modification to the Cannabis Business Permit.
- State 17. The business must obtain any and all licenses required by State law and/or regulation prior to engaging in any cannabis activity at the property.
18. The applicant shall obtain State License Type 10 prior to operating. The uses authorized by this Conditional Use Permit must be conducted in accordance with all applicable State and local laws, including, but not limited to compliance with the most current versions of the provisions of the California Code of Regulations that regulate the uses permitted hereby. Any violation thereof shall be a violation of the conditions of this permit and may be cause for revocation of this permit.
19. Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a cannabis business to operate within the City, until the State of California, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the license of a cannabis business, such revocation or termination shall also revoke or terminate the ability of a cannabis business to operate within the City. This Conditional Use Permit will expire and be of no further force and effect if any State issued license remains suspended for a period exceeding six (6) months. Documentation of three violations during routine inspections or investigations of complaints shall result in the Community Improvement Division scheduling a hearing before the Director of Development Services to consider revocation of the Cannabis Business Permit.
20. Persons under the age of twenty-one (21) years shall not be allowed on the premises of this business, except as otherwise specifically provided for by state law and CMMC Section 9-495(h)(6). It shall be unlawful and a violation of this CUP for the owner/operator to employ any person who is not at least twenty-one (21) years of age.
- PD 21. Every manager, supervisor, employee or volunteer of the cannabis business must submit fingerprints and other information specified on the Cannabis Business Permit for a background check by the Costa Mesa Police Department to verify that person's criminal history. No employee or volunteer may commence paid or unpaid work for the business until the background checks have been approved. No cannabis business or owner thereof may employ any person who has been convicted of a felony within the past 7 years, unless that felony has been dismissed, withdrawn, expunged or set aside pursuant to Penal Code sections 1203.4, 1000 or 1385, or who is currently on probation or parole for the sale, distribution, possession or manufacture of a controlled substance.

- CID 22. Should any employee, volunteer or other person who possesses an identification badge be terminated or cease their employment with the business, the applicant shall return such identification badge to the City of Costa Mesa Community Improvement Division within 24 hours, not including weekends and holidays.
23. The property owner and applicant shall use "Crime Prevention Through Environmental Design" techniques to reduce opportunities for crime, loitering and encampments on the property as deemed appropriate by the Community Improvement Manager and Director of Economic and Development Services.
- Finance 24. This business operator shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees and permits required under State and local law. This business operator shall cooperate with the City with respect to any reasonable request to audit the cannabis business' books and records for the purpose of verifying compliance with the CMMC and this CUP, including but not limited to a verification of the amount of taxes required to be paid during any period.
25. The following records and recordkeeping shall be maintained/conducted:
- a. The owner/operator of this cannabis business shall maintain accurate books and records, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis, or at any time upon reasonable request of the City, the owner/operator shall file a sworn statement detailing the number of sales by the cannabis business during the previous twelve month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes paid or due to be paid.
 - b. The owner/operator shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the cannabis business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the cannabis business. The register required by this condition shall be provided to the City Manager upon a reasonable request.
 - c. The owner/operator shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the retail sale process. Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPPA), the owner/operator shall allow City officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the City's request, unless otherwise stipulated by the City.

- d. The owner/operator shall have in place a point-of-sale tracking system to track and report on all aspects of the cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and by sale). The owner/operator shall ensure that such information is compatible with the City's record-keeping systems. The system must have the capability to produce historical transactional data for review by the City Manager or designees.

- Insp.
26. The City Manager or designees may enter this business at any time during the hours of operation without notice, and inspect all areas of this business as well as any recordings and records required to be maintained pursuant to Title 9, Chapter VI or under applicable provisions of State law. It is a violation of this use permit for any person having responsibility for the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection of the business or areas within and/or associated with the business. If business areas are located behind access controlled (locked) doors, these areas shall be opened/available immediately for inspection upon request. If areas of the business are not available to the City Manager or designees for inspection upon immediate request, the Cannabis Business Permit (CBP) may be subject to revocation pursuant Costa Mesa Municipal Code section 9-120.
 27. Inspections of this cannabis business by the City will be conducted, at a minimum, on a quarterly basis. The applicant will pay for the inspections according to the adopted Fee Schedule.
 28. Quarterly Fire & Life Safety Inspections will be conducted by the Community Risk Reduction Division to verify compliance with the approved operation. The applicant will pay for the inspection according to the Additional Required Inspections as adopted in the Fee Schedule.
 29. Annual Fire & Life Safety Inspections will be conducted by the Fire Station Crew for emergency response pre-planning and site access familiarization. The applicant will pay for the inspection according to the adopted Fee Schedule.
 30. Pursuant to Title 9, Chapter VI, it is unlawful for any person having responsibility for the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a cannabis business under this chapter or under State or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a cannabis business under this chapter or under State or local law.

Prior to Issuance of Building Permits

1. Plans shall be prepared, stamped and signed by a California licensed Architect or Engineer.
2. The conditions of approval and ordinance or code provisions of Planning Application 21-38 shall be blueprinted on the face of the site plan as part of the plan check submittal package.
3. Prior to the Building Division issuing a demolition permit, the applicant shall contact the South Coast Air Quality Management District (AQMD) located at:
21865 Copley Dr.
Diamond Bar, CA 91765-4178
Tel: 909- 396-2000
Or visit its website:
<http://www.costamesaca.gov/modules/showdocument.aspx?documentid=23381>. The Building Division will not issue a demolition permit until an Identification Number is provided by AQMD.
4. Odor control devices and techniques shall be incorporated to ensure that odors from cannabis are not detected outside the property, anywhere on adjacent property or public right-of-way. Building and mechanical permits must be obtained from the Building Division prior to work commencing on any part of the odor control system.
5. Plan check submittal shall include air quality/odor control device specification sheets. Plan check submittal shall also include a bike rack, parking lot resurfacing and restriping, trash enclosure improvements, and a low water use landscape plan that complies with CMMC requirements. All new tree containers shall be 24-inch box size or larger.
6. No signage shall be installed until the owner/operator or its designated contractor has obtained permits required from the City. Business identification signage shall be limited to that needed for identification only. Business identification signage shall not include any references to cannabis, whether in words or symbols. All signs shall comply with the CMMC.
7. The plans and business operator shall comply with the requirements of the 2019 California Fire Code, including the 2019 Intervening Update and referenced standards as amended by the City of Costa Mesa.
8. The Traffic Impact Fee as calculated by the Transportation Services Division shall be paid in full.
9. The applicant shall submit a detailed lighting plan to the Planning Division for review and approval, generally consistent with the preliminary plans presented to the Planning Commission. The lighting plan shall show locations of all security lighting. As determined by the Director of Economic and Development Services or their designee, a photometric study may be required to demonstrate compliance with the following: (a) lighting levels on the property including the parking lot shall be adequate for safety and security purposes (generally, at least 1.0 foot candle), (b) lighting design

and layout shall minimize light spill at the adjacent property line, at the onsite residential uses, and at other light-sensitive uses (generally, no more than 0.5-footcandle at the property line), and (c) glare shields may be required to prevent light spill.

10. Two (2) sets of detailed landscape and irrigation plans, which meet the requirements set forth in Costa Mesa Municipal Code Sections 13-101 through 13-108 and are generally consistent with the preliminary landscape plans presented to the Planning Commission, shall be required as part of the project plan check review and approval process. At least one new tree shall be provided in the front setback. Plans shall be forwarded to the Planning Division for final approval prior to issuance of building permits.

Prior to Issuance of a Certificate of Use/Occupancy

1. The operator, contractors, and subcontractors must have valid business licenses to do business in the City of Costa Mesa. Final occupancy and utility releases will not be granted until all such licenses have been obtained.

Prior to Issuance of Cannabis Business Permit

1. The applicant shall contact the Planning Division for a facility inspection and provide a matrix (table) of conditions of approval explaining how each was met prior to issuance of a Cannabis Business Permit.
2. The applicant shall pay the public notice fee (\$1 per notice post card) and the newspaper ad publishing cost.
3. The final Security Plan shall be consistent with the approved building plans.
4. Each entrance to the business shall be visibly posted with a clear and legible notice stating the following:
 - a. That smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the cannabis business is prohibited;
 - b. That no person under the age of twenty-one (21) years of age is permitted to enter upon the premises;
 - c. That loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises is prohibited; and
 - d. The premise is a licensed cannabis operation approved by the City of Costa Mesa. The City may also issue a window/door sticker, which shall be visibly posted.
5. The applicant, property owner and/or the operator shall obtain and maintain at all times during the term of the permit comprehensive general liability insurance protecting the permittee in an amount of not less than two million dollars (\$2,000,000.00) per occurrence, combined single limit, including bodily injury and property damage and not less than two million dollars (\$2,000,000.00) aggregate for each personal injury liability, products-completed operations and each accident, issued by an insurance provider

admitted and authorized to do business in California and shall be rated at least A-:viii in A.M. Best & Company's Insurance Guide. Such policies of insurance shall be endorsed to the name the City of Costa Mesa as an additional insured. Proof of said insurance must be provided to the Planning Division before the business commences operations. Any changes to the insurance policy must be submitted to the Planning Division within 10 days of the date the change is effective.

6. The applicant shall submit an executed Retail Cannabis Business Permit Defense and Indemnity Agreement on a form to be provided by the City.
7. The applicant shall post signs within the parking lot directing customers, employees and vendors to use consideration when entering their vehicles and leaving the parking lot such as no loud voices, shouting, loud music, revving car engines, slamming doors, etc. The security guard and storefront staff shall monitor the parking lot to prevent neighbor impacts. The language of the parking lot signs shall be reviewed and approved by the Planning Division prior to installation.
8. Storefront employees shall park at the offsite parking spaces located at 2428 Newport Boulevard. The applicant shall post wayfinding signs within the parking lot directing customers to the surplus offsite parking spaces located in the adjacent property at 2428 Newport Boulevard. These parking spaces shall be signed for cannabis storefront use. The language of the wayfinding and parking identification signs shall be reviewed and approved by the Planning Division prior to installation.

Operational Conditions

1. No product deliveries to the facility shall occur after 10:00 PM and before 7:00 AM.
2. Onsite sales is limited to the hours between 7:00 AM and 10:00 PM.
3. At least one security guard shall be onsite at all times.
4. The operator shall maintain free of litter all areas of the property under which applicant has control.
5. The use shall be conducted, at all times, in a manner that will allow the quiet enjoyment of the surrounding neighborhood. The operator shall institute appropriate security and operational measures as necessary to comply with this requirement.
6. If parking shortages or other parking-related problems develop, the business owner or operator will be required to institute appropriate operational measures necessary to minimize or eliminate the problem in a manner deemed appropriate by the Director of Economic and Development Services or designee. Temporary or permanent parking management strategies include, but are not limited to, employee shuttle service from an approved location with excess parking, reducing operating hours of the business, hiring an employee trained in traffic control to monitor parking lot use and assist with customer parking lot circulation, encouraging customers to take advantage of online ordering for a faster

pick-up, limiting the number of employees that park onsite, and incentivizing employee carpooling/cycling/walking.

7. During their work shift, employees shall not park on residential streets or within residential neighborhoods.
8. All employees must wear an identification badge while on the premises of the business in a format prescribed by the City Manager or designee. When on the premises, badges must be clearly visible and worn on outermost clothing and above the waist in a visible location.
9. Vendor vehicle loading and unloading shall only take place within direct unobstructed view of surveillance cameras, located in close proximity to the vendor entry door, as shown on an exhibit approved by the Director of Economic and Development Services or designee. No loading and unloading of cannabis products into or from the vehicles shall take place outside of camera view. The security guard shall monitor all on-site loading and unloading of vehicles. Video surveillance cameras shall be installed on the exterior of the building with direct views of the vendor entry door and the entire parking lot. Any modifications or additional vehicle loading and unloading areas shall be submitted to the Director of Economic and Development Services or designee for approval.
10. The sale, dispensing, or consumption of alcoholic beverages on or about the premises is prohibited.
11. No outdoor storage or display of cannabis or cannabis products is permitted at any time.
12. Cannabis shall not be consumed on the property at any time, in any form.
13. The owner/operator shall prohibit loitering on and within fifty (50) feet of the property.
14. No cannabis or cannabis products, or graphics depicting cannabis or cannabis products, shall be visible from the exterior of the property, or on any of the vehicles owned or used as part of the cannabis business.
15. The owner or operator shall maintain air quality/odor control devices by replacing filters on a regular basis, as specified in the manufacturer specifications.
16. If cannabis odor is detected outside the building, the business owner or operator shall institute corrective measures necessary to minimize or eliminate the problem in a manner deemed appropriate by the Director of Economic and Development Services.
17. Cannabis liquid or solid waste must be made unusable and unrecognizable prior to leaving a secured storage area and shall be disposed of at facility approved to receive such waste.
18. Waste disposal to the exterior trash enclosure shall be limited between the hours of 8AM and 8PM to prevent noise impacts to residents.
19. A parking attendant shall be required to monitor the exterior including the parking lot and adjacent offsite parking, especially during the evening, to ensure customers and vendors are not disturbing residents.
20. Each transaction involving the exchange of cannabis goods between the business and consumer shall include the following information: (1) Date and

time of transaction; (2) Name and employee number/identification of the employee who processed the sale; (3) List of all cannabis goods purchased including quantity; and (4) Total transaction amount paid.

March 20, 2023

Costa Mesa Development Services
77 Fair Drive
Costa Mesa, CA 92626
(714) 754-5270

RE: Ash & Lex Applicant Letter for Commercial Cannabis Storefront Business CUP

To the City of Costa Mesa,

We are writing this Applicant Letter as part of our Commercial Cannabis Storefront Business CUP Application for a retail storefront in the City of Costa Mesa. Ash & Lex is working with Measure X Partner SevenLeaf to establish a retail storefront at 2424 Newport Blvd, Units C/F, Costa Mesa, CA 92627 on parcel 439-281-03.

Our proposed commercial cannabis business amasses approximately 1,600 square feet. We plan to use the space for conducting the retail sale of cannabis. We are obtaining Type 10 Storefront Retail licensure with both Adult Use (A) and Medical (M) designations from the Department of Cannabis Control (DCC), so we conduct retail sales to Adult Use customers who are over the age of 21 and Medical customers who are over the age of 18 and have a valid physician's recommendation and/or Cannabis Card. The proposed facility has ample parking; there are 13 spaces available, 1 of which is designated for handicapped parking. In addition to the onsite parking available, we have leased 8 additional spaces from the adjacent parcel to ensure sufficient parking for customers and employees. Areas that are generally accessible to the public include a Check-In Area where we verify client identification and check them into our customer queue and a Display Area where cannabis goods are displayed and where transactions are processed. Limited access areas are only accessible by employees of the commercial cannabis business and visitors that are escorted by an employee of the commercial cannabis business. These areas include a Secure Storage Room where bulk cannabis goods are stored, a Vault Room, our Fulfillment Room where incoming deliveries of cannabis goods are received and to go orders are packaged, our Office where records and security footage are stored, our Employee Breakroom and additional space that is not open to the public.

We only conduct the retail sale of cannabis goods that have been produced by licensed cultivators and manufacturers and sourced from licensed distributors that operate within the scope of compliance with local and state regulations. This includes cannabis flower, pre-rolls, manufactured cannabis products including various extracts, rosin, edibles, tinctures, topical products, sublingual tabs, capsules, beverages and non-cannabis merchandise such as branded clothing and accessories. All cannabis goods sold at our store are packaged and labeled in their final form and in compliance with State law. We have longstanding relationships with some of the industry's leading brands including Raw Garden, Pacific Stone, Kiva and various others licensed operators. We have also built strong relationships with various distributors who carry these products so are able to secure favorable terms on products and maintain a consistent supply of cannabis goods for our clientele. We are implementing a robust inventory management, control and reporting system that allows us to accurately document the present location, amounts, and descriptions of all cannabis goods for all stages of the external supply chain and our internal retail process until purchase by a verified customer or patient.

As part of our community integration efforts, we have sent out two sets of mailers and held an on-site open house. Our outreach efforts included a list of Frequently Asked Questions (FAQ) and responses relating to our operations and the various measures being taken to ensure compliant operations and an overall positive impact on the surrounding area. Our operations include proposed 24-hour Security Guards with roving patrols during hours of operation. We will also be implementing an Odor Control Plan that incorporates and exceeds industry best practices, including activated carbon filtration in a negatively pressurized environment, to ensure no odors are detectable outside of the proposed facility. We have developed a lighting plan to help deter transient and unhoused populations as well as to bolster our security efforts. Lastly and importantly, we will be incorporating Youth Protection Measures to prevent youth exposure to cannabis and deter diversion to youth populations.

Applicant has made substantial efforts to ensure compliance of the site. These include the leasing of additional parking spaces and the removal of non-storefront delivery from the Applicant's original proposal. In addition to these steps, Applicant has procured letters of support from the current tenants of the nonconforming residential units on the parcel and

we have engaged in multiple outreach efforts, including providing neighbors with contact information and a FAQ that addresses common concerns relating to commercial cannabis businesses.

We look forward to bringing the City of Costa Mesa premiere commercial cannabis that provides an incomparable customer experience and various additional community benefits. Please reach out to Andy Singh via email at asingh@nuvata.co or via phone at (562) 412-3194 with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andy Singh', with a long horizontal stroke extending to the right.

Andy Singh | Owner
Ash & Lex, LLC

Applicant Supplemental Information

Dear Costa Mesa Planning Commission,

This letter is being presented on behalf of the current tenants and residents at 2426 Newport Blvd, Costa Mesa, CA. We are signing this letter in support of the currently proposed Cannabis Retail Dispensary at 2424 Newport Blvd, Costa Mesa, CA.

We have spoken with the landlord and have been provided with an opportunity to contact the applicant, as well as to receive relevant project information, which includes, but is not limited to Ash & Lex LLC's Business Plan, Parking Plan, Proposed Hours of Operation, Neighborhood Compatibility Plan, Odor Control Plan, and Security Plan.

Ash & Lex's proposed parking plan addresses one of our primary concerns, which is to ensure reserved parking for current residents. The inclusion of a comprehensive Security Plan and 24/7 monitoring provides us with heightened safety standards and protects against any concerns related to increased crime and homelessness which have been pervasive throughout the area in the past years.

So long as Ash & Lex are capable of adhering to the Conditions of Approval and the commitments made in their Business Plan, Parking Plan, Proposed Hours of Operation, Neighborhood Compatibility Plan, Odor Control Plan, and Security Plan, we support the proposed Condition Use Permit and the associated Retail Cannabis Business at 2424 Newport Blvd.

Sincerely,

SUSAN OVERSTREET PRINT

S. Overstreet SIGN

William Van Landingham PRINT

W. Van Landingham SIGN

2426 Newport Blvd. apt. 1 Costa Mesa ADDRESS

Oct. 13, 2022 DATE

Dear Costa Mesa Planning Commission,

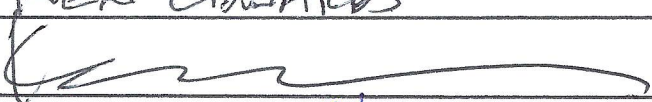

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Sincerely,

_____	KEN EDWARDS	PRINT
_____		SIGN
_____	SCOTT M. RIVERS	PRINT
_____		SIGN
_____	2426 NEWPORT BL. #2 C.M. 92627	ADDRESS
_____	10-12-22	DATE

Dear Costa Mesa Planning Commission,

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Sincerely,

<u>John P. Nieminski</u>	PRINT
<u>[Signature]</u>	SIGN
<u>2426 Newport Blvd #3</u>	ADDRESS
<u>10/14/22</u>	DATE

Dear Costa Mesa Planning Commission,


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Sincerely,

Kenneth Elliott PRINT
 SIGN
2426 Newport Blvd Apt 4 Costa Mesa, CA ADDRESS
10-12-22 DATE

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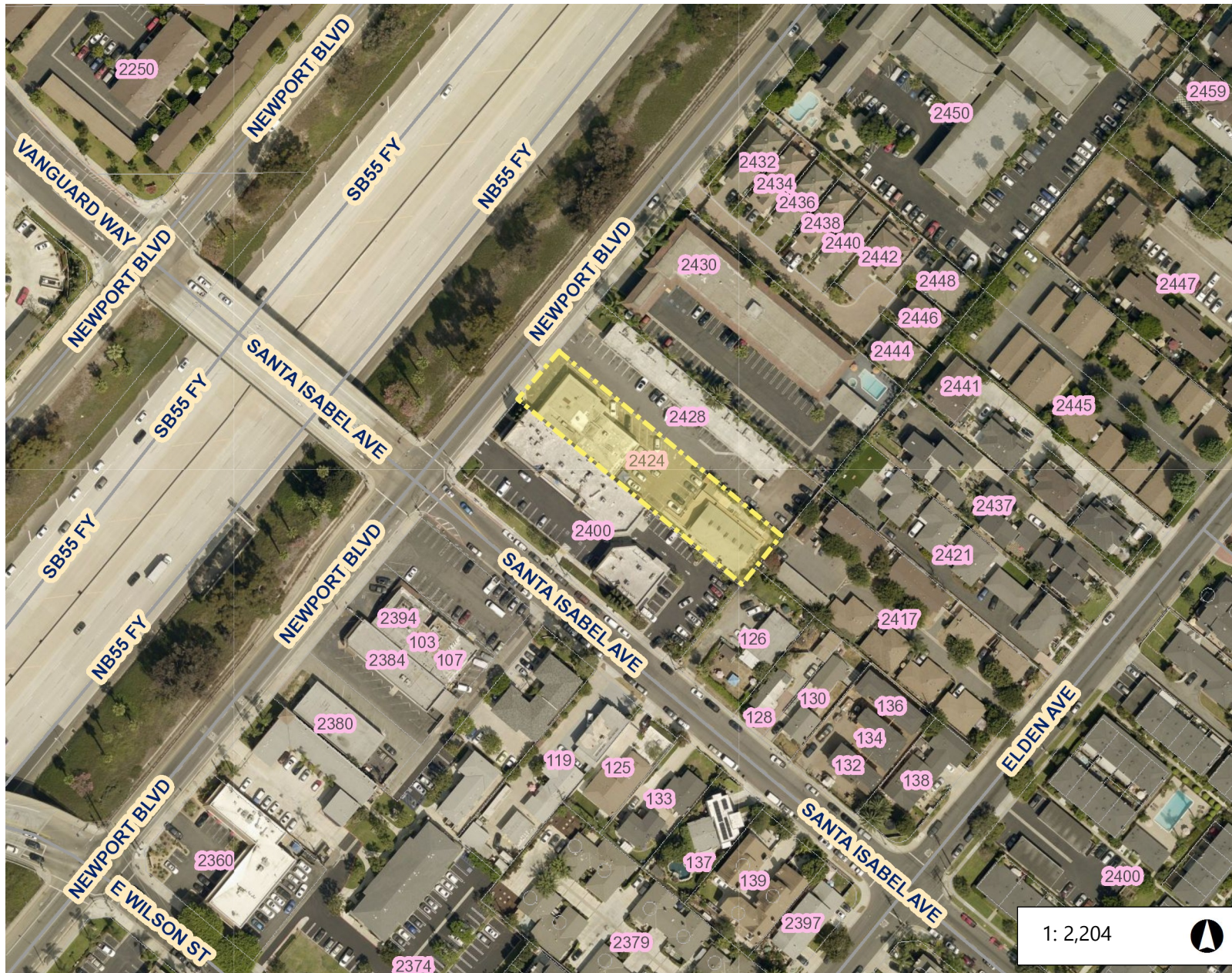
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Sincerely,

<u>Nicolas Donaire</u>	PRINT
<u>[Signature]</u>	SIGN
<u>Mary Donaire</u>	PRINT
<u>[Signature]</u>	SIGN
<u>2426 Newport Blvd Unit 5</u>	ADDRESS
<u>10/10/2022</u>	DATE



Legend

 Costa Mesa

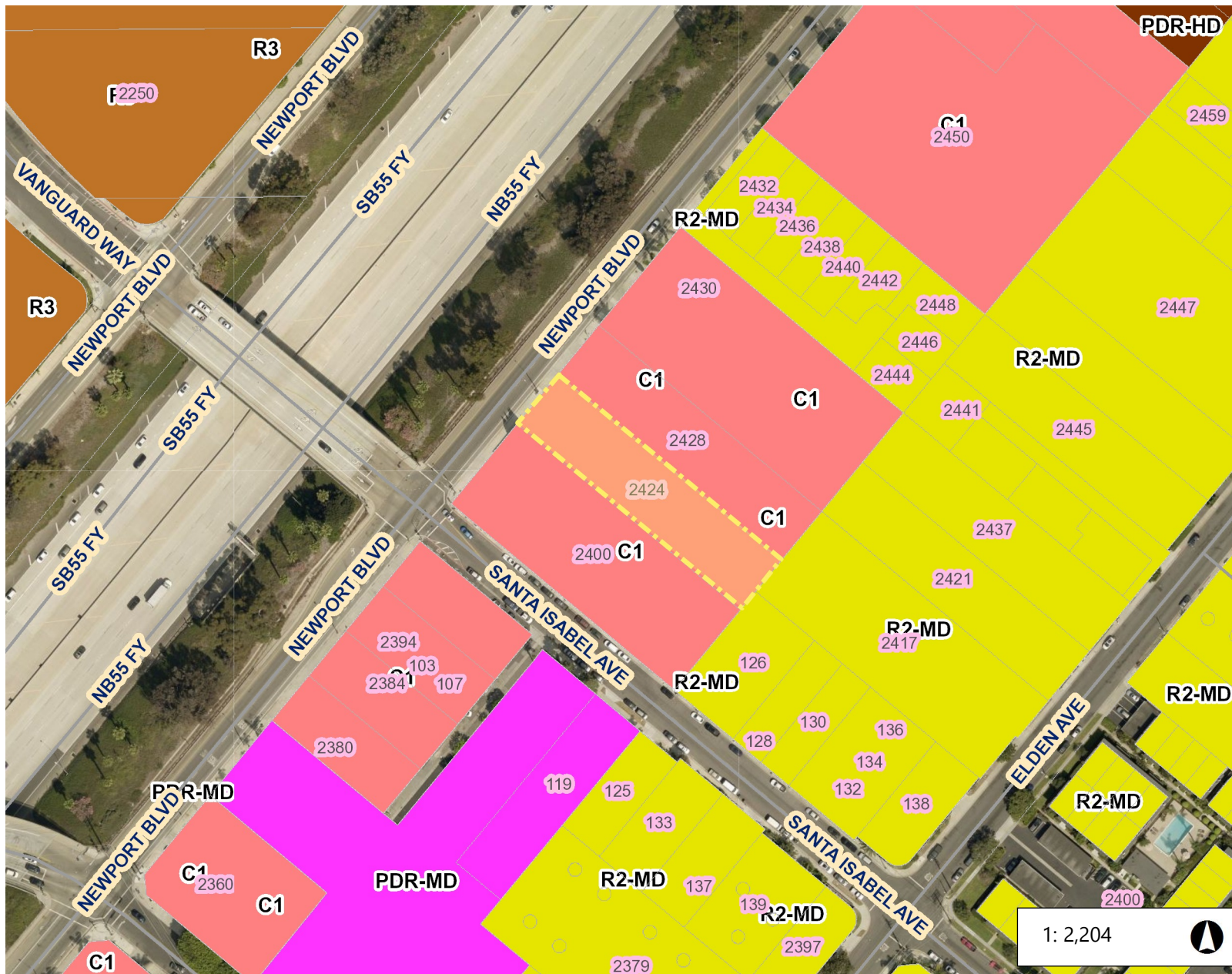
Notes

PA-21-38

0.1 0 0.03 0.1 Miles

WGS_1984_Web_Mercator_Auxiliary_Sphere
© City of Costa Mesa

The City of Costa Mesa makes no guarantee as to the accuracy of any of the information provided and assumes no liability for any errors, omissions, or inaccuracies.



Legend

- Costa Mesa
- Zoning**
- AP - Administrative Professional
- IR-MLT - Institutional Recreational I
- R1 - Single-Family Residential
- R2-MD - Multiple-Family Residentie
- R2-HD - Multiple-Family Residentia
- R3 - Multiple Family Residential
- MG - General Industrial
- MP - Industrial Park
- PDI - Planned Development Indust
- C1 - Local Business
- C2 - General Business
- C1-S - Shopping Center
- TC - Town Center
- PDR-NCM - Planned Development Mesa
- I&R - Institutional Recreational
- I&R-S - Institutional Recreational - S
- P - Parking
- CL - Commercial Limited
- PDC - Planned Development Comr
- PDR-LD - Planned Development R
- PDR-MD - Planned Development R Density
- PDR-HD - Planned Development R

Notes

PA-21-38

0.1 0 0.03 0.1 Miles

WGS_1984_Web_Mercator_Auxiliary_Sphere
© City of Costa Mesa

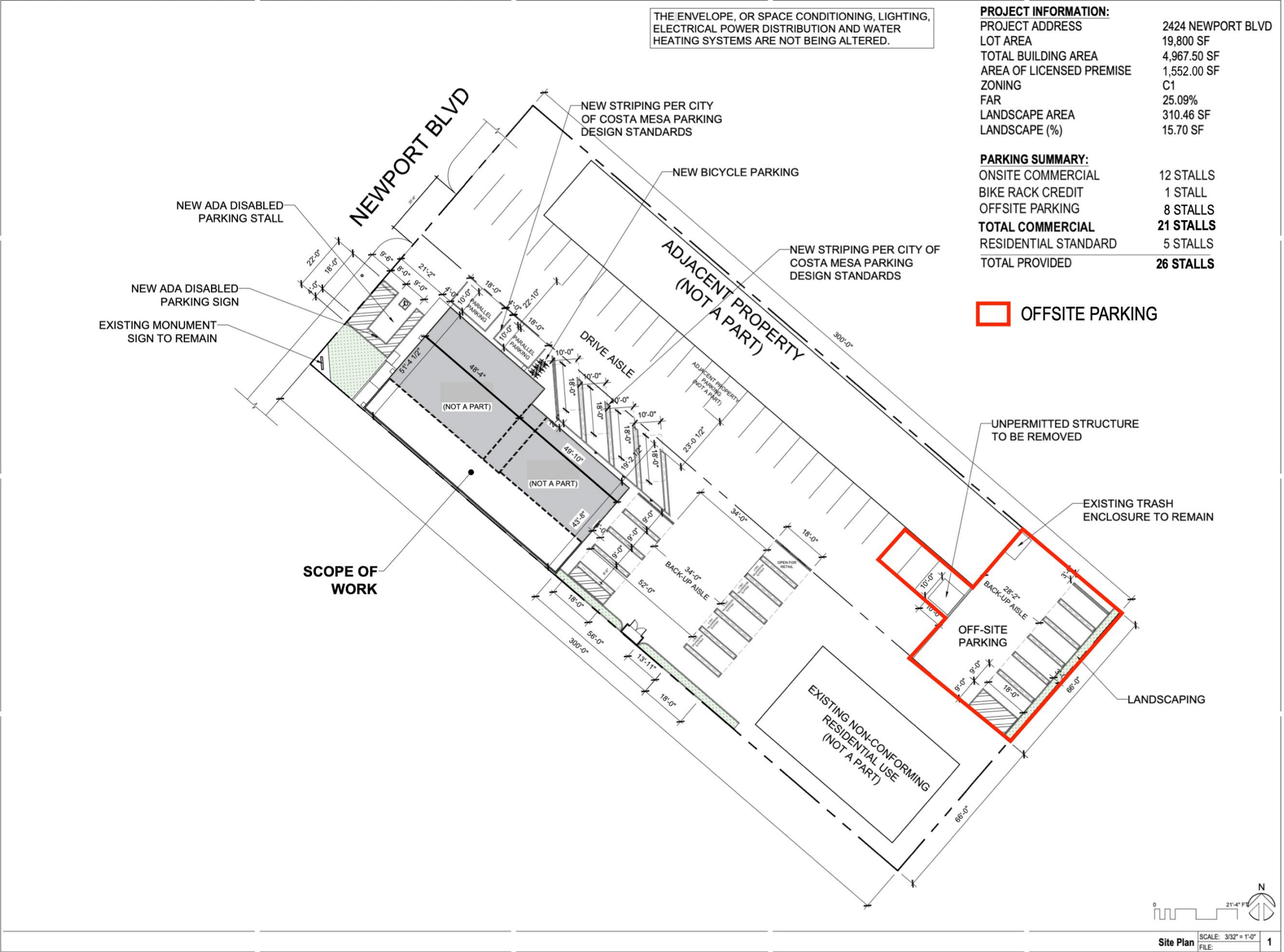
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1: 2,204



EXISTING SITE PHOTOS 2424 NEWPORT BOULEVARD





2424 Newport Blvd,
Costa Mesa,
CA 92627



Kurt Gibbs AIA
3575 Long Beach Blvd.
Long Beach CA 90807
T: 562.981.2000
E: kurt@gibbs1934.com



Revisions:

No.	Issue	Date
1	Submittal	3 Dec 2021
2	Back Check Submittal	17 Mar 2022

Project Number:
31020078

Date:

File:
5 January 2023

Scale:
Scale As Noted

Sheet Title:

Site Plan

Drawing Number:

A1.01

NOTES:

- PENETRATIONS OF FIRE-RESISTIVE WALLS, FLOOR, CEILINGS AND ROOF CEILINGS SHALL BE PROTECTED AS REQUIRED BY IBC SECTION 714.
- ENTRANCES AND WINDOWS MUST BE ILLUMINATED DURING EVENING HOURS.
- FLOORS, WALLS, AND CEILINGS MUST BE OF A NON-ABSORBENT CLEANABLE MATERIAL AND FINISH.
- CAMERAS AND SURVEILLANCE SYSTEMS MUST MEET CITY REQUIREMENTS.
- EXITS AND EXIT ACCESS DOORS SHALL BE MARKED BY AN APPROVED EXIT SIGN READILY VISIBLE FROM ANY DIRECTION OF EGRESS TRAVEL. THE PATH OF EGRESS TRAVEL TO EXITS AND WITHIN EXITS SHALL BE MARKED BY READILY VISIBLE EXIT SIGNS TO CLEARLY INDICATE THE DIRECTION OF EGRESS TRAVEL. IN CASES WHERE THE EXIT OR THE PATH OF EGRESS TRAVEL IS NOT IMMEDIATELY VISIBLE TO THE OCCUPANTS, INTERVENING MEANS OF EGRESS DOORS WITHIN EXITS SHALL BE MARKED BY EXIT SIGNS. EXIT SIGN PLACEMENT SHALL BE SUCH THAT NO POINT IN AN EXIT ACCESS OR BRIDGE OR EXIT PASSAGEWAY IS MORE THAN 100 FEET OR THE LISTED VIEWING DISTANCE FOR THE SIGN, WHICHEVER IS LESS, FROM THE NEAREST VISIBLE EXIT SIGN.
- SECURITY GATES, SECURED AUTOMATED VEHICLE GATES OR ENTRIES SHALL UTILIZE A COMBINATION OF A TOWBAR STROBE SWITCH, OR APPROVED EQUAL, AND AN APPROVED KNOX KEY ELECTRIC SWITCH WHEN REQUIRED BY THE FIRE CODE OFFICIAL. SECURED NON-AUTOMATED VEHICLE GATES OR ENTRIES SHALL UTILIZE AN APPROVED PADLOCK OR CHAIN (MAXIMUM LINK OR LOCK SHACKLE SIZE OF 1/2 INCH) WHEN REQUIRED BY THE FIRE CODE OFFICIAL.
- GATE ARMS SECURING PARKING LOTS AND PARKING STRUCTURES SHALL BE EQUIPPED WITH A FIRE DEPARTMENT APPROVED DUAL-KEYED KNOX KEY ELECTRIC SWITCH. WHEN ACTIVATED, THE ARM OR ARMS SHALL OPEN TO ALLOW FIRE AND LAW ENFORCEMENT ACCESS.
- APPROVED SECURITY GATES SHALL BE A MINIMUM OF 14 FEET IN UNOBSTRUCTED DRIVE WIDTH ON EACH SIDE WITH GATE IN OPEN POSITION.
- IN THE EVENT OF A POWER FAILURE, THE GATES SHALL BE DEFAULTED OR AUTOMATICALLY TRANSFERRED TO A FAIL-SAFE MODE ALLOWING THE GATE TO BE PUSHED OPEN WITHOUT THE USE OF SPECIAL KNOWLEDGE OR ANY EQUIPMENT. IF A TWO-GATE SYSTEM IS USED, THE OVERRIDE SWITCH MUST OPEN BOTH GATES.
- IF THERE IS NO SENSING DEVICE THAT WILL AUTOMATICALLY OPEN THE GATES FOR EXITS, A FIRE DEPARTMENT APPROVED KNOX ELECTRICAL OVERRIDE SWITCH SHALL BE PLACED ON EACH SIDE OF THE GATE IN AN APPROVED LOCATION.
- A FINAL FIELD INSPECTION BY THE FIRE CODE OFFICIAL OR AN AUTHORIZED REPRESENTATIVE IS REQUIRED BEFORE ELECTRONICALLY CONTROLLED GATES MAY BECOME OPERATIVE. PRIOR TO FINAL INSPECTION, ELECTRONIC GATES SHALL REMAIN IN A LOCKED-OPEN POSITION.
- ADD NEW SUBSECTION 908.3, HEIGHT, TO READ AS FOLLOWS:
- THE NOMINAL HEIGHT OF KNOX LOCK BOX INSTALLATIONS SHALL BE 9 FEET ABOVE GRADE.

53'-0"

16'-0" 19'-0" 19'-0"

8'-0" 9'-0" 33'-0" 8'-4" 8'-4" 8'-0" 7'-0" 7'-8" 12'-8"

101'-8"

(NOT A PART)

(NOT A PART)

(NOT A PART)

(NOT A PART)

15'-7" 15'-9" 13'-8" 45'-0"

THE ENVELOPE, OR SPACE CONDITIONING, LIGHTING, ELECTRICAL POWER DISTRIBUTION AND WATER HEATING SYSTEMS ARE NOT BEING ALTERED.

0 4 8 12 16 FT

SCALE: 1/8" = 1'-0"

Floor Plan

Project Number:	31020078
Date:	
File:	11 April 2022
Scale:	Scale As Noted
Sheet Title:	Floor Plan
Drawing Number:	A2.01





Retail Cannabis Storefront

