



City of Costa Mesa

PLANNING COMMISSION

Agenda

Monday, August 8, 2022

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 virtually via Zoom Webinar. Pursuant to the State of California Assembly Bill 361(Gov. Code §54953(b)(3)) Commission Members and staff may choose to participate in person or by video conference.

You may participate via the following options:

1. Attending in person: Attendees are encouraged to wear masks at their discretion. If you are feeling ill, or if you've been exposed to someone with COVID-19, you may still participate in the meeting via Zoom.
2. Members of the public can view the Commission meetings live on COSTA MESA TV (SPECTRUM CHANNEL 3 AND AT&T U-VERSE CHANNEL 99) or http://costamesa.granicus.com/player/camera/2?publish_id=10&redirect=true and online at [youtube.com/costamesatv](https://www.youtube.com/costamesatv).

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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.

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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.

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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.

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PLANNING COMMISSION REGULAR MEETING

MONDAY, AUGUST 8, 2022 - 6:00 P.M.

BYRON DE ARAKAL
Chair

JON ZICH
Vice Chair

DIANNE RUSSELL
Planning Commissioner

RUSSELL TOLER
Planning Commissioner

ADAM ERETH
Planning Commissioner

JOHNNY ROJAS
Planning Commissioner

JIMMY VIVAR
Planning Commissioner

TARQUIN PREZIOSI
Assistant City Attorney

JENNIFER LE
Director of Economic and
Development Services

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: None.

PUBLIC HEARINGS:

1. [PLANNING APPLICATION 21-27 FOR A RETAIL CANNABIS 22-835 STOREFRONT USE WITH DELIVERY LOCATED AT 1072 BRISTOL STREET, SUITE 100](#)

RECOMMENDATION:

Staff recommends that 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 21-27, 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. Project Plans](#)

[7. July 25, 2022 Public Comments](#)

[8. Public Comments](#)

[Public comments](#)

2. **PLANNING APPLICATION 21-17 FOR A RETAIL CANNABIS 22-834 STOREFRONT BUSINESS WITH DELIVERY LOCATED AT 2845 HARBOR BOULEVARD (MARKETPLACE)**

RECOMMENDATION:

Staff recommends that 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 21-17, 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](#)
- [7. Renderings](#)
- [8. Public Comments](#)
- [Public Comment](#)

3. **PLANNING APPLICATION 21-16 FOR A RETAIL CANNABIS 22-832 STOREFRONT USE WITH DELIVERY LOCATED AT 1854 NEWPORT BOULEVARD**

RECOMMENDATION:

Staff recommends that 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 21-16, 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](#)
- [7. Public Comment](#)
- [Public Comments](#)

OLD BUSINESS: None.

NEW BUSINESS: None.

DEPARTMENT REPORTS:

1. PUBLIC SERVICES REPORT

2. DEVELOPMENT SERVICES REPORT

CITY ATTORNEY REPORTS:

1. CITY ATTORNEY

ADJOURNMENT

Next Meeting: Planning Commission regular meeting, Monday, August 22, 2022 - 6:00 p.m.



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 22-835

Meeting Date: 8/8/2022

TITLE:

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

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

PRESENTED BY: MICHELLE HALLIGAN, CONTACT PLANNER

CONTACT INFORMATION: MICHELLE HALLIGAN, 714-754-5608; Michelle.Halligan@costamesaca.gov

RECOMMENDATION:

Staff recommends that 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 21-27, subject to conditions of approval.

APPLICANT OR AUTHORIZED AGENT:

The applicant/authorized agent is Andy Singh of CM Triangle Enterprise LLC dba CM Triangle, on behalf of the property owner, Tim Taber.

BACKGROUND:

The subject 26,556-square-foot property is located at 1072 Bristol Street and is generally situated south of the State Route (SR) 55 Freeway. The property is located at the southwest intersection of Bristol Street and Newport Boulevard. The site is zoned C1 (Local Business District) and has a General Plan Land Use Designation of General Commercial. Existing development on the site consists of a two-story 11,880-square-foot commercial building with six tenant suites and a 36-space parking lot.

The proposed retail cannabis storefront use with delivery "CM Triangle," would occupy one 3,286-square-foot tenant suite on the first floor. Suite 100 is currently occupied by the property owner's business that provides media consulting services. The other first floor tenant is an insurance business. Current second floor tenants include an insurance agency, a property management company, and professional law offices. The existing tenants at 1072 Bristol Street are generally open between 8 AM and 6 PM, Monday through Friday. All of the current tenants are closed on Saturday and Sunday. Surrounding uses include several adjacent office complexes located southeasterly of the property and Ganahl Lumber and an automobile dealership located across Bristol Street. To the rear of the property, abutting the subject property's parking lot, is several residential properties that front "The Masters Circle" (a dead-end single-family residential street). The parking lot and single-family homes are separated by landscaping and an approximate eight to ten-foot-tall block wall. Ingress and egress to the site is provided by existing 25-foot wide private driveways with access located from both Bristol Street and Newport Boulevard.

There are no open Code Enforcement cases on this property.

The applicant is partnering with Yummi Karma Inc., a cannabis manufacturing facility located in Costa Mesa - which was approved in 2018 under Measure X. Yummi Karma has been operating since 2018. There are no active Code Enforcement cases at the partnering Measure X facility.

Non-Conforming Development

The existing development is legal-nonconforming in terms of the front setback, parking, 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 proposed site modifications do not result in greater site nonconformities.

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 0.45. As specifically allowed by the CMMC, the nonconforming FAR, front setback, and parking can remain and are considered legal-nonconforming.

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 located north of South Coast Drive and west of Harbor Boulevard (“The Green Zone”). Measure X provisions are 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 cannabis storefront retail 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 in the City is subject to an extensive submittal and application review procedure. Retail cannabis applicants must obtain the following City approvals before obtaining State approval and 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 Services 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 includes:

- 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. 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. Lastly, the applicant must obtain the appropriate license from the State Department of Cannabis Control (DCC) prior to operating.

July 25, 2022 Planning Commission Meeting

This project was originally scheduled and noticed for the July 25, 2022 Planning Commission hearing. Prior to the public hearing, staff received approximately 25 letters expressing concerns, generally from residents who live on Masters Circle. During the July 25, 2022 public hearing, the Planning Commission Chair opened the hearing for public testimony. After receiving public input and closing the public hearing, the Planning Commission voted unanimously to continue the public hearing to the August 8, 2022 Planning Commission hearing in order to provide the applicant time hold a project neighborhood outreach meeting.

DESCRIPTION:

Planning Application 21-27 is a request for a CUP to allow retail cannabis uses within an existing 3,286-square-foot, first floor tenant suite located at 1072 Bristol Street. As proposed, the retail store would operate 7 AM and 10 PM, seven days a week. The affiliated State license is a Type 10 "storefront retailer" which also allows retail delivery. 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 onsite and via delivery to private addresses, subject to conditions of approval and other City and State requirements.

ANALYSIS:

Conditional Use Permit Required

Pursuant to Costa Mesa Municipal Code (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.

Although the subject building is generally developed as a commercial office building and the existing tenants are primarily office related uses, the site is located in the City's C1 - Local Business District, which allows for retail operations. Pursuant to the CMMC Section 13-20(g), the C-1 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." Therefore, the proposed retail storefront is a contemplated use for this property, subject to the Planning Commission approval of a conditional use permit.

Separation Requirements

The property is located on one of the City's primary commercial corridors and generally surrounded by commercial uses, with the exception of a small residential neighborhood (49 single-family homes) that is located adjacent to the subject property's parking lot. The CMMC does not establish a minimum separation between cannabis retail uses and residential development or residential zones. Pursuant to the CMMC, cannabis retail storefronts are conditionally 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 and uses.

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 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.* More specifically, the premises is essentially limited to 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 CMMC separation provisions from sensitive uses.

Exterior Tenant Improvements

The existing building façade and exterior components are in good condition and do not require significant upgrades. Currently, the suite's main entrance is located toward the center of the building, facing the parking lot. There is a secondary entrance located at the rear of the building, near Newport Boulevard. The applicant proposes to use the secondary entrance as the entrance to a lobby. The current main entrance would become the exit.

Proposed exterior improvements include:

- Shielded security lighting on the building;
- Shielded security lighting along the property perimeter; and
- Adding a bicycle rack to encourage multi-modal transportation.

Security lighting would be shielded, pointed downward and located in such a manner to prevent potential lighting impacts to the abutting residential properties. The applicant has provided a preliminary lighting plan as part of their CUP submittal. As conditioned, a lighting and photometric plan would be required during the plan check process to demonstrate that lighting onsite would be adequate for security purposes without light spill onto the abutting residentially-zoned properties. The applicant also proposes to update the site with surveillance cameras and new business signage (signs would be reviewed and permitted separately per the City's sign code requirements).

Interior Tenant Improvements

The majority of the interior improvements would involve construction of non-structural demising walls to create new rooms. The public areas of the retail use would include a lobby, sales floor, and exit room. Back-of-house areas include

an access-controlled office, conference room, storage rooms, and kitchen. Below is a breakdown of the general spaces within the 3,286-square-foot suite.

Table 1 - Floor Plan Summary

Operational Area	Square Feet
Lobby	79
Sales Floor	1,980
Exit Room	137
Offices/Conference Room	390
Kitchen	254
Other Employee-Only Areas	446
Total	3,286

Customer and Employee Access

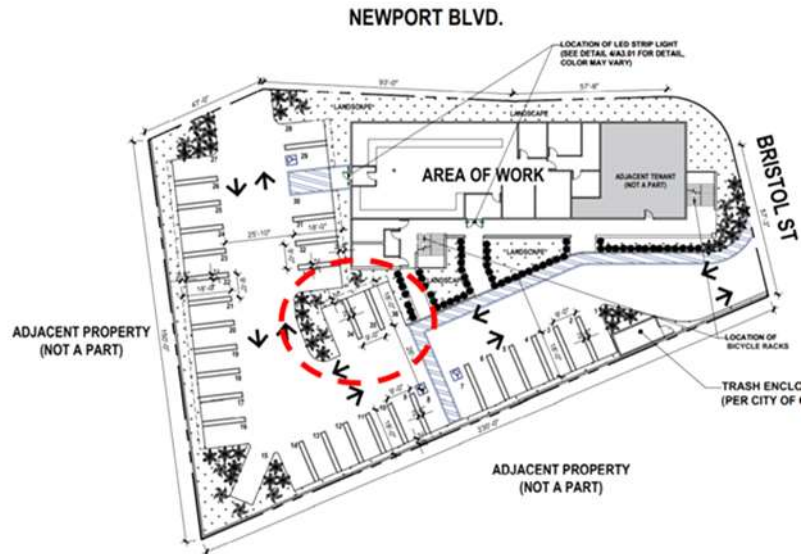
Customers would enter the premises through a lobby door located on the southwestern side of the building adjacent to the site's Bristol Street Parking lot driveway access. Customer circulation is limited to the lobby, retail sales floor, and exit room. After a customer's identify and age are verified and their transaction is completed, they must leave through the exit room. The exit room is located in the interior of the property, facing the parking area to the southeast. After exiting the suite, customers must leave the property. As conditioned, a security guard would monitor the area at all times.

The other areas of the premises would only be accessible to employees with proper security credentials. Employees would enter through the main entrance.

Delivery Operations and Vendor Access

During business hours, retail cannabis delivery and vendor vehicles would use one of the three parking stalls located closest to the access controlled door in the center of the property (see the parking area circled on the below Exhibit A).

Exhibit A - Delivery and Vendor Vehicle Parking



The distance from the controlled access door to the employee/vendor vehicle parking stalls will be less than 50 feet. As proposed and conditioned, the exterior doors, path of travel and designated parking stalls would be under camera surveillance. As further conditioned, all delivery loading and unloading would be monitored by a security guard. Lastly, vendors would only be allowed to enter the premise while accompanied by an employee.

Storefront/Delivery Operation Conditions

The proposed business is required to comply with the following retail storefront/delivery operational conditions:

- Display State license, CBP, and City business license in a conspicuous building location;
- Hours of operations are limited to 7:00 AM to 10:00 PM daily;
- 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, do not consume cannabis onsite or within close proximity, and/or do not disturb the adjacent residential neighbors. Security guards will monitor the parking lot diligently during morning and evening business hours. 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 offsite 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 also 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;
- 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 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 shipping and receiving area and remain with them throughout the process.
- Cannabis goods to be sold at this establishment (either storefront or delivery) 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;
- Packaging containing cannabis goods shall be tamper and child-resistant; if packaging contains multiple servings, the package must also be re-sealable;
- When processing orders for cannabis delivery, employees will collect the pre-packaged materials, load products into a secured container and transport the containers to delivery vehicles outside the building. Video surveillance cameras will be installed with direct views of the path of travel and loading and unloading area;
- Cannabis deliveries must be made in-person by an employee of the licensed retailer. An independent contractor, third-party courier service, or an individual employed through a staffing agency would not be considered employed by the licensed retailer;
- The applicant shall maintain proof of vehicle insurance for any and all vehicles being used to deliver cannabis goods;
- During delivery, the employee shall maintain a physical or electronic copy of the delivery request and shall make it available upon request by the licensing authority and law enforcement officers;
- A delivery employee shall not leave the State of California while possessing cannabis products and while performing their duties for the cannabis retailer;
- The 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;
- Any delivery method shall be made in compliance with State law, as amended, including use

of a vehicle that has a dedicated global positioning system (GPS) device for identifying the location of the vehicle (cell phones and tablets are insufficient);

- Signs, decals or any other form of advertisement on the delivery vehicles are prohibited;
- Deliveries must be made to a physical address that is not on publicly owned land and cannot be a school, a day care, homeless shelter, or a youth center; and
- A cannabis 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.
- The business operator shall ensure that all delivery 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.

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 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 continued entitlement processing.

Security Plan

The applicant 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 required for the proposed cannabis retail establishment:

- At least one security guard will be on-site 24-hours a day;
- All employees, including drivers, 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 exterior) shall be installed;
- Emergency power supply shall be installed;
- Employees shall be trained for use with any/all emergency equipment;
- Delivery drivers shall be trained on delivery safety protocols;
- Employees and vendors will be trained regarding cash and product transportation protocol;

- Visitor/customer specific security measures shall be required;
- All facility entry and exit points and locations where cash or cannabis products are handled or stored shall be under camera surveillance;
- The applicant shall submit a list of all vehicles to be used for retail delivery purposes to the Costa Mesa Police Department. 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; and

Parking and Circulation

As previously indicated, the site is developed with an 11,880-square-foot, two-story, commercial building that is currently occupied by a variety of commercial office uses. The City's parking ordinance requires four parking spaces for every 1,000 square feet of office floor area and, based on this ratio, the total required parking for the commercial building is 47 spaces. Since the site is developed with only 36 parking spaces, the parking for the property is considered legal nonconforming. As previously indicated, the CMMC specifies that properties with legal nonconforming parking conditions can continue so long as the development will not be made more nonconforming. Retail cannabis uses are subject to the same parking ratio requirement as offices (four spaces per 1,000 square feet of gross floor area); therefore, the proposed cannabis retail storefront use would not result in a greater or "more nonconforming" condition in regard to parking.

Although the CMMC allows the site's legal nonconforming conditions to continue, staff requested that the applicant survey parking lot utilization at two-hour intervals to determine actual parking demand conditions based on empirical observations. In response to staff's request, the applicant collected parking counts and took photos at 8 AM, 10 AM, noon, 2 PM, 4 PM, and 6 PM on a Wednesday, Thursday, and Friday (July 13, 2022 through July 15, 2022). Planning staff also visited the site, unannounced, on more than 20 occasions during the months of June and July. During these staff site visits, which occurred at various hours of the day, staff witnessed a minimum of 20 available parking spaces.

As shown in Table 2 and provided by the applicant, on average, 26 parking spaces or 72 percent of all spaces were available between 8 AM and 6 PM. The parking lot was typically most occupied (peak parking demand) midday, with an average of 64 percent of all parking spaces available during the noon and 2 PM counts. Based on empirical observation, 23 parking spaces would be available for the proposed use during the site's peak parking period (from noon and 2 PM on weekdays). In addition, the CMMC requires 14 stalls for the proposed cannabis retail operation and thus the observed 23 parking space availability at the site's peak demand exceeds the Code parking requirement by nine parking spaces. The least utilized parking demand times observed were 8 AM and 6 PM, with 78 percent and 83 percent of the parking spaces available, respectively. Parking counts were not conducted after 6 PM, nor on weekends as the existing businesses are closed; however, staff visited the site on several occasions during these hours and the parking lot was generally vacant of cars.

Table 2 - Parking Availability Survey

Time	Wednesday Available	Thursday Available	Friday Available	Average Available	
8 AM	28	29	27	28	78%
10 AM	26	26	26	26	72%
Noon	23	23	24	23	64%
2 PM	22	23	25	23	64%
4 PM	21	25	31	26	72%
6 PM	27	30	34	30	83%
Daily Average	25	26	28	26	72%

Pursuant to CMMC section 13-98, the Planning Division may require that a declaration of land use restriction be recorded to ensure that future property owners are informed of use restrictions resulting from the number of parking spaces provided. Based on this Code provision, the property owner has agreed to record a Land Use Restriction requiring any future proposed use with a code-required parking ratio above four stalls per 1,000 square feet to be subject to a professionally prepared and affirmative parking study. This study would be subject to approval by a Minor Conditional Use Permit.

Vehicle access to the site is provided from Bristol Street and Newport Boulevard by an approximate 25-foot-wide driveway. Vehicles exiting the property from the Newport Boulevard driveway must turn right, away from the nearest residential street. Vehicles exiting the property from the Bristol Street egress must also turn right (towards Newport Beach). Pedestrian access is provided by public sidewalk along Bristol Street and Newport Boulevard.

The applicant proposes to add bicycle racks to encourage customers and staff to cycle to the storefront. The bicycle racks are credited as one parking space, which increases the total site parking to 37 parking spaces.

As with many new uses and based on many factors that are difficult to quantify, it is difficult to anticipate exact demand for a new use. The proposed use is conditioned to have at least one parking monitor during business hours for the first 90 days. If parking shortages or other parking-related problems occur, 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. Examples of parking demand management techniques include, but are not limited to, reducing operating hours of the business, hiring a permanent employee to monitor parking lot use and assist with customer parking lot circulation, encouraging customers to take advantage of delivery service instead of store visits, offering an employee shuttle service from offsite parking, 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. The purpose of the program is to ensure that the City's transportation system has the capacity to

accommodate additional trips.

The Transportation Services Division has determined that the appropriate average daily trips (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-thru.” The City’s traffic review focuses on net trip increase and therefore the ADT for the previous/existing use(s) is credited (subtracted) from the proposed use ADT to estimate potential changes in trip generation. Staff analyzed the ADT of the previous media consultant office use and compared that with the proposed retail cannabis use ADT. CMMC Section 13-275(a), specifies that “a traffic impact study shall be required for all development projects estimated by the Public Services Department to generate one hundred (100) or more vehicle trip ends during a peak hour.” Staff determined that the proposed use does not meet the threshold for requiring a traffic study. However, the proposed use would be subject to a traffic impact fee. The estimated traffic impact fee is approximately \$50,008. The fee calculation would be finalized during the building permit plan check process and must be paid prior to building permit issuance.

Odor Attenuation

Cannabis products would arrive in State compliant sealed packaging that is tamper and odor-resistant, and would remain unopened until consumption. However, a minimal amount of cannabis product would be removed from packaging for display purposes and would be placed in transparent display containers. To prevent potential odors from the retail cannabis establishment, the suite would feature carbon filters with a minimum efficiency rating value (MERV-8) for capturing at least 80 percent of airborne particles between 3 and 10 micrometers in size. As conditioned, the operator must replace the air filters at regular intervals, as directed in the manufacturer specifications. The facility also features an enclosed lobby room and exit room (mantrap) that further separate the sales floor from the outside. This room provides an additional barrier that will assist in minimizing potential cannabis odor. Further, as conditioned, if cannabis odor is detected outside of the building or in an adjacent tenancy, 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. Such odor mitigation measures could include, but not be limited to, expanding or replacing the filtration system, sealing and/or adding odor resistant structural barriers or limiting certain product sales. Lastly, cannabis products are not allowed to be disposed of in the exterior trash enclosure.

Proximity to Residential

The subject property abuts four existing residential properties developed with single-family homes. The commercial parking lot is separated from the residential rear yards by landscaping and an approximate eight-foot tall block wall. To ensure neighborhood compatibility, proposed project conditions and requirements include the following:

- Onsite, 24-hour security is required;
- Business hours are limited from 7AM to 10PM;
- Vendor deliveries are limited to business hours;

- The posting of signs in the parking lot to remind customers and vendors to keep noise levels to a minimum;
- Shield security lighting down and away from the homes to prevent light spillover. As conditioned, a photometric study would be required to be submitted during plan check to demonstrate that light levels at the residential properties are less than 0.5 foot candle;
- A security guard will monitor the parking area to ensure that customers are quiet, turn off vehicle engines promptly, do not play loud music, etc. As conditioned, should noise complaints arise, the business owner/operator shall institute operational measures deemed appropriate by the Director of Economic and Development Services; and

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. Approval of the proposed cannabis retail storefront with delivery would allow business operations that would expand the City's revenue base. 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.

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 conditional use permit 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 storefronts. 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 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. All retail sales would take place underroof and no outdoor storage or sales are proposed nor would be allowed.

Staff does not anticipate that the proposed retail cannabis use would be materially detrimental to the adjacent commercial uses that include offices, hardware store/lumber yard and an automobile dealership. The proposed use would also not be materially detrimental to the abutting residences because the site features a block wall buffer, mature landscaping, limited operation hours and proposes to add security lighting shielded down and away from homes to prevent potential lighting impacts. The project also includes the posting of signs within the parking lot to remind customers and vendors to keep noise levels to a minimum and a security guard would be present onsite at all times to monitor the site, including interior and exterior conditions. Lastly, the storefront business would also include parking and odor control measures as described in this report to avoid impacts to nearby properties. As proposed and conditioned, the retail cannabis use would be compatible with other properties within the area, and in compliance with local and State requirements.

- *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 with 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, having at least one security guard onsite at all times and the security guard will monitor all on-site delivery/vendor operations. Additionally, security devices shall be installed before operation, such as window and door alarms, motion-detectors, and a monitored video surveillance system covering all exterior entrances, exits, all interior limited access spaces, and designated employee/vendor parking spaces. In addition, all employees, including delivery drivers and part-time staff, must pass a live scan background

check and obtain an identification badge from the City. The conditions of approval include, but are not limited to, the aforementioned 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 classification of "General Commercial." No additional square footage is proposed; 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 California Environmental Quality Act (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 an existing commercial building that has been used for commercial activities and the application does not propose an increase in commercial floor area or otherwise expand the prior commercial use. 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 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 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.

Public comments received are provided as an attachment to this report.

CONCLUSION:

The proposed project is a retail cannabis storefront business with delivery 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 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 is 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, conduct site inspections to verify that the operation complies with CUP and CBP requirements. Violations identified during site inspections may be grounds for revocation of issued permits or non-renewal of a CBP.

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. Further, the project has been conditioned to minimize impacts to neighboring residential units. Staff believes the required findings for the CUP can be made, as described above, and therefore, staff recommends that the Planning Commission find that the project is categorically exempt from the provisions of CEQA Guidelines Section 15301 (Class 1), Existing Facilities; and approve Planning Application 21-27, subject to conditions of approval.



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 22-835

Meeting Date: 8/8/2022

TITLE:

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

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

PRESENTED BY: MICHELLE HALLIGAN, CONTACT PLANNER

CONTACT INFORMATION: MICHELLE HALLIGAN, 714-754-5608; Michelle.Halligan@costamesaca.gov

RECOMMENDATION:

Staff recommends that 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 21-27, subject to conditions of approval.

APPLICANT OR AUTHORIZED AGENT:

The applicant/authorized agent is Andy Singh of CM Triangle Enterprise LLC dba CM Triangle, on behalf of the property owner, Tim Taber.

BACKGROUND:

The subject 26,556-square-foot property is located at 1072 Bristol Street and is generally situated south of the State Route (SR) 55 Freeway. The property is located at the southwest intersection of Bristol Street and Newport Boulevard. The site is zoned C1 (Local Business District) and has a General Plan Land Use Designation of General Commercial. Existing development on the site consists of a two-story 11,880-square-foot commercial building with six tenant suites and a 36-space parking lot.

The proposed retail cannabis storefront use with delivery "CM Triangle," would occupy one 3,286-square-foot tenant suite on the first floor. Suite 100 is currently occupied by the property owner's business that provides media consulting services. The other first floor tenant is an insurance business. Current second floor tenants include an insurance agency, a property management company, and professional law offices. The existing tenants at 1072 Bristol Street are generally open between 8 AM and 6 PM, Monday through Friday. All of the current tenants are closed on Saturday and Sunday. Surrounding uses include several adjacent office complexes located southeasterly of the property and Ganahl Lumber and an automobile dealership located across Bristol Street. To the rear of the property, abutting the subject property's parking lot, is several residential properties that front "The Masters Circle" (a dead-end single-family residential street). The parking lot and single-family homes are separated by landscaping and an approximate eight to ten-foot-tall block wall. Ingress and egress to the site is provided by existing 25-foot wide private driveways with access located from both Bristol Street and Newport Boulevard.

There are no open Code Enforcement cases on this property.

The applicant is partnering with Yummi Karma Inc., a cannabis manufacturing facility located in Costa Mesa - which was approved in 2018 under Measure X. Yummi Karma has been operating since 2018. There are no active Code Enforcement cases at the partnering Measure X facility.

Non-Conforming Development

The existing development is legal-nonconforming in terms of the front setback, parking, 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 proposed site modifications do not result in greater site nonconformities.

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 0.45. As specifically allowed by the CMMC, the nonconforming FAR, front setback, and parking can remain and are considered legal-nonconforming.

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 located north of South Coast Drive and west of Harbor Boulevard (“The Green Zone”). Measure X provisions are 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 cannabis storefront retail 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 in the City is subject to an extensive submittal and application review procedure. Retail cannabis applicants must obtain the following City approvals before obtaining State approval and 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 Services 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 includes:

- 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. 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. Lastly, the applicant must obtain the appropriate license from the State Department of Cannabis Control (DCC) prior to operating.

July 25, 2022 Planning Commission Meeting

This project was originally scheduled and noticed for the July 25, 2022 Planning Commission hearing. Prior to the public hearing, staff received approximately 25 letters expressing concerns, generally from residents who live on Masters Circle. During the July 25, 2022 public hearing, the Planning Commission Chair opened the hearing for public testimony. After receiving public input and closing the public hearing, the Planning Commission voted unanimously to continue the public hearing to the August 8, 2022 Planning Commission hearing in order to provide the applicant time hold a project neighborhood outreach meeting.

DESCRIPTION:

Planning Application 21-27 is a request for a CUP to allow retail cannabis uses within an existing 3,286-square-foot, first floor tenant suite located at 1072 Bristol Street. As proposed, the retail store would operate 7 AM and 10 PM, seven days a week. The affiliated State license is a Type 10 "storefront retailer" which also allows retail delivery. 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 onsite and via delivery to private addresses, subject to conditions of approval and other City and State requirements.

ANALYSIS:

Conditional Use Permit Required

Pursuant to Costa Mesa Municipal Code (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.

Although the subject building is generally developed as a commercial office building and the existing tenants are primarily office related uses, the site is located in the City's C1 - Local Business District, which allows for retail operations. Pursuant to the CMMC Section 13-20(g), the C-1 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." Therefore, the proposed retail storefront is a contemplated use for this property, subject to the Planning Commission approval of a conditional use permit.

Separation Requirements

The property is located on one of the City's primary commercial corridors and generally surrounded by commercial uses, with the exception of a small residential neighborhood (49 single-family homes) that is located adjacent to the subject property's parking lot. The CMMC does not establish a minimum separation between cannabis retail uses and residential development or residential zones. Pursuant to the CMMC, cannabis retail storefronts are conditionally 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 and uses.

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 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.* More specifically, the premises is essentially limited to 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 CMMC separation provisions from sensitive uses.

Exterior Tenant Improvements

The existing building façade and exterior components are in good condition and do not require significant upgrades. Currently, the suite's main entrance is located toward the center of the building, facing the parking lot. There is a secondary entrance located at the rear of the building, near Newport Boulevard. The applicant proposes to use the secondary entrance as the entrance to a lobby. The current main entrance would become the exit.

Proposed exterior improvements include:

- Shielded security lighting on the building;
- Shielded security lighting along the property perimeter; and
- Adding a bicycle rack to encourage multi-modal transportation.

Security lighting would be shielded, pointed downward and located in such a manner to prevent potential lighting impacts to the abutting residential properties. The applicant has provided a preliminary lighting plan as part of their CUP submittal. As conditioned, a lighting and photometric plan would be required during the plan check process to demonstrate that lighting onsite would be adequate for security purposes without light spill onto the abutting residentially-zoned properties. The applicant also proposes to update the site with surveillance cameras and new business signage (signs would be reviewed and permitted separately per the City's sign code requirements).

Interior Tenant Improvements

The majority of the interior improvements would involve construction of non-structural demising walls to create new rooms. The public areas of the retail use would include a lobby, sales floor, and exit room. Back-of-house areas include

an access-controlled office, conference room, storage rooms, and kitchen. Below is a breakdown of the general spaces within the 3,286-square-foot suite.

Table 1 - Floor Plan Summary

Operational Area	Square Feet
Lobby	79
Sales Floor	1,980
Exit Room	137
Offices/Conference Room	390
Kitchen	254
Other Employee-Only Areas	446
Total	3,286

Customer and Employee Access

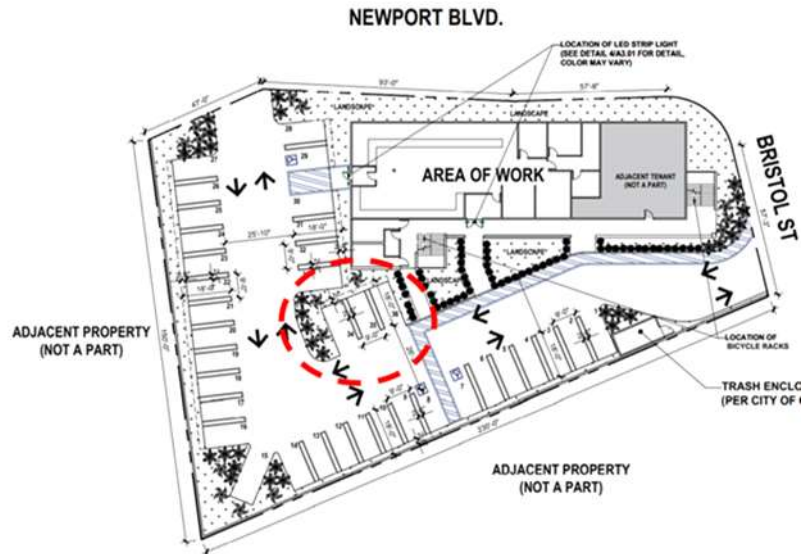
Customers would enter the premises through a lobby door located on the southwestern side of the building adjacent to the site's Bristol Street Parking lot driveway access. Customer circulation is limited to the lobby, retail sales floor, and exit room. After a customer's identify and age are verified and their transaction is completed, they must leave through the exit room. The exit room is located in the interior of the property, facing the parking area to the southeast. After exiting the suite, customers must leave the property. As conditioned, a security guard would monitor the area at all times.

The other areas of the premises would only be accessible to employees with proper security credentials. Employees would enter through the main entrance.

Delivery Operations and Vendor Access

During business hours, retail cannabis delivery and vendor vehicles would use one of the three parking stalls located closest to the access controlled door in the center of the property (see the parking area circled on the below Exhibit A).

Exhibit A - Delivery and Vendor Vehicle Parking



The distance from the controlled access door to the employee/vendor vehicle parking stalls will be less than 50 feet. As proposed and conditioned, the exterior doors, path of travel and designated parking stalls would be under camera surveillance. As further conditioned, all delivery loading and unloading would be monitored by a security guard. Lastly, vendors would only be allowed to enter the premise while accompanied by an employee.

Storefront/Delivery Operation Conditions

The proposed business is required to comply with the following retail storefront/delivery operational conditions:

- Display State license, CBP, and City business license in a conspicuous building location;
- Hours of operations are limited to 7:00 AM to 10:00 PM daily;
- 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, do not consume cannabis onsite or within close proximity, and/or do not disturb the adjacent residential neighbors. Security guards will monitor the parking lot diligently during morning and evening business hours. 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 offsite 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 also 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;
- 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 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 shipping and receiving area and remain with them throughout the process.
- Cannabis goods to be sold at this establishment (either storefront or delivery) 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;
- Packaging containing cannabis goods shall be tamper and child-resistant; if packaging contains multiple servings, the package must also be re-sealable;
- When processing orders for cannabis delivery, employees will collect the pre-packaged materials, load products into a secured container and transport the containers to delivery vehicles outside the building. Video surveillance cameras will be installed with direct views of the path of travel and loading and unloading area;
- Cannabis deliveries must be made in-person by an employee of the licensed retailer. An independent contractor, third-party courier service, or an individual employed through a staffing agency would not be considered employed by the licensed retailer;
- The applicant shall maintain proof of vehicle insurance for any and all vehicles being used to deliver cannabis goods;
- During delivery, the employee shall maintain a physical or electronic copy of the delivery request and shall make it available upon request by the licensing authority and law enforcement officers;
- A delivery employee shall not leave the State of California while possessing cannabis products and while performing their duties for the cannabis retailer;
- The 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;
- Any delivery method shall be made in compliance with State law, as amended, including use

of a vehicle that has a dedicated global positioning system (GPS) device for identifying the location of the vehicle (cell phones and tablets are insufficient);

- Signs, decals or any other form of advertisement on the delivery vehicles are prohibited;
- Deliveries must be made to a physical address that is not on publicly owned land and cannot be a school, a day care, homeless shelter, or a youth center; and
- A cannabis 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.
- The business operator shall ensure that all delivery 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.

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 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 continued entitlement processing.

Security Plan

The applicant 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 required for the proposed cannabis retail establishment:

- At least one security guard will be on-site 24-hours a day;
- All employees, including drivers, 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 exterior) shall be installed;
- Emergency power supply shall be installed;
- Employees shall be trained for use with any/all emergency equipment;
- Delivery drivers shall be trained on delivery safety protocols;
- Employees and vendors will be trained regarding cash and product transportation protocol;

- Visitor/customer specific security measures shall be required;
- All facility entry and exit points and locations where cash or cannabis products are handled or stored shall be under camera surveillance;
- The applicant shall submit a list of all vehicles to be used for retail delivery purposes to the Costa Mesa Police Department. 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; and

Parking and Circulation

As previously indicated, the site is developed with an 11,880-square-foot, two-story, commercial building that is currently occupied by a variety of commercial office uses. The City's parking ordinance requires four parking spaces for every 1,000 square feet of office floor area and, based on this ratio, the total required parking for the commercial building is 47 spaces. Since the site is developed with only 36 parking spaces, the parking for the property is considered legal nonconforming. As previously indicated, the CMMC specifies that properties with legal nonconforming parking conditions can continue so long as the development will not be made more nonconforming. Retail cannabis uses are subject to the same parking ratio requirement as offices (four spaces per 1,000 square feet of gross floor area); therefore, the proposed cannabis retail storefront use would not result in a greater or "more nonconforming" condition in regard to parking.

Although the CMMC allows the site's legal nonconforming conditions to continue, staff requested that the applicant survey parking lot utilization at two-hour intervals to determine actual parking demand conditions based on empirical observations. In response to staff's request, the applicant collected parking counts and took photos at 8 AM, 10 AM, noon, 2 PM, 4 PM, and 6 PM on a Wednesday, Thursday, and Friday (July 13, 2022 through July 15, 2022). Planning staff also visited the site, unannounced, on more than 20 occasions during the months of June and July. During these staff site visits, which occurred at various hours of the day, staff witnessed a minimum of 20 available parking spaces.

As shown in Table 2 and provided by the applicant, on average, 26 parking spaces or 72 percent of all spaces were available between 8 AM and 6 PM. The parking lot was typically most occupied (peak parking demand) midday, with an average of 64 percent of all parking spaces available during the noon and 2 PM counts. Based on empirical observation, 23 parking spaces would be available for the proposed use during the site's peak parking period (from noon and 2 PM on weekdays). In addition, the CMMC requires 14 stalls for the proposed cannabis retail operation and thus the observed 23 parking space availability at the site's peak demand exceeds the Code parking requirement by nine parking spaces. The least utilized parking demand times observed were 8 AM and 6 PM, with 78 percent and 83 percent of the parking spaces available, respectively. Parking counts were not conducted after 6 PM, nor on weekends as the existing businesses are closed; however, staff visited the site on several occasions during these hours and the parking lot was generally vacant of cars.

Table 2 - Parking Availability Survey

Time	Wednesday Available	Thursday Available	Friday Available	Average Available	
8 AM	28	29	27	28	78%
10 AM	26	26	26	26	72%
Noon	23	23	24	23	64%
2 PM	22	23	25	23	64%
4 PM	21	25	31	26	72%
6 PM	27	30	34	30	83%
Daily Average	25	26	28	26	72%

Pursuant to CMMC section 13-98, the Planning Division may require that a declaration of land use restriction be recorded to ensure that future property owners are informed of use restrictions resulting from the number of parking spaces provided. Based on this Code provision, the property owner has agreed to record a Land Use Restriction requiring any future proposed use with a code-required parking ratio above four stalls per 1,000 square feet to be subject to a professionally prepared and affirmative parking study. This study would be subject to approval by a Minor Conditional Use Permit.

Vehicle access to the site is provided from Bristol Street and Newport Boulevard by an approximate 25-foot-wide driveway. Vehicles exiting the property from the Newport Boulevard driveway must turn right, away from the nearest residential street. Vehicles exiting the property from the Bristol Street egress must also turn right (towards Newport Beach). Pedestrian access is provided by public sidewalk along Bristol Street and Newport Boulevard.

The applicant proposes to add bicycle racks to encourage customers and staff to cycle to the storefront. The bicycle racks are credited as one parking space, which increases the total site parking to 37 parking spaces.

As with many new uses and based on many factors that are difficult to quantify, it is difficult to anticipate exact demand for a new use. The proposed use is conditioned to have at least one parking monitor during business hours for the first 90 days. If parking shortages or other parking-related problems occur, 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. Examples of parking demand management techniques include, but are not limited to, reducing operating hours of the business, hiring a permanent employee to monitor parking lot use and assist with customer parking lot circulation, encouraging customers to take advantage of delivery service instead of store visits, offering an employee shuttle service from offsite parking, 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. The purpose of the program is to ensure that the City's transportation system has the capacity to

accommodate additional trips.

The Transportation Services Division has determined that the appropriate average daily trips (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-thru.” The City’s traffic review focuses on net trip increase and therefore the ADT for the previous/existing use(s) is credited (subtracted) from the proposed use ADT to estimate potential changes in trip generation. Staff analyzed the ADT of the previous media consultant office use and compared that with the proposed retail cannabis use ADT. CMMC Section 13-275(a), specifies that “a traffic impact study shall be required for all development projects estimated by the Public Services Department to generate one hundred (100) or more vehicle trip ends during a peak hour.” Staff determined that the proposed use does not meet the threshold for requiring a traffic study. However, the proposed use would be subject to a traffic impact fee. The estimated traffic impact fee is approximately \$50,008. The fee calculation would be finalized during the building permit plan check process and must be paid prior to building permit issuance.

Odor Attenuation

Cannabis products would arrive in State compliant sealed packaging that is tamper and odor-resistant, and would remain unopened until consumption. However, a minimal amount of cannabis product would be removed from packaging for display purposes and would be placed in transparent display containers. To prevent potential odors from the retail cannabis establishment, the suite would feature carbon filters with a minimum efficiency rating value (MERV-8) for capturing at least 80 percent of airborne particles between 3 and 10 micrometers in size. As conditioned, the operator must replace the air filters at regular intervals, as directed in the manufacturer specifications. The facility also features an enclosed lobby room and exit room (mantrap) that further separate the sales floor from the outside. This room provides an additional barrier that will assist in minimizing potential cannabis odor. Further, as conditioned, if cannabis odor is detected outside of the building or in an adjacent tenancy, 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. Such odor mitigation measures could include, but not be limited to, expanding or replacing the filtration system, sealing and/or adding odor resistant structural barriers or limiting certain product sales. Lastly, cannabis products are not allowed to be disposed of in the exterior trash enclosure.

Proximity to Residential

The subject property abuts four existing residential properties developed with single-family homes. The commercial parking lot is separated from the residential rear yards by landscaping and an approximate eight-foot tall block wall. To ensure neighborhood compatibility, proposed project conditions and requirements include the following:

- Onsite, 24-hour security is required;
- Business hours are limited from 7AM to 10PM;
- Vendor deliveries are limited to business hours;

- The posting of signs in the parking lot to remind customers and vendors to keep noise levels to a minimum;
- Shield security lighting down and away from the homes to prevent light spillover. As conditioned, a photometric study would be required to be submitted during plan check to demonstrate that light levels at the residential properties are less than 0.5 foot candle;
- A security guard will monitor the parking area to ensure that customers are quiet, turn off vehicle engines promptly, do not play loud music, etc. As conditioned, should noise complaints arise, the business owner/operator shall institute operational measures deemed appropriate by the Director of Economic and Development Services; and

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. Approval of the proposed cannabis retail storefront with delivery would allow business operations that would expand the City's revenue base. 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.

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 conditional use permit 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 storefronts. 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 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. All retail sales would take place underroof and no outdoor storage or sales are proposed nor would be allowed.

Staff does not anticipate that the proposed retail cannabis use would be materially detrimental to the adjacent commercial uses that include offices, hardware store/lumber yard and an automobile dealership. The proposed use would also not be materially detrimental to the abutting residences because the site features a block wall buffer, mature landscaping, limited operation hours and proposes to add security lighting shielded down and away from homes to prevent potential lighting impacts. The project also includes the posting of signs within the parking lot to remind customers and vendors to keep noise levels to a minimum and a security guard would be present onsite at all times to monitor the site, including interior and exterior conditions. Lastly, the storefront business would also include parking and odor control measures as described in this report to avoid impacts to nearby properties. As proposed and conditioned, the retail cannabis use would be compatible with other properties within the area, and in compliance with local and State requirements.

- *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 with 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, having at least one security guard onsite at all times and the security guard will monitor all on-site delivery/vendor operations. Additionally, security devices shall be installed before operation, such as window and door alarms, motion-detectors, and a monitored video surveillance system covering all exterior entrances, exits, all interior limited access spaces, and designated employee/vendor parking spaces. In addition, all employees, including delivery drivers and part-time staff, must pass a live scan background

check and obtain an identification badge from the City. The conditions of approval include, but are not limited to, the aforementioned 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 classification of "General Commercial." No additional square footage is proposed; 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 California Environmental Quality Act (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 an existing commercial building that has been used for commercial activities and the application does not propose an increase in commercial floor area or otherwise expand the prior commercial use. 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 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 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.

Public comments received are provided as an attachment to this report.

CONCLUSION:

The proposed project is a retail cannabis storefront business with delivery 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 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 is 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, conduct site inspections to verify that the operation complies with CUP and CBP requirements. Violations identified during site inspections may be grounds for revocation of issued permits or non-renewal of a CBP.

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. Further, the project has been conditioned to minimize impacts to neighboring residential units. Staff believes the required findings for the CUP can be made, as described above, and therefore, staff recommends that the Planning Commission find that the project is categorically exempt from the provisions of CEQA Guidelines Section 15301 (Class 1), Existing Facilities; and approve Planning Application 21-27, subject to conditions of approval.

RESOLUTION NO. PC-2022-

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA APPROVING PLANNING APPLICATION 21-27 FOR A STOREFRONT RETAIL CANNABIS BUSINESS WITH DELIVERY (CM TRIANGLE) IN THE C1 ZONE AT 1072 BRISTOL STREET, SUITE 100

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 21-27 was filed by Andy Singh, authorized agent for the property owner, Tim Taber, requesting approval of the following:

A Conditional Use Permit 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 and other City and State requirements;

WHEREAS, a duly noticed public hearing was held by the Planning Commission on July 25, 2022 and on August 8, 2022 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 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 21-27 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 21-27 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 8th day of August, 2022.

Byron de Arakal, 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-2022- was passed and adopted at a regular meeting of the City of Costa Mesa Planning Commission held on August 8th, 2022 by the following votes:

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSENT: COMMISSIONERS

ABSTAIN: COMMISSIONERS

Scott Drapkin, Secretary
Costa Mesa Planning Commission

Resolution No. PC-2022-

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 storefronts. 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 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. All retail sales would take place underroof and no outdoor storage or sales are proposed nor would be allowed. Staff does not anticipate that the proposed retail cannabis use would be materially detrimental to the adjacent uses that include offices, hardware store/lumber yard and an automobile dealership.

The proposed use would also not be materially detrimental to the abutting residences because the site features a block wall buffer, mature landscaping, limited operation hours and proposes to add security lighting shielded down and away from homes to prevent potential lighting impacts. The posting of signs within the parking lot to remind customers and vendors to keep noise levels to a minimum is also required. There would also be a security guard present onsite at all times to monitor the site, including interior and exterior conditions. Lastly, the storefront business would also include parking and odor control measures as described in this report to avoid impacts to nearby properties. As proposed and conditioned, the retail cannabis use would be compatible with other properties within the area, and in compliance with local and State requirements.

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 with 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, having at least one security guard onsite at all times and the security guard will monitor all on-site delivery/vendor operations. Additionally, security devices shall be installed before operation, such as window and door alarms, motion-detectors, and a monitored video surveillance system covering all exterior entrances, exits, all interior limited access spaces, and designated employee/vendor parking spaces. In addition, all employees, including delivery drivers and part-time staff, must pass a live scan background check and obtain an identification badge from the City. The conditions of approval include, but are not limited to, the aforementioned 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; 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, involving negligible or no expansion of the existing use. This project site contains an existing commercial building that has been used for commercial activities and the application does not propose an increase in floor area or otherwise expand the prior commercial use. 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 and delivery business 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 delivery 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. 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 and under an active Cannabis Business Permit and State Type 10 license, 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 shall defend, indemnify, and hold harmless the City, its elected and appointed officials, agents, officers and employees from any claim, action, or proceeding (collectively referred to as "proceeding") brought against the City, its elected and appointed officials, agents, officers or employees arising out of, or which are in any way related to, the applicant's project, or any approvals granted by City related to the applicant's project. 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. City shall have the right to choose its own legal counsel to represent the City's interests, and applicant shall indemnify City for all such costs incurred by City.
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 parking management plan, including techniques described in Operational Condition of Approval No. 7, must be approved by the Director of Economic and Development Services or designee prior to any grand opening or other high volume event on the subject property.
- Bldg. 12. 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.
- 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-21-10. 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-21-27 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. Third parties are prohibited from providing delivery services for non-storefront retail.
 21. 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
22. 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
23. 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.

24. 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 25. 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.
26. 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 and delivery 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.
27. The City Manager or designees may enter this business at any time during the hours of operation without notice, and inspect the location 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.
 28. 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.
 29. 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.
 30. 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.
 31. 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 21-22 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.
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. Construction documents shall include a temporary fencing and temporary security lighting exhibit to ensure the site is secured during construction and to discourage crime, vandalism, and illegal encampments.
10. The applicant shall submit a lighting plan to the Planning Division for review and approval. 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 residential property line 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.

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 of conditions of approval explaining how each was met prior to issuance of a Cannabis Business Permit.
2. The applicant shall submit to the Planning Division 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 fee (\$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; 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.
6. 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.
7. The applicant shall submit an executed Retail Cannabis Business Permit Defense and Indemnity Agreement on a form to be provided by the City.
8. 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, etc. The language of the parking lot signs shall be reviewed and approved by the Planning Division prior to installation.
9. Prior to issuance of building permits, the applicant shall show proof of recordation with the County of a land use restriction which restricts the use of

all suites within 1072 Bristol Street to uses with a parking ratio of four stalls or less per 1,000 square feet. Should any use be proposed with a higher parking ratio, a professionally prepared parking study shall be required before the use could be approved via a Minor Conditional Use Permit or other appropriate entitlement procedure at the time.

Operational Conditions

1. No product deliveries to the facility shall occur after 10:00 PM and before 7:00 AM.
2. Onsite sales and offsite delivery to customers is limited to the hours between 7:00 AM and 10:00 PM.
3. The applicant shall submit an updated delivery vehicle list each quarter with the quarterly update to the employee roster which is required pursuant to the CBP. The number of delivery vehicles parked onsite shall not exceed the number of available onsite surplus parking spaces. Delivery vehicles shall not be parked on City streets.
4. At least one security guard shall be onsite at all times.
5. The operator shall maintain free of litter all areas of the property 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 appropriate security and operational measures as 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 Director of Economic and Development Services or designee. Temporary or permanent parking management strategies include, but are not limited to, 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 delivery service instead of store visits, limiting the number of employees that park onsite, offering an employee shuttle service, and incentivizing employee carpooling/cycling/walking.
8. While working, employees shall not park on residential streets unless doing so temporarily to make a cannabis delivery.
9. All employees must wear an identification badge while on the premises of the business and/or performing deliveries, 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.
10. 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.

11. The operator shall ensure that deliveries are grouped to minimize total vehicle trips.
12. 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.
13. Vehicle loading and unloading shall only take place within direct unobstructed view of surveillance cameras, located in the stalls in close proximity to the access-controlled 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 delivery vehicles. Video surveillance cameras shall be installed on the exterior of the building with direct views of all doors. Any modifications or additional vehicle loading and unloading areas shall be submitted to the Director of Economic and Development Services or designee for approval.
14. Vehicle standing, loading and unloading shall be conducted so as not to interfere with normal use of streets, sidewalks, driveways and on-site parking.
15. The sale, dispensing, or consumption of alcoholic beverages on or about the premises is prohibited.
16. No outdoor storage or display of cannabis or cannabis products is permitted at any time.
17. Cannabis shall not be consumed on the property at any time, in any form.
18. The owner/operator shall prohibit loitering on and within fifty (50) feet of the property.
19. 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.
20. The owner or operator shall maintain air quality/odor control devices by replacing filters on a regular basis, as specified in the manufacturer specifications.
21. If cannabis odor is detected outside the building or within other building tenancies, 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.
22. 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.
23. 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.

24. In the first 90 days of business operations, there shall be at least one parking attendant to monitor the parking lot. The parking attendant shall ensure that customers are not parking in the adjacent properties' parking spaces. The attendant shall also ensure the parking lot is functioning efficiently without negatively impacting the existing businesses onsite and any surrounding properties. Economic and Development Services staff will periodically visit the business unannounced within the first 90 days on several occasions to verify the parking and circulation condition during normal hours of operation. After the initial 90 days, staff will determine if the parking attendants are still needed to maintain efficient parking and traffic flow.
25. Pursuant to CMMC section 13-98, a land use restriction shall be recorded to ensure that future property owners are informed of use restrictions resulting from the number of parking spaces provided. The Land Use Restriction shall specifically require that any future proposed use with a code-required parking ratio above four stalls per 1,000 square feet to be subject to a professionally prepared and affirmative parking study. This study would be subject to approval by a Minor Conditional Use Permit.

June 27, 2022

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

RE: CM Triangle Enterprise LLC Applicant Letter for Commercial Cannabis Storefront Business
To the City of Costa Mesa,

We are writing this Applicant Letter as part of our Commercial Cannabis Storefront Business Application for a retail storefront and delivery service in the City of Costa Mesa. CM Triangle Enterprise LLC is working with Measure X Partner Yummy Karma Inc to establish a retail storefront and delivery service at 1072 Bristol St Costa Mesa, CA 92626 on parcel 439-321-02. The parcel's zoning is C1 Local Business and the proposed location is not within the Green Zone.

Andy Singh, founder of CM Triangle Enterprise LLC, is a successful cannabis entrepreneur who co-owns Nuvata, a line of cannabis vaporizers with formulations specifically tailored to an individual's physiology. Andy was also recently awarded a license to operate a retail storefront in the City of Corona. Andy's critical knowledge of local and state regulations will help guide CM Triangle Enterprise LLC through the entire process in Costa Mesa, from application phase to post-licensing compliance.

We plan to use the Bristol location for conducting the retail sale of cannabis along with the preparation of deliveries of cannabis goods offsite. We are obtaining Type 10 Storefront Retail with Delivery 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. 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, as well as a Retail Floor 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. Limited Access Areas include a Secure Storage Room where bulk cannabis goods are stored, our Shipping/Receiving Room where incoming deliveries of cannabis goods are received and where orders to be delivered offsite are prepared, our Offices where records and security footage are stored, our Employee Breakroom and additional space that is not open to the public.

CM Triangle is taking extensive measures to ensure the safety and security of the site, as well as to mitigate all concerns relating to our proposed use. Odor control measures have been designed to include Merv-8, or better, carbon filters in a negative pressurized environment. Man-traps will be featured at the entrance and exit to provide added protection against any detectable odors escaping the facility. Further, we will be incorporating a 24-hour onsite Security guard to prevent loitering and noise-related nuisances, as well as to enhance the overall safety of the site. Security measures also include shielded security lighting and monitored surveillance cameras with a direct feed to local law enforcement. Our comprehensive Neighborhood Compatibility Measures will allow us to seamlessly integrate our operations while providing enhanced security for the surrounding area.

We only conduct the retail sale of cannabis goods that have been produced by licensed cultivators and manufacturers and sourced from licensed distributors that operation 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 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.

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,

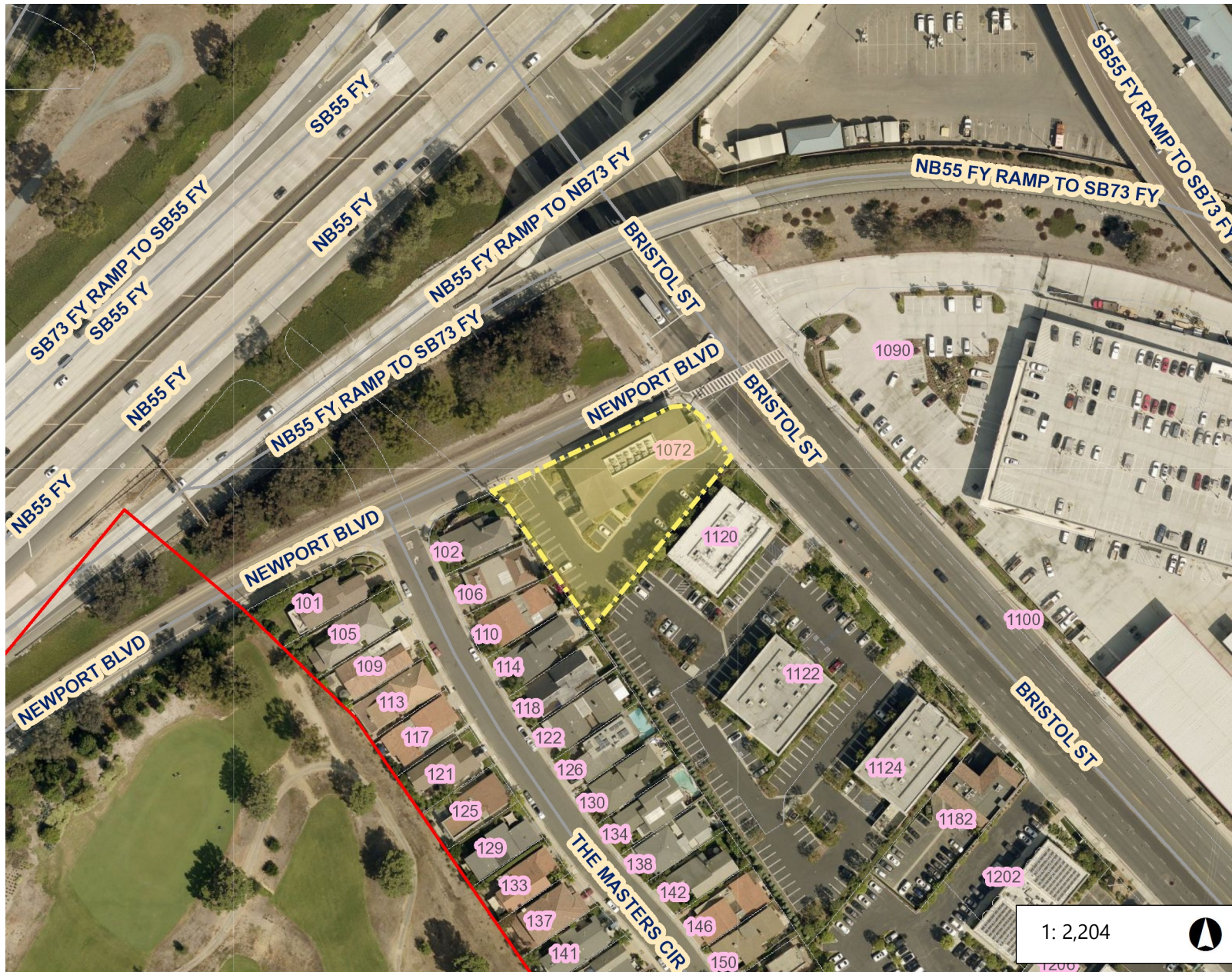


CM Triangle Enterprise LLC



Legend

 Costa Mesa



1: 2,204

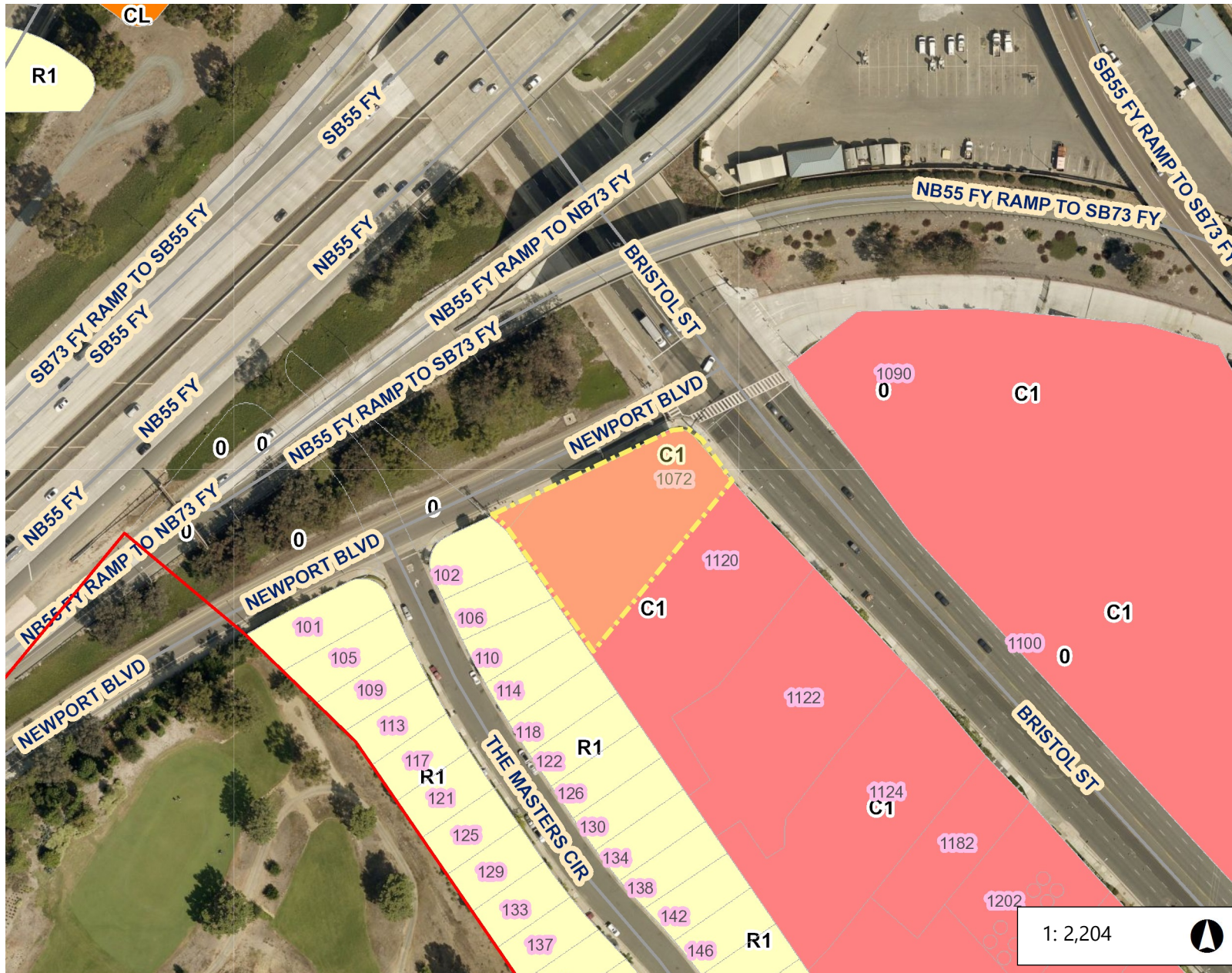


0.1 0 0.03 0.1 Miles

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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.

Notes



Legend

- Costa Mesa
- Zoning**
- AP - Administrative Professional
- IR-MLT - Institutional Recreational I
- R1 - Single-Family Residential
- R2-MD - Multiple-Family Residential
- R2-HD - Multiple-Family Residential
- R3 - Multiple Family Residential
- MG - General Industrial
- MP - Industrial Park
- PDI - Planned Development Industrial
- 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 Commercial
- PDR-LD - Planned Development Residential Density
- PDR-MD - Planned Development Residential Density
- PDR-HD - Planned Development Residential Density

Notes

0.1 0 0.03 0.1 Miles

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1072 BRISTOL STREET (PA-21-27)

EXISTING SITE PHOTOS



View from Newport Boulevard



View of the side door (to become entrance) and parking



View from the southern corner of the parking lot



Commercial and residential interface from parking lot, facing Newport Boulevard





Commercial and residential interface facing south from Newport Boulevard





Bristol Street Frontage


LEGEND:

- 


CEANOTHUS 'CENTENNIAL'
CENTENNIAL WILD LILAC
- 


HESPERALOE PARVIFLORA
RED YUCCA
- 


CHONDROPETALUM TECTORUM
CAPE BUSH
- 


CORDYLINE AUSTRALIS "RED SENSATION"
RED SENSATION GRASS PALM
- 


CORDYLINE AUSTRALIS "TORBAY DAZZLER"
TORBAY DAZZLER GRASS PALM


- 


KEY NOTE - SEE ABOVE
- 


LOW WALL
- 


4\"
- 


6\"
- 


8\"
- 


1-HOUR RATED EXTERIOR WALL
OCCURS WITH 4\", 6\", OR 8\" FRAMING
- 


SOFFIT OR DROP CEILING
- 


SMOKE ALARM
- 


CARBON MONOXIDE ALARM
- 

EXHAUST FAN VENT TO OUTSIDE AIR
- 

FLOOR MATERIAL TRANSITION
C = CARPET
T = TILE
V = VINYL
- 

TOUCH SCREEN
- 

TV LOCATION
- 

SPEAKER
- 

CABLE / DATA
- G.34.

 - FANS SHALL BE ENERGY STAR COMPLIANT AND BE DUCTED TO TERMINATE TO THE OUTSIDE OF THE BUILDING
 - FANS, NOT FUNCTIONING AS A COMPONENT OF A WHOLE HOUSE VENTILATION SYSTEM, MUST BE CONTROLLED BY A HUMIDITY CONTROL.

Notes 4

ATTACHMENT 6

1072 Bristol Street,
Costa Mesa,
CA 92626

SUITE 100



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



Revisions:

No.	Issue	Date
1	CUP Submittal	11 Aug 2021
2	CUP Submittal	12 Nov 2021
3	CUP Submittal	15 Dec 2021
4	CUP Submittal	28 Jan 2022
5	CUP Submittal	4 Feb 2022

Project Number:
31020078

Date:

File:

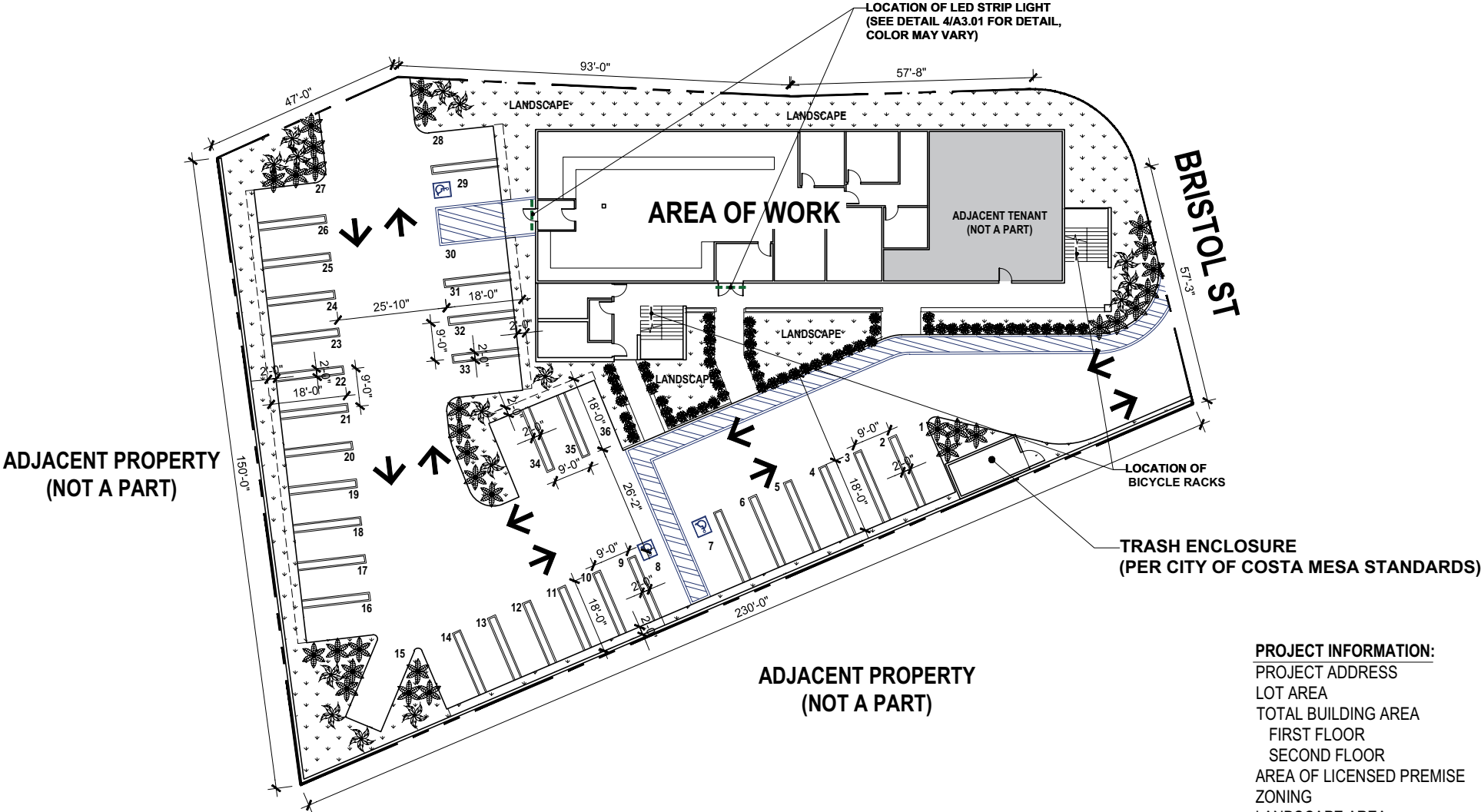
Scale:
Scale As Noted

Sheet Title:
Site Plan

Drawing Number:

A1.01

NEWPORT BLVD.



PROJECT INFORMATION:

PROJECT ADDRESS	1072 BRISTOL ST 100
LOT AREA	26,108 SF
TOTAL BUILDING AREA	11,880 SF
FIRST FLOOR	5,940 SF
SECOND FLOOR	5,940 SF
AREA OF LICENSED PREMISE	3,286 SF
ZONING	C1
LANDSCAPE AREA	6,041 SF

PARKING SUMMARY:

STANDARD PARKING STALLS	34 STALLS
HC PARKING STALLS	2 STALLS
BIKE RACKS	1 STALL

Site Plan
SCALE: 1/16" = 1'-0"
FILE: 1

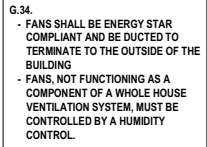
CEANOTHUS 'CENTENNIAL'
CENTENNIAL WILD LILAC

HESPERALOE PARVIFLORA
RED YUCCA

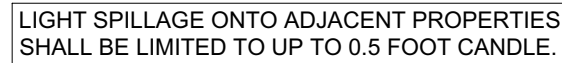
CHONDRPETALUM TECTORUM
CAPE BUSH

CORDYLINAE AUSTRALIS "RED SENSATION"
RED SENSATION GRASS PALM

CORDYLINAE AUSTRALIS "TORBAY DAZZLER"
TORBAY DAZZLER GRASS PALM



Notes	4
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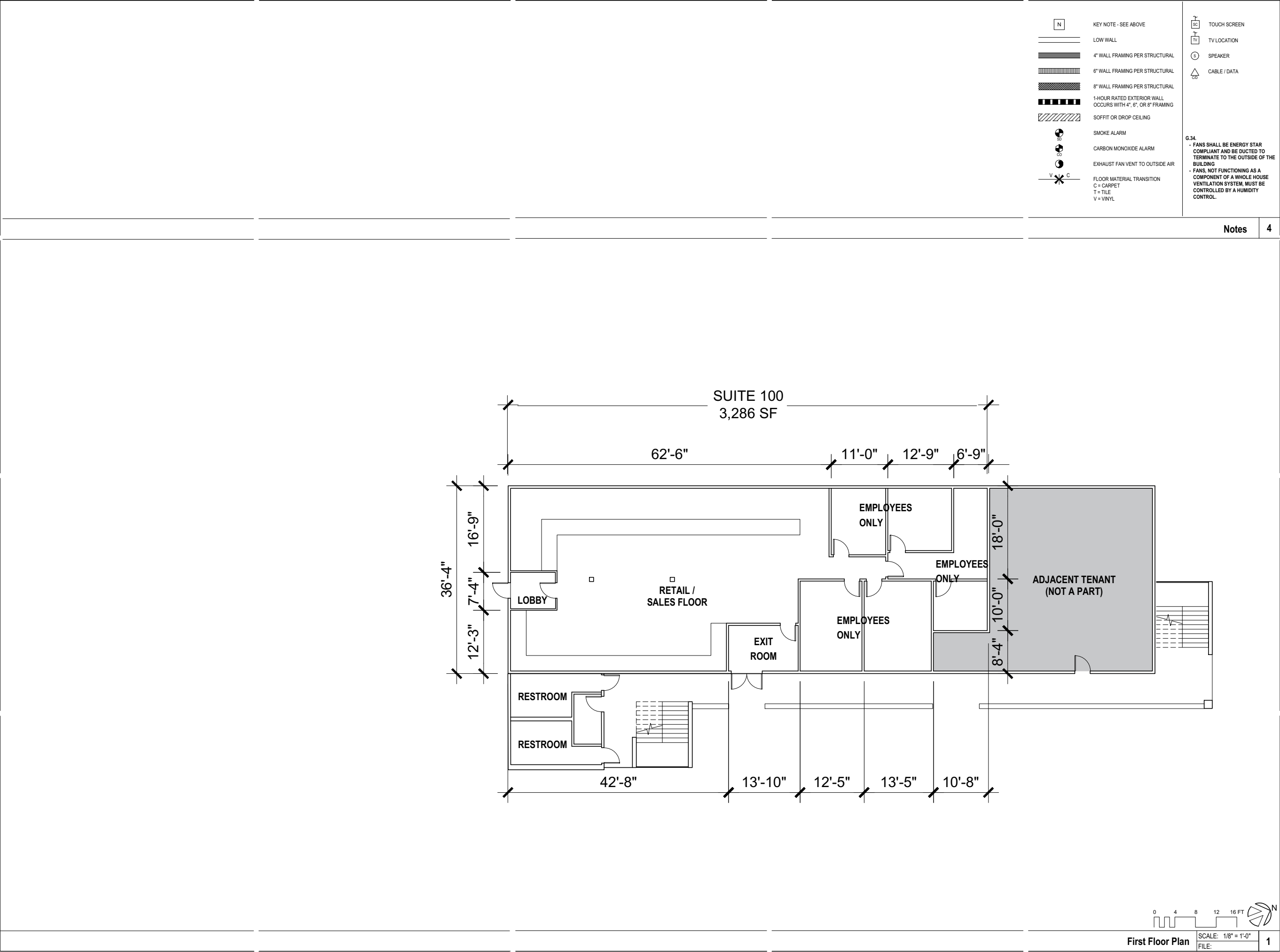


Luminaire Schedule				
Symbol	Qty	Label	Arrangement	Description
	3	WP-1	Single	LPW-16-50-NW-G3-4-2021
	8	LS-1	Single	BMB070-TB
	8	SL-1	Single	MSL-135K-12-BZPC

Calculation Summary							
Label	CalcType	Units	Avg	Max	Min	Avg/Min	Max/Min
LOT	Illuminance	Fc	3.57	6.0	1.7	2.1	3.53

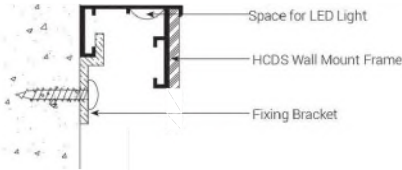


A1.01B



NOTES:

- ALL EXTERNAL LIGHTING SHALL BE DIRECTED AWAY FROM ANY ADJACENT RESIDENTIAL USES AND PUBLIC RIGHT OF WAY.
- NO ILLUMINATION SOURCE SHALL BE DIRECTED SO THAT DIRECT GLARE FROM THE SOURCE IS VISIBLE FROM ANY POINT BEYOND THE LOT OR BUILDING SITE UPON WHICH THE LIGHT SOURCE IS LOCATED.
- LIGHTING FIXTURES SHALL BE EQUIPPED WITH AUTOMATIC TIMING DEVICES, BE FULLY SHIELDED AND PLACED SO THAT THE LIGHT IS DIRECTED TOWARDS THE EARTH'S SURFACE AND IS DESIGNED TO EMIT ONLY THE MINIMUM AMOUNT OF LIGHT NECESSARY FOR THEIR INTENDED PURPOSE.

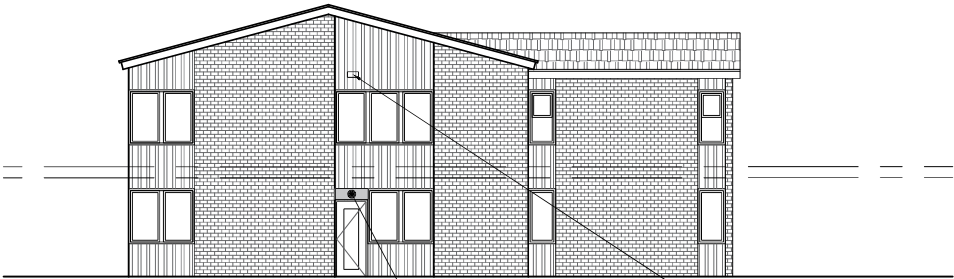


DETAIL MAY VARY AND IS INTENDED FOR USING THE "SHIELDING" METHOD OF CONSTRUCTION.

Light Shielding Detail

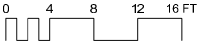
SCALE: NTS
FILE:

4



LYTEPRO16 WALLPACK
(BY SYNERGYLIGHTINGUSA)

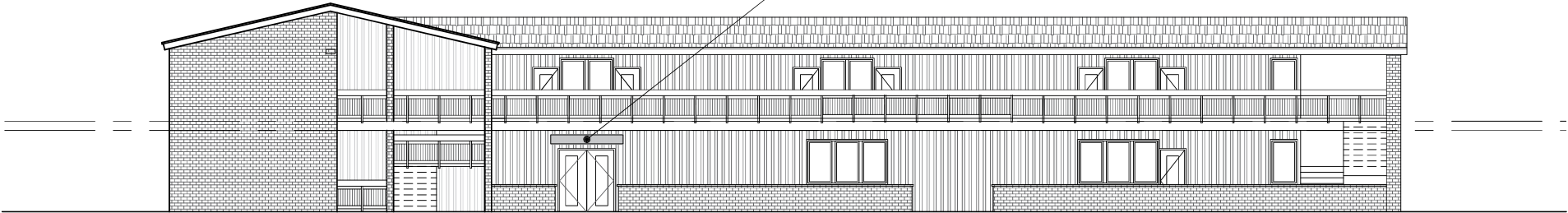
LED STRIP LIGHT
(SEE DETAIL 4/A3.01 FOR DETAIL,
COLOR MAY VARY)



West Elevation

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

1



LED STRIP LIGHT
(SEE DETAIL 4/A3.01 FOR DETAIL,
COLOR MAY VARY)



South Elevation

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

1

1072 Bristol Street,
Costa Mesa,
CA 92626



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



Revisions:

No.	Issue	Date
1	CUP Submittal	11 Aug 2021
2	CUP Submittal	12 Nov 2021
3	CUP Submittal	15 Dec 2021
4	CUP Submittal	28 Jan 2022
5	CUP Submittal	4 Feb 2022

Project Number:

31020078

Date:

File:

Scale:

Scale As Noted

Sheet Title:

Elevations

Drawing Number:

A3.01



PH 1

PARTIDA, ANNA

From: Ethan Jenkin <ethanjenkin@gmail.com>
Sent: Saturday, July 23, 2022 10:51 AM
To: PC Public Comments
Subject: Ref Application No PA 21 - 27

Categories: Blue Category, Red Category

I do not want the city approving a Cannabis retail store on Bristol

This will have an immediate negative impact on the neighborhood.

Thank you

--

Ethan Jenkin
President LHF Marketing
Cell # 949.294.0985
Skype: ethanjenkin
ethanjenkin@gmail.com
<http://lhfmkteting.com>

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PH-1

PARTIDA, ANNA

From: faysalyafi@gmail.com
Sent: Saturday, July 23, 2022 12:05 PM
To: PC Public Comments
Subject: Re: PA-21-27

Categories: Blue Category, Red Category

To whom it may concern,

I'm writing to express my sincere concerns regarding the opening of a Cannabis retail store at 1072 Bristol street which is in a residential neighborhood where we live (162 the Masters Circle, Costa Mesa, CA 92627).

I have 2 daughters under 4 and I am incredibly concerned about having such a store within a block of our street that has numerous houses with young kids.

Our concerns are due to the traffic, crime, impact on property value, safety of our children and times of operation which are all detrimental to our neighborhood.

As such, I urge you to turn this application down and recommend a more commercial area far from neighborhoods with young children like ours!

Thank you,

Faysal A. Yafi, M.D., F.R.C.S.C.

Associate Professor of Urology
Director of Men's Health and Newport Urology
Chief, Division of Men's Health and Reconstructive Urology
University of California, Irvine
Department of Urology
20350 SW Birch St., Suite 2100
Newport Beach, CA 92610
fyafi@uci.edu
www.faysalyafiMD.com

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PH-1

PARTIDA, ANNA

From: John Petersen <johnpetersen89@gmail.com>
Sent: Saturday, July 23, 2022 1:57 PM
To: PC Public Comments
Subject: Ref # : PA - 21 - 27

Categories: Red Category, Blue Category

Hello -

Please let be known both myself and my wife, Erika Hiller, oppose teh measure to allow teh opening of a Marijuana retail store on Bristol.

Reasons:

- More traffic
- More crime
- Negative impact on property values
- Later business hours (more noise)
- Recovery home, brings other negative businesses.

Thanks very much,
JP

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PH-1

PARTIDA, ANNA

From: nicole summers <nicole-summers@live.com>
Sent: Saturday, July 23, 2022 5:01 PM
To: PC Public Comments
Subject: Pot Shop Opposition

Categories: Blue Category, Red Category

Hello,

I'm a local resident and oppose the proposed pot shop on 1072 Bristol St., Suite 100
This is too close to homes, families, and schools. This is not a good location.

Sincerely,
Nicole Summers
949-922-1526

Sent from my Verizon, Samsung Galaxy smartphone
Get [Outlook for Android](#)

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PH-1

PARTIDA, ANNA

From: Jackie Olstad <jackieolstad@yahoo.com>
Sent: Saturday, July 23, 2022 6:33 PM
To: PC Public Comments
Subject: PA-21-27Regarding MarijuanaStore@1072Bristol

Categories: Blue Category, Red Category

zMy concerns are a follows: Traffic, Odors crime activity etc. My vote is NO!!!!!!

Jacklyn Olstad 142 The Masters Cir

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PH-1

PARTIDA, ANNA

From: Julia McCarthy <julia@aftercarecorp.com>
Sent: Sunday, July 24, 2022 4:16 PM
To: PC Public Comments
Subject: Opposition to Cannabis store Reference Application No. PA-21-27

Categories: Blue Category, Red Category

I, along with all of my neighbors living on The Masters Circle, strongly oppose the opening of a Cannabis store on the corner of Bristol and Newport Blvd – directly behind our homes. Ours is a small, peaceful neighborhood and we would like it to stay that way.

Having a busy, traffic intense business that is open much later into the evening than the current businesses is bound to cause issues. Add to that the nature of the proposed business which will bring all sorts of transients into the area and you have a recipe for disaster. Who will clean up after these people? Who will protect our properties from theft and vandalism? Who will manage the potential noise issues?

Please take our families into consideration and stop the installation of this ill placed business.

Thank you.

Sincerely,

Julia McCarthy

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PH-1

PARTIDA, ANNA

From: Charles Clarke <cwclarke.ca@gmail.com>
Sent: Sunday, July 24, 2022 4:37 PM
To: PC Public Comments
Cc: Denise Rockstroh; Charles Clarke
Subject: Application PA-21-27

Categories: Blue Category, Red Category

Good Afternoon,

We are writing in opposition to the Conditional Use Permit (CUP) for Planning Application 21-27 of a retail cannabis storefront business and non-storefront delivery use at the commercial building located on 1072 Bristol Street.

The proposed business would be directly adjacent to our residential neighborhood which presents a handful of potential issues:

- 1) Safety - We currently are experiencing increased transient traffic on Newport Blvd and it is likely we will see an increase if the establishment is approved. For instance, we see that transients congregate at similar establishments in the area (Circle K, 7-Eleven) which sell similar substances (i.e. alcohol, tabaco). Per various news outlets, we also understand there may be increased crime activity (i.e. car break-ins) in the vicinity of these establishments.
- 2) Noise - The current business closes approx. at 6pm. Per Google, most Cannabis stores in our area close around 9-10pm. The increased business hours will increase noise pollution in a residential area.
- 3) Property Values - Can't imagine that the average prospective home buyer would find a cannabis dispensary a value add.
- 4) Substance Recovery Homes - We have multiple recovery homes on our block and in the area. Does not seem appropriate to approve a dispensary in close proximity to these communities.

A few other items to consider:

- 1) Do current residents in Costa Mesa not have access to marijauna? A Google search shows multiple dispensaries less than 5 miles away. These stores also offer direct delivery services. So it would appear that access is NOT an issue for current residents
- 2) Is this the only viable spot in Costa Mesa? A Google search shows multiple commercial and industrial units not directly adjacent to homes which have similarly regulated businesses (i.e. the breweries at The Lab and The Camp) and open leases. So it would appear that there are better locations with current availability.
- 3) What value will this add to the community? Perhaps tax dollars, in the short run. But that assumes there is no negative decline in property values and that the other tenants in the area do not leave. The current tenants of the building appear to be professional services (insurance, consulting, law). I'd have to imagine they would rethink their next lease when the time comes. So perhaps a win in the short term but a poor decision in the long run.

Thank you,
Charles & Denise Clarke
125 The Masters Circle, Costa Mesa, CA 92627

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PH-1

PARTIDA, ANNA

From: Susan Burke <soozeburke17@gmail.com>
Sent: Sunday, July 24, 2022 5:07 PM
To: PC Public Comments
Subject: Opposition to Cannabis store Application No. PA-21-27

Categories: Blue Category, Red Category

I live on a residential street behind the area where this proposed cannabis store would be going. I am emphatically opposed to this. We have children and elderly adults on our street who can not be exposed to those chemicals. We also have a large amount of transient people and this would likely result in an increase in crime in our area. It will also have a huge impact on our property values. That business would close between 9 and 10 pm while all of the other businesses close at 6pm. So the evening people will be more noisy than the earlier closing businesses. Also where there is one store there are bound to be more. It will bring undesirable retail stores to the area. There are also recovery homes in the area.

I can't oppose strongly enough this ridiculous proposal!

Angrily, frustratedly,

Susan Burke

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PARTIDA, ANNA

PH-1

From: Schellie Walsh <schelliwalsh555@gmail.com>
Sent: Sunday, July 24, 2022 5:09 PM
To: PC Public Comments
Subject: PLANNING APPLICATION 21-27 FOR A RETAIL CANNABIS STOREFRONT USE WITH DELIVERY LOCATED AT 1072 BRISTOL STREET, SUITE 100
Attachments: street opening of The Masters Circle.png
Categories: Blue Category, Red Category

To The Costa Mesa Planning Commission:

When I purchased and moved into my home on The Masters Circle 22 years ago, it was a quiet sleepy street. I never thought a Drug & Alcohol Rehabilitation house would be on my block. It's been in business for several years.

And now, a retail cannabis storefront with delivery wants to open just 485.6 feet from our street. Worse yet, several of our homes back up to the proposed cannabis store, putting the cannabis store literally in our backyards. Fumes will be an issue.

Let's be real, not every business is alike. We have no issue with many of the businesses that are already there, attorneys, insurance. However, the proposed cannabis store poses real safety issues...If they didn't, there wouldn't be security systems, and 24/7 security guard. That doesn't make us feel safe. It only shows that this type of business attracts criminals and criminal activity. We don't need any more crime on our block, we have enough transient issues coming from Newport Boulevard. A few months ago a car was stolen on our block, and several cars broken into.

Opening a retail cannabis store at 1072 Bristol Street is an ill-conceived location because it puts the safety of our personhood and property on The Masters Circle in jeopardy and could have a negative financial impact on the valuation of our homes. In addition, it is highly irresponsible due to the extremely close proximity to the The Drug and Alcohol Rehabilitation house located on The Masters Circle, just 1,056 feet away from 1072 Bristol Street.

I vehemently oppose the opening of the cannabis retail store and delivery service at the proposed location.

Schellie Walsh
Resident on The Masters Circle
Costa Mesa, CA 92627

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PH-1

PARTIDA, ANNA

From: LESLIE GALINDO <lesliehome5@aol.com>
Sent: Sunday, July 24, 2022 6:04 PM
To: PLANNING INFO
Subject: Re: Planning Application 21-27 Comments

Categories: Blue Category, Red Category

> On Jul 24, 2022, at 2:25 PM, Erin Peacock <erin@peacock-pr.com> wrote:
>
> This email is in regards to Planning Application 21-27 and a request for a Conditional Use Permit to allow a retail cannabis storefront business and not-storefront delivery use adjacent to my neighborhood.
>
> My vote is a "NO".
>
> Concerns include:
> -transient traffic
> - Impact on property values
> - emission of marijuana orders
> - increased crime activity including car break-ins and robberies
>
> I have lived in this neighborhood for nearly 50 years and this type of business will put all my neighbors at tremendous risk including crime and health concerns. I strongly encourage the City Council to hear our concerns and not allow this business to operate so close to my home and the homes of my neighbors.
>
>
>

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PH-1

PARTIDA, ANNA

From: Linda Ranck <linda.ranck@gmail.com>
Sent: Sunday, July 24, 2022 6:07 PM
To: PC Public Comments
Cc: John Calvert
Subject: Opposition to Application No. PA-21-27

Categories: Blue Category, Red Category

Re: Application No. PA-21-27 ("Subject Application")

Dear Planning Division Commissioner:

The proposed retail cannabis storefront business at 1072 Bristol Street, Suite 100 ("Proposed Location") presents an imminent danger to residents in our neighborhood, specifically to vulnerable groups such as addiction recovery facility residents and children. As you can see, our street, The Masters Circle, is immediately adjacent to the office building being considered for a cannabis retail storefront. In fact, it is approximately 100 feet from the proposed storefront to the front door of the first home on our street. Also, the property-line of the Proposed Location's parking lot runs along the property-lines of our backyards.

We vehemently oppose such a facility being allowed in this location on the following grounds:

1. It is less than 100 feet and is well within walking distance from a sober-living / addiction recovery home located at 137 The Masters Circle. Furthermore, the only way to exit The Masters Circle is via a one-way street (Newport Blvd.) which makes it impossible for any resident or visitor of The Masters Circle to leave our street without passing the 1072 Bristol Street building.
2. It is within walking distance to the Costa Mesa Skate Park, Costa Mesa Bark Park, TeWinkle Park, and Orange County Fair Grounds (locations to where we both often walk). Each of these recreational community locations are frequented heavily by children. Having a cannabis retail storefront so close to these family-friendly locations puts our children, families, and community in danger from the clientele that is attracted by such a retail store.
3. The Proposed Location address 1072 Bristol is less than 50 feet from Family Care Center and less than 500 feet from Little Healthy Smiles, a pediatric dentist. I strongly urge you to consider the impact on these well-established businesses, as well as other nearby businesses that cater to our children, and deny this Subject Application.
4. The other businesses located at 1072 Bristol are professional offices (Choice Plus Insurance Services, Beckerman Anderson Lawyer, Home Brand Properties) and are **NOT** retail stores. These current businesses located at 1072 Bristol close at 6:00 pm, in time as to not disturb the quiet and safe enjoyment of our backyards. Also, the wall between the parking lot and our homes is not high enough to block our view from seeing the building at 1072 or its parking lot. It is not appropriate to put any type of retail store in this office building, or any of the other office locations, that run along the backyards or our homes. If the professional offices next to our homes are turned into retail storefront businesses, we will no longer feel safe in our own backyards.
5. There are several families with young children and babies that live in the homes at The Masters Circle who will be put a risk should such a retail store be allowed to be opened within 100 feet of their homes.

For all of the above reasons, we respectfully request that you DENY Application No. PA-21-27.

Thank you for your consideration.

Sincerely,

John Calvert & Linda Ranck
150 The Masters Circle
Costa Mesa, CA 92627

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PA-1

PARTIDA, ANNA

From: Marianne Orr <marinml@la.twcbc.com>
Sent: Sunday, July 24, 2022 6:08 PM
To: PC Public Comments
Cc: 'Marianne Orr'; capt.sandbar@captsandbar.com
Subject: Opposition to Application No. PA-21-27
Attachments: Part I and Part II Stats M.pdf; Part I II Crime Stats De.pdf

Importance: High

Categories: Blue Category, Red Category

To the Costa Mesa Planning Commission Members:

We are writing in opposition of Application No. PA-21-27 for a Cannabis retail store and delivery service at 1072 Bristol Street.

Our street, The Masters Circle, was allowed to be created by the City of Costa Mesa when the Santa Ana Country club wanted to build their current clubhouse. Our homes have zero lot lines, no driveway is the same size and we've had issues with the trash collection because we don't all have 2nd walkways to store trash cans. Costa Mesa Police and Fire have always been exemplary in their service to the street, which we thank them for. But for other services, we have always been the red headed step child due to being right on the line covered by County versus City.

Now with this Application, you are wanting to place a retail Cannabis business right next to our street where families are raising their children, seniors are living independent lives and hardworking people are paying their taxes.

We Don't want this for the obvious reasons:

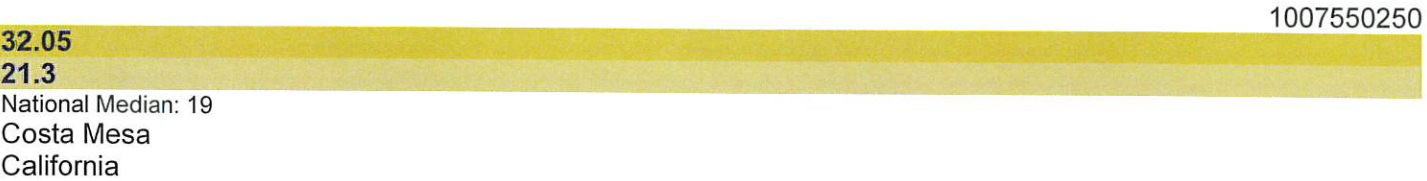
1. We already have a large amount of transient traffic, this will bring more.
2. This will likely result in increased crime activity (car break-ins & home burglaries)
3. This will have an impact on our Property Values.
4. Emission of Marijuana odors. The applicant states they have filters & mantraps.
5. Sale of Marijuana to 18 yr. olds with a Dr.'s note & Cannabis card, you can buy one online.
6. The existing businesses at 1072 Bristol close around 6 pm. Cannabis stores close 9pm-10pm, so we will have more noise at night in our neighborhood.
7. Where there is one store, there will be many in the area. Just look up Cannabis Store near me and you will see. Once one permit is given, others will follow.
8. It will bring more Seedy retail stores to the area. Just drive up Bristol in Santa Ana. Two Pornography stores recently popped up near the cluster of Cannabis stores.
9. We have recovery homes in the area and on our block

But to back up these concerns we have the following increases in crime in Costa Mesa. The first attachment is taken from the City website for crime statistics for 2022. This shows an overall crime rate increase of 5.48% over prior year through May, 2022 This is in addition to a 7.61% overall increase in crime in 2021 (Attachment #2) This shows double digit crime rate increases in 1 ½ years.

Plus this snippet from Neighborhood Scout website shows that Property Crimes and crime overall in Costa Mesa is WELL above the national average.

PROPERTY CRIME

PROPERTY CRIME COMPARISON (PER 1,000 RESIDENTS)



MY CHANCES OF BECOMING A VICTIM OF A PROPERTY CRIME

1 IN 31
in Costa Mesa
1 IN 47
in California

COSTA MESA PROPERTY CRIMES

POPULATION: 111,918

	BURGLARY	THEFT
Report Total	515	2,701
Rate per 1,000	4.60	24.13

UNITED STATES PROPERTY CRIMES

POPULATION: 331,449,281

	BURGLARY	THEFT
Report Total	1,035,314	4,606,324
Rate per 1,000	3.12	13.90

COSTA MESA CRIMES PER SQUARE MILE

260

77

National Median: 26.9

Costa Mesa

California

As longtime residents, tax paying citizens, we ask that you take care of the residents already making Costa Mesa there home and worry about cleaning up the crime in the city instead of inviting in more unsavory business that will surely just add to this already burgeoning issue. As someone who grew up in the area, and have been in the city for 75 years and 35 years respectively, it's very sad to see this decline in our City and expect our elected officials to be concerned about the residents that are already here. Not new business that will only bring more of the same.

Thank you,
Sandbar and Marianne Orr
174 The Masters Circle
Costa Mesa, CA 92627

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**Costa Mesa Police Department
Crime Statistics 2022**

PART I CRIMES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2021 YTD	2022 YTD	YTD % Change
HOMICIDE	0	0	0	0	0								1	0	100.00%
RAPE	7	2	7	8	4								29	28	-3.45%
ROBBERY	17	8	13	15	12								71	65	-8.45%
AGGRAVATED ASSAULTS	33	29	26	43	46								192	177	-7.81%
BURGLARY	53	43	39	43	38								216	216	0.00%
LARCENY	261	203	284	257	210								1092	1215	11.26%
MOTOR VEHICLE THEFT	29	23	30	39	34								161	155	-3.73%
ARSON	2	0	2	2	4								7	10	42.86%
2022 PART I CRIME TOTALS	402	308	401	407	348								1769	1866	5.48%
2021 PART I CRIME TOTALS	347	378	359	335	350								-	-	-
PART I % CHANGE PRIOR YEAR	15.85%	-18.52%	11.70%	21.49%	-0.57%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-	-	-

PART II CRIMES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2021 YTD	2022 YTD	YTD % CHANGE
OTHER ASSAULT	95	78	105	94	82								432	454	5.09%
FORGERY	5	7	8	5	6								46	31	-32.61%
FRAUD	76	55	67	54	68								262	320	22.14%
EMBEZZLEMENT	4	3	1	1	1								22	10	-54.55%
STOLEN PROPERTY	10	7	12	9	10								45	48	6.67%
VANDALISM	58	60	59	56	84								289	317	9.69%
WEAPONS OFFENSES	7	11	8	4	7								51	37	-27.45%
PROSTITUTION AND VICE	1	6	1	1	0								1	9	700.00%
SEX OFFENSES	10	18	20	29	18								79	95	20.25%
DRUG ABUSE VIOLATIONS	152	132	171	129	110								980	694	-29.18%
OFFENSES TO FAMILY/CHILDREN	4	3	4	5	3								20	19	-5.00%
DRIVING UNDER THE INFLUENCE	50	45	53	57	95								442	300	-32.13%
LIQUOR LAWS	3	3	4	3	2								33	15	-54.55%
DRUNKENNESS	22	21	24	21	18								98	106	8.16%
DISORDERLY CONDUCT	13	7	7	6	17								52	50	-3.85%
VAGRANCY	3	3	2	1	3								14	12	-14.29%
ALL OTHER OFFENSES	132	108	117	95	107								444	559	25.90%
CURFEW LOITERING LAWS	0	0	0	0	0								0	0	0.00%
2022 PART II CRIME TOTALS	645	567	663	570	631								3310	3076	-7.07%
2021 PART II CRIME TOTALS	578	600	718	704	710								-	-	-
PART II % CHANGE PRIOR YEAR	11.59%	-5.50%	-7.66%	-19.03%	-11.13%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-	-	-

**Costa Mesa Police Department
Crime Statistics 2021**

PART I CRIMES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2020 YTD	2021 YTD	YTD % Change
HOMICIDE	0	0	0	1	0	0	0	0	0	0	0	0	4	1	-0.25%
RAPE	3	4	3	6	13	4	5	5	9	5	5	5	64	67	4.69%
ROBBERY	10	13	18	13	17	7	10	8	16	11	13	9	116	145	25.00%
AGGRAVATED ASSAULTS	33	39	50	30	40	28	42	47	28	36	40	29	304	442	45.39%
BURGLARY	52	37	44	34	49	38	47	37	43	42	34	50	512	507	-0.98%
LARCENY	225	247	202	219	199	217	203	244	221	259	294	271	2698	2801	3.82%
MOTOR VEHICLE THEFT	21	38	41	31	30	29	53	43	29	44	31	35	369	425	15.18%
ARSON	3	0	1	1	2	1	2	1	2	4	3	2	31	22	-29.03%
2021 PART I CRIME TOTALS	347	378	359	335	350	324	362	385	348	401	420	401	4098	4410	7.61%
2020 PART I CRIME TOTALS	354	332	307	329	348	393	306	318	347	329	364	371	-	-	-
PART I % CHANGE PRIOR YEAR	-1.98%	13.86%	16.94%	1.82%	0.57%	-17.56%	18.30%	21.07%	0.29%	21.88%	15.38%	8.09%	-	-	-

PART II CRIMES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2020 YTD	2021 YTD	YTD % CHANGE
OTHER ASSAULT	71	74	88	96	103	93	95	92	81	99	81	77	734	1050	43.05%
FORGERY	13	13	8	7	5	8	9	9	12	8	5	6	90	103	14.44%
FRAUD	66	44	64	47	41	51	48	41	58	52	53	65	553	630	13.92%
EMBEZZLEMENT	6	5	3	7	1	5	1	1	1	0	5	1	17	36	111.76%
STOLEN PROPERTY	7	10	9	12	7	14	14	7	9	8	12	3	123	112	-8.94%
VANDALISM	43	73	67	55	51	60	52	57	57	67	42	57	547	681	24.50%
WEAPONS OFFENSES	9	11	10	11	10	12	14	10	18	14	8	6	70	133	90.00%
PROSTITUTION AND VICE	0	0	1	0	0	0	0	2	1	0	0	1	0	5	100.00%
SEX OFFENSES	14	14	10	14	27	18	7	12	17	13	10	6	98	162	65.31%
DRUG ABUSE VIOLATIONS	174	154	211	223	218	190	229	185	220	216	152	112	1693	2284	34.91%
OFFENSES TO FAMILY/CHILDREN	1	3	8	3	5	3	1	2	1	1	2	1	22	31	40.91%
DRIVING UNDER THE INFLUENCE	65	82	99	97	99	74	64	93	92	114	75	63	386	1017	163.47%
LIQUOR LAWS	4	4	7	9	9	8	1	4	4	3	9	3	42	65	54.76%
DRUNKENNESS	21	15	16	24	22	11	31	29	24	21	25	19	170	258	51.76%
DISORDERLY CONDUCT	10	12	8	15	7	9	2	10	9	12	5	6	81	105	29.63%
VAGRANCY	2	3	2	3	4	3	9	4	4	1	1	3	20	39	95.00%
ALL OTHER OFFENSES	72	83	107	81	101	106	119	124	137	124	115	82	787	1251	58.96%
CURFEW LOITERING LAWS	0	0	0	0	0	0	0	1	0	0	0	0	0	1	100.00%
2021 PART II CRIME TOTALS	578	600	718	704	710	665	696	683	745	753	600	511	5433	7963	46.57%
2020 PART II CRIME TOTALS	515	486	375	318	519	426	451	424	507	506	483	423	-	-	-
PART II % CHANGE PRIOR YEAR	12.23%	23.46%	91.47%	121.38%	36.80%	56.10%	54.32%	61.08%	46.94%	48.81%	24.22%	20.80%	-	-	-

PH-1

PARTIDA, ANNA

From: Vida Mahrouyan <vidamahro@gmail.com>
Sent: Sunday, July 24, 2022 6:40 PM
To: PC Public Comments
Subject: Opposition of Reference Application No. PA-21-27

Categories: Blue Category, Red Category

Dear Costa Mesa City Council,

I am a resident of the Master's Circle in Costa Mesa, CA. I live right around the corner of 1072 Bristol — the address of where the prospective cannabis retail store would be built. I believe that you should not grant the conditional use permit, as doing so would have devastating effects to the community at large.

First of all, lets weigh the benefits should the permit be granted:

Benefits

1. Improve tax revenue;
2. Enable individuals who truly benefit from marijuana use to improve their physical / mental health by closer access to marijuana.

Negative Effects

1. Will increase the number of people who are involved in illegal drug-trafficking, sex-trafficking, and other criminal activity in the region;
2. Will increase the number of indigent individuals living in the region;
3. Will cause more traffic;
4. Will harm the lives of the numerous individuals living at the Drug Rehabilitation centers within a half a mile of the site;
5. Will lead to a cascade of all these problems throughout other regions of the area, as more and more marijuana dispensaries will be popping up.

Therefore, dear council, the pros and cons analysis yields a clear side which is the rational and best decision for the community. We should not tarnish what makes Orange County great and different then other urban populations such as Los Angeles. Currently, Los Angeles is rid with crime and indigent individuals, because the city councils of Los Angeles enable, without strict regulation, the building of such cannabis stores.

If one, truly needed marijuana they have ample options in other regions, such as Santa Ana, indeed there are many cannabis delivery applications that deliver marijuana with ease. The net effects of allowing such a giant store, in a popular region of Costa Mesa, would be a huge blow to the community at large.

Accordingly, we all hope that you weigh the pros and cons, so that you may realize that there is only one correct decision here, and that decision does not result in the granting of permit.

Thank you,

Your fellow Costa Mesa neighbor

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PH-1

PARTIDA, ANNA

From: Sammy Sayago <sammy@whyw8t.com>
Sent: Sunday, July 24, 2022 8:16 PM
To: PC Public Comments
Cc: Sammy Sayago
Subject: PA-21-27

Categories: Blue Category, Red Category

To whom it may concern,

I'm writing to oppose the opening of a Cannabis retail store at 1072 Bristol Street which is in the vicinity of our residential neighborhood where I own four (4) houses (157, 153, 170 and 181 all on the Masters Circle) where my family lives and family members also live.

The simple fact that we are on a cul de sac street which would be neighboring the proposed Cannabis shop will bring dangerous unwanted traffic as well as create a higher sense of vigilance to an already difficult time that we live in where homelessness, mental health, violence and drug addiction is at an all time high.

Crime has surged in the past year alone in what used to be a very safe City which is now a City that is besieged with homeless people.

Our street has always been neglected in many ways by our City or it's representatives and we seem to be the last considered when it comes to permits; that stops this time around. We are a very close community of neighbors that look after and take care of each other. We are determined to protect our rights and demand that our concerns be heard as well as taken seriously. This is our way of life that we are debating.

There are plenty of places where this activity would be more suited and rather than on "our" area which is composed of families with young children, senior citizens that are looking to enjoy their golden years and young couples looking to start a family in many cases.

Three words that should resonate when considering this application is "safety" as well as "common sense" which seems to be lost in today's age.

I implore that when considering this application you take into account the citizens (neighbors) that you represent, who have put their trust on their elected officials. It is your responsibility.

It is in the strongest words that I oppose this endeavor and venture, which would only bring in my opinion more problems than solutions.

The onus is on you, our representatives, to protect our community and to ensure that we will be safe in our homes as well as streets; I cannot see how that is compatible with this business so close to our homes.

Regards,

Sammy Sayago MD, MPH

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PH-1

PARTIDA, ANNA

From: Neeloufar Mahrouyan <neeloumahrou@gmail.com>
Sent: Sunday, July 24, 2022 9:11 PM
To: PC Public Comments
Subject: Opposition of Reference Application No. PA-21-27

Categories: Red Category, Blue Category

Dear Costa Mesa City Council,

I am a resident of the Master's Circle in Costa Mesa, CA. I live right around the corner of 1072 Bristol — the address of where the prospective cannabis retail store would be built. You should NOT grant the conditional use permit, as doing so would have devastating effects to the community at large.

First of all, lets weigh the benefits should the permit be granted:

Benefits

1. Improve tax revenue;
2. Enable individuals who truly benefit from marijuana use to improve their physical / mental health by closer access to marijuana.

Negative Effects

1. Will increase the number of people who are involved in illegal drug-trafficking, sex-trafficking, and other criminal activity in the region;
2. Will increase the number of indigent individuals living in the region;
3. Will cause more traffic;
4. Will harm the lives of the numerous individuals living at the Drug Rehabilitation centers within a half a mile of the site;
5. Will lead to a cascade of all these problems throughout other regions of the area, as more and more marijuana dispensaries will be popping up.

Additionally, as a resident, I have often seen vehicles mistakenly drive in the wrong direction on Newport Blvd (one way street) approaching Bristol as well as indigent people and trash on the street. Since this street is near the freeway, people are already driving their vehicles fast! Placing the dispensary will result in more accidents. Similar to what is going on in Los Angeles, a dispensary in this area will likely result in homelessness and tents placed underneath the freeway near Bristol and Newport.

Therefore, dear council, the pros and cons analysis yields a clear side which is the rational and best decision for the community. We should not tarnish what makes Orange County great and different then other urban populations such as Los Angeles. Currently, Los Angeles is rid with crime and indigent individuals, because the city councils of Los Angeles enable, without strict regulation, the building of such cannabis stores.

If one, truly needed marijuana they have ample options in other regions, such as Santa Ana, indeed there are many cannabis delivery applications that deliver marijuana with ease. The net effects of allowing such a giant store, in a popular region of Costa Mesa, would be a huge blow to the community at large.

Accordingly, we all hope that you weigh the pros and cons, so that you may realize that there is only one correct decision here, and that decision does not result in the granting of permit.

Thank you,

Your fellow Costa Mesa neighbor.

--

Neelou Mahrouyan, Esq.
Attorney at Law

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PH-1

PARTIDA, ANNA

From: Robert E. Schaulis <res@null.net>
Sent: Sunday, July 24, 2022 10:52 PM
To: PC Public Comments
Subject: Reference Application NO PA-2127

Categories: Blue Category, Red Category

From Robert & Rose Mary Schaulis

To pcpubiccomments@costamesaca.gov

Reference Application No PA 21-27

Date: Sunday July 24 2022 at 10:50 pm

To whom it may concern,

We are opposing the opening of a Cannabis retail store at 1072 Bristol Street which is in the vicinity of our residential neighborhood where we have lived on The Masters Circle since 1971.

Our street would be neighboring the proposed Cannabis shop that would bring dangerous unwanted traffic as well as create a higher sense of vigilance to an already difficult time that we live in where homelessness, mental health, violence and drug addiction is at an all-time high.

Crime has surged in the past year alone in what used to be a very safe City which is now a City that is besieged with homeless people.

Our street has always been neglected in many ways by our City or it's representatives and we seem to be the last considered when it comes to permits; that stops this time around. We are a very close community of neighbors that look after and take care of each other. We are determined to protect our rights and demand that our concerns be heard as well as taken seriously. This is our way of life that we are debating.

There are plenty of places where this activity would be more suited and rather than on "our" area which is composed of families with young children, senior citizens that are looking to enjoy their golden years and young couples looking to start a family in many cases.

Three words that should resonate when considering this application is "safety" as well as "common sense" which seems to be lost in today's age.

We implore that when considering this application you take into account the citizens (neighbors) that you represent, who have put their trust on their elected officials. It is your responsibility.

It is in the strongest words that we oppose this endeavor and venture, which would only bring in my opinion more problems than solutions.

You, the representatives our to protect our community and to ensure that we will be safe in our homes as well as streets; we cannot see how that is compatible with this business so close to our homes.

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P41-1

PARTIDA, ANNA

From: Claudia Tebbs <cmtebbs@yahoo.com>
Sent: Sunday, July 24, 2022 11:13 PM
To: PC Public Comments
Subject: PA-21-27 Opposition
Attachments: Attachment 3.jpg; Attachment 5.jpeg; Attachment 2.jpg; Attachment 1.jpg; Attachment 4.pdf

Categories: Blue Category, Red Category

My name is Claudia Tebbs and I oppose Planning Application 21-27 for a Conditional Use Permit (CUP) to allow a retail Cannabis storefront business and Non-storefront delivery.

I have been a home owner on The Master's Circle (a cul-de-sac of 40 homes) for 25 years. My home is directly behind the parking lot and building at 1072 Bristol.

I oppose the CUP for a retail Cannabis storefront business and Non-storefront delivery for several reasons:

1. I am concerned about Noise. Currently the businesses behind our homes have Office Hours generally 8am-5pm Monday-Friday. I'm concerned about cars, motorcycles, & people pulling in and out of the parking lot until 9pm or 10pm 7 days a week. My patio backs up to the parking lot and my teenage daughter's bedroom overlooks the parking lot & building. See Attachment 1 & Attachment 2.
2. I am concerned about Odor. The applicant states that they have filters & man-traps to control odor. Does this mean they will be burning Marijuana inside the building? Our homes are very close to the proposed storefront. The storefront does not face the street, it faces the parking lot which backs up to our homes, See Attachment 3.
3. I am concerned about a decrease in our Property Values. I would not purchase a home next to a Cannabis dispensary. Cannabis dispensaries seem to open up in clusters. I don't want my neighborhood to become a hub for Marijuana dispensaries, See Attachment 4.

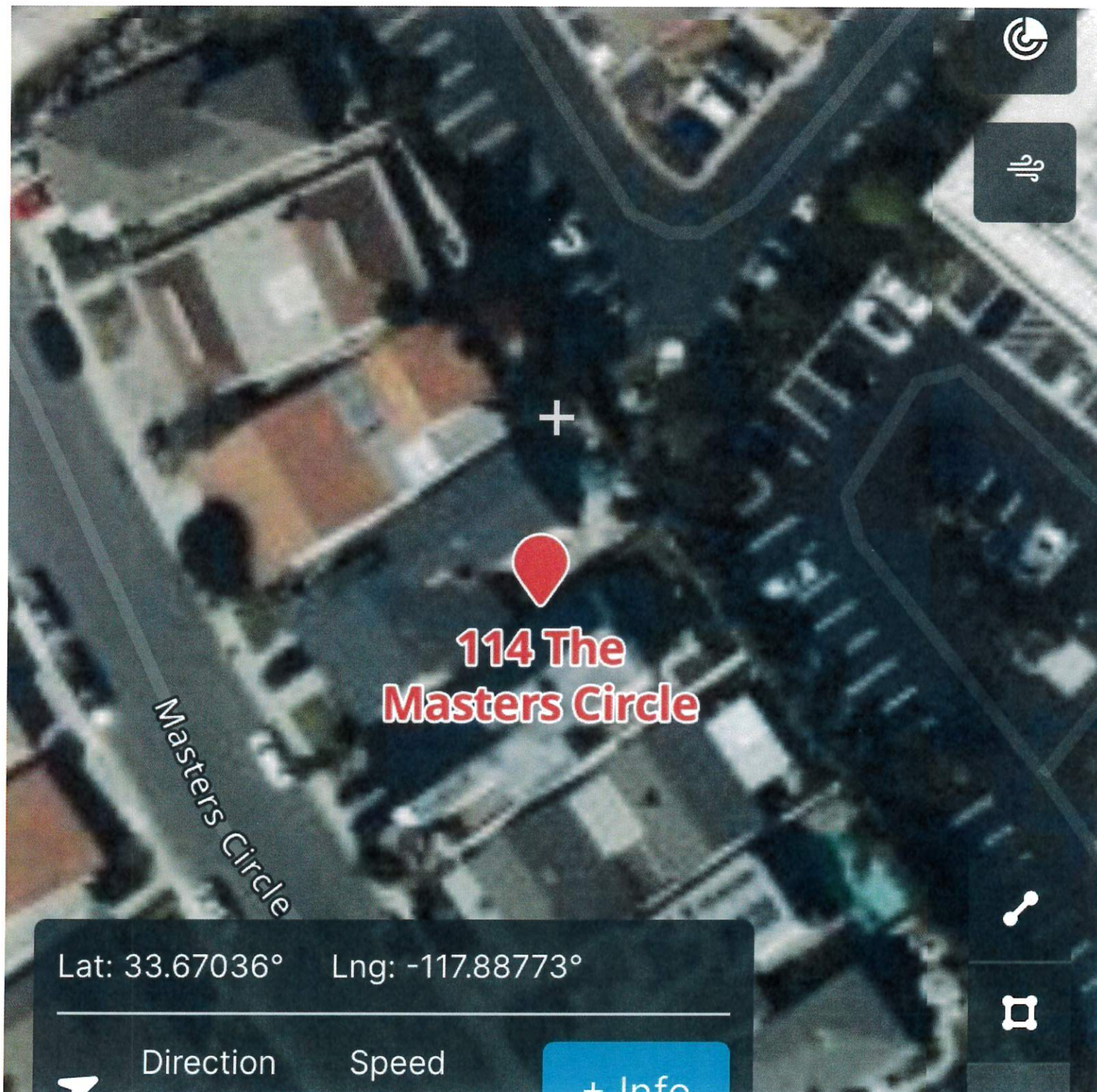
The pictures submitted by the applicant fail to show how close the homes are to the proposed storefront. In fact, they don't show the homes at all. Attachments 5 shows how close the homes are on Google Earth.

There are plenty of retail centers away from residential areas, please do not allow a Cannabis retail store to open in our backyard.

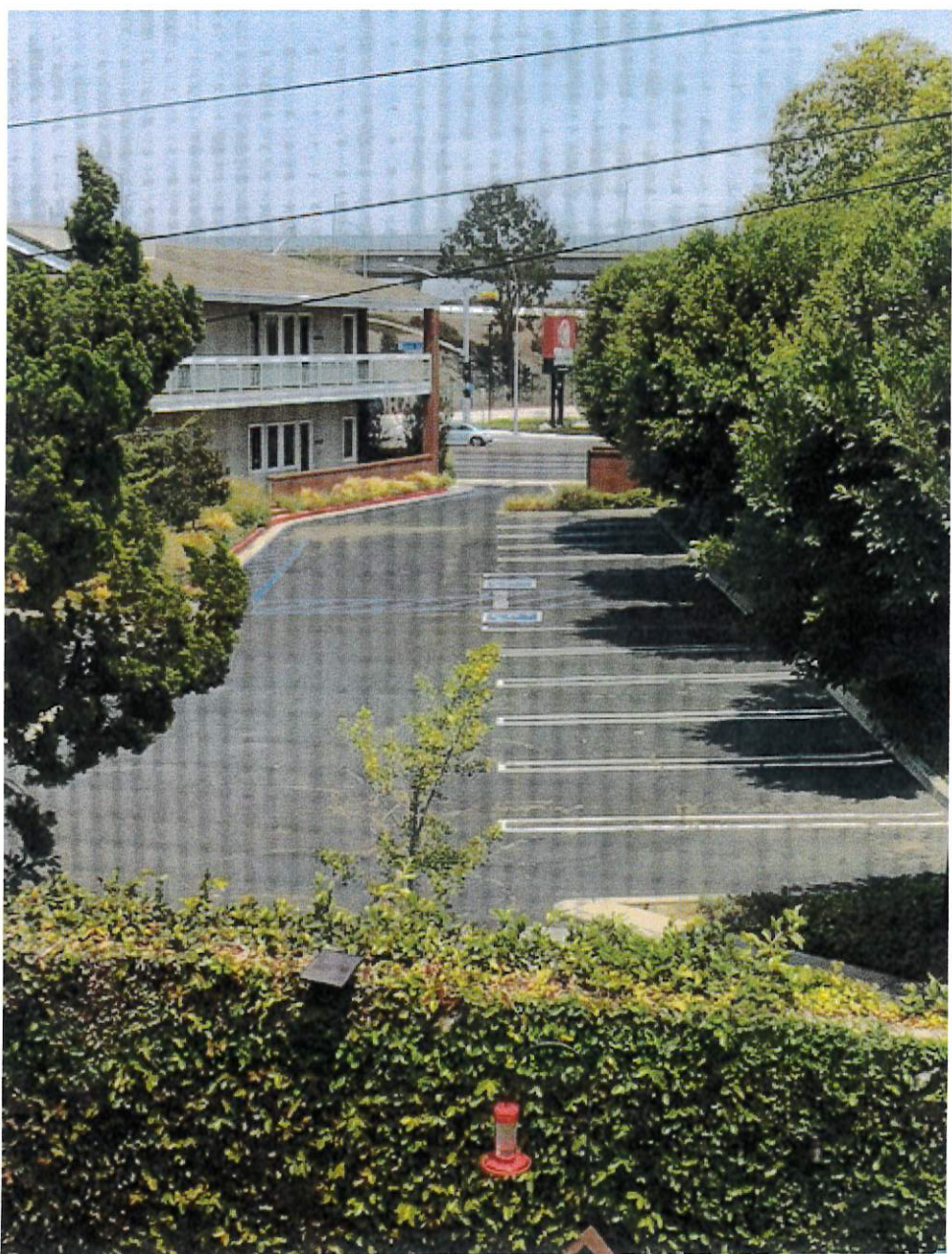
Thank you, Claudia

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Rating ▾

Hours ▾

People's

4.1 (537) · Cannabis store

Santa Ana, CA

Open · Closes 10PM · (714) 582-3446

👤 "... the pricing is way better than other dispensaries in Orange County."

In-store shopping · In-store pickup · Delivery



OC3

4.5 (444) · Cannabis store

Santa Ana, CA

Open · Closes 9PM · (714) 754-1348

👤 "The best dispensary in Orange County!"

In-store shopping · In-store pickup



From The Earth Santa Ana

4.7 (1.2K) · Cannabis store

Santa Ana, CA

Open · Closes 10PM · (657) 444-7336

👤 "The ONLY dispensary I recommend."

In-store shopping · Curbside pickup · Delivery



MedMen™

4.5 (600) · Cannabis store

Santa Ana, CA

Open · Closes 10PM · (714) 786-6888

👤 "No other dispensary needed when you have Medmen!"

In-store shopping · Curbside pickup · Delivery



420 Central

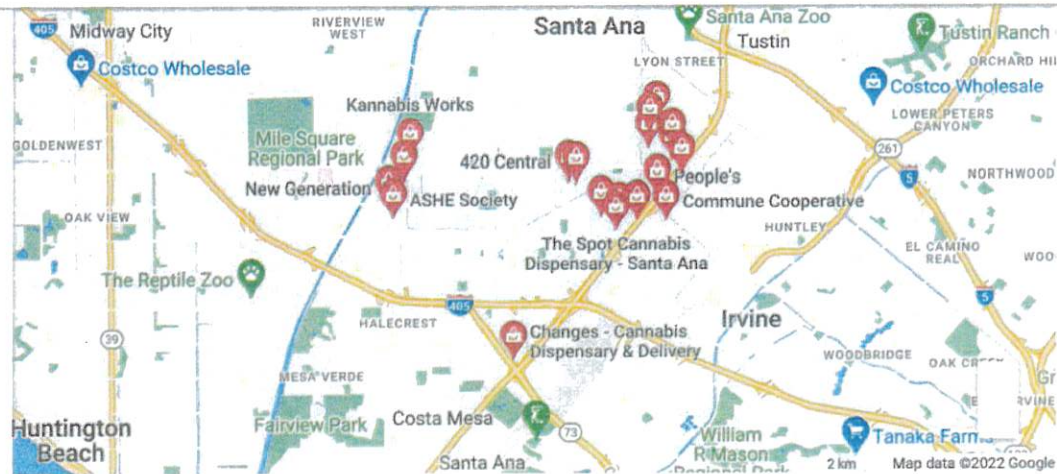
4.7 (492) · Cannabis store

Santa Ana, CA

Open · Closes 10PM · (714) 540-4420

👤 Their website mentions orange county's

In-store shopping · In-store pickup · Delivery



PARTIDA, ANNA

PH-1

From: Daniel Pietenpol <pietenpol@gmail.com>
Sent: Monday, July 25, 2022 12:19 AM
To: PC Public Comments
Subject: Application #PA-21-27

Categories: Blue Category, Red Category

Costa Mesa Planning Commission
77 Fair Drive
Costa Mesa, CA
RE: Application No. PA-21-27

To Whom it May Concern:

I do not support a RETAIL cannabis business at 1072 Bristol.

I am writing to express my concerns about the proposed conditional use permit, Application #PA-21-27, as an owner of a home on The Masters Circle, the residential street behind 1072 Bristol, I urge the planning commission to **reject the request for the conditional use permit.**

Currently, 1072 Bristol is a quiet office building filled with businesses such as insurance brokers and attorneys which do not attract a large number of people coming into the area everyday. To allow a **retail storefront** into the buildings - regardless of the type of goods sold - will completely change the character of the building and adjacent buildings. It will **increase** transient traffic harming our wellbeing.

The building has extremely **limited parking** for a retail business which risks our residential street becoming overflow parking. There are only 34 regular and two handicap parking spaces available for a proposed 4,309 sq. ft. retail space. Between employee parking, delivery parking and customers, this will not be enough parking for a large retail business. It is already almost impossible to find a parking spot on our street without fighting with a retail business's clientele. Children are often riding their bikes and walking their dogs on our safe residential street. Increasing the traffic on our street will be dangerous for the children.

This building is located on a section of Newport Boulevard which is a one way street. It has been an ongoing problem for many years that drivers who are unfamiliar with the area enter 1072 Bristol by making a right hand turn onto Newport Blvd **AGAINST traffic** and **driving the wrong direction** on Newport Blvd. This is a huge safety concern which will exponentially increase as patrons and delivery drivers who are unfamiliar with the street attempt to access this new retail business.

I urge the City Council not to grant this conditional use permit. There are plenty of suitable sites in the city which are in retail oriented spaces in which this business could open which would not negatively impact a small residential neighborhood.

Thank you for your time,

Daniel Pietenpol

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PH-1

PARTIDA, ANNA

From: harveygumaer <harveygumaer@yahoo.com>
Sent: Monday, July 25, 2022 7:15 AM
To: PC Public Comments
Subject: PA-21-27

Categories: Blue Category, Red Category

To whom it may concern this request for approval is totally unacceptable for this neighborhood. I am unable to appear in person so please accept my response for the following reasons:

- 1) this is the most important reason to not allow this as there minor children living with-in 100ft of this location.
- 2) this is an office building not a strip mall. Most all offices are closed by 6PM. It wasn't designed nor suited for a business such as this.
- 3) I live at 182 The Masters Circle which is a dead end street right next to the corner of Bristol & Newport Blvd. We get plenty of traffic now as people look for a short cut around the traffic light. We don't need anymore.
- 4) We already have a drug rehab house on our street and don't need anymore issues, IE Cannabis store.

I'm totally against any business like this being added to our small neighborhood. Thank you for the opportunity to respond and please vote against this request.

Sincerely,
Harvey Gumaer
182 The Masters Circle
Costa Mesa. CA 92627

Sent from my Verizon, Samsung Galaxy smartphone

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PARTIDA, ANNA

PH-1

From: Alison Pietenpol <alisonpietenpol@gmail.com>
Sent: Monday, July 25, 2022 9:42 AM
To: PC Public Comments
Subject: Comment on Application #PA-21-27
Attachments: Letter to the Planning Commission.pdf

Costa Mesa Planning Commission
77 Fair Drive
Costa Mesa, CA
RE: Application No. PA-21-27

To Whom it May Concern:

I am writing to express my concerns about the proposed conditional use permit, Application #PA-21-27 for a cannabis retail storefront at 1072 Bristol, as a resident of The Masters Circle, the residential street behind 1072 Bristol. I urge the planning commission to reject the request for the conditional use permit.

Currently, 1072 Bristol is a quiet office building filled with businesses such as insurance brokers and attorneys which do not attract a large number of people coming into the area everyday. To allow a retail storefront into the buildings - regardless of the type of goods sold - will completely change the character of the building and adjacent buildings. It will decrease property values of the adjacent residential street and increase transient traffic.

The building has extremely limited parking for a retail business which risks our residential street becoming overflow parking. There are only 34 regular and two handicap parking spaces available for a proposed 4,309 sq. ft. retail space. Between employee parking, delivery parking and customers, this will not be enough parking for a large retail business. It is already almost impossible to find a parking spot on our street without fighting with a retail business's clientele. Children are often riding their bikes and walking their dogs on our safe residential street. Increasing the traffic on our street will be dangerous for the children.

This building is located on a section of Newport Boulevard which is a one way street. It has been an ongoing problem for many years that drivers who are unfamiliar with the area enter 1072 Bristol by driving the wrong direction on Newport Blvd. This is a huge safety concern which will exponentially increase as patrons and delivery drivers who are unfamiliar with the street attempt to access the retail business at 1072 Bristol.

It is bizarre not to allow cannabis businesses near parks and schools but to allow one to open so close to a residential street filled with children.

I urge the Planning Commission not to grant this conditional use permit. There are plenty of suitable sites in the city which are in retail oriented spaces in which this business could open which would not negatively impact a small residential neighborhood.

Thank you for your time,

Alison Downey

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PH-1

PARTIDA, ANNA

From: Dave Walker <dwwalker2000@yahoo.com>
Sent: Monday, July 25, 2022 10:11 AM
To: PC Public Comments
Subject: Reference Application no PA-21-27

I have been a homeowner on the Masters Circle for the past 17 years and I want it to be known that I oppose the proposed Cannabis business at 1072 Bristol in Costa Mesa, Ca.

Our street currently has many children who reside here as well as having two drug rehabilitation homes on the street.

This poses obvious threats for these reasons, in addition to the fact that the transient population has risen sharply in the past 3 years and would only get worse.

Once one Cannabis business comes here, other "seedy" businesses follow.

There are over 40 homes within 20 yards of this building and the crime that comes with drug use will be a threat if this business is allowed to reside at this location.

This will drastically reduce our property values along with the value of the membership at the Santa Ana Country Club which is adjacent to our properties.

The transient population has been spray painting the fence of the country club with graffiti on Newport Blvd for the past several years and this will only get worse.

The transients are also sleeping along the fence line which have prompted many calls to the Costa Mesa PD over the years.

We have had several cars broken into over the past several years (including mine) by these transients as we have cameras that catch them in action.

One transient recently had to be removed from our street because he was sleeping in our cul de sac on the sidewalk with his pants down to his ankles.

For these reasons, I am adamantly opposed to this proposed Cannabis business locating anywhere near our homes.

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COLGAN, JULIE

PH-1

From: Rob Redmon <thirddraft@gmail.com>
Sent: July 25, 2022 11:13 AM
To: PC Public Comments
Subject: Fwd: Application #PA-21-27

----- Forwarded message -----

From: Rob Redmon <thirddraft@gmail.com>
Date: Mon, Jul 25, 2022, 11:05 AM
Subject: Application #PA-21-27
To: <PCPublicComments@costamesaca.gov>

Planning Commision Members:

Greetings. I am Robert Redmond, I own the property at 189 The Masters Cir. Costa Mesa, CA. 92627. This letter is in regards to your consideration this evening of a conditional use permit at 1072 Bristol St. Cosa Mesa, CA. 92627. I wish to convey to the commission my opposition to the proposed conditional use permit. In my opinion a cannabis dispensary adjacent to a residential neighborhood is inappropriate. I thank you in advance for considering my opposition in this matter and hope the outcome will be a positive one for all those people that call The Masters Cir. home.

Respectful yours,
Robert Redmond
189 The Masters Cir.
Costa Mesa, CA. 92627

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From: Ellen Hanson Walker <hansonellen@yahoo.com>
Sent: July 25, 2022 11:30 AM
To: PC Public Comments
Subject: NO to the Application No. PA-21-27!!

To the Costa Mesa Planning Commission Members:

I'm a homeowner on The Masters Circle and am **vehemently** opposed to the Application No. PA-21-27 for a Cannabis retail store and delivery service at 1072 Bristol Street.

The reason we purchased our home here in 2005 was due to the quiet, semi-private and safe nature of this unique, cul-de-sac street. This street of 50 properties is home to original owners (seniors) and new, younger families with children. This street is also the location of 2 drug rehab homes (which we recently discovered). Also note that this street and homes, back up to 1072 Bristol Street location, less than 1,000 ft away.

Over the past few years, we have witnessed an increase in the transient/homeless population around the street coming off Newport Blvd from Del Mar Ave, to Dick Church's restaurant to The Santa Ana Country Club with transient/homeless people standing on the corner of Bristol and Newport Blvd north holding money solicitation signs. (directly across the street from 1072 Bristol). We've already experienced homeless/transients and even tweakers living along the fence of SACC, leaving behind graffiti and trash; another half-nude was recently found asleep on our street. We've experienced numerous episodes of car break-ins as well and concerns about residential break-ins. Now that the OC Fair is active, the situation has become worse.

To be noted, the renovation (and beautification) process of Bristol Street around the 55 freeway towards Redhill Ave has been all positive and a significant improvement over the years. Including the new Ganahl Lumber facility, Bristol Village Plaza, Fletcher Jones Audi, etc across the street and professional and attractive office buildings surrounding 1072 Bristol as well as a Veterinarian and dog boarding facility. Adding a Cannabis Retail and Delivery store at this location would turn this progress in the opposite direction. *It is a fact that once one Cannabis business is established, other "seedy" businesses follow.*

Therefore, this attempt to house a Cannabis retail and delivery store at this unsuitable location poses obvious threats for these reasons, plus the following:

- 1) Emission and the lingering smell of marijuana.
- 2) Late-night noise coming into the neighborhood.

- 3) Traffic and parking increased levels and disruptions at this busy corner location.
- 4) 2 current rehab homes on our street – (temptations for these residents in the rehab program to easily walk to this facility?)
- 5) attraction for nefarious characters and an overall increase in crime
- 6) Reduction of our Property Values. (As a local 20+-year, active residential realtor I am very aware of the impact)

NO – to Application PA-21-27!!!!

ELLEN HANSON WALKER, Realtor
COLDWELL BANKER RESIDENTIAL BROKERAGE
840 Newport Center Dr., Ste. 100 | Newport Beach, CA 92660
CalRE# 01380663

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COLGAN, JULIE

PH-1

From: Colette Kim <coletteatwork@gmail.com>
Sent: July 25, 2022 11:56 AM
To: PC Public Comments
Subject: PA-21-27 July 25th Hearing
Attachments: Document.docx

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Colette

Colette Kim
173 The Masters Circle
Costa Mesa, CA 92627

Costa Mesa Planning Commission
77 Fair Drive
Costa Mesa CA

RE: PA-21-27

Dear Sir or Madam,

As a homeowner in Costa Mesa, I oppose the licensing of a marijuana dispensary/retail business at the proposed location of 1072 Bristol St. Suite 100 which is less than 1000 feet from my home. There is also a multi-family structure, multiple daycare centers within 1000 feet just east and southeast of the proposed location. I Believe that this application is a beginning to a larger application in the near future to turn this business into a medium to large cultivation of marijuana products as stated in the DCC information below.

The Department of Cannabis Control (DCC) is providing notice to the public of its intent to adopt regulations to implement, interpret, and make specific requirements for obtaining a Large Cultivation License under MAUCRSA. These regulations also provide a pathway for existing licensees to convert to a Large Cultivation License once the license type becomes available on January 1, 2023. Additionally, the regulations provide a pathway for existing licensees to convert to Medium Cultivation Licenses once the limitation on the number of such licenses that may be held by the same owner expires on January 1, 2023.

As you know, these types of dispensaries have resulted in lines of waiting patrons, even in pre-COVID-19 times, and we are very concerned that our school students will have to maneuver their way through these groups on their way to and from school which puts them in a vulnerable position. In addition, there are obvious safety concerns with respect to crimes that target dispensaries.

Please do not grant the application for this location. We need to stop moving these business closer and closer to our homes and schools.

Sincerely,
Colette Kim

COLGAN, JULIE

PH-1

From: David Martinez <davimart06@gmail.com>
Sent: July 25, 2022 12:00 PM
To: PC Public Comments
Subject: Public Hearing Item 1

Members of the Planning Commission,

I wanted to provide a quick comment based off of the requirements set for the business of Public Hearing Item 1.

The staff report states that this parcel is non-compliant with our Zoning Code for being "underparked" by 11 parking stalls. Meanwhile, the parking availability study shows that the parking lot is 64% vacant at peak hours. Why do we, as a city, require so much excess parking that nearly two-thirds of our parking are never used? In the future, we must move toward eliminating our stringent parking mandates.

David Martinez

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PARTIDA, ANNA

PH-1

From: Kyle Ramer <kramer1@me.com>
Sent: Tuesday, August 2, 2022 10:13 AM
To: PC Public Comments
Subject: Application No. PA-21-27

Categories: Yellow Category

I think that the proposed retail cannabis store at 1072 Bristol is an ideal tenant for that location and the city should absolutely approve their permit. There is easy access from both Bristol and Newport blvd north with plenty of parking. It's about time our city enjoys the tax revenue from the sale of legal cannabis!

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From: Ray Markley <rmarkley@shorepointinsurance.com>
Sent: Friday, July 29, 2022 10:01 AM
To: PC Public Comments
Subject: Opposition: Planning Application 21-27 1072 Bristol Street Cannabis 22-812

Importance: High

Categories: Yellow Category

I am the owner of the office building on the South side and adjacent to the subject parcel. We've owned the 1120 Bristol Street, Costa Mesa building since 2004, from an empty shell construction. We operate an Insurance agency, occupying the majority of the building which leads to a minimal traffic and rather "expected" sedentary occupancy.

The original attraction for us to the location was the peace and security of fellow office buildings including an association of the three buildings 1120-1124 Bristol. We are very cognizant of other occupancies that will affect that peace and security, particularly sensitive to the homeowners immediately behind our property on Masters Circle. We attempt to be good neighbors and offer the serenity they expect. Over time the building have shared architect, technology, sports medicine and law offices among others.

Offences anticipated by a marijuana dispensary are several:

- 1) Violation of parking on private property. We already experience increased traffic intrusion in our parking lot for folks "missing" the 1072 parking driveways. Upon people exit on our property, individuals tramp through the hedges to reach 1072. We post notices, personally inform, place notices on windshields, verbally call out to move the cars, etc. A retail cannabis shop will exponentially increase the wrongful and dangerous practice on our property.
- 2) Safety – transients. The location draws more transients toward it and surrounding properties due to extended hours and rather isolated location.
- 3) Noise – hours. The location will increase excessive noise due to significantly increased traffic – both ingress and egress.
- 4) Traffic – flow and congestion. Entrance is confusing for most due to narrow Bristol Street entrance/exit and generally we'll catch it at 1120 Bristol Street. Newport and Bristol are significantly crowded with traffic and at high speed danger.
- 5) Retail v. Office. Between extended hours and transient movements of traffic and noise, the location will draw different crowd. Currently the neighborhood is quiet and sedate among all office culture. Retail will change the atmosphere and disturb Bristol properties and Masters Circle residences.
- 6) Homes and families in extremely close proximity. As noted by residences, the Cannabis store will draw contrary crowd to the families and children immediately adjacent to the 1072 property.

Please vote NO regarding the CUP for the Cannabis store occupancy.

1120 Bristol Street
Costa Mesa, California 92626 USA
www.shorepointinsurance.com
714-266-7036
Cell: 714-746-0900
Lic. No. 0K07568

"We Insure Your World"



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From: brooke cobos <cobos.bbroke@gmail.com>
Sent: Thursday, August 4, 2022 5:58 PM
To: PC Public Comments
Subject: How The Cannabis Industry Changed My Life

To whom it may concern,

Hello, and thank you for taking the time to read my letter about our ever changing cannabis industry. As a Costa Mesa native, I understand the concerns surrounding the new cannabis dispensaries coming into the areas. The thoughts of crime, illegal situations occurring, and the numerous other scenarios that can potentially arise can be stressful and cause concern. However, I would like to give my input on these situations, as a young single mother, active cannabis consumer, and cannabis employee of 10 years. Throughout the years as the industry has continued to progress, the working conditions have as well. With legalization came safer working environments equipped with 24/7 security, a safer crowd of consumers, both medical and recreational, and peace of mind.

The vast majority of the population think of cannabis as this gateway drug into dark, toxic ways of life. Surrounded by criminals, bad decisions, and drugs. But in reality, the recreational cannabis industry has shaped the way active users think, look, and consume this holistic plant medicine. The cannabis industry has allowed me to gain confidence within myself, make life-long friendships, and build a life for my son and I. Currently, I work for a Costa Mesa, women-owned company called Yummi Karma. We are a small company, with incredible work ethics, and owners who strive to create healthy work environments for the entire team. Because this company is legal, I have been able to secure medical benefits for myself, live a life alone with my son, while continuing to work hard, and be present in my son's life. I wake up happy everyday knowing I have a job I love. Motivation to succeed in my career, personal life, and motherhood are embodied within me as I work in an industry I adore. I remember back in the day, going to dispensaries with entrances in the back of the building, hidden, waiting to be buzzed in. Praying cops would not show up, hoping I would not get arrested. Those days were scary, terrifying, and traumatizing for so many young individuals. But now, I am so excited to see all the new, gorgeous dispensaries. The beautiful exteriors, and phenomenal interiors with state of the art technology. These new dispensaries are destination spots for tourists, and give the locals something positive to talk about.

Sex trafficking, crime, and robbery are some of the last things on my mind, when I think about this industry. Especially with shops coming to Costa Mesa. I envision gorgeous buildings, with employees who care about their jobs, finances, and want to give back to the community. I have attended cannabis inspired beach cleanups with locals who strive to make a difference in the world. We want to break the stigma on cannabis and truly show the world how we think, feel, and what we value. Dispensaries coming to Costa Mesa will provide more safe jobs for millenials, and younger generations. We are in an era of technology, and this is our future. Trying to shield our children from this will only cause them to look online for answers which will lead to possible misinformation. Costa Mesa has the opportunity to become the meca for cannabis in Orange County. The city with the most gorgeous shops, highest standards in customer service, cleanliness, and values. This industry keeps becoming more mainstream, and structured. It will profit our community in many positive ways. I would not be who I am today, without working in this industry. I am humbled, blessed, and grateful for my experiences and memories all thanks to cannabis. But not only do I have these experiences to be thankful for, I am also thankful to have the knowledge I do, so I can teach my son about the safety in this industry, and have him grow up with confidence and education surrounding this plant. To have the ability to trust him as he goes out into the world without questioning if this could lead to jail time and heavy crime. I am thankful.

I appreciate you taking the time to read my letter. I hope it helps shed some positive light on this industry. Please consider all the good this will bring to our beloved town.

Respectfully,
Brooke Cobos

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From: Business Image Printing <sales@businessimageprint.com>
Sent: Friday, August 5, 2022 1:09 PM
To: PC Public Comments
Subject: Application #PA-21-27

Categories: Yellow Category

Costa Mesa Planning Commission
77 Fair Drive
Costa Mesa, CA
RE: Application No. PA-21-27

To whom it may concern,

As a company that has provided packaging and has had a business relationship with Yummi Karma for more than 5 years, we can attest that the company and the people behind the organization itself are outstanding citizens of the community and society in general.

Since they were one of the first legally licensed cannabis related companies that operates in the City of Costa Mesa, there should be no questions on their business practices. Every product manufactured and sold by Yummi Karma are lab tested and fully legal under current laws governing cannabis related products.

This is not a fly by night operation, everything they do is legitimate and legal. We believe they should absolutely BE APPROVED for a conditional use permit to open and operate a cannabis related store at 1072 Bristol St.

Best Regards,

Business Image Printing

1701 E. Edinger Avenue, Suite #E3
Santa Ana, CA 92705
855-771-2831
www.BusinessImagePrinting.com

Packaging inspiration, tips, and more:

[Instagram](#) | [Facebook](#) | [LinkedIn](#) | [Twitter](#)

Disclaimer: Any oral discussions, written communications, or other forms of communication with Business Image Printing regarding the content or form of packaging does not constitute legal advice from Business Image Printing regarding the lawful packing of products packaged therein.

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From: Linda Ranck <linda.ranck@gmail.com>
Sent: Monday, August 8, 2022 8:45 AM
To: PC Public Comments
Cc: John Calvert
Subject: Opposition to Application No. PA-21-27

Categories: Yellow Category

Re: Application No. PA-21-27 ("Subject Application")

Dear Planning Division Commissioner:

The proposed retail cannabis storefront business at 1072 Bristol Street, Suite 100 ("Proposed Location") presents an imminent danger to residents and visitors in Costa Mesa, including vulnerable groups such as addiction recovery facility residents, elderly residents, and children. The Proposed Location is immediately adjacent to our residential cul-de-sac, The Masters Circle and on a busy one-way Street (Newport Blvd.). the property line of the Proposed Location's parking lot runs along the property lines of our backyards and less than 100 feet from the front door of the corner house.

We vehemently oppose such a facility being allowed in this location on the following grounds:

1. Increase in traffic and motor vehicle accidents.
 - a. Newport Blvd North approaching Bristol St. is a one-way only street and vehicles have often mistakenly driven in the wrong direction. Opening a retail store of any kind on this corner will increase the incidents of head-on collisions;
 - b. Vehicles are already speeding on Newport Blvd North since it is near the 73 and 55 highways;
 - c. Traffic will be greatly increased by the exiting of 1072 Bristol visitors onto Newport Blvd North with higher traffic loads waiting at the corner traffic light. There will be an additional traffic burden of dispensary delivery trucks in and out of the parking lot 7:00 AM to 10:00 PM daily;
 - d. There is little to no parking in this area, resulting in vehicles and pedestrians lingering on the street;
 - e. There is a great likelihood of Individuals consuming cannabis in the parking lot of the Proposed Location and driving under the influence in their motor vehicles;
 - f. The only way to exit our residential street (The Masters Circle) is on the busy one-way street, Newport Blvd. and the increase in traffic, as well as traffic accidents, will make it next to impossible to exit our street.
2. It is less than 100 feet and is well within walking-distance from a sober-living / addiction recovery home located at 137 The Masters Circle. Furthermore, the only way to exit The Masters Circle is via a one-way street (Newport Blvd.) which makes it impossible for any resident or visitor of The Masters Circle to leave our street without passing the 1072 Bristol Street building.
3. It is within walking-distance to the Costa Mesa Skate Park (children skateboarding), Costa Mesa Bark Park (families and dogs playing), TeWinkle Park (families), and Orange County Fair Grounds). Each of these recreational community locations is frequented heavily by children. Having a cannabis retail storefront so close to these family-friendly locations puts our children, families, and community in danger from the clientele that is attracted by such a retail store.
4. 1072 Bristol is less than 50 feet from Family Care Center and less than 500 feet from Little Healthy Smiles, a pediatric dentist. I strongly urge you to consider the impact on these well-established businesses, as well as other nearby businesses that cater to our children and deny this Subject Application.
5. The other businesses located at 1072 Bristol are professional offices (Choice Plus Insurance Services, Beckerman Anderson Lawyer, Home Brand Properties) and are NOT retail stores. These current businesses

located at 1072 Bristol close at 6:00 pm, in time as to not disturb the quiet and safe enjoyment of our backyards. Also, the wall between the parking lot and our homes is not high enough to block our view from seeing the building at 1072 or its parking lot. It is not appropriate to put any type of retail store in this office building, or any of the other office locations, that run along the backyards or our homes. If the professional offices next to our homes are turned into retail storefront businesses, we will no longer feel safe in our own backyards.

6. There are several families with young children and babies that live in the homes at The Masters Circle who will be put a risk should such a retail store be allowed to be opened within 100 feet of their homes.

7. The cost to the City of Costa Mesa for police, emergency workers, and defending lawsuits will far outweigh any potential revenue generated by allowing a cannabis dispensary in our backyards.

For all of the above reasons, we respectfully request that you DENY Application No. PA-21-27.

Thank you for your consideration.

Sincerely,

John Calvert & Linda Ranck
150 The Masters Circle
Costa Mesa, CA 9262

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From: Claudia Tebbs <cmtebbs@yahoo.com>
Sent: Monday, August 8, 2022 9:34 AM
To: PC Public Comments
Subject: Opposition to PA-21-27 Public Hearing 8/8/22
Attachments: Attachment A.jpg; Attachment B.jpg; Attachment C.docx; Attachment D.jpg; Planning Com Aug 8.docx

Categories: Yellow Category

Please Approve & have Attachments A,B,C,& D available to present at the 08/08/22 hearing.

Hello, my name is Claudia Tebbs. I live on the Masters Circle in Costa Mesa. I oppose the opening of the Proposed Retail Cannabis store opening at 1072 Bristol (PA 21-27).

I read the Outreach pamphlet the applicant left in my mail box & I attended the Meet & Greet held Aug 3. The applicant tried to address our concerns, but there are issues they will not be able to mitigate because of the close proximity to our homes, the hours they will conduct business, and the fact it's a cash business.

1. Noise

- They address Noise by having Security Personnel.
- The Storefront is less than 100 ft. from my property, the parking lot is adjacent to my patio, and my daughter's bedroom overlooks the parking lot. See Attachment A & B.
- They will not be able to control the noise from people talking loud, motorcycles driving in and out, people gunning their engines, and car doors slamming. This will happen every single day of the week until very late at night.
- Proposed hours of operation are 10am to 10pm, 7 day a week
- They anticipate 200-300 customers per day, with peak hours in the evening
- This will be in violation of Costa Mesa Municipal Code 13-283 Loud, Unnecessary Noise. Please see Attachment C.

2. Security

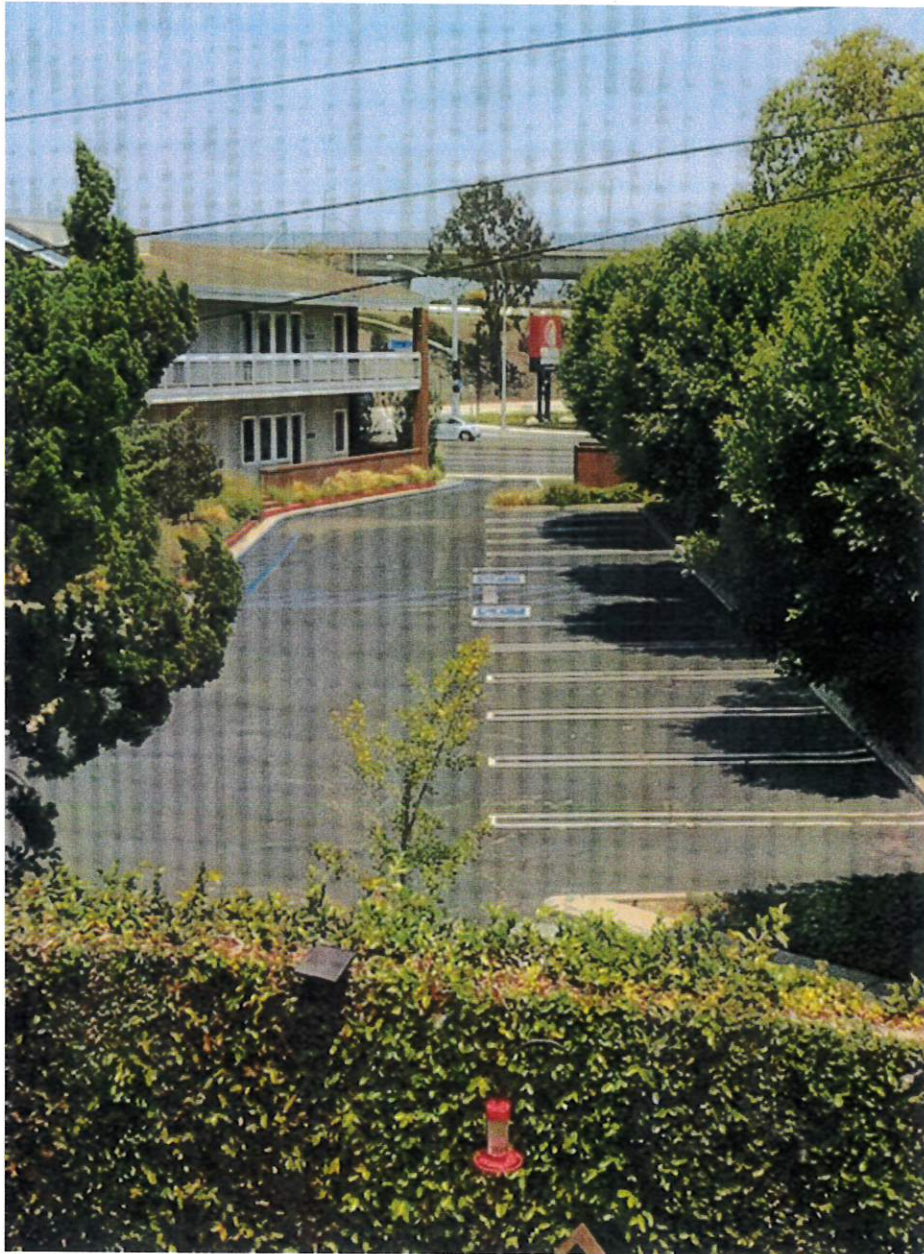
- They address Security by having Patrolling & Armed Security Guards

- This is a cash business and crime is up. A robbery attempt is highly likely. If there is a robbery, the criminal is not going to run to the middle of Newport Blvd or Bristol Street, they're going to run to our backyards & through our properties. We already had an incident where someone tried to break into a shed in the parking lot, the guy scaled the fence and ran through my neighbor's property.
- If there is a shooting will it be in the direction of our homes, my daughter's bedroom? They can't control this.

We voted to pass Measure Q to regulate & protect our neighborhoods. Please protect our neighborhood. Thank You. (See attachment D)

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ATTACHMENT A



ATTACHMENT B



ATTACHMENT C

Costa Mesa, California Municipal Code Title 13 Planning, Zoning and Development Chapter XIII. Noise Control

13-283. Loud, unnecessary noise.

It is unlawful for any person to willfully make or continue, or cause to be made or continued, any loud, unnecessary and unusual noise which disturbs the peace or quiet of any neighborhood or which causes discomfort or annoyance to any reasonable person of normal sensitiveness residing in the area, regardless of whether the noise level exceeds the standards specified in section 13-280, Exterior noise standards, and section 13-281, Interior noise standards. The standard which may be considered in determining whether a violation of the provisions of this section exists may include, but not be limited to, the following:

- (a) The level of noise;
- (b) Whether the nature of the noise is usual or unusual;
- (c) Whether the origin of the noise is natural or unnatural;
- (d) The level and intensity of the background noise, if any;
- (e) **The proximity of the noise to residential sleeping facilities;**
- (f) The nature and zoning of the area within which the noise emanates;
- (g) The density of the inhabitation of the area within which the noise emanates;
- (h) **The time of the day and night the noise occurs;**
- (i) **The duration of the noise;**
- (j) Whether the noise is recurrent, intermittent or constant;
- (k) Whether the noise is produced by a commercial or noncommercial activity; and
- (l) The density of the inhabitation of the area affected. (Ord. No. 97-11, § 2, 5-5-97)

https://library.qcode.us/lib/costa_mesa_ca/pub/municipal_code/item/title_13-chapter_xiii



Ballot Measures-Q

Section
11

Q

City of Costa Mesa, The City of Costa Mesa Retail Cannabis Tax and Regulation Measure

Shall an ordinance authorizing, regulating, taxing retail sales/deliveries of cannabis; limiting locations of cannabis establishments to protect neighborhoods, schools, children; requiring security; imposing a gross receipts tax of 4% to 7% on retail cannabis businesses until ended by voters; raising approximately \$3,000,000 annually for maintaining 911 response, fire/public safety protection, parks, youth/senior services, addressing homelessness, retaining small businesses, other general services; requiring public disclosure, funds controlled locally; be adopted?

What your vote means

YES

A "yes" vote would allow the City to permit storefront cannabis in the commercial zone, and cannabis delivery businesses in the commercial and Green zones, subject to minimum safety requirements, 1000 foot separation from sensitive uses, compliance with state and local laws, a gross receipts tax of between four percent (4%) and seven percent (7%), with an annual published audit, if adopted by ordinance with a two-thirds vote of the entire City Council.

NO

A "no" vote would continue the existing prohibition on retail and delivery of cannabis in the City.

For and against

FOR

Tom Arnold
Retired Firefighter

Dr. Jason Kurtz
Physician

Ryan Johnson
Attorney

Salina Mendoza
Director of Product Management

Charlene Ashendorf
Parks, Arts, Community Services Commission

AGAINST

No argument against this measure was submitted.



Ballot Measures-Q

Section
11

Full Text of Measure Q
City of Costa Mesa

The City Council for the City of Costa Mesa submits the following measure to the voters of the City for approval and adoption.

From: Cole F. Morgan <cmorgan@stuartkane.com>
Sent: Sunday, August 7, 2022 7:33 PM
To: PC Public Comments
Subject: Application #PA-21-27; 1072 Bristol St. Comment
Categories: Yellow Category

To Whom it May Concern:

I have worked with OC Beauty Manufacturers, LLC (dba Yummi Karma and High Gorgeous) ("Yummi Karma") as their legal counsel for the past seven years. During my time working with them, Yummi Karma has demonstrated the highest level of compliance, safety, care for their community, and integrity. I am writing in support of the conditional use permit related to Application #PA-21-27 for a retail dispensary located at 1072 Bristol Street, Costa Mesa ("Dispensary").

Cannabis and cannabis retail dispensaries have traditionally carried a stigma of crime and bad influence. That may be true with respect to illegal operators or businesses that attempt to attract customers that participate in illegal ventures; however, Yummi Karma and its intended Dispensary would likely lower crime and attract a much different customer. Firstly, plenty of studies have shown that cannabis legalization has reduced violent and property crimes. Stating that crime would increase is simply false. Secondly, security would be installed and hired which would deter and prevent loitering and crime in the area. Thirdly, Yummi Karma's business is women-owned and its primary products include tinctures and beauty products that mainly target women and medical customers (not the stereotypical "stoner").

As an example, one of Yummi Karma's tinctures includes Drift Away, a popular sleep aid. A wife of a partner in my law firm who is 65 years old regularly purchases Drift Away to help her sleep. Another friend of mine used Drift Away as a replacement to Ambien (a pharmaceutical drug that created dangerous habits for my friend). Here is a picture of the product to show what type of women/medical customers it is intended to attract:



Some citizens have concerns that children may walk in the area. This point is not accurate or fair for a few reasons: (1) There are few children in the area, (2) to the extent there are children, they would never be allowed to access the Dispensary; (3) no products are advertised to children and it is illegal to do so; and (4) there is plenty of alcohol on Bristol and the Dispensary would not significantly increase the level of temptation of illegal use of products for those under 21.

Yummi Karma acknowledges that there are drug rehabilitation or related centers near the intended location. However, not in all cases, but in some cases, cannabis is used to treat drug addiction. For example, opioids may have the largest volume of addicts and that addiction may stem from pain; cannabis can be used to relieve pain and replace the much more dangerous and addictive opioid-based drugs. Additionally, as mentioned above, there is plenty of alcohol on Bristol and fairly easy to have cannabis delivered to your doorstep—the Dispensary would not significantly increase the

level of temptation of cannabis use to those that may be addicted and is not in their direct line of vision from such centers.

Yummi Karma has been a long-time compliant cannabis manufacturer in Costa Mesa, worked hard to find this Dispensary location, and applied as early as possible to get to this point. There are very limited sites for a dispensary and if the Dispensary application were rejected, Yummi Karma may not be able to find another suitable location.

Lastly, if Yummi Karma were granted its permit to operate the Dispensary, it would bring revenue to the city that could be used to promote the city's wellbeing. It is understandable that nearby citizens may be concerned with change, but it is my belief that the Dispensary would actually improve the area in many ways.

Thank you,

Cole F. Morgan, Esq.

Stuart Kane LLP

620 Newport Center Drive, Suite 200
Newport Beach, CA 92660

Tel: (949) 791-5128

Cell: (503) 550-5128

Fax: (949) 791-5200

Email: cmorgan@stuartkane.com

Web: www.stuartkane.com

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From: Nitaya Chapman <nitaya@yummikarma.com>
Sent: Monday, August 8, 2022 10:16 AM
To: PC Public Comments
Subject: Application #PA-21-27

Categories: Yellow Category

Dear City of Costa Mesa Planning Commission,

There seems to be an attack occurring from the residents behind the proposed cannabis facility that is to be built soon. I wanted to make my objections known for your consideration.

Regarding children:

The presence of cannabis stores causes no harm to children. Children are not allowed in dispensaries. They are less accessible than a liquor store because you absolutely may not enter if you are under 21. Security is on watch at all times.

Regarding traffic safety - Directions will be extremely clear for people coming to the shop in an attempt to lessen traffic mistakes and accidents. Customers will be instructed NOT to park in residential areas and there will be a security guard working the entire time the shop is open to prevent customers parking in residential areas.

Regarding liquor stores being compared to dispensaries - Circle K, and 7-eleven are not the same type of businesses as cannabis dispensaries. First, liquor and tobacco are not considered medicinal. Most people consume cannabis as a medicine. Second, dispensaries have many security cameras and strict security guards that are required to prevent lingering or consuming on site. This means there will not be people just hanging around the establishment. Cannabis workers are professionals as well and desire for their parking lot and surrounding work area to feel safe, just as the residents of the community do.

Let's stop letting manic statements obscure the truth on cannabis stores. Dispensaries absolutely do NOT result in homelessness but rather the opposite by providing jobs in the area for residents as cannabis dispensaries have historically given jobs to people who might otherwise have trouble finding work.

Let's stop stigmatizing cannabis workers and consumers with false claims as "dangerous", it's extremely offensive. No cannabis consumer is any more dangerous than those who choose to consume coffee. It's simply a medium used by regular people to help get them through the day.

Many complaints stem around the OPINION that people do not consider this as a normal retail business and that is untrue and unfair.

Please understand that the cannabis industry is here to stay. Opposing it will only suffice for so long, as the nation is embracing cannabis and federal legalization is inevitable.

The stereotypes about cannabis consumers are outdated and simply false. We deserve a right to our businesses, businesses that have saved many of our lives, and insinuating that what we use to help our lives be better will make the residents of the city's lives worse is untrue.

Assumptions about a negative impact on the neighborhood and increased crime are simply unproven. This is all hearsay.

Cannabis stores are not "hang out" locations for addicts.

In my 11 years of serving thousands of cannabis consumers, one thing I can say without a doubt is the amount of good people, law abiding citizens, who seek out and use cannabis to help their ailments and enhance their daily life. An overwhelming majority of people who visit cannabis stores are truly just people who need help and have found relief in cannabis.

I cannot, in good conscience, stand by while members of a community that I love continue to stigmatize and bash an industry that has raised me and my peers and elevated us beyond where we thought was possible. I will fight for cannabis because I believe cannabis is what is right.

I work for Yummi Karma, the first licensed manufacturer in Costa Mesa. Working for this company has been incredible for my growth as a professional and awarded me the opportunity to become a Costa Mesa resident for 3 years now at this point. We have always gone above and beyond what is expected of a cannabis company to keep compliant with safety at the top of mind.

I think it is important to consider all the real-life positive aspects that cannabis has brought to people's lives, which far outweigh the negative assumptions and opinions of those who are uneducated on this important topic.

*Sincerely,
A Costa Mesa resident*

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From: Jennifer L Wright <jwright88@mail.fresnostate.edu>
Sent: Monday, August 8, 2022 10:35 AM
To: PC Public Comments
Subject: PA-21*27 at 1072 Bristol

Categories: Yellow Category

To whom it may concern:

I am writing to express my support for application PA-21*27 at 1072 Bristol.

Having worked in Cannabis for almost 5 years, I can confidently say that having a dispensary near a home and/or other office buildings does not have the negative impact on it's surroundings as one would think.

Dispensaries are required to have security cameras as well as a security guard during business hours. This alone will prevent increased crime, loitering, and transients. Due to California law, unless that dispensary received a certain permit, all cannabis use must be done off the property. This specific proposal does not include that permit, so one will not need to worry about people consuming cannabis in or around the building. All packaging is child resistant and must be carried out in a bag, so it's not so obvious that someone is walking around the area with cannabis. I truly do not believe it will attract the type of unwanted attention that it seems people are worried about. Consumers will come to get their medicine and will be on their way.

In regard to parking, dispensary transactions tend to be very quick. I know from experience of having been in them for years. The consumer usually comes in with a specific brand and item in mind, and if not, they at least know what type of product they are looking for (flower, edible, vape, etc) and it's a quick recommendation from the budtender and they are on their way. The customer turnover is so rapid, I imagine it won't affect parking that much. Dispensaries also offer in store pick up, which can also expedite the time someone is in the parking lot.

I have family that live down the street from a dispensary, and they haven't had any trouble at all. They said they actually take peace in knowing there is extra security around the corner and have never felt unsafe or that there were unwanted people there. I love visiting them and walking down the street to pick up my cannabis, then grabbing a quick bite to eat, iced coffee, and maybe a stop at the local bookstore. I think people would be surprised once they see the type of people walking in to purchase cannabis- people of all ages, backgrounds, income levels. The plant is so beneficial, I am so thankful we have the access that we do, I can only hope that other people will start to recognize how great it is for people in need, and their overall communities.

Thank you,

Jennifer

--

Jennifer Wright-Leal
Mobile: 559-410-1301

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From: Lizzy Brooks <lizzy@yummikarma.com>
Sent: Monday, August 8, 2022 10:34 AM
To: PC Public Comments
Subject: Application PA-21-27

Categories: Yellow Category

A new store is coming to your neighborhood that is causing you and your neighbors to have a lot of questions and anxiety. Change can be scary if you let it. I'm here to tell you, we already are your neighbors whether you are aware or not, and there's nothing to fear. Hi, my name is Lizzy & I was born and raised here in OC. I'm 33 and work in the marketing department at Yummi Karma, a legal cannabis tincture manufacturer. I have a medical condition that led me to seek out plant alternatives to pharmaceutical medications that were giving me side effects that almost killed me, twice. Since leaving the beauty industry and entering the legal cannabis industry during the pandemic, I have had the pleasure of helping countless women, over the age of 50 in neighborhoods like Coto de Caza, the Newport peninsula, Laguna Beach, Huntington Beach, and Orange Park Acres. Please hear me when I say, we are already your neighbors and we are here to help the community, not take away from. After reading through the concerned letters, the biggest point I personally would like to make is that of safety. First and foremost, cannabis businesses are HEAVILY regulated by the state of California, and it helps to be educated on those regulations- you can check them out by googling the DCC or reach out to our team and we will help point you in the right direction! So, storefronts are all legally required by the state to hire a security staff. In my 2+ years of visiting over 40 dispensaries in CA and WA, I have never seen a single homeless person loitering in the area. As a single female in 2022, trust me I look. This includes places like Seattle and downtown LA where it is statistically very dangerous in comparison to OC. The security staff does not allow any nonsense, especially loitering, consumption in the area or any kind of crime really. I feel safer at these stores than going to the grocery store or the bank. The security is always stern but friendly and offer a lot of peace for the customers, staff, and surrounding neighbors. In addition, per state regulations, every person who enters the stores' identity is checked, securely filed, and with tons of cameras and a security staff, it makes it extremely difficult, borderline impossible get away with any kind of crime. Therefore, sex trafficking is a completely unfounded fear that is more likely to happen somewhere like Wal mart where no ID is checked and there is heavy foot traffic. In fact, the more opposed communities are to legal cannabis storefronts, the more at risk they become for illegal cannabis pop up stores to enter their area and wreak havoc. Those illegal shops typically take a few months to be shut down by the authorities, offer no safety and attract a different demographic. As I mentioned before, the demand is there so it is up to communities to decide whether they prefer legal shops who give back to the community or illegal shops because the delivery services simply cannot meet the demand in the area.

In closing, legal brands and stores truly care about our community. In addition to creating products that help people heal, we are involved in monthly Beach cleanups, have donated over 20,000 feminine hygiene products to women in need in SoCal and are caring members of the community who never miss a Costa Mesa City Council meeting. Keeping our communities safe, healthy and friendly is our biggest goal and we look forward to meeting each of you in person and shaking your hand. I truly hope this meeting helps bring you and your family's peace of mind. Thank you for your time.

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From: Shelbie Vasquez <shelbie@yummikarma.com>
Sent: Monday, August 8, 2022 9:53 AM
To: PC Public Comments
Subject: Application #PA-21-27

Categories: Yellow Category

To whom it may concern,

My name is Shelbie Vasquez, I work in the cannabis industry for Yummi Karma. Our company is women-owned, and the first to get a license in Costa Mesa for manufacturing cannabis-infused products. I was born and raised in Palm Springs, and working for the cannabis industry has granted me the opportunity of being able to move, live, and work in Costa Mesa. It has been a dream come true for me. Our company has been involved in the Costa Mesa Chamber of Commerce and I am lucky to get to know the community in this way. I have health care benefits, paid vacation, and sick time. I was able to work during the pandemic because the cannabis business was essential. I love working in this industry because cannabis has helped so many people in my life, and I am grateful to share knowledge of its benefits with others in order to help them in their daily lives.

We would like for the residents of Costa Mesa to have safe access to their cannabis products. These products can be medicine for most. People rely on our products to help them with anxiety, depression, appetite, sleep, pain, and the list goes on. Cannabis is a great way to keep people connected and share common interests as well. Cannabis retail does not allow indecent situations to occur. There is always security staff on premises making sure customers, employees, and those nearby are all safe. They do not allow loitering. Cannabis retailers must adhere to strict guidelines by the state and city. They adhere to local ordinances regarding sound, traffic, design, etc.

I hope the city makes a beneficial choice to allow cannabis retail for its upstanding residents. The choice will make a great outcome for the community of Costa Mesa.

Thank you,



Shelbie Vasquez

TRADE MARKETING & PR MANAGER

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From: Tatev Oganyan <tatev@theoganyanagency.com>
Sent: Monday, August 8, 2022 11:12 AM
To: PC Public Comments
Subject: Application #PA-21-27; 1072 Bristol St. Comment

Categories: Yellow Category

Dear Councilmembers, City Staff and Concerned Costa Mesa Residents and Businesses:

I have worked with OC Beauty Manufacturers, LLC (dba Yummi Karma and High Gorgeous) ("Yummi Karma") as their regulatory counsel and during my time working with them, Yummi Karma has demonstrated the highest level of compliance, safety, care for their community, and integrity.

I am writing **in support** of the conditional use permit related to Application #PA-21-27 for a retail dispensary located at 1072 Bristol Street, Costa Mesa ("Dispensary").

I serve as California licensing and regulatory counsel to leading, vertically integrated private and public cannabis companies. Our clients make up a consciously selected portfolio of cannabis brands, such as Yummi Karma, that positively impact communities and prioritize corporate social responsibility. Most of our clients are big tax contributors to counties and cities which in turn benefits community programs, which is allocated to libraries, park improvements, and youth services.

I have introduced Yummi Karma products to retailers and customers throughout California because Yummi Karma strives to provide the best quality products available at competitive prices and with compassion.

The cannabis plant is a plant that builds communities today. I have seen this first-hand as in-house and outside counsel to commercial cannabis licenses of all types and sizes since 2016. We are proud of the progress of the cannabis industry in California, but current local regulations and decision-making must be sound, simplified and streamlined. Revenues from the cannabis industry were crucial during the pandemic throughout California, despite the myriad hurdles our businesses face.

Here are some highlights on the **societal impacts of cannabis dispensaries according to Fact Sheets provided by NORML**, one of the largest cannabis advocacy groups in the US. All these points are supported by an abundance of research and evidence:

1. Retail cannabis facilities are not positively associated with increased criminality
2. By contrast, dispensary closures are associated with increases in crime
3. Retail cannabis facilities are associated with rising housing values
4. Dispensary clientele tend to be older, value access to specific strains of cannabis, and tend to require greater quantities of cannabis to treat their therapeutic condition
5. The prevalence of cannabis dispensaries is not positively associated with increased teen use
6. Cannabis retailers are not selling to minors and their products are not being diverted to the underage market
7. Retail cannabis access is associated with reduced opioid consumption by the general public

Yummi Karma has been a long-time compliant cannabis manufacturer in Costa Mesa, worked hard to find this Dispensary location, and applied as early as possible to get to this point. There are very limited sites for a dispensary due to the City's zoning rules and if the Dispensary application were rejected, Yummi Karma may not be able to find another suitable location.

Yummi Karma's business is women-owned. Despite the great progress that has been made in the cannabis industry, we still have a lot more work to do to achieve gender parity in this industry. I too am a businesswoman in cannabis as the owner and operator of my own law practice. According to **this report** in Entrepreneur, less than 25 percent of cannabis businesses are run by women. What can be done to support greater gender parity moving forward? Local jurisdictions must understand that providing cannabis retail opportunities to women will only help the industry balance and grow. Adding or expanding on a women's perspective will allow cities and companies to tap into new ideas, markets, and opportunities, which help drive innovation and sales.

Please take this opportunity to build and uplift Costa Mesa by working with operators passionate about creating an environment where cannabis consumers and those interested in cannabis have equal access to science-backed products and education regarding the medicinal benefits of cannabis.

Best regards,

Tatev Oganyan, Esq.
Founder & CEO
818-237-7867

OGANYAN

The Oganyan Agency
theoganyanagency.com

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From: Jerilyn Favia <jerilyn@yummikarma.com>
Sent: Monday, August 8, 2022 11:31 AM
To: PC Public Comments
Subject: PA-21-27

To Whom It May Concern:

I am writing to express my support for Application PA-21-27 at 1072 Bristol.

I live in Costa Mesa, work in this city, and pour my dollars into this community like everyone else here. I also work in cannabis. I am the COO for Yummi Karma, the group partnering on this project.

Seeing the emails submitted just prior to the cut off from the planned 7/25/22 meeting surrounding this application were saddening.

Here are my challenges to the opposed:

The assumption presented surrounding the homeless issue. To believe this will attract more people who are homeless, is ludicrous. The lighting, increased maintenance, and mere presence of more people will inevitably deter campers.

Cannabis retail outlets are not targets for ***more*** crime. The "pot shops" of the past are not what people believe they are today. We attempted to dismantle this way of thinking during an open house that was held on 8/02/2022 at the proposed location. Sadly, not many people showed up and those who did expressed they simply do not want us there. Some do not have a problem with cannabis as a whole but a problem with cannabis – right – there (1072 Bristol). Here's what's wrong with this attitude: It is discriminatory, it is prejudice and wrong. The cannabis industry is one of the most diverse group of amazing people and our presence should be celebrated, not reduced to garbage only acceptable in a landfill.

The regulations and rules we must follow should be adopted in other more threatening industries (maybe, healthcare?). We want to protect everyone and thanks to this city, your city, my city, there's no reason to not feel safe.

The City of Costa Mesa has done a phenomenal job navigating this industry. We work very, very closely with people from City Hall and value the relationships we've built.

We work in this industry because we believe in it. However, we have been judged, we have lost family and friends due to the decision to work in cannabis. We have had to hide, we couldn't get loans to buy property, we couldn't get a personal bank account, we have had to lie to protect our children.. the

stories I could tell. We don't have to do that anymore and I will be damned if anyone tries to push us back into the shadows.

The standing belief that cannabis is a gateway drug is downright depressing and as we know today, simply not true. The Gateway Drug Theory is outdated, extremely discriminatory and it was introduced in 1975. It's almost 2023, a lot has changed since 1975. Cannabis is described by many as a tool used to break free from prescription medications or even used as an aid for someone struggling with withdrawals from heroine or methamphetamines. It is an unaltered plant that is grown from the earth, not by big pharma with millions in the bank.

Concerns as a parent:

As a parent of children under 10 years old, I am concerned for the safety and well-being of them 24 hours a day. I am concerned for their future, when they leave for school, when they're sick – just like every other parent.

I have worked in the cannabis industry for over 5 years, my husband has been in this industry for over 20 years – I've seen the good, bad and ugly. I worked my way up the ladder over these last handful years with one goal in mind: Better my family's lives. Prior to my leap into cannabis, my career in insurance spanned 16 years, I didn't need to make this move – I wanted to. Last year, 2021, we finally bought a property for our family to grow roots and that's right here in Costa Mesa. Prior to moving to this city we spent most of lives in Huntington Beach. Buying a property, finally, this was one of the most emotional moments for my family and it's thanks to cannabis that it even happened.

Back to the kiddos: We have always had open and honest conversations with our children. We talk about why someone may be homeless when we see them. We talk about recreational and prescription drugs and the consequences of abusing these substances. We talk about what we do for work and the many rules we must follow to keep ourselves, workers and our neighborhoods safe. When I have taken them to fill an antibiotic prescription or pick up an over-the-counter medication, I use the pharmacy as an example of how careful we have to be in the cannabis industry. Just as I can't climb over the counter and go dig through the pills, I also can't buy NyQuil unless I'm over 21 years old. I am also a consumer of cannabis, and my children know this and there's no stigma as it's far better than cigarettes or alcohol. What I want my children to know is that cannabis, like anything else, has its place in our community.

As a parent, I am proud to work in this industry.

The amazing group of people I work with, has literally poured blood, sweat and tears into these projects. We are not sitting back collecting and rolling in mountains of cash on a bear skin rug here. We work hard and we deserve the same respect in the community as you would your neighborhood insurance agent.

I spoke to a handful real estate agents I know, not one of them agrees that the location of this project will negatively impact property value.

Thank you,



Jerilyn Favia

Chief Operations Officer

E jerilyn@yummikarma.com

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PARTIDA, ANNA

PH-1

From: Colette Kim <coletteatwork@gmail.com>
Sent: Monday, August 8, 2022 11:37 AM
To: PC Public Comments
Cc: Coletteatwork@gmail.com
Subject: PA 21-27 Aug 8, 2022 hearing
Attachments: PA 21-27.docx

Categories: Yellow Category

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Sent from Colette

August 8, 2022

Colette Kim
173 The Masters Circle
Costa Mesa, CA 92627

City of Costa Mesa
Planning department
77 Fair Dr.
Costa Mesa California

RE: PA 21-27 Dispensary retail 1072 Bristol St

Dear Planning commission,

I would like to address the issue of the C1 zoning for this building including the parking. According to Costa Mesa's commercial development standards, the 1072 Bristol is a mix of retail and offices. The building size is 11,880 ft.² The proper parking ratio for that space should be 4 spaces per 1000 ft.² therefore the requirement is 45 spaces. The current application states there will be 34 regular parking spaces and 2 handicap parking spaces, total of 36 which is significantly less than what is required.

The setbacks for the main buildings and structures state " if the side or rear property line is adjacent to a residential zone all buildings shall maintain a rear or side setback of two times(2x) the building height at all locations". The building also does not meet this requirement.

Considering the aforementioned, it could be concluded that there would not be sufficient parking therefore the adjacent businesses and residential streets (Masters Circle) would suffer from the overflow of cars parking in front of homes, walking with their newly purchased marijuana products in front of our children playing in the street.

The building set back restrictions are put in place for multiple reasons. Some of which are to ensure home security, privacy, environmental protection, building lighting intrusion, ventilation and noise nuisance.

In closing, by adding the marijuana dispensary in suite 100 and marijuana delivery business proposed in suite 201 at the same location by the same group is a huge burden for the community.

The city of Costa Mesa has a responsibility to protect the public health and welfare of its residents and businesses while preserve the peace and quiet of the neighborhoods, in which, these businesses may operate.

Sincerely,

Colette Kim

PARTIDA, ANNA

PH-1

From: Meagan Dihom <meagan@yummikarma.com>
Sent: Monday, August 8, 2022 11:38 AM
To: PC Public Comments
Subject: PC Public Comments

Costa Mesa Planning Commission
77 Fair Drive
Costa Mesa, CA Application No. PA-21-27

To whom it may concern,

My name is Meagan and I've been in the Cannabis Industry for 8 years. I focus heavily on the medicinal aspect of Cannabis due to my father's death from Cancer 6 years ago. Cannabis is medicine to many and has been extremely beneficial in treating a variety of different types of Cancers, fibro, MS, anxiety, depression, and more. You can find a tone of research and data backing up this claim. There is a podcast called "Cannabis Health Radio Podcast" where people from all over the world has used cannabis as a medicine to treat illness ranging from depression/anxiety to aggressive cancers. I have been an athlete my entire life and have used cannabis to treat my inflammation and pain. The stigma behind cannabis is quite sad and people correlate drug abuse and crime with Cannabis when it's a plant that can't even kill you.

I've worked in dispensaries for over 5 years. I've encountered PLENTY of consumers looking to use cannabis as a medicine. What I have noticed, dispensaries have made areas much safer. For instance, The Circle in Long Beach California by the Traffic Circle. Before The Circle was built, the crime rate was higher, the homeless rate was higher, and robberies were common. Now, the rate is at its all-time low. Dispensaries have guards during store hours and sometimes overnight. The constant presence of law enforcement patrolling the areas. If anything, dispensaries make the area safer.

As far as concerns regarding traffic and safety concerns, correct signage and guidance will prevent drivers to turn on the wrong streets. Dispensaries have raised money to open up preschools and daycares for children. The moral of the story, licensed dispensaries do not increase the crime rate, sex trafficking, or illegal drug activity. If anything, it reduces it and I'm living proof.

Best,
Meagan



Meagan Dihom

CLIENT SUCCESS MANAGER

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From: Neeloufar Mahrouyan <neeloumahrou@gmail.com>
Sent: Monday, August 8, 2022 11:53 AM
To: PC Public Comments
Subject: Re: Opposition of Reference Application No. PA-21-27
Attachments: petition_signatures_jobs_34091977_20220808183241 (1).pdf; petition_comments_jobs_34091977_20220808184832.pdf

Categories: Yellow Category

Attached is a PDF for the signatures and comments received. To actually view the petition itself, you will have to click on the link. Please let me know if you have any questions.

Thank you.

On Mon, Aug 8, 2022 at 11:42 AM Neeloufar Mahrouyan <neeloumahrou@gmail.com> wrote:

On Mon, Aug 8, 2022 at 11:39 AM Neeloufar Mahrouyan <neeloumahrou@gmail.com> wrote:
Dear Costa Mesa City Council,

The Master's circle neighbors have created a petition opposing Application No. PA-21-27. We currently have 192 signatures from members of the public just within less than 1 week and will likely continue to receive more.

Below is the link to the petition. I have also attached a spreadsheet listing the name of individuals (who have chosen to make their names publicly available) who have signed the petition.

<https://chnq.it/tztbF58R>

Thank you,

--

Neelou Mahrouyan

--

Neelou Mahrouyan

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Name	City	State	Postal Code	Country	Signed On
Marianne C	Costa Mesa	CA	92626	US	8/2/2022
Neeloufar I	Costa Mesa	CA	92627	US	8/2/2022
Vida Mahr	Pico Rivera	CA	90660	US	8/2/2022
Harvey Gur	Costa Mesa	CA	92627	US	8/2/2022
sophia tebl	Costa Mesa	CA	92626	US	8/2/2022
Claudia Tebbs			US		8/2/2022
Lizabeth M	Costa Mesa	CA	92626	US	8/2/2022
Colette Kir	Costa Mesa	CA	92626	US	8/2/2022
Denise Gra	Newport B	CA	92663	US	8/2/2022
Omeed Ma	Costa mesa	CA	92626	US	8/2/2022
Dennis Roll	Costa Mesa	CA	92627	US	8/2/2022
Natalie Yaf	Costa Mesa	CA	92626	US	8/2/2022
Faysal Yafi	Los Angeles	CA	90063	US	8/2/2022
Matthew N	Costa Mesa	CA	92626	US	8/2/2022
Linda Mart	Newport B	CA	926660	US	8/2/2022
Matt Mont	Costa Mesa	CA	92626	US	8/2/2022
Shirin Bhag	Los Angeles	CA	90006	US	8/2/2022
Elmira Ziae	Laguna Nig	CA	92677	US	8/2/2022
Camellia St	Los Angeles	CA	90043	US	8/2/2022
Elika Ziae	Laguna Nig	CA	92677	US	8/2/2022
Nazila Pgh	Costa Mesa	CA	92626	US	8/2/2022
Blyth Neitz	Apple Valle	CA	92307	US	8/2/2022
Shahrzad Y	Irvine	CA	92618	US	8/2/2022
doria wosk	miami	FL	33116-335	US	8/2/2022
Chrystie Gr	Costa Mesa	CA	92883	US	8/2/2022
Skye Selins	Bell Garder	CA	90201	US	8/2/2022
Jeri Willian	Easley	SC	29640	US	8/2/2022
Deb Jones	Spring	TX	77380	US	8/2/2022
Jim Thoma	Newport B	CA	92663	US	8/2/2022
Ellen Hans	Costa Mesa	CA	92627	US	8/2/2022
Felipe Garz	Houston	TX	77036	US	8/2/2022
David Walk	Costa Mesa	CA	92626	US	8/2/2022
Charles Cla	Costa Mesa	CA	92627	US	8/2/2022
Daniel Piet	Yorba Lind	CA	92886	US	8/2/2022
Melissa Pie	Yorba Lind	CA	92886	US	8/2/2022
Kathie LeC	Costa Mesa	CA	92626	US	8/2/2022
Bob LeCour	Costa Mesa	CA	92626	US	8/2/2022
Anne Schw	Placentia	CA	92870	US	8/2/2022
Tracie Keot	Placentia	CA	92870	US	8/2/2022
Alison Dow	Anaheim	CA	92805	US	8/2/2022
Julie Farley	Placentia	CA	92870	US	8/2/2022
Diana D. Li	Irvine	CA	92620	US	8/2/2022
Georgia Fal	Costa Mesa	CA	92626	US	8/2/2022
Amy Stach	Sacrament	CA	95864	US	8/2/2022
Virginia Kei	Costa Mesa	CA	92627	US	8/2/2022
Allison Mc	Los Angeles	CA	90006	US	8/2/2022

Chase McE Costa Mes: CA	92626 US	8/2/2022
Leslie Galin Orange Co: CA	92627 US	8/2/2022
Christophe Santa Ana CA	92707 US	8/2/2022
Janeth Cruz Costa Mes: CA	92626 US	8/3/2022
Patrick Och Laguna CA	91761 US	8/3/2022
Julie Deck Costa Mes: CA	92626 US	8/3/2022
Cita Grabe: Costa Mes: CA	92626 US	8/3/2022
joe miracle Costa Mes: CA	92627 US	8/3/2022
Ernest Sav: Riverside CA	92505 US	8/3/2022
Richard Ro: Costa Mes: CA	92627 US	8/3/2022
Rudy River: Costa Mes: CA	92626 US	8/3/2022
William Gle: Costa Mes: CA	92626 US	8/3/2022
Patricia Rei Santa Ana CA	92704 US	8/3/2022
Vivian Rive Costa Mes: CA	92626 US	8/3/2022
cathy do Costa Mes: CA	92627 US	8/3/2022
Marie birm Costa Mes: CA	92627 US	8/3/2022
Harrison Sa Costa Mes: CA	92627 US	8/3/2022
Carole Tayl Costa Mes: CA	92627 US	8/3/2022
Maura Sek: Costa Mes: CA	92627 US	8/3/2022
Nicole Sum La Puente CA	91744 US	8/3/2022
Kathy Herz Los Angele: CA	90057 US	8/3/2022
emy bowm Costa Mes: CA	92627 US	8/3/2022
Kelly McCa Costa Mes: CA	92626 US	8/3/2022
pamela har Palo Cedro CA	96073 US	8/3/2022
Karen Hane Newport B: CA	92663 US	8/3/2022
Ramia Gho Santa Ana CA	92704 US	8/3/2022
Robert Red Costa Mes: CA	92627 US	8/3/2022
Dorothoy M Newport C: CA	92657 US	8/3/2022
Stacey Pau Costa Mes: CA	92626 US	8/3/2022
Lynn Orave Costa Mes: CA	92627 US	8/3/2022
stephanie I Newport B: CA	92663 US	8/3/2022
Lind Allred Costa Mes: CA	92627 US	8/3/2022
Jennifer Hu Costa Mes: CA	92626 US	8/3/2022
Chuck Schu Tustin CA	92780 US	8/3/2022
Kandi Taylc Corona CA	92879 US	8/3/2022
Timothy Bc Costa Mes: CA	92627 US	8/3/2022
Stephanie ! Newport B: CA	92660 US	8/3/2022
Elisabeth H Newport B: CA	92663 US	8/3/2022
Jessica Bus Los Angele: CA	90011 US	8/3/2022
Lynn Kozlo: Costa Mes: CA	92626 US	8/3/2022
John Peter: costa mesa CA	92627 US	8/3/2022
Kandi Taylc Corona CA	92879 US	8/3/2022
Paul Fuchs Costa Mes: CA	92627 US	8/3/2022
Erika Hiller Costa Mes: CA	92627 US	8/3/2022
Stefan Deit Newport B: CA	92660 US	8/3/2022
Yejoo Lee Los Angele: CA	90006 US	8/3/2022
Marianne F Irvine CA	92603 US	8/3/2022

Michael Pe Irvine	CA	92603 US	8/3/2022
Brian Kuhn La Puente	CA	91746 US	8/3/2022
Hayley Nes Newport B	CA	92662 US	8/3/2022
Ceca Smud Brainerd	MN	56401 US	8/3/2022
Lisa Kauch Newport B	CA	92663 US	8/3/2022
James Orr Santa Ana	CA	92799 US	8/3/2022
Olivia Craig Costa Mes	CA	92626 US	8/3/2022
Linda Uphc Irvine	CA	92614 US	8/3/2022
Jana Clarke Denver	CO	80210 US	8/3/2022
Dionne Roc Costa Mes	CA	92626 US	8/3/2022
Linda McG Newport B	CA	92660 US	8/4/2022
Michael Cr Parker	CO	80134 US	8/4/2022
Avon Chen Irvine	CA	92620 US	8/4/2022
Juan Aceve Yorba Lind	CA	92887 US	8/4/2022
Sandbar Or Costa Mes	CA	92627 US	8/4/2022
Lulu Gaspa Costa Mes	CA	92626 US	8/4/2022
Robert and Birminghar	AL	35242 US	8/4/2022
Brendan Gr Irvine	CA	92614 US	8/4/2022
Denise Clar Costa Mes	CA	92626 US	8/4/2022
brett hamil Costa Mes	CA	92626 US	8/4/2022
Jm Pavusa Santa Ana	CA	92703 US	8/4/2022
Stephanie t Chino	CA	91710 US	8/4/2022
Matt Chen Long Beach	CA	90804 US	8/4/2022
Jack Emery Costa Mes	CA	92626 US	8/4/2022
Chelsea Re Houston	TX	77082 US	8/4/2022
Jaclyn Brun Yorba Lind	CA	92886 US	8/4/2022
Stephanie i Long Beach	CA	90802 US	8/4/2022
Ari Drosma Anaheim	CA	92825 US	8/4/2022
Bridget Hill Costa Mes	CA	92627 US	8/4/2022
Kaylee Cas Los Angele	CA	90068 US	8/5/2022
Kara Sahot Sydney	CA	90503 US	8/5/2022
Palge Hiller Vancouver	WA	98684 US	8/5/2022
Steve Stilge Costa Mes	CA	92627 US	8/5/2022
Linda Ranci Costa Mes	CA	92626 US	8/5/2022
Jahira Peg Stockton		95204 US	8/5/2022
Florence M Costa Mes	CA	92626 US	8/5/2022
Jay Payton Orange	CA	92868 US	8/5/2022
Hedy Paytc Orange	CA	92867 US	8/5/2022
John Payto Orange	CA	92504 US	8/5/2022
John Calvei Costa Mes	CA	92627 US	8/5/2022
Maria Guti Costa Mes	CA	92626 US	8/5/2022
Mary Oote Denver		80202 US	8/5/2022
Julia Mccar Newport B	CA	92660 US	8/5/2022
Susan Burk Los Angele	CA	90063 US	8/5/2022
John McCa Santa Ana	CA	92701 US	8/5/2022
Kerry McC Tustin	CA	92780 US	8/5/2022
Lloyd Patte Costa Mes	CA	92627 US	8/5/2022

Liam Roger Levittown	19054 US	8/5/2022
Michele Bir Tustin CA	92780 US	8/6/2022
A'Marrie Lc Louisville	40204 US	8/6/2022
Kath6 Murj West Roxb MA	2132 US	8/6/2022
Sean Walsf Costa Mes CA	92627 US	8/6/2022
Nji Kennetf Lanham	20706 US	8/6/2022
George Tot Panama City Beach	32407 US	8/6/2022
Larry Birkef San Jose CA	95116 US	8/6/2022
Art Perry Costa Mes CA	92626 US	8/6/2022
Brigid Haas Oak Harbor WA	98277 US	8/6/2022
Beth Byrw Costa Mes CA	92627 US	8/6/2022
Ray Markley	US	8/6/2022
Katelyn Sar Anaheim CA	92807 US	8/6/2022
Bruce Stjer Costa Mes CA	92627 US	8/6/2022
Joshua Cur Peterborough	PE7 US	8/6/2022
Maia <3 Gc Plant City	33565 US	8/6/2022
James Titcl Costa Mes CA	92627 US	8/6/2022
Luzvianeth Irvine CA	92606 US	8/6/2022
Miori Carta Chicago	60618 US	8/7/2022
Kelly Couze Newport B CA	92660 US	8/7/2022
Katie Parrir Santa Ana CA	92704 US	8/7/2022
Erika Burk Signal Mountain	US	8/7/2022
Gina Keave Cleburne	76033 US	8/7/2022
Mac Posey Costa Mes CA	92627 US	8/7/2022
John McLu Costa Mes CA	92626 US	8/7/2022
jason brum Costa Mes CA	92626 US	8/7/2022
Alicia Luecl New Orleans	70118 US	8/7/2022
Toni Hamilf Detroit	48 US	8/7/2022
Rehan Sim Westbury	11590 US	8/7/2022
Hector Pal Anaheim CA	92825 US	8/7/2022
Stephanie f San Dimas CA	91773 US	8/7/2022
Heather Bu Costa Mes CA	92626 US	8/7/2022
Edward Do Huntingtor CA	92646 US	8/7/2022
Claire Robe Newport B CA	92660 US	8/7/2022
Jan Lloyd Plano TX	75074 US	8/7/2022
Christophe Newport B CA	92663 US	8/8/2022
Lily Downe Dallas	75220 US	8/8/2022
Ignacia Gar Costa Mes CA	92626 US	8/8/2022
Josh Mont Arboles	81121 US	8/8/2022
Coven Herr Albertville	35950 US	8/8/2022
April Kim Costa Mes CA	92626 US	8/8/2022

Name	City	State	Postal Code	Country	Comments	Comment
Claudia Tebbs				US	8/2/2022	"I don't want a Cannabis dispensary
Elmira Ziae	Laguna Nig	CA	92677	US	8/2/2022	"I won't feel safe in that area any
Julie Deck	Costa Mesa	CA	92626	US	8/3/2022	"I don't feel neighborhoods are th
Ray Markley				US	8/6/2022	"The retail operation will adverse
Christophe	Newport B	CA	92663	US	8/8/2022	"Let's make this a community for f

y affect wrongful entry into the office park next to the pot retail store."
amilies and a place to raise children...not a druggies hang out.. get real !!"

PARTIDA, ANNA

PH-1

From: Colette Kim <coletteatwork@gmail.com>
Sent: Monday, August 8, 2022 11:59 AM
To: PC Public Comments
Cc: Coletteatwork@gmail.com
Subject: PA 21-27

Categories: Yellow Category

Attachment for discussion

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe. Report any suspicious activities to the Information Technology Department.

DESCRIPTION

Two-story office building at signalized
Well maintained, on-site management

Located at the corner of Bristol and Ne

TRAFFIC

COLLECTION STREET

CRC

Bristol St N

New

Newport Blvd

Mas

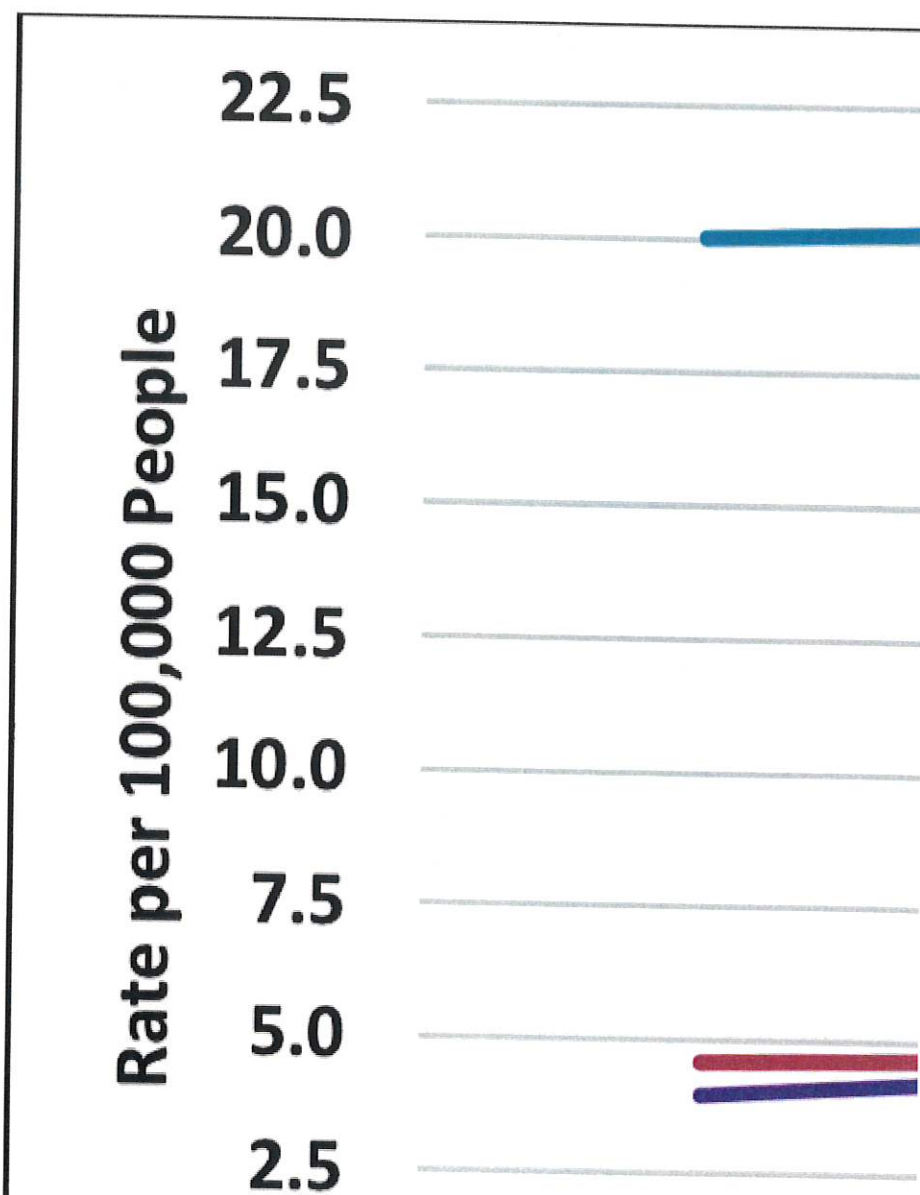
Corona Del Mar Freeway

-

73

Cos

Figure 16: Vehicle Injury-



Sent from Colette

DESCRIPTION

Two-story office building at signalized corner location. Newly renovated.

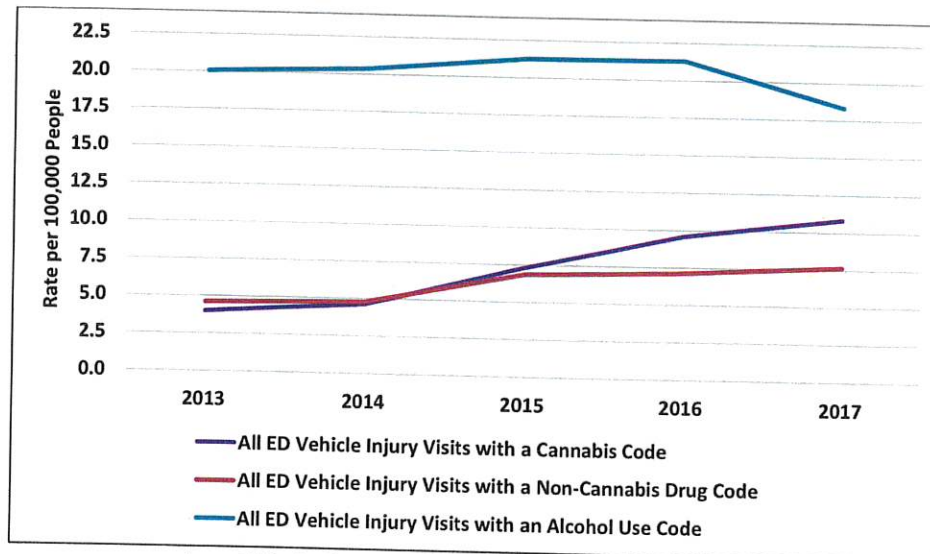
Well maintained, on-site management office. Ste 209 will be granted use of one panel of monument sign.

Located at the corner of Bristol and Newport - close to 55, 73 & 405 Freeways.

TRAFFIC

COLLECTION STREET	CROSS STREET	TRAFFIC VOLUME	YEAR	DISTANCE
Bristol St N	Newport Blvd	23,954	2022	0.00 mi
Newport Blvd	Masters Cir	5,945	2022	0.14 mi
Corona Del Mar Freeway	-	120,824	2020	0.18 mi
73	Costa Mesa Fwy	173,737	2022	0.18 mi
73	San Joaquin Hills Trans Corr	124,171	2022	0.19 mi
Newport Blvd	Presidio Dr	7,926	2022	0.21 mi
Bristol St	Control Channel	24,641	2022	0.25 mi
Newport Blvd	Arlington Dr	158,728	2022	0.33 mi
Bristol St N	Santa Ana Ave	22,337	2022	0.36 mi
Red Hill Ave	Corona del Mar Fwy	18,057	2022	0.40 mi

Figure 16: Vehicle Injury-Related ED Visits with Cannabis, Other Drug, and Alcohol-Related Codes
Los Angeles County, 2013 to 2017



Source: California Office of Statewide Health Planning and Development (OSHPD)

* The three categories are not mutually exclusive.

PARTIDA, ANNA

PH-1,2,3

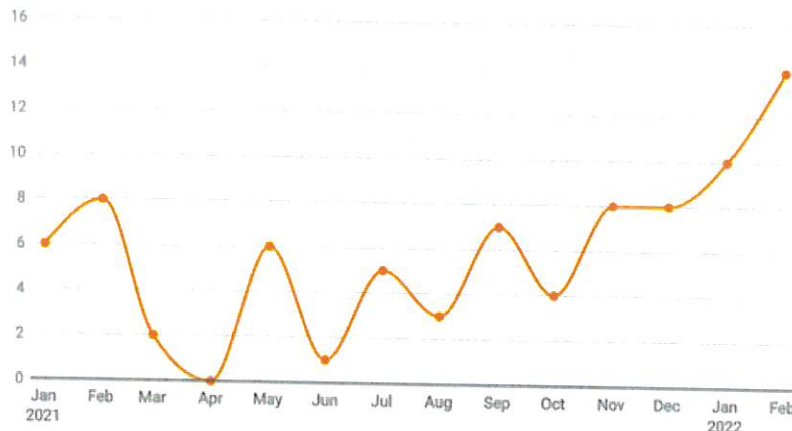
From: Schellie Walsh <schelliewalsh555@gmail.com>
Sent: Monday, August 8, 2022 11:59 AM
To: PC Public Comments
Subject: Attachments for 8/8/22
Attachments: attachment 1.pdf; attachment 1.pdf; attachment 1.pdf
Categories: Yellow Category

Please approve my 3 attachments and have it available for me to present at the meeting tonight, Aug 8, at 6pm.

Thank you
Schellie Walsh

Over the past four months, there have been more reports of robberies, burglaries, assault with a deadly weapon and other crimes at Los Angeles dispensaries than during any other stretch since cannabis became available for retail sale four years ago. In the month of February, there were 14 reported crimes, the highest ever since 2018. January had 10 crimes, while November and December had eight each. In previous years, the average monthly number of crimes never reached five.

Crime in cannabis dispensaries, Jan. 2021-Feb. 2022



Source: LAPD Crime Dataset

Crime Tracker

Crashmap

Showing location on street maps in the U.S.

Keywords

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Do marijuana dispensaries increase neighborhood crime?



2/20/19- CU Denver Today

"We found that neighborhoods with one or more medical or recreational dispensary saw increased crime rates that were between 26 and 1,452 percent higher than in neighborhoods without any commercial marijuana activity," Lorine Hughes, CJRA Expert.

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April 27, 2017

COLUMBUS, Ohio – Legal marijuana shops are linked to higher levels of property crime in nearby areas, according to a nearly three-year study in Denver.

Researchers found that crime isn't higher in the area immediately surrounding marijuana outlets. But adjacent areas saw about 84 more property crimes per year than neighborhoods without a nearby marijuana store.

In Denver, no significant increase in violent crime was seen as a result of marijuana sales.

The results show that legal marijuana sales come with a cost, said Bridget Freisthler, lead author of the study and professor of social work at The Ohio State University.



Bridget Freisthler

Freisthler is an associate professor in the Department of Social Work at The Ohio State University. She is also a senior research advisor at the Center for Public Health and Safety.



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 22-834

Meeting Date: 8/8/2022

TITLE:

PLANNING APPLICATION 21-17 FOR A RETAIL CANNABIS STOREFRONT BUSINESS WITH DELIVERY LOCATED AT 2845 HARBOR BOULEVARD (MARKETPLACE)

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 that 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 21-17, subject to conditions of approval.

APPLICANT OR AUTHORIZED AGENT:

The applicant/authorized agent is Chris Glew, on behalf of the property owner, Michael Assar of Costa Mesa Estate LLC.

BACKGROUND:

The subject property (2845 Harbor Boulevard) is located at the southwest corner of the intersection of Ponderosa Street and Harbor Boulevard. The site is zoned C1 (Local Business District) and is surrounded by C1 zoned properties to the north, east and south, and R3 (Multiple-Family Residential District) zoned properties to the west. The subject site has a General Plan Land Use Designation of General Commercial.

The site is slightly larger than one-acre and is currently developed with a significant amount of parking based on the total floor area of the structures developed on the property (89 parking spaces). Existing development on the site consists of a two-story, 4,073-square-foot commercial building that is proposed to be used for the cannabis retail storefront. In addition, other existing structures on the site consist of a one-story, 565-square-foot office building, a one-story, 2,460-square-foot garage building, and a one-story, 1,000-square-foot modular steel building. The other three structures are not included as part of this project and any future uses would be further evaluated for compliance with applicable development standards.

The subject site is currently vacant and was previously occupied by an automobile dealership (California Beemers). California Beemers recently moved to a vacant larger site in the City located at 1425 Baker Street. The surrounding uses include an automobile dealership to the south and east, an automobile service station to the north, and residences to the west. Existing businesses in this general area include several automobile dealerships (Stadium Auto, Nissan, Chevrolet), automobile services (Globe Tire and Automotive, Sandpiper Collision), a car rental service (Enterprise), and a gym (UFC Gym). Several multi-family residential properties along Lemon Street are located approximately 150 feet from the licensed premises. These residential properties are separated from the proposed facility by Lemon Street and on-site fencing, which screens the subject property from view of the existing residences.

Access to the site is provided by three separate driveways located on Harbor Boulevard, Ponderosa Street and Lemon Street. The vehicular ingress/egress along Harbor Boulevard is provided by indirect access from an adjacent rectangular shaped parcel that serves the subject site and the adjacent commercial site located along Harbor Boulevard to the south

(2833 Harbor Boulevard). No structures are constructed on this approximate 6,700 square-foot parcel, and this parcel is primarily subservient to the subject property and the adjacent commercial property to provide shared ingress/egress and additional parking. The applicant has retained a lease for use of the rectangular property from the property owner at 2833 Harbor Boulevard, and staff has included Resolution Condition of Approval No. 25 which requires that if the lease is terminated that primary driveway access shall be taken from Ponderosa Street.

There are no open code enforcement cases on this property.

The applicant is partnering with "Caleaf," a cannabis manufacturing and distribution facility that was approved under Measure X in 2019. A Cannabis Business Permit (CBP) was issued for Caleaf in 2021. There are no active code enforcement cases for this business.

Non-Conforming Development

The existing development is legal-nonconforming in terms of the landscaping provided onsite, 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 applicant is proposing to bring the property into closer conformance by providing new landscaping onsite per the attached landscaping plan. All other applicable development standards such as parking and setbacks are in conformance.

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 approximately 0.17 (including the other existing structures onsite), and is therefore in compliance.

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 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 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 before obtaining State approval and 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 Services 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 21-17 is a request for a Conditional Use Permit (CUP) to allow a retail cannabis storefront use and delivery in an existing 4,073 square-foot commercial building located at 2845 Harbor Boulevard. The affiliated State license is a Type 10 “storefront retailer” which also allows retail delivery. 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 visiting the storefront, and via delivery to private addresses, subject to conditions of approval and other City and State requirements.

ANALYSIS:***Conditional Use Permit Required (CUP)***

Pursuant to Costa Mesa Municipal Code (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. The property is located on one of the City’s primary commercial corridors (Harbor Blvd.) and is generally surrounded by commercial corridor uses. Pursuant to the CMMC, cannabis retail storefronts are conditionally 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. 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 consistency. The analysis regarding CUP findings is provided further below in this report. Lastly, staff has included numerous project specific conditions of approval to ensure site-specific land use compatibility.

Separation Requirements

Similar to numerous other commercial properties in Costa Mesa that are located along the City commercial corridors, the subject commercial site (licensed premises) is located in relatively close proximity to residential uses (approximately 150 feet away). The CMMC does not establish a minimum separation between cannabis retail establishments and residential developments or residential zones. However, 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 includes 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 subject building was recently painted when occupied by the previous auto sales use (white with dark grey accents) and is well maintained. Therefore, only limited exterior changes are proposed which include removal of the two existing roll-up doors on the north-facing wall. The main exterior site improvements focus on upgrading site landscaping and the applicant has submitted a conceptual landscape plan. The applicant is proposing to update the landscaping along the Harbor Boulevard street frontage and within the interior portions of the parking lot with new trees, shrubs and ground covers. The applicant’s proposed conceptual landscaping plan provides 2,122-square-foot of new landscaping area and brings the property into closer conformance with the City’s landscaping standards. The final landscaping details (generally consistent with the conceptual plan) would be reviewed further during the plan check permitting process.

Proposed exterior site improvements include the following:

- Restriping the parking lot to comply with the City's parking design standards which would reduce the parking supply to 75 spaces (including credit for one bicycle rack);
- Adding a bicycle rack to encourage multi-modal transportation; and
- Addition of a trash enclosure at the rear of property

The applicant also proposes to update the site with security lighting, surveillance cameras and new business signage (signs would be reviewed and permitted separately per the City's sign code requirements). Security lighting would be shielded, pointed downward and located in such a manner to prevent potential lighting impacts to the abutting residential property. The applicant has provided a photometric plan as part of their CUP plans. As conditioned, the lighting plan would be further reviewed and required during the plan check process to demonstrate that lighting onsite would be adequate for security purposes but not cause inappropriate light spill onto the abutting properties.

Interior Tenant Improvements

The majority of the interior improvements would involve the demolition of some demising walls and the addition of new interior partitions to establish rooms for the retail sales area, check-in lobby and storage areas. The retail sales area is proposed to occupy approximately a quarter of the gross floor area. The remainder of the existing building will be occupied by a lobby area, staff and public restrooms, a break room, vendor room, and two storage areas located on the 2nd-floor of the existing building. Below is an area summary table that provides the specific floor area of each space within the existing 4,073-square-foot building.

Table 1: Square Footage

Retail Area	1,038 SF
Lobby Area	772 SF
Restrooms	155 SF
Break Room	120 SF
Vendor Room	141 SF
Hallway	200 SF
Storage	645 SF

Customer and Employee Access

As proposed, one public entrance is provided to the new retail business which is located at the northeast corner of the existing commercial building. Upon entry through the main public entrance, customers will be required to check in at the security desk to confirm age and identity verification. The only areas accessible to the public will be the lobby area, public restroom and retail sales area, and all other areas would be limited access to employees via a key fob. As further conditioned, a security guard would monitor the site at all times to ensure that customers are following regulations.

Employees would also enter the facility through the main public entrance doors. Once inside the storefront, employees would proceed through a controlled access door that provides entrance into the limited access areas including the break room, employee restroom, vendor room, and other back-of-the-house areas.

Vendor and Delivery Operations

A vendor room is proposed on the southeast corner of the building and will have direct ingress/egress via an existing entrance that will provide controlled access for employees only. All deliveries of new products from vendors would be scheduled in advance and coordinated with employee and security personnel. Vendors would park in the designated loading/unloading space located approximately 85 feet from the secured vendor room door.

The applicant is proposing a maximum of two-delivery vehicles operating at any one-time. Delivery operations will also occur from the vendor room with the same path of travel as indicated above for vendor operations. All delivery loading and unloading will occur in the aforementioned loading/unloading dedicated space, would be under camera surveillance and be monitored by the required site security personnel. 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.

Storefront and Delivery Operational Requirements

The proposed business is required to comply with the following retail storefront and operational requirements:

- Display State license, CBP, and City business license in a conspicuous building location;
- Hours of operations are limited to 7:00 AM to 10:00 PM daily;
- 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, do not consume cannabis onsite or within close proximity, and/or do not disturb the adjacent residential neighbors. Security guards will monitor the parking lot diligently during morning and evening business hours. 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 offsite 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 also 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;
- 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 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 shipping and receiving area and remain with them throughout the process.
- Cannabis goods to be sold at this establishment (either storefront or delivery) 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;
- Packaging containing cannabis goods shall be tamper-evident and child-resistant; if packaging contains multiple servings, the package must also be re-sealable;
- When processing orders for cannabis delivery, employees will collect the pre-packaged materials, load products into a secured container and transport the containers to delivery vehicles outside the building. Video surveillance cameras will be installed with direct views of the path of travel and loading and unloading area;
- Cannabis deliveries must be made in-person by an employee of the licensed retailer. An independent contractor, third-party courier service, or an individual employed through a

staffing agency would not be considered employed by the licensed retailer;

- The applicant shall maintain proof of vehicle insurance for any and all vehicles being used to deliver cannabis goods;
- During delivery, the employee shall maintain a physical or electronic copy of the delivery request and shall make it available upon request by the licensing authority and law enforcement officers;
- A delivery employee shall not leave the State of California while possessing cannabis products and while performing their duties for the cannabis retailer;
- The 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;
- Any delivery method shall be made in compliance with State law, as amended, including use of a vehicle that has a dedicated global positioning system (GPS) device for identifying the location of the vehicle (cell phones and tablets are insufficient);
- Signs, decals or any other form of advertisement on the delivery vehicles are prohibited;
- Deliveries must be made to a physical address that is not on publicly owned land and cannot be a school, a day care, homeless shelter, or a youth center; and
- A cannabis 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.

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 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 required for the proposed cannabis retail establishment:

- At least one security guard will be on-site 24-hours a day;
- All employees, including drivers, 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 exterior) shall be installed;
- Emergency power supply shall be installed;
- Employees shall be trained for use with any/all emergency equipment;
- Delivery drivers shall be trained on delivery safety protocols;
- Employees and vendors will be trained regarding cash and product transportation protocol;
- Visitor/customer specific security measures shall be required;
- All facility entry and exit points and locations where cash or cannabis products are handled or stored shall be under camera surveillance;
- The applicant shall submit a list of all vehicles to be used for retail delivery purposes to the Costa Mesa Police Department. 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; and
- The business operator shall ensure that all delivery 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.

Parking and Circulation

The subject property includes an existing surface parking lot with 89 parking spaces. Access to the site is provided by three separate existing driveways located on Harbor Boulevard, Ponderosa Street, and Lemon Street. Staff has included Resolution Condition of Approval No. 24, which restricts customer use of the driveway access on Lemon Street; in consideration of the nearby residential properties. There are existing public sidewalks along the street frontages, which provides access to the site for pedestrians. All areas of the parking lot are internally connected and can be accessed from the existing three driveways.

Retail cannabis uses are subject to the same parking ratio requirement as other retail establishments in the City (four spaces per 1,000 square feet of gross floor area). Based on this ratio, the 4,073-square-foot facility would be required to provide 17 onsite parking spaces. As previously indicated, the site is also developed with several other vacant commercial buildings that could be potentially leased for retail operations. The other buildings located on this site have a combined floor area of 4,025 square feet. Based on the City's retail parking ratio, the other buildings located on-site would require approximately 16 parking spaces. The applicant proposes to reconfigure the parking lot to revise the previous parking lot striping and remove tandem spaces previously used by the automobile dealership. As such, the amount of parking spaces would be reduced from 89 to 74 parking spaces (with one credit for the proposed bicycle rack for a total of 75). As proposed, the project site under full occupancy would maintain a parking surplus of approximately 40 parking spaces.

As with many new uses and based on many factors that are difficult to quantify, it is difficult to anticipate exact demand for a new use; however, if parking shortages or other parking-related problems occur, 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 (see "Operational Conditions" of Approval No. 7 in the attached Resolution). Examples of parking demand management techniques include, but are not limited to, requiring employees to park offsite, reducing operating hours of the business, hiring an employee to monitor parking lot use and assist with customer parking lot circulation, encouraging customers to take advantage of delivery service instead of store visits, offering an employee shuttle service, 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. The purpose of the program is to ensure that the City's transportation system has the capacity to accommodate additional trips.

The Transportation Services Division determined that the appropriate average daily trips (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-thru." The City's traffic review focuses on net trip increase and therefore the ADT for the previous/existing use(s) is credited (subtracted) from the proposed use ADT to estimate potential changes in trip generation. Staff analyzed the ADT of the previous automobile dealer use and compared that with the proposed retail cannabis use ADT. CMMC Section 13-275(a), specifies that "a

traffic impact study shall be required for all development projects estimated by the Public Services Department to generate one hundred (100) or more vehicle trip ends during a peak hour.” Staff determined that the proposed use does not meet the threshold for requiring a traffic study. However, the proposed use would be subject to a traffic impact fee. The estimated traffic impact fee is approximately \$74,000. The fee calculation would be finalized during the building permit plan check process and must be paid prior to building permit issuance.

Odor Attenuation

Cannabis products would arrive in State compliant packaging that is sealed, tamper-evident, and odor-resistant, and remain unopened until consumption. However, a minimal amount of cannabis product would be removed from packaging for display purposes and would be placed in display containers. The proposed HVAC system would utilize Activated Carbon Filtration systems to completely filter the air. As conditioned, the operator must replace the air filters at regular intervals, as directed in the manufacturer specifications. The HVAC system will create negative pressure so that any odors generated inside the business travel through the HVAC/filter system. The exhaust air will be filtered through the carbon filtration and discharged. Further, as conditioned, if cannabis odor is detected outside of the building or off-site specifically, 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 area.

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. Approval of the proposed cannabis retail storefront with delivery would allow business operations that would expand the City's revenue base. 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.

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 storefronts. In addition, the property is located on one of the City's primary commercial corridors which is 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 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. All retail sales would take place underroof and no outdoor storage or sales are proposed nor would be allowed. Staff does not anticipate that the proposed retail cannabis use would be materially detrimental to the adjacent uses that include automobile sales business to the north, east and south, and the multi-family residences to the west (as the facility is screened from view via a large wooden fence).

- *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 with 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, security personnel on site during business hours, at least one security guard onsite at all times and other security devices to 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, and all interior limited access spaces. In addition, the business employees,

including delivery drivers and part-time staff, must pass a live scan background check and obtain an identification badge from the City. The conditions of approval include, but are not limited to, the aforementioned 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 classification of "General Commercial." No additional square footage is proposed; 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 California Environmental Quality Act (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 an existing commercial building that has been used for commercial activities and the application does not propose an increase in commercial floor area or otherwise expand the prior commercial use. 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 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 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 written public comments have been received. Any public comments received prior to the August 8, 2022 Planning Commission meeting will be provided separately.

CONCLUSION:

The proposed project is a retail cannabis storefront business with delivery 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 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 is 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, conduct site inspections to verify that the operation complies with CUP and CBP requirements. Violations identified during site inspections may be grounds for revocation of issued permits or non-renewal of a CBP.

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. Further, the project has been conditioned to minimize impacts to the neighboring uses. The required findings for the CUP can be made, as described above, and therefore, staff recommends approval of Planning Application 21-17 subject to conditions of approval.



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 22-834

Meeting Date: 8/8/2022

TITLE:

PLANNING APPLICATION 21-17 FOR A RETAIL CANNABIS STOREFRONT BUSINESS WITH DELIVERY LOCATED AT 2845 HARBOR BOULEVARD (MARKETPLACE)

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 that 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 21-17, subject to conditions of approval.

APPLICANT OR AUTHORIZED AGENT:

The applicant/authorized agent is Chris Glew, on behalf of the property owner, Michael Assar of Costa Mesa Estate LLC.

BACKGROUND:

The subject property (2845 Harbor Boulevard) is located at the southwest corner of the intersection of Ponderosa Street and Harbor Boulevard. The site is zoned C1 (Local Business District) and is surrounded by C1 zoned properties to the north, east and south, and R3 (Multiple-Family Residential District) zoned properties to the west. The subject site has a General Plan Land Use Designation of General Commercial.

The site is slightly larger than one-acre and is currently developed with a significant amount of parking based on the total floor area of the structures developed on the property (89 parking spaces). Existing development on the site consists of a two-story, 4,073-square-foot commercial building that is proposed to be used for the cannabis retail storefront. In addition, other existing structures on the site consist of a one-story, 565-square-foot office building, a one-story, 2,460-square-foot garage building, and a one-story, 1,000-square-foot modular steel building. The other three structures are not included as part of this project and any future uses would be further evaluated for compliance with applicable development standards.

The subject site is currently vacant and was previously occupied by an automobile dealership (California Beemers). California Beemers recently moved to a vacant larger site in the City located at 1425 Baker Street. The surrounding uses include an automobile dealership to the south and east, an automobile service station to the north, and residences to the west. Existing businesses in this general area include several automobile dealerships (Stadium Auto, Nissan, Chevrolet), automobile services (Globe Tire and Automotive, Sandpiper Collision), a car rental service (Enterprise), and a gym (UFC Gym). Several multi-family residential properties along Lemon Street are located approximately 150 feet from the licensed premises. These residential properties are separated from the proposed facility by Lemon Street and on-site fencing, which screens the subject property from view of the existing residences.

Access to the site is provided by three separate driveways located on Harbor Boulevard, Ponderosa Street and Lemon Street. The vehicular ingress/egress along Harbor Boulevard is provided by indirect access from an adjacent rectangular shaped parcel that serves the subject site and the adjacent commercial site located along Harbor Boulevard to the south

(2833 Harbor Boulevard). No structures are constructed on this approximate 6,700 square-foot parcel, and this parcel is primarily subservient to the subject property and the adjacent commercial property to provide shared ingress/egress and additional parking. The applicant has retained a lease for use of the rectangular property from the property owner at 2833 Harbor Boulevard, and staff has included Resolution Condition of Approval No. 25 which requires that if the lease is terminated that primary driveway access shall be taken from Ponderosa Street.

There are no open code enforcement cases on this property.

The applicant is partnering with "Caleaf," a cannabis manufacturing and distribution facility that was approved under Measure X in 2019. A Cannabis Business Permit (CBP) was issued for Caleaf in 2021. There are no active code enforcement cases for this business.

Non-Conforming Development

The existing development is legal-nonconforming in terms of the landscaping provided onsite, 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 applicant is proposing to bring the property into closer conformance by providing new landscaping onsite per the attached landscaping plan. All other applicable development standards such as parking and setbacks are in conformance.

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 approximately 0.17 (including the other existing structures onsite), and is therefore in compliance.

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 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 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 before obtaining State approval and 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 Services 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 21-17 is a request for a Conditional Use Permit (CUP) to allow a retail cannabis storefront use and delivery in an existing 4,073 square-foot commercial building located at 2845 Harbor Boulevard. The affiliated State license is a Type 10 “storefront retailer” which also allows retail delivery. 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 visiting the storefront, and via delivery to private addresses, subject to conditions of approval and other City and State requirements.

ANALYSIS:

Conditional Use Permit Required (CUP)

Pursuant to Costa Mesa Municipal Code (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. The property is located on one of the City’s primary commercial corridors (Harbor Blvd.) and is generally surrounded by commercial corridor uses. Pursuant to the CMMC, cannabis retail storefronts are conditionally 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. 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 consistency. The analysis regarding CUP findings is provided further below in this report. Lastly, staff has included numerous project specific conditions of approval to ensure site-specific land use compatibility.

Separation Requirements

Similar to numerous other commercial properties in Costa Mesa that are located along the City commercial corridors, the subject commercial site (licensed premises) is located in relatively close proximity to residential uses (approximately 150 feet away). The CMMC does not establish a minimum separation between cannabis retail establishments and residential developments or residential zones. However, 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 includes 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 subject building was recently painted when occupied by the previous auto sales use (white with dark grey accents) and is well maintained. Therefore, only limited exterior changes are proposed which include removal of the two existing roll-up doors on the north-facing wall. The main exterior site improvements focus on upgrading site landscaping and the applicant has submitted a conceptual landscape plan. The applicant is proposing to update the landscaping along the Harbor Boulevard street frontage and within the interior portions of the parking lot with new trees, shrubs and ground covers. The applicant’s proposed conceptual landscaping plan provides 2,122-square-foot of new landscaping area and brings the property into closer conformance with the City’s landscaping standards. The final landscaping details (generally consistent with the conceptual plan) would be reviewed further during the plan check permitting process.

Proposed exterior site improvements include the following:

- Restriping the parking lot to comply with the City's parking design standards which would reduce the parking supply to 75 spaces (including credit for one bicycle rack);
- Adding a bicycle rack to encourage multi-modal transportation; and
- Addition of a trash enclosure at the rear of property

The applicant also proposes to update the site with security lighting, surveillance cameras and new business signage (signs would be reviewed and permitted separately per the City's sign code requirements). Security lighting would be shielded, pointed downward and located in such a manner to prevent potential lighting impacts to the abutting residential property. The applicant has provided a photometric plan as part of their CUP plans. As conditioned, the lighting plan would be further reviewed and required during the plan check process to demonstrate that lighting onsite would be adequate for security purposes but not cause inappropriate light spill onto the abutting properties.

Interior Tenant Improvements

The majority of the interior improvements would involve the demolition of some demising walls and the addition of new interior partitions to establish rooms for the retail sales area, check-in lobby and storage areas. The retail sales area is proposed to occupy approximately a quarter of the gross floor area. The remainder of the existing building will be occupied by a lobby area, staff and public restrooms, a break room, vendor room, and two storage areas located on the 2nd-floor of the existing building. Below is an area summary table that provides the specific floor area of each space within the existing 4,073-square-foot building.

Table 1: Square Footage

Retail Area	1,038 SF
Lobby Area	772 SF
Restrooms	155 SF
Break Room	120 SF
Vendor Room	141 SF
Hallway	200 SF
Storage	645 SF

Customer and Employee Access

As proposed, one public entrance is provided to the new retail business which is located at the northeast corner of the existing commercial building. Upon entry through the main public entrance, customers will be required to check in at the security desk to confirm age and identity verification. The only areas accessible to the public will be the lobby area, public restroom and retail sales area, and all other areas would be limited access to employees via a key fob. As further conditioned, a security guard would monitor the site at all times to ensure that customers are following regulations.

Employees would also enter the facility through the main public entrance doors. Once inside the storefront, employees would proceed through a controlled access door that provides entrance into the limited access areas including the break room, employee restroom, vendor room, and other back-of-the-house areas.

Vendor and Delivery Operations

A vendor room is proposed on the southeast corner of the building and will have direct ingress/egress via an existing entrance that will provide controlled access for employees only. All deliveries of new products from vendors would be scheduled in advance and coordinated with employee and security personnel. Vendors would park in the designated loading/unloading space located approximately 85 feet from the secured vendor room door.

The applicant is proposing a maximum of two-delivery vehicles operating at any one-time. Delivery operations will also occur from the vendor room with the same path of travel as indicated above for vendor operations. All delivery loading and unloading will occur in the aforementioned loading/unloading dedicated space, would be under camera surveillance and be monitored by the required site security personnel. 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.

Storefront and Delivery Operational Requirements

The proposed business is required to comply with the following retail storefront and operational requirements:

- Display State license, CBP, and City business license in a conspicuous building location;
- Hours of operations are limited to 7:00 AM to 10:00 PM daily;
- 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, do not consume cannabis onsite or within close proximity, and/or do not disturb the adjacent residential neighbors. Security guards will monitor the parking lot diligently during morning and evening business hours. 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 offsite 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 also 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;
- 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 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 shipping and receiving area and remain with them throughout the process.
- Cannabis goods to be sold at this establishment (either storefront or delivery) 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;
- Packaging containing cannabis goods shall be tamper-evident and child-resistant; if packaging contains multiple servings, the package must also be re-sealable;
- When processing orders for cannabis delivery, employees will collect the pre-packaged materials, load products into a secured container and transport the containers to delivery vehicles outside the building. Video surveillance cameras will be installed with direct views of the path of travel and loading and unloading area;
- Cannabis deliveries must be made in-person by an employee of the licensed retailer. An independent contractor, third-party courier service, or an individual employed through a

staffing agency would not be considered employed by the licensed retailer;

- The applicant shall maintain proof of vehicle insurance for any and all vehicles being used to deliver cannabis goods;
- During delivery, the employee shall maintain a physical or electronic copy of the delivery request and shall make it available upon request by the licensing authority and law enforcement officers;
- A delivery employee shall not leave the State of California while possessing cannabis products and while performing their duties for the cannabis retailer;
- The 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;
- Any delivery method shall be made in compliance with State law, as amended, including use of a vehicle that has a dedicated global positioning system (GPS) device for identifying the location of the vehicle (cell phones and tablets are insufficient);
- Signs, decals or any other form of advertisement on the delivery vehicles are prohibited;
- Deliveries must be made to a physical address that is not on publicly owned land and cannot be a school, a day care, homeless shelter, or a youth center; and
- A cannabis 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.

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 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 required for the proposed cannabis retail establishment:

- At least one security guard will be on-site 24-hours a day;
- All employees, including drivers, 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 exterior) shall be installed;
- Emergency power supply shall be installed;
- Employees shall be trained for use with any/all emergency equipment;
- Delivery drivers shall be trained on delivery safety protocols;
- Employees and vendors will be trained regarding cash and product transportation protocol;
- Visitor/customer specific security measures shall be required;
- All facility entry and exit points and locations where cash or cannabis products are handled or stored shall be under camera surveillance;
- The applicant shall submit a list of all vehicles to be used for retail delivery purposes to the Costa Mesa Police Department. 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; and
- The business operator shall ensure that all delivery 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.

Parking and Circulation

The subject property includes an existing surface parking lot with 89 parking spaces. Access to the site is provided by three separate existing driveways located on Harbor Boulevard, Ponderosa Street, and Lemon Street. Staff has included Resolution Condition of Approval No. 24, which restricts customer use of the driveway access on Lemon Street; in consideration of the nearby residential properties. There are existing public sidewalks along the street frontages, which provides access to the site for pedestrians. All areas of the parking lot are internally connected and can be accessed from the existing three driveways.

Retail cannabis uses are subject to the same parking ratio requirement as other retail establishments in the City (four spaces per 1,000 square feet of gross floor area). Based on this ratio, the 4,073-square-foot facility would be required to provide 17 onsite parking spaces. As previously indicated, the site is also developed with several other vacant commercial buildings that could be potentially leased for retail operations. The other buildings located on this site have a combined floor area of 4,025 square feet. Based on the City's retail parking ratio, the other buildings located on-site would require approximately 16 parking spaces. The applicant proposes to reconfigure the parking lot to revise the previous parking lot striping and remove tandem spaces previously used by the automobile dealership. As such, the amount of parking spaces would be reduced from 89 to 74 parking spaces (with one credit for the proposed bicycle rack for a total of 75). As proposed, the project site under full occupancy would maintain a parking surplus of approximately 40 parking spaces.

As with many new uses and based on many factors that are difficult to quantify, it is difficult to anticipate exact demand for a new use; however, if parking shortages or other parking-related problems occur, 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 (see "Operational Conditions" of Approval No. 7 in the attached Resolution). Examples of parking demand management techniques include, but are not limited to, requiring employees to park offsite, reducing operating hours of the business, hiring an employee to monitor parking lot use and assist with customer parking lot circulation, encouraging customers to take advantage of delivery service instead of store visits, offering an employee shuttle service, 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. The purpose of the program is to ensure that the City's transportation system has the capacity to accommodate additional trips.

The Transportation Services Division determined that the appropriate average daily trips (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-thru." The City's traffic review focuses on net trip increase and therefore the ADT for the previous/existing use(s) is credited (subtracted) from the proposed use ADT to estimate potential changes in trip generation. Staff analyzed the ADT of the previous automobile dealer use and compared that with the proposed retail cannabis use ADT. CMMC Section 13-275(a), specifies that "a

traffic impact study shall be required for all development projects estimated by the Public Services Department to generate one hundred (100) or more vehicle trip ends during a peak hour.” Staff determined that the proposed use does not meet the threshold for requiring a traffic study. However, the proposed use would be subject to a traffic impact fee. The estimated traffic impact fee is approximately \$74,000. The fee calculation would be finalized during the building permit plan check process and must be paid prior to building permit issuance.

Odor Attenuation

Cannabis products would arrive in State compliant packaging that is sealed, tamper-evident, and odor-resistant, and remain unopened until consumption. However, a minimal amount of cannabis product would be removed from packaging for display purposes and would be placed in display containers. The proposed HVAC system would utilize Activated Carbon Filtration systems to completely filter the air. As conditioned, the operator must replace the air filters at regular intervals, as directed in the manufacturer specifications. The HVAC system will create negative pressure so that any odors generated inside the business travel through the HVAC/filter system. The exhaust air will be filtered through the carbon filtration and discharged. Further, as conditioned, if cannabis odor is detected outside of the building or off-site specifically, 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 area.

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. Approval of the proposed cannabis retail storefront with delivery would allow business operations that would expand the City's revenue base. 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.

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 storefronts. In addition, the property is located on one of the City's primary commercial corridors which is 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 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. All retail sales would take place underroof and no outdoor storage or sales are proposed nor would be allowed. Staff does not anticipate that the proposed retail cannabis use would be materially detrimental to the adjacent uses that include automobile sales business to the north, east and south, and the multi-family residences to the west (as the facility is screened from view via a large wooden fence).

- *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 with 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, security personnel on site during business hours, at least one security guard onsite at all times and other security devices to 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, and all interior limited access spaces. In addition, the business employees,

including delivery drivers and part-time staff, must pass a live scan background check and obtain an identification badge from the City. The conditions of approval include, but are not limited to, the aforementioned 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 classification of "General Commercial." No additional square footage is proposed; 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 California Environmental Quality Act (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 an existing commercial building that has been used for commercial activities and the application does not propose an increase in commercial floor area or otherwise expand the prior commercial use. 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 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 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 written public comments have been received. Any public comments received prior to the August 8, 2022 Planning Commission meeting will be provided separately.

CONCLUSION:

The proposed project is a retail cannabis storefront business with delivery 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 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 is 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, conduct site inspections to verify that the operation complies with CUP and CBP requirements. Violations identified during site inspections may be grounds for revocation of issued permits or non-renewal of a CBP.

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. Further, the project has been conditioned to minimize impacts to the neighboring uses. The required findings for the CUP can be made, as described above, and therefore, staff recommends approval of Planning Application 21-17 subject to conditions of approval.

RESOLUTION NO. PC-2022-

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA APPROVING PLANNING APPLICATION 21-17 FOR A STOREFRONT RETAIL CANNABIS BUSINESS WITH DELIVERY (MARKETPLACE) IN THE C1 ZONE AT 2845 HARBOR BOULEVARD

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 21-17 was filed by Christopher Glew, authorized agent for the property owners, Costa Mesa Estate LLC, requesting approval of the following:

A Conditional Use Permit to operate a storefront retail cannabis business with delivery within an existing 4,073-square-foot commercial building located at 2845 Harbor Boulevard. 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 and other City and State requirements;

WHEREAS, a duly noticed public hearing was held by the Planning Commission on August 8, 2022 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 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 21-17 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 21-17 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 8th day of August, 2022.

Byron de Arakal, 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-2022- was passed and adopted at a regular meeting of the City of Costa Mesa Planning Commission held on August 8th, 2022 by the following votes:

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSENT: COMMISSIONERS

ABSTAIN: COMMISSIONERS

Scott Drapkin, Secretary
Costa Mesa Planning Commission

Resolution No. PC-2022-

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 storefronts. In addition, the property is located on one of the City's primary commercial corridors (Harbor Blvd.) which is 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 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. All retail sales would take place underroof and no outdoor storage or sales are proposed nor would be allowed. Staff does not anticipate that the proposed retail cannabis use would be materially detrimental to the adjacent uses that include automobile sales business to the north, east and south, and the multi-family residences to the west (as the facility is screened from view via fencing).

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 with 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, security personnel on site during business hours, at least one security guard onsite at all times and other security devices to 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, and all interior limited access spaces. In addition, the business employees, including delivery drivers and part-time staff, must pass a live scan background check and obtain an identification badge from the City. The conditions of approval include, but are not limited to, the aforementioned 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; 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, involving negligible or no expansion of the existing use. This project site contains an existing commercial building that has been used for commercial activities and the application does not propose an increase in floor area or otherwise expand the prior commercial use. 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 and delivery business 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 delivery 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. 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 and under an active Cannabis Business Permit and State Type 10 license, 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 shall defend, indemnify, and hold harmless the City, its elected and appointed officials, agents, officers and employees from any claim, action, or proceeding (collectively referred to as "proceeding") brought against the City, its elected and appointed officials, agents, officers or employees arising out of, or which are in any way related to, the applicant's project, or any approvals granted by City related to the applicant's project. 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. City shall have the right to choose its own legal counsel to represent the City's interests, and applicant shall indemnify City for all such costs incurred by City.
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.

- Bldg. 11. 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.
- CBP 12. 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-21-02. 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.
13. 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.
14. 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-21-17 until a valid new Cannabis Business Permit is received from the City of Costa Mesa.
15. 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
16. 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.
 17. 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.
 18. 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.
 19. Third parties are prohibited from providing delivery services for non-storefront retail.
 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 and delivery 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 the location 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.
 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 21-17 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 landscape plan that complies with CMMC requirements, drought-tolerant plants and/or California native plants, a bike rack, parking lot striping in conformance with CMMC requirements, and trash enclosure.
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. Construction documents shall include a temporary fencing and temporary security lighting exhibit to ensure the site is secured during construction and to discourage crime, vandalism, and illegal encampments.
10. The applicant shall submit a lighting plan to the Planning Division for review and approval. 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 residential property line 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.
11. 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, shall be required as part of the project plan check review and approval process. Plans shall be forwarded to the Planning Division for final approval prior to issuance of building permits.
12. The trash enclosure shall be designed in a way to prevent noise and odor impacts to the abutting properties.
- Eng. 13. Obtain a permit from the City of Costa Mesa, Engineering Division, at the time of development and then remove any existing driveways and/or curb

depressions that will not be used and replace with full height curb and sidewalk per City of Costa Mesa standards.

14. Dedicate a diagonal corner cut-off at the corner of the Ponderosa St & Lemon St for street & highway easement per City of Costa Mesa Standards.

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 of conditions of approval explaining how each was met prior to issuance of a Cannabis Business Permit.
2. The applicant shall submit to the Planning Division 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 fee (\$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; 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.
6. 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.

7. The applicant shall submit an executed Retail Cannabis Business Permit Defense and Indemnity Agreement on a form to be provided by the City.
8. 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, etc. The language of the parking lot 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 and offsite delivery to customers is limited to the hours between 7:00 AM and 10:00 PM.
3. The applicant shall submit an updated delivery vehicle list each quarter with the quarterly update to the employee roster which is required pursuant to the CBP. The number of delivery vehicles parked onsite shall not exceed the number of available onsite surplus parking spaces. Delivery vehicles shall not be parked on City streets.
4. At least one security guard shall be onsite at all times.
5. The operator shall maintain free of litter all areas of the property 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 appropriate security and operational measures as 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 Director of Economic and Development Services or designee. Temporary or permanent parking management strategies include, but are not limited to, 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 delivery service instead of store visits, limiting the number of employees that park onsite, offering an employee shuttle service, and incentivizing employee carpooling/cycling/walking.
8. While working, employees shall not park on residential streets unless doing so temporarily to make a cannabis delivery.
9. All employees must wear an identification badge while on the premises of the business and/or performing deliveries, 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.

10. 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.
11. The operator shall ensure that deliveries are grouped to minimize total vehicle trips.
12. 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.
13. Vehicle loading and unloading shall only take place within direct unobstructed view of surveillance cameras, located in close proximity to the shipping and receiving exterior 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 delivery vehicles. Video surveillance cameras shall be installed on the exterior of the building with direct views of employee doors. Any modifications or additional vehicle loading and unloading areas shall be submitted to the Director of Economic and Development Services or designee for approval.
14. Vehicle standing, loading and unloading shall be conducted so as not to interfere with normal use of streets, sidewalks, driveways and on-site parking.
15. The sale, dispensing, or consumption of alcoholic beverages on or about the premises is prohibited.
16. No outdoor storage or display of cannabis or cannabis products is permitted at any time.
17. Cannabis shall not be consumed on the property at any time, in any form.
18. The owner/operator shall prohibit loitering on and within fifty (50) feet of the property.
19. 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.
20. The owner or operator shall maintain air quality/odor control devices by replacing filters on a regular basis, as specified in the manufacturer specifications.
21. 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.
22. 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.
23. 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.

24. The existing driveway access gate located on Lemon Street shall remain closed during business hours, with the exception of deliveries or other necessary site access requirements. At no time, shall the existing site driveway access on Lemon Street be used for customer access.
25. If the lease for the driveway access on Harbor Boulevard is terminated, the driveway located on Ponderosa Street shall be used. Within 60 days of the termination of the lease, the applicant shall submit, obtain approval and construct any driveway improvements determined necessary by the City's Development Services Department, Public Works Department and Fire Department.

Conditional Use Permit Letter – MARKETPLACE – 2854 Harbor Blvd**2854 Harbor Blvd****APPLICANT:** HARBOR BLVD ENTERPRISE LLC**Operator (dba):** MARKETPLACE**Request:** The request is for a Conditional Use Permit to allow a Cannabis Retail Storefront (Type 10) and Cannabis Retail Non Storefront (Type 9 – Home Delivery) and a Cannabis Business Permit.

EXECUTIVE SUMMARY

MARKETPLACE, powered by Mr. NICE GUY, is a concept designed to be our Flagship Store model.

For larger format stores, we carry a more robust inventory for greater customer selection.

MARKETPLACE leverages the Mr. NICE GUY vertically integrated Supply Chain, and the operational knowledge of operating more than 30 Retail locations, in multiple states.

We launched our MARKETPLACE format in Santa Ana at 1525 East Saint Gertrude Place and have been fine tuning the customer experience related to a cannabis store with a larger product assortment.

We have focused on delivering more options, delivering a solid customer experience with the efficiency needs of our time starved customer base.

We will leverage the visible location from Harbor Blvd and a large parking area to attract and retain a customer base.

SITE SELECTION: We plan on leveraging our convenient location. ***We are the first location customers will see traveling South on Harbor Blvd from the 405.*** We will deliver a large and sustained customer base by getting the 70,000 vehicle trips to pull into our Store. We will benefit from other Cannabis Retail Stores marketing to customers to drive down Harbor Blvd, and MARKETPLACE will be the first Cannabis Retail Store they see.

We will also leverage ease of access for Huntington Beach to come over via Adams Ave, and will have customers come up from PCH and over from the 55.

Once we get a large customer base to try our MARKETPLACE experience, our four Wall Marketing kicks in, to drive repeat visits focused on customer retention.

The former automotive use has high visibility frontage, on a hard corner for multiple ways customers can enter and exit and has perhaps the largest parking lot of any Cannabis Retail Store, the customers will cherish.

The property is gated to the rear to allow for Delivery Vehicles to park and provide overnight security benefits.

Hours of Operation: 7 am to 10 pm.

Build Out: The existing Sales Office will be converted to the Dispensary. The build out is anticipated to move swiftly, as most of the walls will be retained as the interior converts to a high end retail look and feel with additional security elements introduced. Other non cannabis buildings will remain the same.

Site Improvements: The other buildings on site will be non cannabis, and will remain office and non cannabis storage.

The existing car lot will maintain security lighting, shielding light from surrounding properties. Additional landscape is being introduced and existing landscape is being updated. This will soften the built environment and break up the former car dealership large parking lot.

Supply Chain: This will be operated by an experienced Team that is fully integrated here in California and Oregon. Their licensed Salinas cultivation facility will transport flower via the Teams Licensed Distributor to a Licensed Santa Ana Facility to be packaged into jars and Pre Rolls. Other Licensed Facilities will package a variety of cannabis forms. The Team outsource extracting Flower into Oil, and the Oil is utilized in manufacturing House Brands. The Team has relationships with other Top Selling Brands. The Finished Packaged Goods are brought last mile from the Manufacturing / Packaging Licensed Facilities to the MARKETPLACE by the Teams licensed Distribution vehicle.

Target Customer: The store will offer a wide variety of quality cannabis of Flower, Pre-Rolls Vape Pens and Edibles, Tinctures, Topicals, Beverages with a higher SKU offering than the Team's other Stores. There is a curated selection of top brands and rotate in a product selection to meet the current consumer demands. The price points vary from Value, Everyday to Premium. The customer will benefit from the ease of shopping with ample parking. This convenience will also drive trial.

Operations: The Team will relocate an experienced Manager from another location. Employees are hired based on criteria and characteristics they can perform and add value in a highly regulated industry. The facility is designed with Safety, Security and operational excellence. All Employees go through onboarding training, and depending on roles, various levels of ongoing training, supported by an SOP Operations Manual. Periodic meetings take place to reinforce safety, security and operations process, and a chance to report and discuss any opportunities for improvement.

The facility is designed to handle cannabis in both bulk form for Retail, as well as efficiently and securely service Customer demand, both In Store and At Home. One Counter will be dedicated to the Order Online / Pick Up In Store Customers who know what they want and seek an efficient transaction. One Counter Area will be allocated to a more consultative Customer experience, where a little more time can be spent on Cannabis Education.

Compliance: The Operation utilizes a Point of Sale and Track & Trace technology to achieve regulatory compliance and efficiently manage the business. All cannabis and cash are entered, reported, audited, and analyzed, with discrepancies investigated and reported as necessary. The operation will implement a noncash transaction option for Retail, that reduces the amount of cash to handle, and corresponding threats.

Conditional Use Permit Letter – MARKETPLACE – 2854 Harbor Blvd

Employees: We will prioritize hiring locals, who can walk, bike or take public transportation with a focus on operational skill sets, trainability and demonstrated ability to deliver a quality customer experience. All efforts will be to hire local. It weaves operations into the fabric of the community, and locals can walk or bike. We will partner with the Chamber of Commerce on “Hire Local” and use temporary signs to target drive by, bike by potential employees. Cannabis jobs are good paying jobs, with opportunities for advancement and creation of careers. The Team will look to hire from Orange Coast Community College, due to success in hiring from this demographic, who is in convenient proximity to out location.

All Employees and Owners are police background checked prior to employment and issuing a badge.

Neighborhood Compatibility: The Team is an experienced operator who has successfully launched and sustained several Cannabis Retail Stores. The Team employs a “Good Neighbor Policy” by providing contact information, a commitment to discussion and issue resolution, picking up trash and having the Security Guard be a neighborhood asset. Parking exceeds requirements, so no neighborhood impacts anticipated and will be monitored. All surrounding properties will have a phone number to contact the Managers of the Cannabis operation. The Security Guard has responsibilities to monitor the parking lot to make sure no loitering, that trash is picked up, and specific goals to know the neighborhood and neighbors. The Guard will be a neighborhood asset. The Site is being developed to respect neighbors.

Parking: The project is utilizing existing car dealership lot, where the number of parking spaces exceeds the requirements. There is ample parking in front of the Retail Store for customers. Bike Racks will be prominently featured. The Loading Zone space is the first space in the rear. The rear offers more than ample parking to accommodate Cannabis Retail employees and support the Office Use. In the evening, Delivery Vehicles will park overnight in the rear. The rear gate will be closed after hours to increase security.

Landscaping: The landscaping exceeds requirements. Some existing landscaping will be preserved, several aspects will be improved. Internally, in the parking lot area, new landscaping space will be allocated and introduced, adding trees, breaking up the built environment while softening the historic car dealer lot. The landscape pallet was selected for drought tolerant consideration and plants that will thrive on the site, with low maintenance.

Walkability – Bikeability -Active Transportation: This project is located on a major street with active transportation elements introduced and more planned. We have featured a Bike Rack. We will Hire Local so that employees can bike & walk. We encourage Ride Share of carpools and technology. We will have promotions to incentivize Customers to choose walking, biking, public transportation options. We will work with the City to tie into their activities to encourage and facilitate active transportation.

Odor: HVAC and carbon filter elements are introduced to address any potential odors, with the standard, no detectable odor outside the facility. All products are finished packaged goods, which minimizes or eliminates the potential of odor.

Partner with Chamber of Commerce: The Chamber has embraced Cannabis and is developing to key projects in support of the Cannabis Industry and Operators. 1) Hire Local: Chamber will have a portal where the Operator can list open positions. The Chamber will actively promote. 2) Shop Local: Chamber will actively promote Cannabis Retailers approved by the City.

Partner with Cultural Arts Committee: Operator seeks to work with the City of the Arts to introduce local artists. The specific projects are yet to be determined, the intent is to identify local artists who can produce art for the interior. Consider an approved Mural, and seek opportunities to support the Utility Box program. All ideas are welcome.

Security Plan, Technology Solutions, Process and Training: The reviewed and approved Security Plan is prepared and installed by a trusted local subject matter expert who has a dozen and a half Costa Mesa projects, and several dozen in Southern California. He and the company have the necessary credentials and experience to provide plans, systems, installations, process and training. The concept of a plan, development and implementation is the “Secure Layered Onion”. The outer layer is hardened, and several layers are introduced designed to slow down and prevent unwanted access, and control access. The Perimeter has facility design in mind when developing the Site Plan and Floor Plan. Perimeter lighting is added as a deterrent and to enhance external video surveillance at night. Any windows have a Security Film. All doors are secure access. Customers check in, Visitors sign in. There are specific areas Customers can go, and Limited Access Areas (properly signed) where only badged Employees or Visitors escorted by an Employee. The Cannabis and Cash are in secure storage areas, with limited access. The Security System can be remotely viewed. Other tools are motion detectors in strategic areas, 100% video surveillance saturation wherever cannabis is located (Including full coverage of external loading and unloading) panic buttons and some proprietary elements to protect people, cannabis and cash. These systems and process have manuals and are integrated into training programs.

Security Plan: a 118 page plan was submitted and reviewed by the City 3rd Party expert and was approved without comments. It contained a thorough demonstration of compliance with extensive narrative supported by diagrams to say and show how the operation will comply with State and City Regulations. Covered all aspects of a secure and compliant Cannabis Retail operation components like theft reduction, cash management, Morning – Start of Shift – During Shift – End of Shift SOP’s. It covered both the Retail operations as well as Home Delivery.

Security Guards: A Security Guard will be onsite 24 hours a day, unless modified by City Council. This 3rd Party Security company has a credentialed, experienced subject matter expert ownership to facilitate the hiring and training of Guards based on a handbook of specific Standard Operating Procedures. The onsite Guard monitors the day to day operations, periodically makes rounds inside and out, oversees all unloading and loading of deliveries. The company has all the required State Licenses and Insurance.

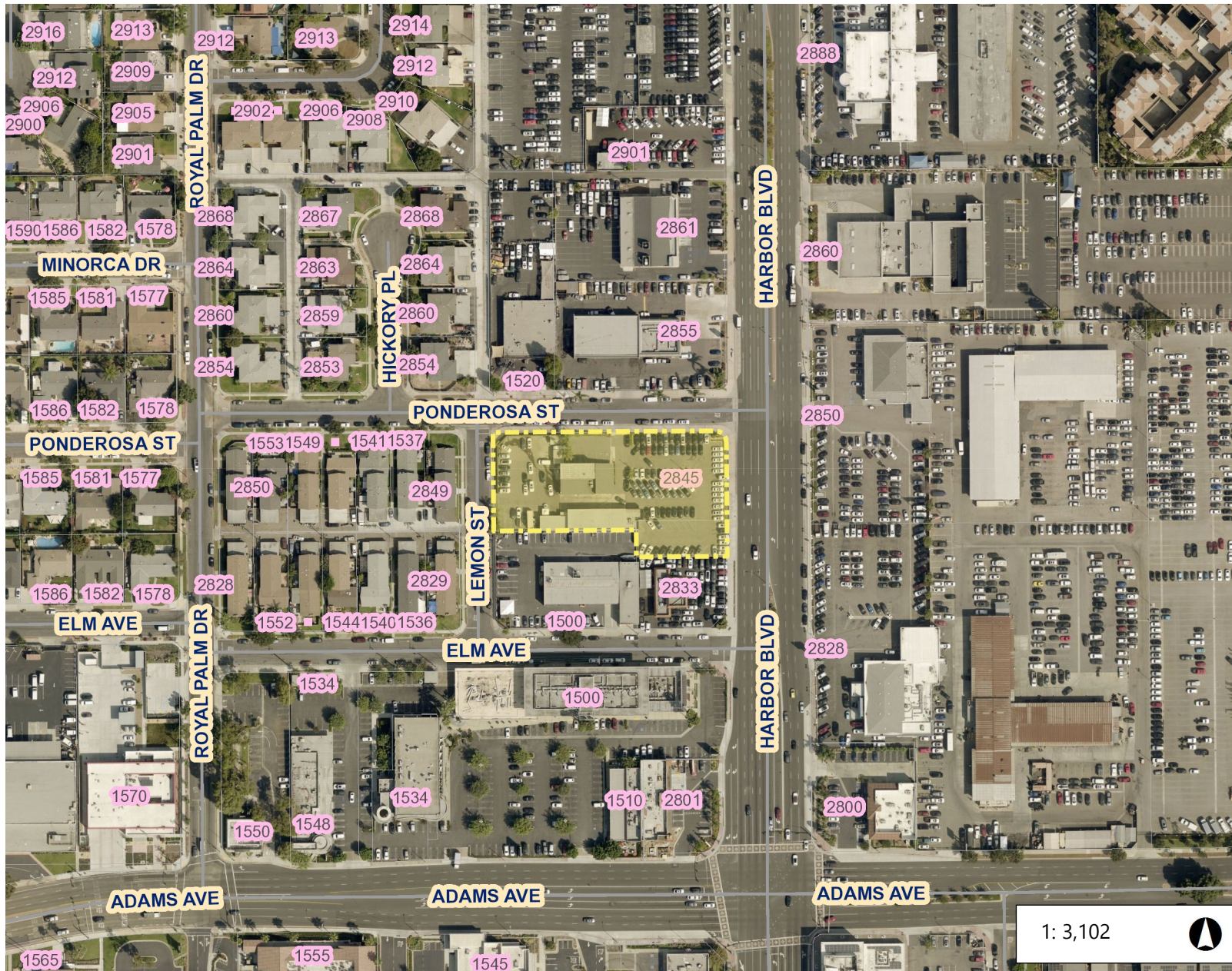
Business Plan: A 86-page Business Plan was submitted and received approval without comments. The Plan covers vast requirements from proof of capital, a plan and budget to open and operate. Facility Diagrams. Standard Operating Procedures. Customer Check In. It covered both the Retail operations as well as Home Delivery.

Deliveries: All loading and unloading will occur in a dedicated space, closest to the Secure Door. All loading and unloading activities will be under video camera surveillance and under the supervision of the Guard.

Home Delivery: The Retail location will support the pickign and packing of orders. All orders are dispatched using technology to track the vehicles. All aspects are consistent to State and City requirements.

Waste Management: A container is located in the secure storage area, should the unlikely event of cannabis waste be created. Most would be returned to the Distributor or rendered unrecognizable and unusable, and properly disposed of.

Signage: Compliant internal and external signs to meet State and City requirements, and assist customers on way finding and no access areas.



Legend

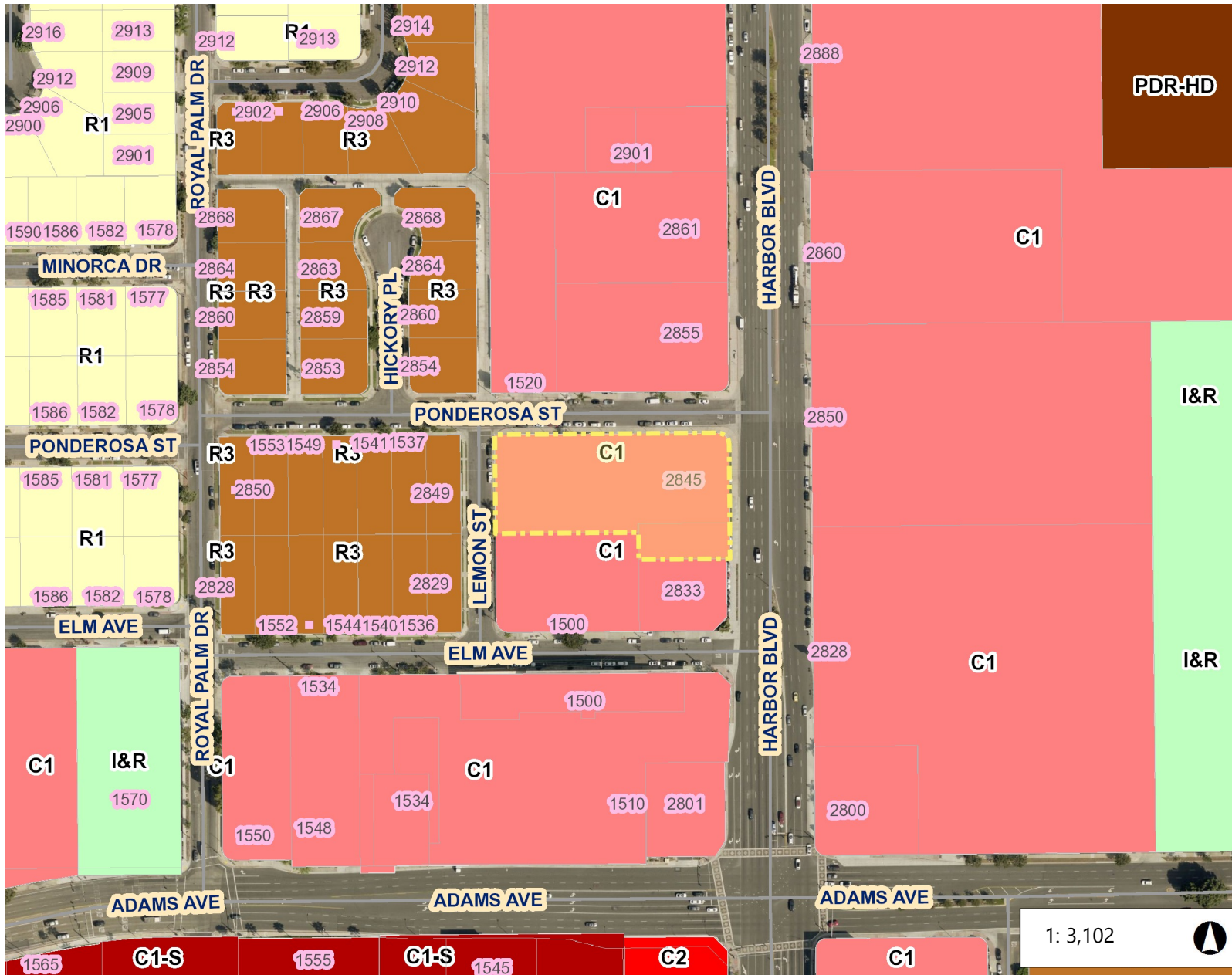
 Costa Mesa

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



1: 3,102



Notes

0.1 0 0.05 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.



PA-21-17 Site Photos
2845 Harbor Blvd.





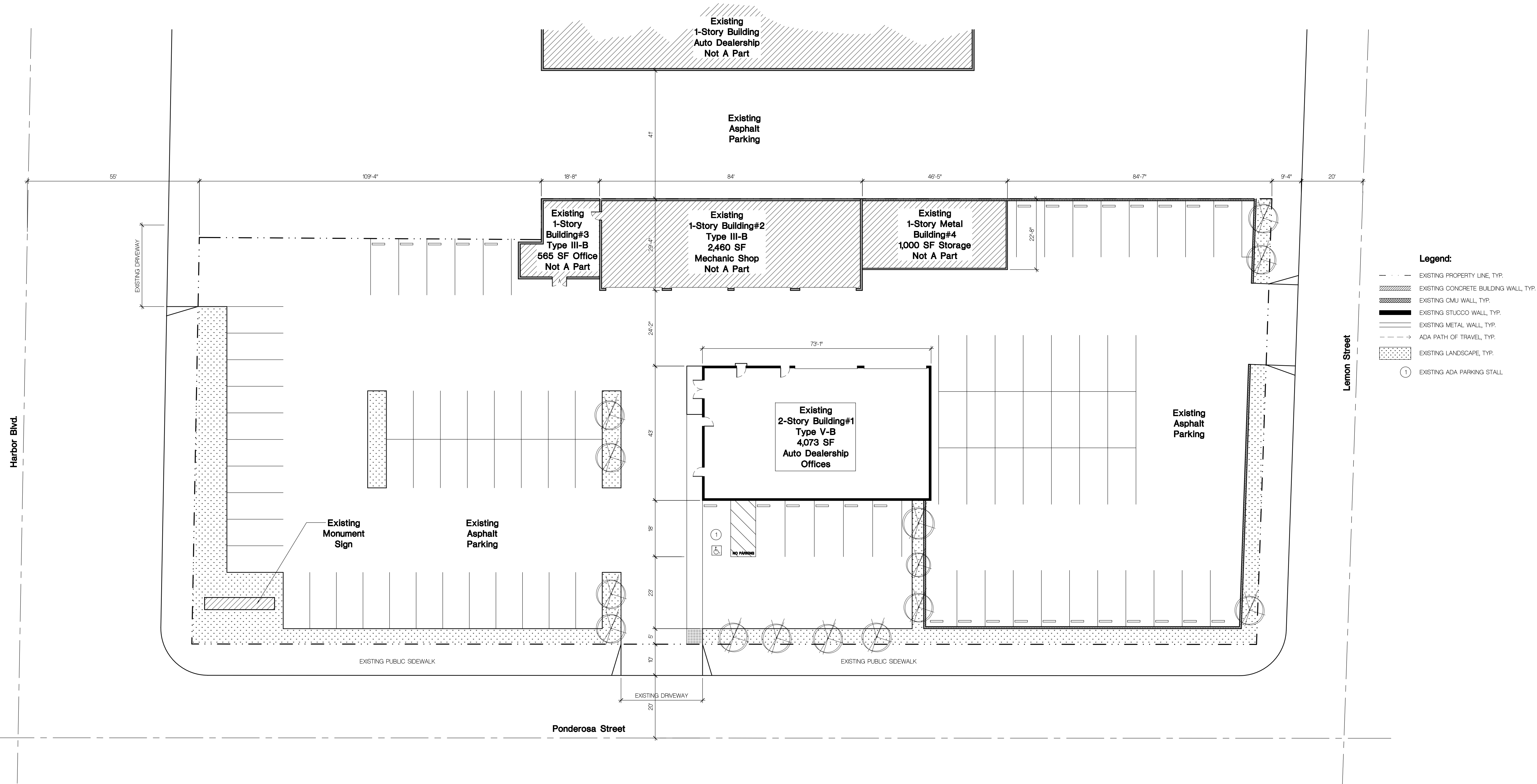




ATTACHMENT 6

FM

FRANK MARTINEZ
750 EAST GREEN STREET #308
PASADENA, CA 91101
626-407-6427
WWW.MARTINEZHOSSETTLER.COM
FRANK@MARTINEZFM.COM



Tenant Improvements
2845 Harbor Blvd.
Costa Mesa, CA 92626

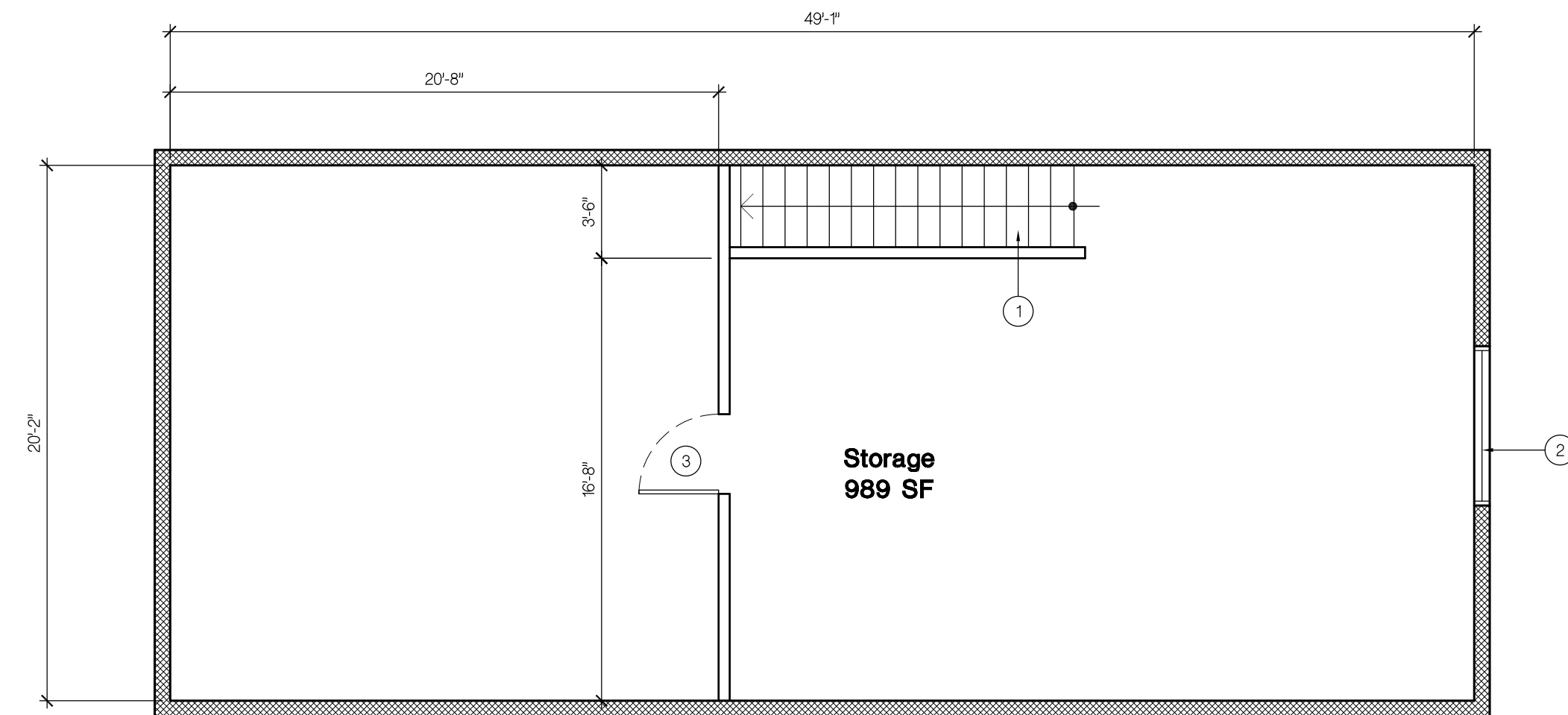
Issued For	Date
Client Review Set	06-19-2021

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File No:	A-11
Job No:	2125A
Drawn By:	Staff
Date:	06-19-2021
Scale:	As Shown

EXISTING
SITE PLAN

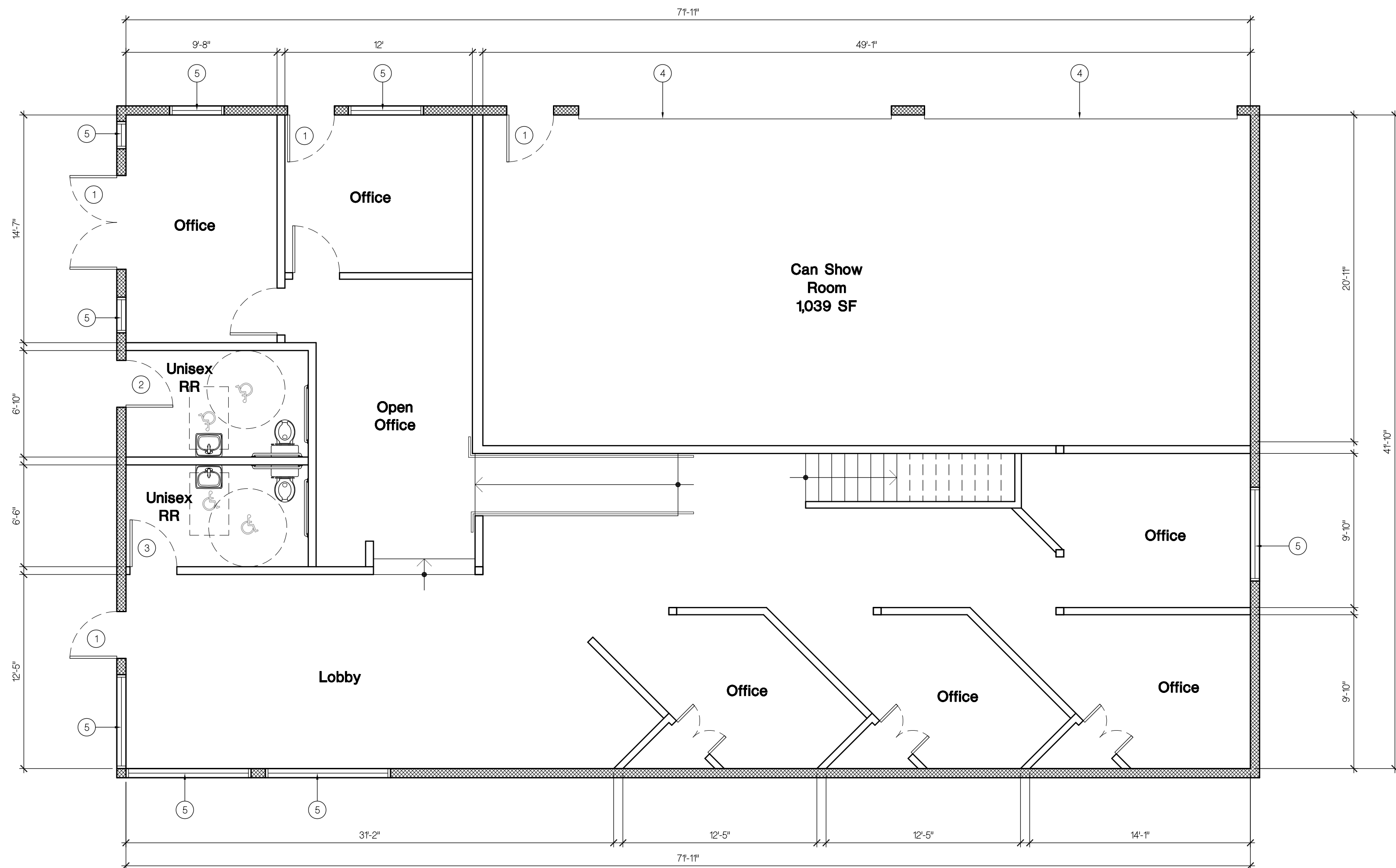
A-1.1



Existing Second Floor Plan - Building#1

3/16"=1'-0"

2



Existing First Floor Plan - Building#1

3/16"=1'-0"

1

Tenant Improvements
2845 Harbor Blvd.
Costa Mesa, CA 92626

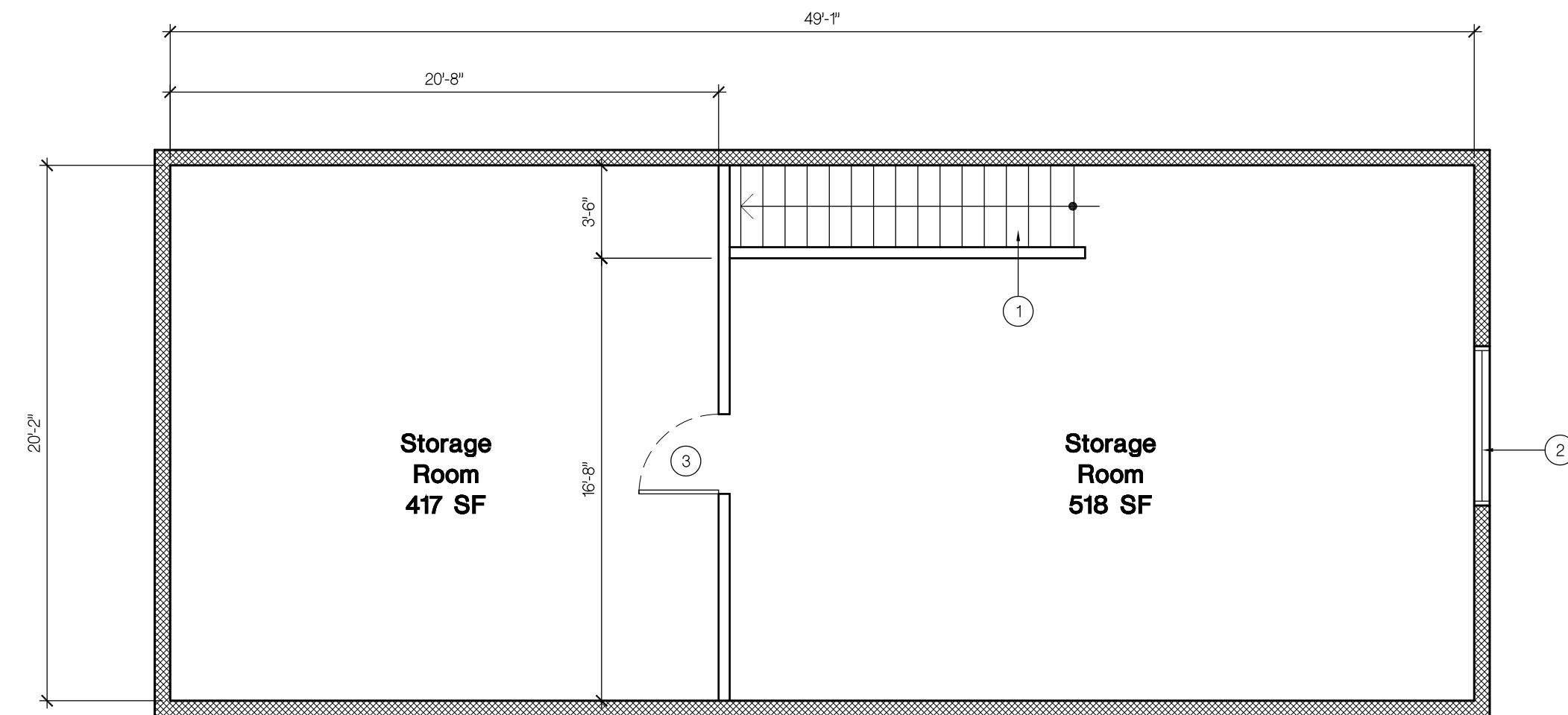
Issued For	Date
Client Review Set	06-19-2021

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File No:	A-21
Job No:	2125A
Drawn By:	Staff
Date:	06-19-2021
Scales:	As Shown

EXISTING
FLOOR PLAN
BUILDING#1

A-2.1



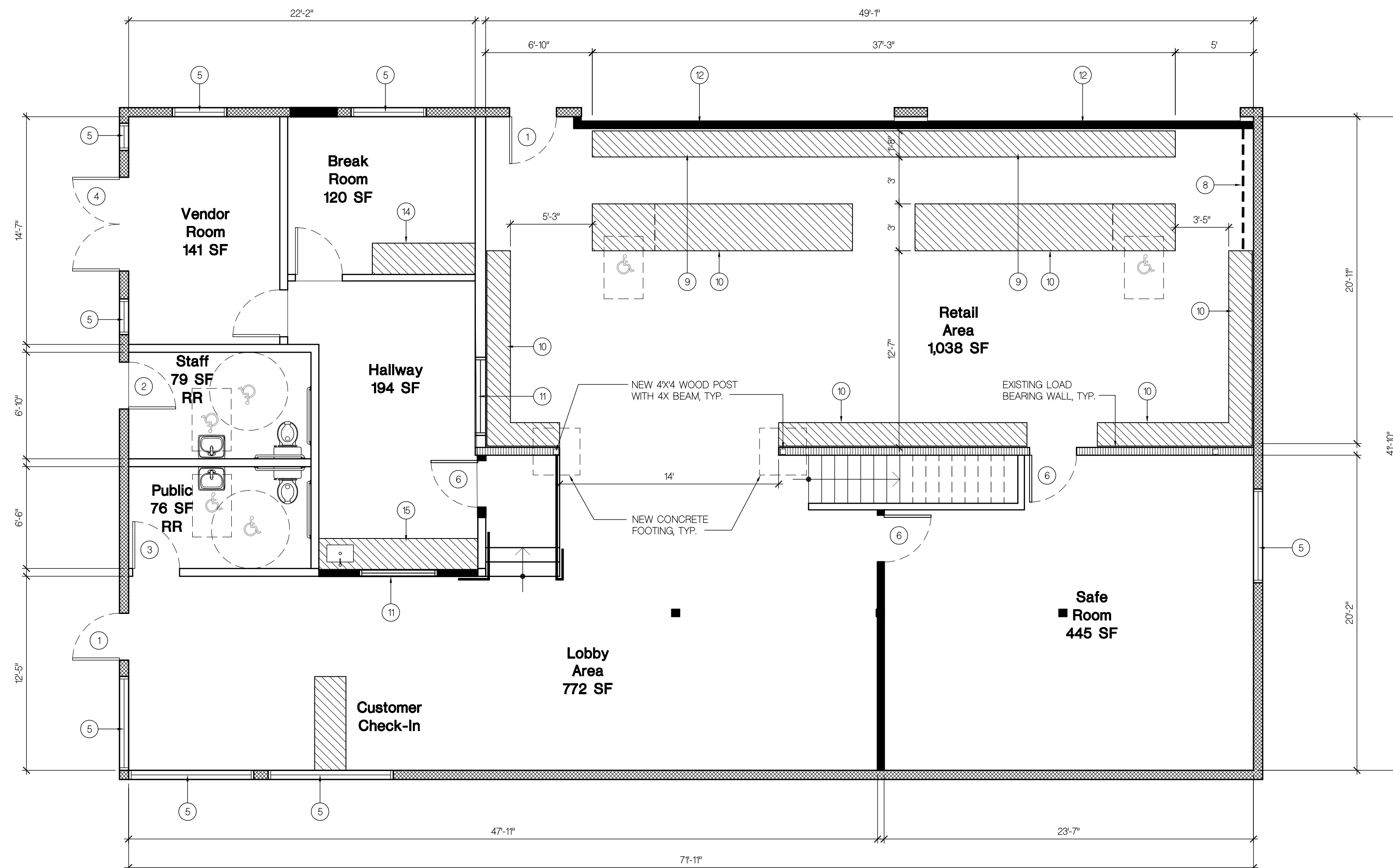
- Legend:**
- EXISTING STUCCO WALL, TYP.
 - EXISTING INTERIOR WALL, TYP.
 - EXISTING STAIRS
 - EXISTING WINDOW
 - EXISTING 3'X7' WOOD DOOR AND FRAME

Proposed Second Floor Plan - Building#1

3/16"=1'-0"

2

Cannabis Dispensary
Tenant Improvements
2845 Harbor Blvd.
Costa Mesa, CA. 92626



- Legend:**
- EXISTING STUCCO BUILDING WALL, TYP.
 - EXISTING INTERIOR NON-BEARING WALL, TYP.
 - EXISTING LOAD-BEARING WALL, TYP.
 - NEW INTERIOR NON-BEARING WALL, TYP.
 - NEW ELECTRICAL OUTLET
 - NEW PHONE/DATA OUTLET
 - NEW FLOOR MOUNTED PHONE/DATA OUTLET
 - NEW FLOOR MOUNTED ELECTRICAL OUTLET
 - EXISTING GLASS DOOR - SECURITY MESH - OPAQUE
 - EXISTING DOOR AND FRAME
 - EXISTING 3'X7' DOOR - LEVER HARDWARE
 - EXISTING PAIR OF GLASS DOORS
 - EXISTING WINDOW
 - NEW 3'X7' WOOD DOOR AND METAL FRAME - LEVER HARDWARE
 - NEW UPPER AND LOWER CABINETRY WITH STONE TOP
 - KITCHEN SINK WITH GARBAGE DISPOSAL
 - NEW MOSS WALL, TYP.
 - NEW WALL DISPLAY, TYP.
 - NEW SALES COUNTER, TYP.
 - NEW 5' WIDE X 4' HIGH STOREFRONT WINDOW
 - NEW WALL AT EXISTING ROLL-UP DOOR OPENING - ROLL UP DOORS TO REMAIN
 - NEW 30'X7' WOOD DOOR AND METAL FRAME - LEVER HARDWARE
 - NEW UPPER AND LOWER CABINETRY WITH STONE TOP
 - NEW UPPER AND LOWER CABINETRY WITH STONE TOP - EXISTING SINK

Proposed First Floor Plan - Building#1

3/16"=1'-0"

1



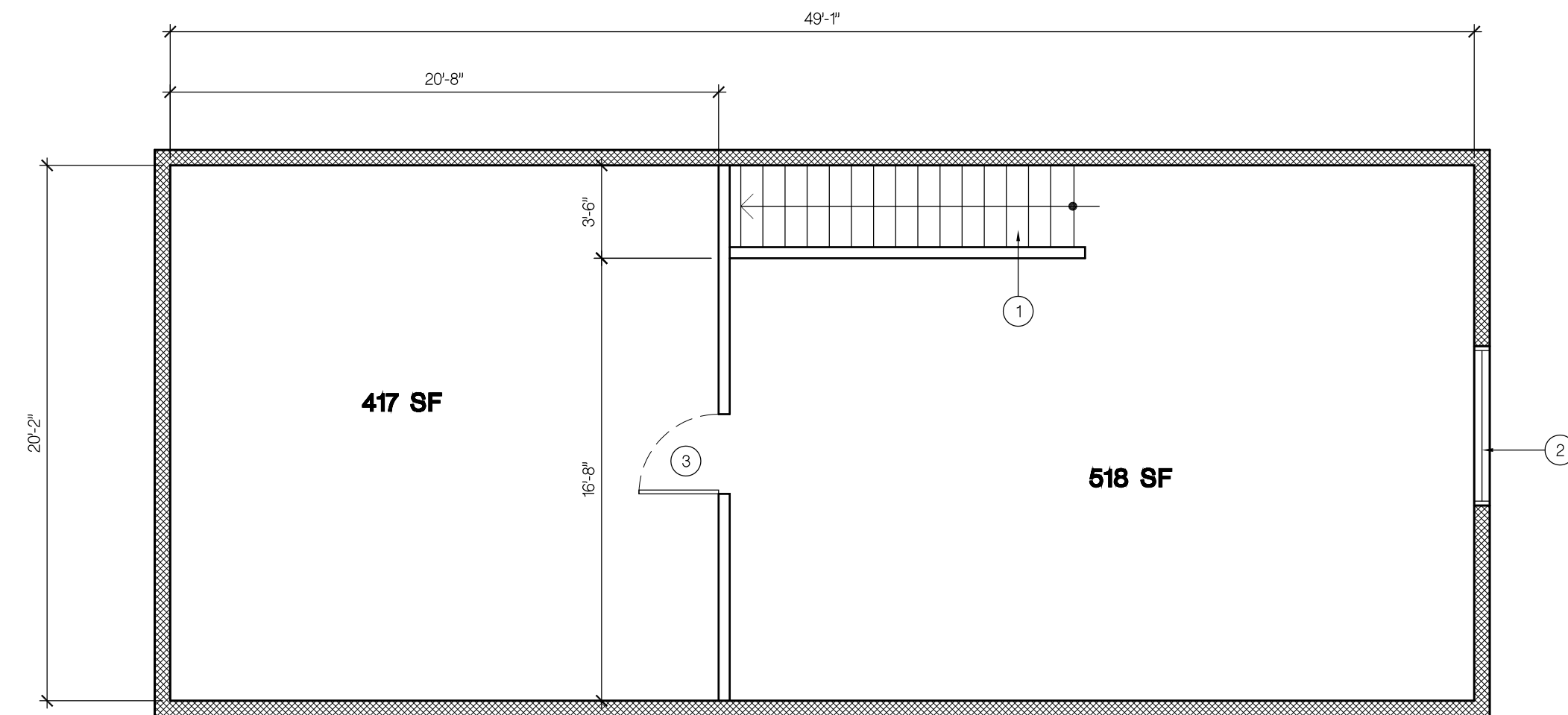
Issued For	Date
Client Review Set	06-19-2021

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File No:	A-23
Job No:	2125A
Drawn By:	Staff
Date:	06-19-2021
Scales:	As Shown

PROPOSED
FLOOR PLAN
BUILDING#1

A-2.3



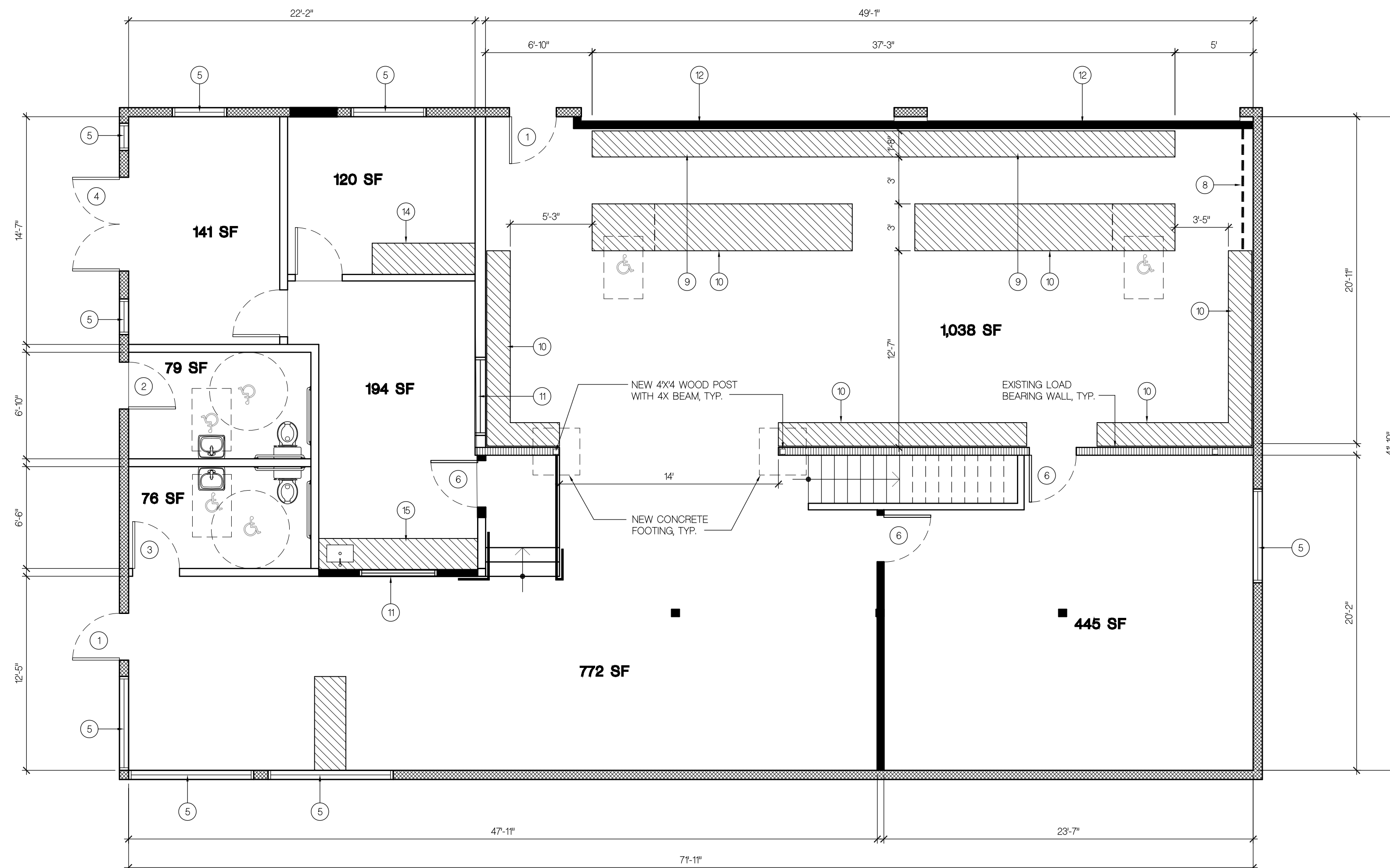
- Legend:**
- EXISTING STUCCO WALL, TYP.
 - EXISTING INTERIOR WALL, TYP.
 - EXISTING STAIRS
 - EXISTING WINDOW
 - EXISTING 3'X7' WOOD DOOR AND FRAME

Proposed Second Floor Plan - Building#1

3/16"=1'-0"

2

Cannabis Dispensary
Tenant Improvements
2845 Harbor Blvd.
Costa Mesa, CA 92626



- Legend:**
- EXISTING STUCCO BUILDING WALL, TYP.
 - EXISTING INTERIOR NON-BEARING WALL, TYP.
 - EXISTING LOAD-BEARING WALL, TYP.
 - NEW INTERIOR NON-BEARING WALL, TYP.
 - NEW ELECTRICAL OUTLET
 - NEW PHONE/DATA OUTLET
 - NEW FLOOR MOUNTED PHONE/DATA OUTLET
 - NEW FLOOR MOUNTED ELECTRICAL OUTLET
 - EXISTING GLASS DOOR - SECURITY MESH - OPAQUE
 - EXISTING DOOR AND FRAME
 - EXISTING 3'X7' DOOR - LEVER HARDWARE
 - EXISTING PAIR OF GLASS DOORS
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 - KITCHEN SINK WITH GARBAGE DISPOSAL
 - NEW MOSS WALL, TYP.
 - NEW WALL DISPLAY, TYP.
 - NEW SALES COUNTER, TYP.
 - NEW 5' WIDE X 4' HIGH STOREFRONT WINDOW
 - NEW WALL AT EXISTING ROLL-UP DOOR OPENING - ROLL UP DOORS TO REMAIN
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 - NEW UPPER AND LOWER CABINETRY WITH STONE TOP
 - NEW UPPER AND LOWER CABINETRY WITH STONE TOP - EXISTING SINK

Proposed First Floor Plan - Building#1

3/16"=1'-0"

1

PROPOSED
FLOOR PLAN
BUILDING#1

A-2.4

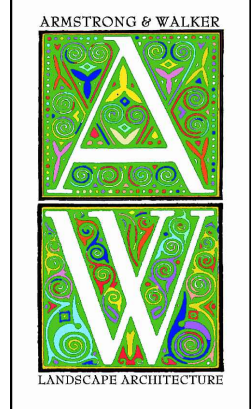


FRANK MARTINEZ
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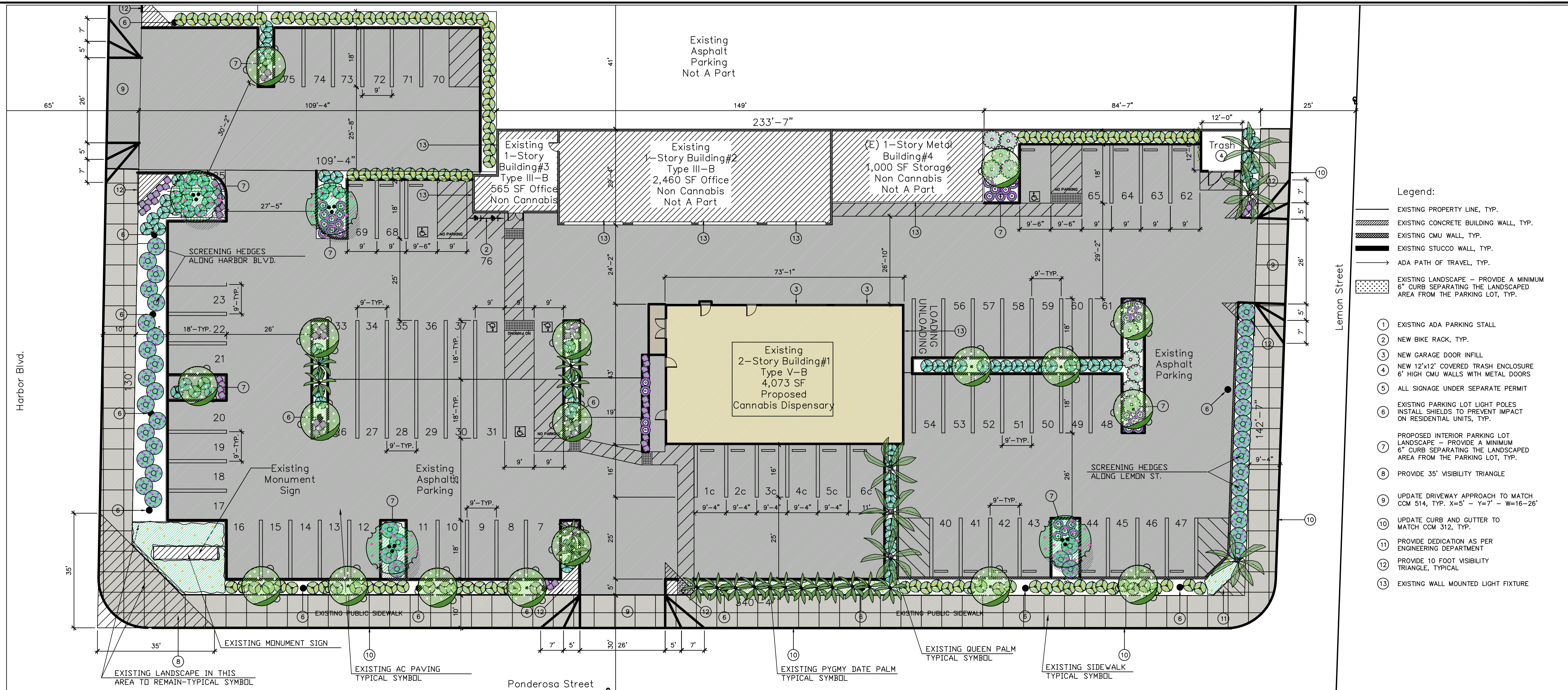
PLANS PREPARED BY:

ARMSTRONG AND WALKER
Landscape Architecture

280 Mel Canyon Road
Duarte, Ca. 91010
Phone: (626) 357-4599
Email: armstrongwalker@gmail.com



Tenant Improvements
2845 Harbor Blvd.
Costa Mesa, CA. 92626



PLANT LEGEND

SYMBOL	BOTANICAL NAME	COMMON NAME	SIZE	QUANTITY	PLANT FACTOR	NON-NATIVE
--------	----------------	-------------	------	----------	--------------	------------

Trees

A M Arbutus marina No common name 24" box 4 L Native hybrid

L C Lophostemon confertus Brisbane Box 15 gal 18 M Non-native

Existing Queen Palm to remain

Existing Pygmy Date Palm to remain

Shrubs/Perennials

A P Arctostaphylos 'Pacific Mist' Pacific Mist Manzanita 1 gallon 11 L Native hybrid

M G Mahonia 'Golden Abundance' Oregon Grape hybrid 1 gallon 115 L Native hybrid

P M Penstemon var. 'Margarita BOP' Penstemon native hybrid 1 gallon 70 L Native hybrid

S L Salvia leucantha Mexican Bush Sage 1 gallon 42 L Non-native

S B Salvia 'Bee's Bliss' Bee's Bliss Sage 1 gallon 76 L Native hybrid

S S Salvia spathacea Hummingbird Sage 1 gallon 36 L Native

Vines/Espaliers

M U Macfadyena unguis-cati Cat Claw Vine 5 gallon 1 L Non-native

Ground Covers from Flats

Gazania 'Mitsuwa' yellow from flats at 12" on center

Note: Install a 3" thick layer of shredded bark mulch throughout all landscape areas.

Plant Factor describes plant species water use rating - L = Low, M = Moderate, H = High

PLANTING NOTES

- Protect in place all existing Queen Palms and Pygmy Date Palms on the site.
- Hand water existing landscape to remain as necessary to keep planting in a healthy condition while irrigation system is turned off for construction.
- Contractor shall maintain a qualified supervisor on the site at all times during installation through completion of work.
- Contractor shall verify all plant material species and quantities prior to installation. Plant quantities are listed for the convenience of the Contractor; actual number of plant symbols shown on plan shall have priority over quantity listed.
- All container grown plants and ground covers and installation per the plans are to be provided and paid for by the Contractor. Contractor shall be responsible for the continuous protection of all plants upon delivery to the site and throughout construction.
- All plant materials shall be inspected and are subject to approval prior to installation by the Landscape Architect.
- Remove all debris, weeds, excess material, and rocks larger than 2" in diameter from landscape areas prior to soil preparation and again prior to planting.
- Contractor shall obtain samples of site soil from two different locations in landscape areas and have them analyzed by a reputable soil testing laboratory for fertility and agricultural suitability. Install soil amendments as recommended in the soil analysis report.
- Excavate plant pits for shrubs twice the diameter and 1-1/2 times the depth of the root ball. For bidding purposes, use the following soil amendment specifications: Place native soil without amending for backfill to the bottom of the root ball, and the following backfill mix, thoroughly mixed, around the root ball to the surface:
3 parts by volume on-site soil
1 part by volume nitrogen stabilized organic amendment (fir or cedar shavings)
Gro-Power Controlled Release fertilizer, quantity per manufacturer's specification
- Fine grade all planting areas to achieve surface drainage toward street, parking lot, or storm drains.
- Following completion of planting, spread a continuous 3" thick layer of shredded bark mulch in newly planted areas.
- Upon completion, remove all extraneous material and debris from the site, and rake the area clean.
- Contractor shall include in his bid maintenance of the landscape for 60 days, including weeding, pruning, cleanup, adjustment of irrigation system, and replacement of dead or damaged plants.
- Contractor shall guarantee all shrubs for a period of 90 days and all trees for a period of one year following completion of the 60 day maintenance period, and shall replace any dead plants at no additional cost unless vandalism, improper maintenance, or damage by other contractors or agency staff can be shown.

IRRIGATION NOTE:

ALL PLANTED AREAS TO BE IRRIGATED WITH DRIP IRRIGATION. A 'SMART' IRRIGATION CONTROLLER SHALL BE INSTALLED WITH A WEATHER SENSOR TO MAXIMIZE IRRIGATION EFFICIENCY AND CONFORM TO MWELO REQUIREMENTS.

SITE LANDSCAPE SUMMARY

LANDSCAPE:

Require Landscape: 1,950 SF

Proposed Landscape: 2,122 SF

TREES:

INVENTORY REQUIRED VS. PROPOSED

REQUIRED:

1-15 gsf per 200sf/ 2,122sf = 10 trees

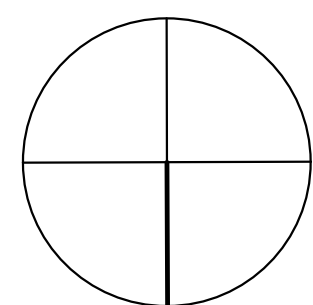
1-Tree per 6 parking spaces/75 = 12 trees

6- Existing palm trees count as 2 proposed

Total new trees required = 20 trees

PROVIDED:

Total new trees provided = 22 trees



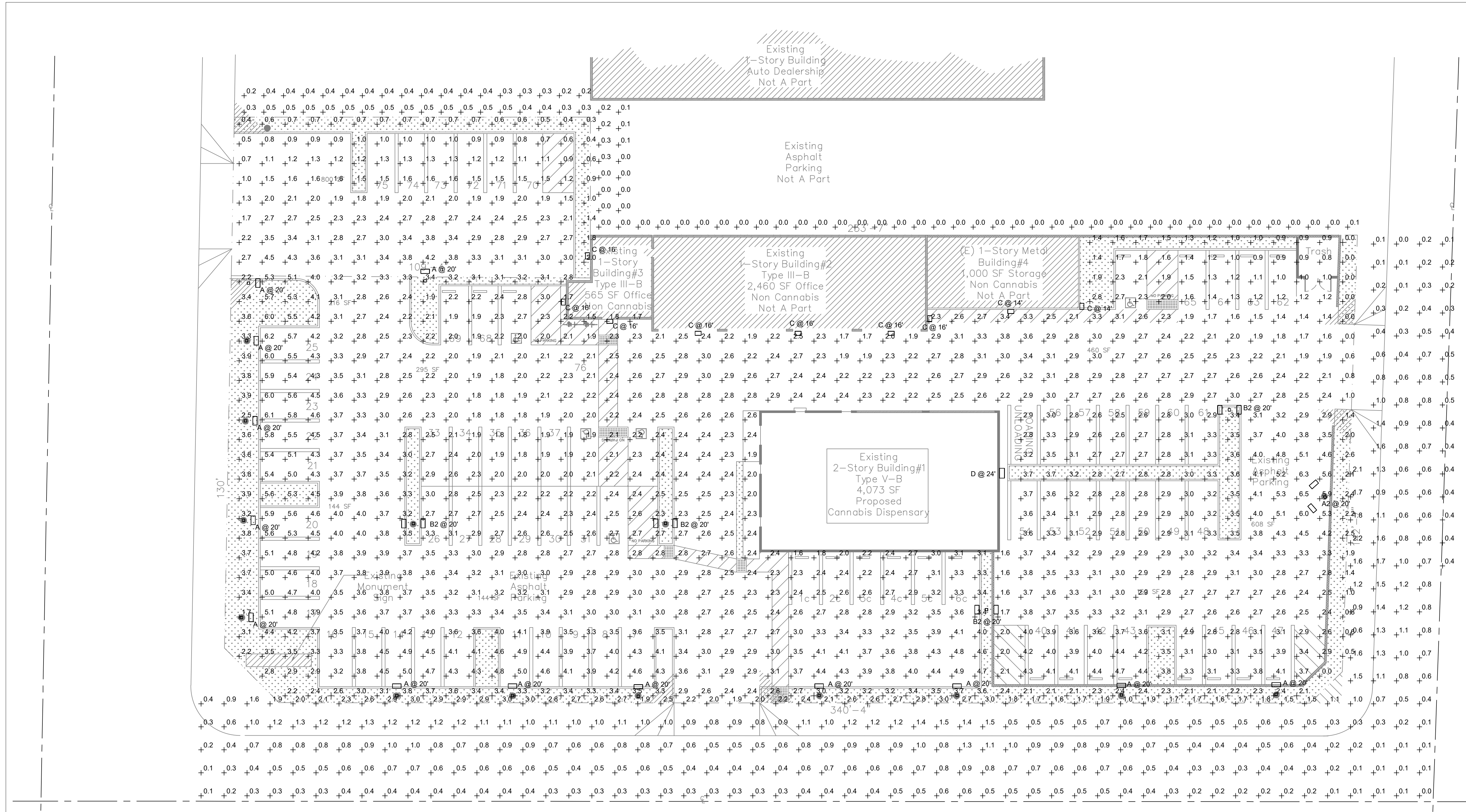
N

SCALE: 1/16"=1'-0"

LANDSCAPE SITE PLAN

1/16" = 1'-0"

L-1

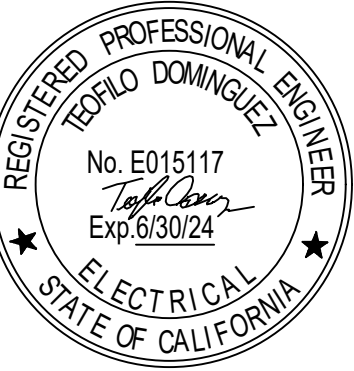


1 SITE PHOTOMETRIC PLAN
SPH-1 SCALE: 1/16" = 1'-0"

Schedule								
Symbol	Label	Quantity	Manufacturer	Catalog Number	Description	Number Lamps	Lumens Per Lamp	Light Loss Factor
	A	13	Lithonia Lighting	RSX1 LED P1 30K R4	RSX Area Fixture Size 1 P1 Lumen Package 3000K CCT Type R4 Distribution	1	6543	0.9
	AH	0	Lithonia Lighting	RSX1 LED P1 30K R4 HS	RSX LED Area Luminaire Size 1 P1 Lumen Package 3000K CCT Type R4 Distribution with HS shield	1	4300	0.9
	A2	1	Lithonia Lighting	RSX1 LED P1 30K R4	RSX Area Fixture Size 1 P1 Lumen Package 3000K CCT Type R4 Distribution	1	6543	0.9
	B	0	Lithonia Lighting	RSX1 LED P1 30K R5	RSX Area Fixture Size 1 P1 Lumen Package 3000K CCT Type R5 Distribution	1	6631	0.9
	B2	4	Lithonia Lighting	RSX1 LED P1 30K R5	RSX Area Fixture Size 1 P1 Lumen Package 3000K CCT Type R5 Distribution	1	6631	0.9
	C	9	Lithonia Lighting	WDGE2 LED P3 30K 80CRI TFTM	WDGE2 LED WITH P3 - PERFORMANCE PACKAGE, 3000K, 80CRI, TYPE FORWARD THROW MEDIUM OPTIC	1	3015	0.9
	D	1	Lithonia Lighting	WDGE3 LED P1 70CRI R4 30K	WDGE3 LED WITH P1 - PERFORMANCE PACKAGE, 3000K, 70CRI, TYPE 4 OPTIC	1	7145	0.9
	E	0	Lithonia Lighting	WDGE3 LED P3 70CRI R2 30K	WDGE3 LED WITH P3 - PERFORMANCE PACKAGE, 3000K, 70CRI, TYPE 2 OPTIC	1	9419	0.9

Statistics					
Description	Symbol	Avg	Max	Min	Max/Min
BEYOND NORTH PROPERTY - GROUND @ 0' AFG	+	0.2 fc	0.5 fc	0.0 fc	N/A
BEYOND SOUTH/WEST PROPERTY LINE - GROUND @ 0' AFG	+	0.9 fc	3.0 fc	0.0 fc	N/A
OVERALL SITE - GROUND @ 0' AFG	+	2.8 fc	6.5 fc	0.0 fc	N/A
PARKING AREAS - GROUND @ 0' AFG	X	2.9 fc	6.5 fc	0.5 fc	13.0:1

LIGHT SPILLAGE NOTE:
LIGHT SPILLAGE SHALL NOT EXCEED 0.5 FC ONTO NEIGHBORING PROPERTIES OR TO CENTERLINE OF RESIDENTIAL STREETS.



Cannabis Dispensary
Tenant Improvements
2845 Harbor Blvd.
Costa Mesa, CA. 92626

Issued For	Date
Client Review Set	06-19-2021

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File No.:	
Job No.:	2125A
Drawn By:	Staff
Date:	06-18-2021
Scale:	As Shown

SITE
PHOTOMETRIC
PLAN







PARTIDA, ANNA

PH-2

From: Jesse Bourke <marshall577@yahoo.com>
Sent: Monday, August 1, 2022 8:49 AM
To: PC Public Comments
Subject: August 8th hearing for planned cannabis store 2845 Harbor, comment

Categories: Red Category

In regards to the planning of and request of a C.U.P. for a cannabis storefront at 2845 Harbor blvd, I would like to comment the following:

If this is opened, local residents will be bombarded with cars parking in front of our houses, taking up the limited space we already have. since the pandemic, parking passes were no longer enforced (in regards, I along with many residents are glad of this being only 2 were allotted per residence typically), and with this new store, cars will be allowed to park without enforcement in our spaces. There will absolutely be overflow traffic in both our neighborhoods and other businesses lots as well as some customers that will purposely park in undesignated areas to avoid notice of where they are going.

To be clear, this is not a regular business or store and although I have nothing against people using cannabis if safe and responsible about it, I do not believe this is an appropriate place for such a shop. Opening a cannabis store at this location will benefit the owners as well as a possible tax addition to our city, but will harm local residents and businesses. While not ideal, limiting the business to simple delivery would remove parking other concerns however and would be a valid option.

Please reconsider the location and need of this storefront.

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From: Dale Allen <dmallen58@icloud.com>
Sent: Monday, August 1, 2022 12:13 PM
To: PC Public Comments
Subject: Application PA-21-17

Categories: Yellow Category

Hello!

My residence is 2849 Lemon St. # C, Costa Mesa, CA. 92626

Directly across the rear entrance of the property in question

I highly oppose the application as it will create too much foot and vehicle traffic right outside my front door.

The rear gate exits directly into the residential neighborhood.

Please do not approve this application

Thank you

Dale M. Allen
(317) 728-0984

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1120 Bristol Street
Costa Mesa, California 92626 USA
www.shorepointinsurance.com
714-266-7036
Cell: 714-746-0900
Lic. No. OK07568

"We Insure Your World"



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PARTIDA, ANNA

PH-1, 2, 3

From: Schellie Walsh <schelliewalsh555@gmail.com>
Sent: Monday, August 8, 2022 11:59 AM
To: PC Public Comments
Subject: Attachments for 8/8/22
Attachments: attachment 1.pdf; attachment 1.pdf; attachment 1.pdf
Categories: Yellow Category

Please approve my 3 attachments and have it available for me to present at the meeting tonight, Aug 8, at 6pm.

Thank you
Schellie Walsh

Over the past four months, there have been more reports of robberies, burglaries, assault with a deadly weapon and other crimes at Los Angeles dispensaries than during any other stretch since cannabis became available for retail sale four years ago. In the month of February, there were 14 reported crimes, the highest ever since 2018. January had 10 crimes, while November and December had eight each. In previous years, the average monthly number of crimes never reached five.

Crime Tracker

Crimestats

Monthly summary for crime trends in the U.S.

Burglary

Monthly summary

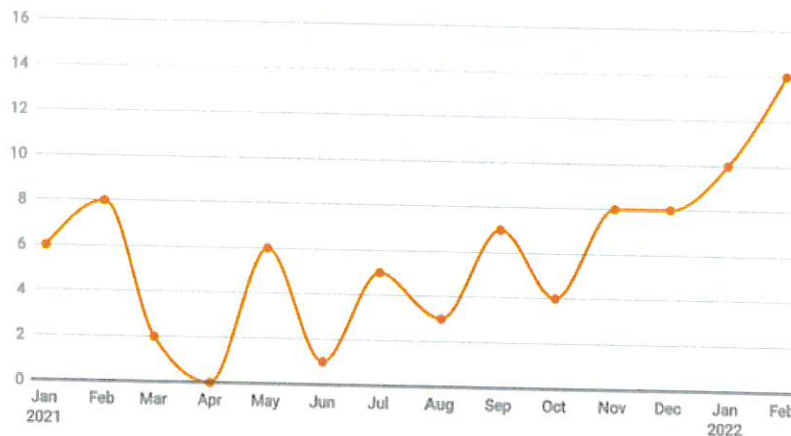
Trending

What's new

How to use

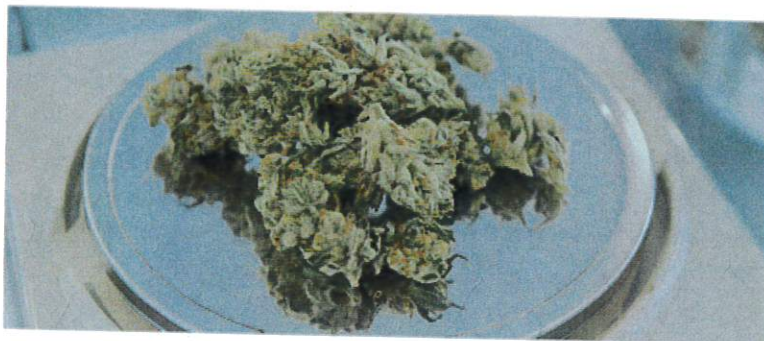
Sign up

Crime in cannabis dispensaries, Jan. 2021-Feb. 2022



Source: LAPD Crime Dataset

Do marijuana dispensaries increase neighborhood crime?



2/20/19- CU Denver Today

"We found that neighborhoods with one or more medical or recreational dispensary saw increased crime rates that were between 26 and 1,452 percent higher than in neighborhoods without any commercial marijuana activity," Lorine Hughes, CJRA Expert.

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April 27, 2017

COLUMBUS, Ohio – Legal marijuana shops are linked to higher levels of property crime in nearby areas, according to a nearly three-year study in Denver.

Researchers found that crime isn't higher in the area immediately surrounding marijuana outlets. But adjacent areas saw about 84 more property crimes per year than neighborhoods without a nearby marijuana store.

In Denver, no significant increase in violent crime was seen as a result of marijuana sales.

The results show that legal marijuana sales come with a cost, said Bridget Freisthler, lead author of the study and professor of social work at The Ohio State University.



Bridget Freisthler

Information from this release is for informational purposes only. It is not intended to be used for legal or other purposes.



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 22-832

Meeting Date: 8/8/2022

TITLE:

PLANNING APPLICATION 21-16 FOR A RETAIL CANNABIS STOREFRONT USE WITH DELIVERY LOCATED AT 1854 NEWPORT BOULEVARD

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 that 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 21-16, subject to conditions of approval.

APPLICANT OR AUTHORIZED AGENT:

The authorized agent is Chris Glew representing Mr. Nice Guy, on behalf of the property owner, Michael Ng.

BACKGROUND:

The subject 11,545-square-foot property is located at 1854 Newport Boulevard (State Route 55). The property is on the northeast corner of Newport Boulevard and Broadway. The site is zoned C2 (General Business District) and is adjacent to other C2 zoned properties. The site has a General Plan Land Use Designation of General Commercial.

Existing development on the site consists of a one-story 1,300-square-foot commercial building with one drive thru window. Access into the site is provided by two driveways located on Newport Boulevard and Broadway. The existing surface parking lot includes 10 stalls. The proposed retail cannabis storefront use with delivery, "Dippity by Mr. Nice Guy," would occupy the entire 1,300-square-foot building. The previous occupant was a retail donut establishment with a drive thru (the drive thru window will be removed with the proposed use). The site is currently vacant.

Adjacent uses include a vacant commercial building to the north and a multi-tenant commercial building to the east, occupied by a fitness studio and beauty salons. Retail stores and salons are located to the south, across Broadway. The Triangle Square shopping center is located to the west, across Newport Boulevard. Several residential properties are located southwesterly of the site on the 100 block of Broadway, which includes a mix of commercial and residential uses.

There are no open Code Enforcement cases on this property.

The applicant is partnering with Biosgrove Technology, a cannabis distribution facility in Costa Mesa that was approved in 2018 under Measure X. Biosgrove Technology obtained a Cannabis Business Permit in March 2020. There are no active Code Enforcement cases at the Measure X facility.

Non-Conforming Development

The existing development is considered legal-nonconforming in terms of City required landscaping 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. As specifically allowed by the CMMC, the associated nonconforming landscaping can remain, and is considered legal-nonconforming. However, the applicant is proposing to bring the property into closer conformance by providing additional site landscaping.

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 0.12 so the FAR is conforming. In addition, the parking and setbacks are also conforming to the CMMC.

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 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 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 before obtaining State approval and 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 completes a site visit 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 Services 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 21-16 is a request for a CUP to allow retail cannabis uses within an existing 1,300-square-foot building with delivery located at 1854 Newport Boulevard. The affiliated State license is Type 10 "storefront retailer" which also allows retail delivery. 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 onsite, and via delivery to private addresses, subject to conditions of approval and other City and State requirements.

ANALYSIS:

Conditional Use Permit (CUP) Required

Pursuant to Costa Mesa Municipal Code (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 (C2-General Business District) where commercial development is specifically allowed to include retail storefronts. The property is located on one of the City's primary commercial corridors and surrounded by commercial uses. Pursuant to the CMMC, cannabis retail storefronts are conditionally 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. The Planning Commission must make specific finding to approve a CUP related to neighborhood compatibility, health and safety, and land use compatibility with the City's General Plan and Municipal Code. The required findings are provided below in the report. In addition, staff has drafted numerous specific conditions of approval, included in the Resolution, to ensure site-specific land use compatibility.

Separation Requirements

The property is located on one of the City's commercial corridors and surrounded by commercial uses. Although not located adjacent to the site, there are several multi-family residential properties located to the southeast along the 100 block of Broadway. The CMMC does not establish a minimum separation between cannabis retail establishments and residential development or residential zones. 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 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 includes 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 to upgrade the building façade and site. Proposed exterior improvements include:

- Removing the drive thru window;
- Removing a detached structure (shed);
- Replacing doors and windows;
- Replacing exterior finishes;
- Installing security lighting and cameras;
- Adding bicycle racks;
- Restriping the parking lot to add a parking space; and
- Replacing the landscaping.

The proposed façade enhancements would provide a contemporary look as demonstrated in the attached plans. The existing landscaping would be removed and replaced with 11 new trees and a variety of ground covers. The enhanced landscaping would increase the tree canopy and soften the appearance of the parking lot and building. The proposed security lighting would be shielded and directed towards the ground. The applicant has provided a draft photometric plan as part of their CUP submittal. As conditioned, a final photometric plan demonstrating that lighting would be adequate for security purposes while preventing inappropriate light spill would be required prior to issuing building permits. The applicant also proposes to update the site with exterior surveillance cameras and new business signage (signs would be reviewed and permitted separately per the City's sign code requirements).

Interior Tenant Improvements

Significant interior improvements are necessary to transform the former donut shop into a retail cannabis establishment. The interior of the building would be completely restored (flooring, walls, and a commercial kitchen would be removed) with several new demising walls and doors added. Access controlled doors would be installed and surveillance cameras would be placed throughout the interior in accordance with the approved Safety Plan. The public areas of the storefront would include the retail sales area and one restroom. Back-of-house areas include an access-controlled break area, inventory room, and storage rooms. The interior spaces are summarized in Table 1, below.

Table 1. Floor Area Summary

Operational Area	Square Feet
Retail Sales Area	808
Restroom	48
Break Area	50
Storage/Inventory/Security	394
Total:	1,300

Customer and Employee Access

Customers would be limited to enter the licensed premise through a dedicated public front entrance door facing Newport Boulevard. A check-in station would be located by the public entrance. An employee would verify the customer's identity and age before allowing the customer to continue into 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 dedicated exit side-door that faces Broadway. As further conditioned, a security guard would monitor the area at all times to ensure that customers are following regulations.

Employees would enter through an access-controlled door located nearest the rear of the property (adjacent to the customer exit side-door). The proper security credentials would be required to enter any limited access space such as retail sales counter, employee break area, and inventory storage rooms. When loading and unloading delivery and vendor vehicles, employees would enter and exit through the access-controlled door. The access-controlled door leads to the "back of the house" areas. All vendors must be escorted by an employee. No delivery or vendor operations will occur on the sales floor. One vendor and delivery-only parking space would be located approximately six feet from the employee access door. The door, path of travel, and vehicle loading area would be under camera surveillance, and all vehicle loading/unloading will be monitored by the security guard.

Storefront/Delivery Operations

The proposed business is required to comply with retail storefront and operational conditions/requirements as follows:

- Display State license, CBP, and City business license in a conspicuous building location;
- Hours of operations are limited to 7:00 AM to 10:00 PM daily;
- 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, do not consume cannabis onsite or within close proximity, and/or do not disturb the neighbors. Security guards will monitor the parking lot diligently during morning and evening business hours. 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 offsite 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 also 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;
 - 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 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 located toward the rear of the building. After distributor's credentials have been confirmed, an employee will escort the distributor to the shipping and receiving area and remain with them throughout the process.
 - Cannabis goods to be sold at this establishment (either storefront or delivery) 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;
 - Packaging containing cannabis goods shall be tamper-evident and child-resistant; if packaging contains multiple servings, the package must also be re-sealable;
 - When processing orders for cannabis delivery, employees will collect the pre-packaged materials, load products into a secured container and transport the containers to delivery vehicles outside the building. Video surveillance cameras will be installed with direct views of the path of travel and loading and unloading area and all vehicle loading will be monitored by the security guard;
 - Cannabis deliveries must be made in-person by an employee of the licensed retailer. An independent contractor, third-party courier service, or an individual employed through a staffing agency would not be considered employed by the licensed retailer;
 - The applicant shall maintain proof of vehicle insurance for any and all vehicles being used to deliver cannabis goods;
 - During delivery, the employee shall maintain a physical or electronic copy of the delivery

request and shall make it available upon request by the licensing authority and law enforcement officers;

- A delivery employee shall not leave the State of California while possessing cannabis products and while performing their duties for the cannabis retailer;
- The 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;
- Any delivery method shall be made in compliance with State law, as amended, including use of a vehicle that has a dedicated global positioning system (GPS) device for identifying the location of the vehicle (cell phones and tablets are insufficient);
- Signs, decals or any other form of advertisement on the delivery vehicles are prohibited;
- Deliveries must be made to a physical address that is not on publicly owned land and cannot be a school, a day care, homeless shelter, or a youth center; and
- A cannabis 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.

Business Plan

The applicant submitted a detailed business plan that was evaluated by the City's cannabis consultant (HdL). The business plan described the owner's experience, proof of capitalization, 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 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 required for the proposed cannabis retail establishment:

- At least one security guard will be on-site 24-hours a day;
- All employees, including drivers, 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 professionally installed and monitored;
- An alarm system shall be professionally installed 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 exterior) shall be installed;
- Emergency power supply shall be installed;

- Employees shall be trained for use with any/all emergency equipment;
- Delivery drivers shall be trained on delivery safety protocols;
- Employees and vendors will be trained regarding cash and product transportation protocol;
- Visitor/customer specific security measures shall be required;
- All facility entry and exit points and locations where cash or cannabis products are handled or stored shall be under camera surveillance;
- The applicant shall submit a list of all vehicles to be used for retail delivery purposes to the Costa Mesa Police Department. 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; and
- The business operator shall ensure that all delivery 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.

Parking and Circulation

Retail cannabis uses are subject to the same parking ratio requirement as other retail establishments in the City (four spaces per 1,000 square feet of gross floor area). Based on this ratio, the total parking required for the building is five stalls. The existing site includes 10 parking stalls. The applicant proposes to reconfigure the parking lot to accommodate 11 parking stalls and two bike racks. The bike racks are credited as one parking stall, which increases the total number of parking stalls to 12. The proposed 1,300-square-foot establishment requires five parking spaces; therefore the site exceeds the CMMC parking requirement by approximately seven parking spaces. As indicated above, one parking stall located by the access-controlled door will be the designated location for delivery vehicle/vendor parking. Vendor deliveries will not occur during retail delivery operations to insure adequate parking.

Pedestrian access to the establishment is provided by an existing public sidewalk located along Newport Boulevard and Broadway. Bike racks will be installed on the site to encourage biking. Vehicles may enter the site via two driveways. Vehicular ingress/egress to the site is not proposed to change from existing conditions. Two one-way driveways are provided on Newport Boulevard, with the driveway to the north being dedicated for exiting vehicles and the driveway to the south for vehicular entrance. An existing two-way driveway is provided on Broadway and will be signed to limit exiting customers to right-hand turns only, towards Newport Boulevard.

As with many new uses and based on many factors that are difficult to quantify, it is difficult to anticipate exact demand for a new use; however, if parking shortages or other parking-related problems occur, 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 (see "Operational Conditions" of Approval No. 7 in the attached Resolution). Examples of parking demand management techniques include, but are not limited to, reducing operating hours of the business, hiring an employee to monitor parking lot use and assist with customer parking lot circulation, encouraging customers to take advantage of delivery service instead of store visits, offering an

employee shuttle service, 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. The Transportation Services Division determined that the appropriate average daily trips (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-thru.” The City’s traffic review focuses on net trip increase and therefore the ADT for the previous/existing use(s) is credited (subtracted) from the proposed use ADT to estimate potential changes in trip generation. Staff analyzed the ADT of the previous donut shop with a drive thru use and compared that with the proposed retail cannabis use ADT. CMMC Section 13-275(a), specifies that “a traffic impact study shall be required for all development projects estimated by the Public Services Department to generate one hundred (100) or more vehicle trip ends during a peak hour.” Staff determined that the proposed use does not meet the threshold for requiring a traffic study nor a traffic impact fee.

Odor Attenuation

Cannabis products would arrive in State compliant packaging that is sealed, tamper-evident, and odor-resistant, and remain unopened until consumption. However, a minimal amount of cannabis product would be removed from packaging for display purposes and would be placed in display containers. The facility would feature carbon filters to address potential odors. As conditioned, the operator must replace the air filters at regular intervals, as directed by manufacturer specifications. Further, if cannabis odor is detected outside of the building, as conditioned, 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.

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. Approval of the proposed cannabis retail storefront with delivery would allow business operations that would expand the City's revenue base. 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.

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 (C2, General Business District) where commercial development is specifically allowed to include retail storefronts and non-storefronts. 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 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. All retail sales would take place under roof and no outdoor storage or sales are proposed nor would be allowed. Staff does not anticipate that the proposed retail cannabis use would be materially detrimental to the adjacent uses that include other retail establishments.

The proposed use would also not be materially detrimental to the abutting commercial uses because the project would include features to ensure compatibility such as: shielding security lighting away from adjacent properties, odor control measures, and 24-hour onsite security.

The proposed use would also be open for fewer hours than the previous donut shop with a drive thru. The business operation and the hours in which the facility can accept deliveries are between 7 AM and 10 PM. As proposed and conditioned, the retail cannabis use would be compatible with other properties within the area, and in compliance with local and State requirements.

- 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 with 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, 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, and all interior limited access spaces. In addition, the business employees, including delivery drivers and part-time staff, must pass a live scan background check and obtain an identification badge from the City. The conditions of approval include, but are not limited to, the aforementioned 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 classification of "General Commercial." No additional square footage is proposed; 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 California Environmental Quality Act (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 an existing commercial building that has been used for commercial activities and the application does not propose an increase in commercial floor area or otherwise expand the prior commercial use. 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 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 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, one written public comment has been received and is attached. Any public comments received prior to the August 8, 2022 Planning Commission meeting will be provided separately.

CONCLUSION:

The proposed project is a retail cannabis storefront business with delivery at an existing developed retail property that is located on one of the City's major commercial corridors. The property 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 those improvements, and pass City inspections prior to obtaining a CBP and City Business License. The CBP is 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, conduct site inspections to verify that the operation complies

with CUP and CBP requirements. Violations identified during site inspections may be grounds for revocation of issued permits or non-renewal of a CBP.

As proposed and conditioned, the use would be consistent with other commercial uses in the C2 zone, the Zoning Code, and the City's General Plan. Further, the project has been conditioned to minimize potential impacts to neighboring properties. The required findings for the CUP can be made, as described above, and therefore, staff recommends approval of Planning Application 21-16 subject to conditions of approval.



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 22-832

Meeting Date: 8/8/2022

TITLE:

PLANNING APPLICATION 21-16 FOR A RETAIL CANNABIS STOREFRONT USE WITH DELIVERY LOCATED AT 1854 NEWPORT BOULEVARD

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 that 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 21-16, subject to conditions of approval.

APPLICANT OR AUTHORIZED AGENT:

The authorized agent is Chris Glew representing Mr. Nice Guy, on behalf of the property owner, Michael Ng.

BACKGROUND:

The subject 11,545-square-foot property is located at 1854 Newport Boulevard (State Route 55). The property is on the northeast corner of Newport Boulevard and Broadway. The site is zoned C2 (General Business District) and is adjacent to other C2 zoned properties. The site has a General Plan Land Use Designation of General Commercial.

Existing development on the site consists of a one-story 1,300-square-foot commercial building with one drive thru window. Access into the site is provided by two driveways located on Newport Boulevard and Broadway. The existing surface parking lot includes 10 stalls. The proposed retail cannabis storefront use with delivery, "Dippity by Mr. Nice Guy," would occupy the entire 1,300-square-foot building. The previous occupant was a retail donut establishment with a drive thru (the drive thru window will be removed with the proposed use). The site is currently vacant.

Adjacent uses include a vacant commercial building to the north and a multi-tenant commercial building to the east, occupied by a fitness studio and beauty salons. Retail stores and salons are located to the south, across Broadway. The Triangle Square shopping center is located to the west, across Newport Boulevard. Several residential properties are located southwesterly of the site on the 100 block of Broadway, which includes a mix of commercial and residential uses.

There are no open Code Enforcement cases on this property.

The applicant is partnering with Biosgrove Technology, a cannabis distribution facility in Costa Mesa that was approved in 2018 under Measure X. Biosgrove Technology obtained a Cannabis Business Permit in March 2020. There are no active Code Enforcement cases at the Measure X facility.

Non-Conforming Development

The existing development is considered legal-nonconforming in terms of City required landscaping 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. As specifically allowed by the CMMC, the associated nonconforming landscaping can remain, and is considered legal-nonconforming. However, the applicant is proposing to bring the property into closer conformance by providing additional site landscaping.

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 0.12 so the FAR is conforming. In addition, the parking and setbacks are also conforming to the CMMC.

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 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 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 before obtaining State approval and 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 completes a site visit 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 Services 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 21-16 is a request for a CUP to allow retail cannabis uses within an existing 1,300-square-foot building with delivery located at 1854 Newport Boulevard. The affiliated State license is Type 10 "storefront retailer" which also allows retail delivery. 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 onsite, and via delivery to private addresses, subject to conditions of approval and other City and State requirements.

ANALYSIS:

Conditional Use Permit (CUP) Required

Pursuant to Costa Mesa Municipal Code (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 (C2-General Business District) where commercial development is specifically allowed to include retail storefronts. The property is located on one of the City's primary commercial corridors and surrounded by commercial uses. Pursuant to the CMMC, cannabis retail storefronts are conditionally 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. The Planning Commission must make specific finding to approve a CUP related to neighborhood compatibility, health and safety, and land use compatibility with the City's General Plan and Municipal Code. The required findings are provided below in the report. In addition, staff has drafted numerous specific conditions of approval, included in the Resolution, to ensure site-specific land use compatibility.

Separation Requirements

The property is located on one of the City's commercial corridors and surrounded by commercial uses. Although not located adjacent to the site, there are several multi-family residential properties located to the southeast along the 100 block of Broadway. The CMMC does not establish a minimum separation between cannabis retail establishments and residential development or residential zones. 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 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 includes 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 to upgrade the building façade and site. Proposed exterior improvements include:

- Removing the drive thru window;
- Removing a detached structure (shed);
- Replacing doors and windows;
- Replacing exterior finishes;
- Installing security lighting and cameras;
- Adding bicycle racks;
- Restriping the parking lot to add a parking space; and
- Replacing the landscaping.

The proposed façade enhancements would provide a contemporary look as demonstrated in the attached plans. The existing landscaping would be removed and replaced with 11 new trees and a variety of ground covers. The enhanced landscaping would increase the tree canopy and soften the appearance of the parking lot and building. The proposed security lighting would be shielded and directed towards the ground. The applicant has provided a draft photometric plan as part of their CUP submittal. As conditioned, a final photometric plan demonstrating that lighting would be adequate for security purposes while preventing inappropriate light spill would be required prior to issuing building permits. The applicant also proposes to update the site with exterior surveillance cameras and new business signage (signs would be reviewed and permitted separately per the City's sign code requirements).

Interior Tenant Improvements

Significant interior improvements are necessary to transform the former donut shop into a retail cannabis establishment. The interior of the building would be completely restored (flooring, walls, and a commercial kitchen would be removed) with several new demising walls and doors added. Access controlled doors would be installed and surveillance cameras would be placed throughout the interior in accordance with the approved Safety Plan. The public areas of the storefront would include the retail sales area and one restroom. Back-of-house areas include an access-controlled break area, inventory room, and storage rooms. The interior spaces are summarized in Table 1, below.

Table 1. Floor Area Summary

Operational Area	Square Feet
Retail Sales Area	808
Restroom	48
Break Area	50
Storage/Inventory/Security	394
Total:	1,300

Customer and Employee Access

Customers would be limited to enter the licensed premise through a dedicated public front entrance door facing Newport Boulevard. A check-in station would be located by the public entrance. An employee would verify the customer's identity and age before allowing the customer to continue into 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 dedicated exit side-door that faces Broadway. As further conditioned, a security guard would monitor the area at all times to ensure that customers are following regulations.

Employees would enter through an access-controlled door located nearest the rear of the property (adjacent to the customer exit side-door). The proper security credentials would be required to enter any limited access space such as retail sales counter, employee break area, and inventory storage rooms. When loading and unloading delivery and vendor vehicles, employees would enter and exit through the access-controlled door. The access-controlled door leads to the "back of the house" areas. All vendors must be escorted by an employee. No delivery or vendor operations will occur on the sales floor. One vendor and delivery-only parking space would be located approximately six feet from the employee access door. The door, path of travel, and vehicle loading area would be under camera surveillance, and all vehicle loading/unloading will be monitored by the security guard.

Storefront/Delivery Operations

The proposed business is required to comply with retail storefront and operational conditions/requirements as follows:

- Display State license, CBP, and City business license in a conspicuous building location;
- Hours of operations are limited to 7:00 AM to 10:00 PM daily;
- 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, do not consume cannabis onsite or within close proximity, and/or do not disturb the neighbors. Security guards will monitor the parking lot diligently during morning and evening business hours. 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 offsite 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 also 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;
 - 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 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 located toward the rear of the building. After distributor's credentials have been confirmed, an employee will escort the distributor to the shipping and receiving area and remain with them throughout the process.
 - Cannabis goods to be sold at this establishment (either storefront or delivery) 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;
 - Packaging containing cannabis goods shall be tamper-evident and child-resistant; if packaging contains multiple servings, the package must also be re-sealable;
 - When processing orders for cannabis delivery, employees will collect the pre-packaged materials, load products into a secured container and transport the containers to delivery vehicles outside the building. Video surveillance cameras will be installed with direct views of the path of travel and loading and unloading area and all vehicle loading will be monitored by the security guard;
 - Cannabis deliveries must be made in-person by an employee of the licensed retailer. An independent contractor, third-party courier service, or an individual employed through a staffing agency would not be considered employed by the licensed retailer;
 - The applicant shall maintain proof of vehicle insurance for any and all vehicles being used to deliver cannabis goods;
 - During delivery, the employee shall maintain a physical or electronic copy of the delivery

request and shall make it available upon request by the licensing authority and law enforcement officers;

- A delivery employee shall not leave the State of California while possessing cannabis products and while performing their duties for the cannabis retailer;
- The 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;
- Any delivery method shall be made in compliance with State law, as amended, including use of a vehicle that has a dedicated global positioning system (GPS) device for identifying the location of the vehicle (cell phones and tablets are insufficient);
- Signs, decals or any other form of advertisement on the delivery vehicles are prohibited;
- Deliveries must be made to a physical address that is not on publicly owned land and cannot be a school, a day care, homeless shelter, or a youth center; and
- A cannabis 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.

Business Plan

The applicant submitted a detailed business plan that was evaluated by the City's cannabis consultant (HdL). The business plan described the owner's experience, proof of capitalization, 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 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 required for the proposed cannabis retail establishment:

- At least one security guard will be on-site 24-hours a day;
- All employees, including drivers, 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 professionally installed and monitored;
- An alarm system shall be professionally installed 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 exterior) shall be installed;
- Emergency power supply shall be installed;

- Employees shall be trained for use with any/all emergency equipment;
- Delivery drivers shall be trained on delivery safety protocols;
- Employees and vendors will be trained regarding cash and product transportation protocol;
- Visitor/customer specific security measures shall be required;
- All facility entry and exit points and locations where cash or cannabis products are handled or stored shall be under camera surveillance;
- The applicant shall submit a list of all vehicles to be used for retail delivery purposes to the Costa Mesa Police Department. 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; and
- The business operator shall ensure that all delivery 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.

Parking and Circulation

Retail cannabis uses are subject to the same parking ratio requirement as other retail establishments in the City (four spaces per 1,000 square feet of gross floor area). Based on this ratio, the total parking required for the building is five stalls. The existing site includes 10 parking stalls. The applicant proposes to reconfigure the parking lot to accommodate 11 parking stalls and two bike racks. The bike racks are credited as one parking stall, which increases the total number of parking stalls to 12. The proposed 1,300-square-foot establishment requires five parking spaces; therefore the site exceeds the CMMC parking requirement by approximately seven parking spaces. As indicated above, one parking stall located by the access-controlled door will be the designated location for delivery vehicle/vendor parking. Vendor deliveries will not occur during retail delivery operations to insure adequate parking.

Pedestrian access to the establishment is provided by an existing public sidewalk located along Newport Boulevard and Broadway. Bike racks will be installed on the site to encourage biking. Vehicles may enter the site via two driveways. Vehicular ingress/egress to the site is not proposed to change from existing conditions. Two one-way driveways are provided on Newport Boulevard, with the driveway to the north being dedicated for exiting vehicles and the driveway to the south for vehicular entrance. An existing two-way driveway is provided on Broadway and will be signed to limit exiting customers to right-hand turns only, towards Newport Boulevard.

As with many new uses and based on many factors that are difficult to quantify, it is difficult to anticipate exact demand for a new use; however, if parking shortages or other parking-related problems occur, 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 (see "Operational Conditions" of Approval No. 7 in the attached Resolution). Examples of parking demand management techniques include, but are not limited to, reducing operating hours of the business, hiring an employee to monitor parking lot use and assist with customer parking lot circulation, encouraging customers to take advantage of delivery service instead of store visits, offering an

employee shuttle service, 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. The Transportation Services Division determined that the appropriate average daily trips (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-thru.” The City’s traffic review focuses on net trip increase and therefore the ADT for the previous/existing use(s) is credited (subtracted) from the proposed use ADT to estimate potential changes in trip generation. Staff analyzed the ADT of the previous donut shop with a drive thru use and compared that with the proposed retail cannabis use ADT. CMMC Section 13-275(a), specifies that “a traffic impact study shall be required for all development projects estimated by the Public Services Department to generate one hundred (100) or more vehicle trip ends during a peak hour.” Staff determined that the proposed use does not meet the threshold for requiring a traffic study nor a traffic impact fee.

Odor Attenuation

Cannabis products would arrive in State compliant packaging that is sealed, tamper-evident, and odor-resistant, and remain unopened until consumption. However, a minimal amount of cannabis product would be removed from packaging for display purposes and would be placed in display containers. The facility would feature carbon filters to address potential odors. As conditioned, the operator must replace the air filters at regular intervals, as directed by manufacturer specifications. Further, if cannabis odor is detected outside of the building, as conditioned, 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.

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. Approval of the proposed cannabis retail storefront with delivery would allow business operations that would expand the City's revenue base. 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.

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 (C2, General Business District) where commercial development is specifically allowed to include retail storefronts and non-storefronts. 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 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. All retail sales would take place under roof and no outdoor storage or sales are proposed nor would be allowed. Staff does not anticipate that the proposed retail cannabis use would be materially detrimental to the adjacent uses that include other retail establishments.

The proposed use would also not be materially detrimental to the abutting commercial uses because the project would include features to ensure compatibility such as: shielding security lighting away from adjacent properties, odor control measures, and 24-hour onsite security.

The proposed use would also be open for fewer hours than the previous donut shop with a drive thru. The business operation and the hours in which the facility can accept deliveries are between 7 AM and 10 PM. As proposed and conditioned, the retail cannabis use would be compatible with other properties within the area, and in compliance with local and State requirements.

- 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 with 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, 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, and all interior limited access spaces. In addition, the business employees, including delivery drivers and part-time staff, must pass a live scan background check and obtain an identification badge from the City. The conditions of approval include, but are not limited to, the aforementioned 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 classification of "General Commercial." No additional square footage is proposed; 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 California Environmental Quality Act (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 an existing commercial building that has been used for commercial activities and the application does not propose an increase in commercial floor area or otherwise expand the prior commercial use. 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 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 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, one written public comment has been received and is attached. Any public comments received prior to the August 8, 2022 Planning Commission meeting will be provided separately.

CONCLUSION:

The proposed project is a retail cannabis storefront business with delivery at an existing developed retail property that is located on one of the City's major commercial corridors. The property 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 those improvements, and pass City inspections prior to obtaining a CBP and City Business License. The CBP is 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, conduct site inspections to verify that the operation complies

with CUP and CBP requirements. Violations identified during site inspections may be grounds for revocation of issued permits or non-renewal of a CBP.

As proposed and conditioned, the use would be consistent with other commercial uses in the C2 zone, the Zoning Code, and the City's General Plan. Further, the project has been conditioned to minimize potential impacts to neighboring properties. The required findings for the CUP can be made, as described above, and therefore, staff recommends approval of Planning Application 21-16 subject to conditions of approval.

RESOLUTION NO. PC-2022-

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA APPROVING PLANNING APPLICATION 21-16 FOR A STOREFRONT RETAIL CANNABIS BUSINESS WITH DELIVERY (DIPPITY BY MR. NICE GUY) IN THE C2 ZONE AT 1854 NEWPORT BOULEVARD

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 21-16 was filed by Chris Glew, authorized agent for the property owner, Michael Ng, requesting approval of the following:

A Conditional Use Permit to operate a storefront retail cannabis business with delivery within an existing 1,300-square-foot commercial building located at 1854 Newport Boulevard. 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 and other City and State requirements;

WHEREAS, a duly noticed public hearing was held by the Planning Commission on August 8, 2022 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 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 21-16 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 21-16 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 8th day of August, 2022.

Byron de Arakal, 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-2022- was passed and adopted at a regular meeting of the City of Costa Mesa Planning Commission held on August 8th, 2022 by the following votes:

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSENT: COMMISSIONERS

ABSTAIN: COMMISSIONERS

Scott Drapkin, Secretary
Costa Mesa Planning Commission

Resolution No. PC-2022-

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 (C2-General Business District) where commercial development is specifically allowed to include retail storefronts and non-storefronts. 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. These regulations are adopted to prevent land use inconsistencies with adjacent properties. 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. All retail sales would take place underroof and no outdoor storage or sales are proposed nor would be allowed. Staff does not anticipate that the proposed retail cannabis use would be materially detrimental to the adjacent uses that include other retail establishments.

The proposed use would also not be materially detrimental to the abutting commercial uses because the project would include features to ensure compatibility such as: shielding security lighting away from adjacent properties, odor control measures, and 24-hour onsite security. The proposed use would also be open for fewer hours than the previous donut shop with a drive thru. The business operation and the hours in which the facility can accept deliveries are between 7 AM and 10 PM. As proposed and conditioned, the retail cannabis use would be compatible with other properties within the area, and in compliance with local and State requirements.

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 with 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, 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, and all interior limited access spaces. In addition, the business employees, including delivery drivers and part-time staff, must pass a live scan background check and obtain an identification badge from the City. The conditions of approval include, but are not limited to, the aforementioned 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; 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, involving negligible or no expansion of the existing use. This project site contains an existing commercial building that has been used for retail with drive-thru activities and the application does not propose an increase in floor area or otherwise expand the prior commercial use. 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 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

- Plng.
1. The use of this property as a cannabis storefront and delivery business 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 delivery 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. 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 and under an active Cannabis Business Permit and State Type 10 license, 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 shall defend, indemnify, and hold harmless the City, its elected and appointed officials, agents, officers and employees from any claim, action, or proceeding (collectively referred to as "proceeding") brought against the City, its elected and appointed officials, agents, officers or employees arising out of, or which are in any way related to, the applicant's project, or any approvals granted by City related to the applicant's project. 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. City shall have the right to choose its own legal counsel to represent the City's interests, and applicant shall indemnify City for all such costs incurred by City.
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.

- Bldg. 11. 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.
- CBP 12. 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-21-03. 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.
13. 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.
14. 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-21-16 until a valid new Cannabis Business Permit is received from the City of Costa Mesa.
15. 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
16. 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.
 17. 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.
 18. 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.
 19. Third parties are prohibited from providing delivery services for non-storefront retail.
 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 and delivery 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 the location 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.
 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 21-16 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 right-turn only sign by the exit on Broadway and a landscape plan that complies with CMMC requirements; drought-tolerant plants, trash enclosure, bike racks, and parking lot striping in conformance with CMMC requirements.
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. Construction documents shall include a temporary fencing and temporary security lighting exhibit to ensure the site is secured during construction and to discourage crime, vandalism, and illegal encampments.
9. The applicant shall submit a lighting plan to the Planning Division for review and approval. 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 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.

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 of conditions of approval explaining how each was met prior to issuance of a Cannabis Business Permit.

2. The applicant shall submit to the Planning Division 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 fee (\$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; 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.
6. 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.
7. The applicant shall submit an executed Retail Cannabis Business Permit Defense and Indemnity Agreement on a form to be provided by the City.
8. 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, etc. The language of the parking lot 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 and offsite delivery to customers is limited to the hours between 7:00 AM and 10:00 PM.

3. The applicant shall submit an updated delivery vehicle list each quarter with the quarterly update to the employee roster which is required pursuant to the CBP. The number of delivery vehicles parked onsite shall not exceed the number of available onsite surplus parking spaces. Delivery vehicles shall not be parked on City streets except while making a delivery.
4. At least one security guard shall be onsite at all times.
5. The operator shall maintain free of litter all areas of the property 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 appropriate security and operational measures as 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 Director of Economic and Development Services or designee. Temporary or permanent parking management strategies include, but are not limited to, obtaining offsite 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 delivery service instead of store visits, limiting the number of employees that park onsite, offering an employee shuttle service, and incentivizing employee carpooling/cycling/walking.
8. While working, employees shall not park on residential streets unless doing so temporarily to make a cannabis delivery.
9. All employees must wear an identification badge while on the premises of the business and/or performing deliveries, 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.
10. 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.
11. The operator shall ensure that deliveries are grouped to minimize total vehicle trips.
12. 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.
13. Vehicle loading and unloading shall only take place within direct unobstructed view of surveillance cameras, located in the stall closest to the access-controlled 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 delivery vehicles. Video surveillance cameras shall be

installed on the exterior of the building with direct views of all doors. Any modifications or additional vehicle loading and unloading areas shall be submitted to the Director of Economic and Development Services or designee for approval.

14. Vehicle standing, loading and unloading shall be conducted so as not to interfere with normal use of streets, sidewalks, driveways and on-site parking.
15. The sale, dispensing, or consumption of alcoholic beverages on or about the premises is prohibited.
16. No outdoor storage or display of cannabis or cannabis products is permitted at any time.
17. Cannabis shall not be consumed on the property at any time, in any form.
18. The owner/operator shall prohibit loitering on and within fifty (50) feet of the property.
19. 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.
20. The owner or operator shall maintain air quality/odor control devices by replacing filters on a regular basis, as specified in the manufacturer specifications.
21. If cannabis odor is detected outside the building or within other building tenancies, 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.
22. 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.
23. 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.



1854 Newport Blvd

APPLICANT: 1854 Newport Investments LLC

Operator (dba): Mr. NICE GUY

Request: The request is for a Conditional Use Permit to allow a Cannabis Retail Storefront (Type 10) and Cannabis Retail Non Storefront (Type 9 – Home Delivery) and a Cannabis Business Permit.

EXECUTIVE SUMMARY



Mr NICE GUY is part of a Vertically Integrated Cannabis Supply Chain, with a history of successful operations in Oregon (23 stores) and California (9).

Mr. Nice Guy stands for much more than our unique shopping experiences and service. We pride ourselves in being compliant with state ordinances and local city laws. By doing so, we are able to give the best authentic experience to any consumer who walks through one of the many dispensaries located in Oregon and California. As we look to actively grow our brand across the country we understand that we

will become ingrained in many communities. In collaboration with the communities we are privileged to be a part of, we want to educate our customers about the cannabis industry. We do so while listening to feedback from residents, city officials and staff, customers and vendors alike, to create a relationship that we believe will be beneficial to both us and our society.

As we continue to work and provide any information surrounding cannabis, we also look to invest in the community; working with and donating to local organizations, hiring locally, and also creating partnerships with local businesses. We understand that we alone can't make a difference in a community, but we aim to make a difference.

WHAT WE STAND FOR – WHAT WE BELIEVE:

CONSUMERS FIRST: Begin and end with the premium consumer experience in mind. Exceed our consumer's expectations.

WE PLAY TO WIN: Act with passion and a sense of urgency. Be decisive and creative.

BE A GREAT PARTNER: Collaborate and be trustworthy and fair. Treat everyone the way you want to be treated. Help our partners succeed.

INNOVATION – THINK FORWARD AND THINK BIG: Be courageous and creative. Never settle.

Conditional Use Permit Letter – Mr. NICE GUY – 1854 Newport Blvd

DO THE RIGHT THING, ALWAYS: Create an environment of honesty and transparency. Act with integrity and never compromise.

MAKE THE WORLD A BETTER PLACE: Show love to every Mr. NICE GUY customer. Enrich our communities. Give back. Advocate for the planet.

OUR MR NICE GUY TEAM MAKES THE DIFFERENCE: Value and develop our people. Be inclusive and strengthen the team. Be accountable – learn from our mistakes. Have fun.

SPEED IN EVERYTHING WE DO: Act with urgency., Be humble. Be nimble. Have a bias for action.

SITE SELECTION: This site was selected because of the visibility to Newport Blvd. This facility will leverage customer awareness and target a more exclusive, upscale customer base. Focus will be on efficiency of servicing repeat customers through online ordering and speed of pick up on site.

Mr. Nice Guy is one of the world's largest vertically integrated Cannabis enterprises. Our businesses encompass 5 licensed operational retail stores in California (4 are in process) and 23 licensed cannabis retail storefronts in Oregon. In Orange County, Mr. Nice Guy's businesses are strong and growing. We are currently on pace for \$100mm in global revenues in 2021. We continue to add more cannabis retail storefronts across the state, increasing our brand recognition and driving our unit cost economics lower from scaling operations.

Mr. Nice Guy's retail stores have sourced this wide variety of products for over five years for our medical and recreational clients from hundreds of producers, cultivators, and manufacturers across the state of California.

Mr. Nice Guy's activities in Santa Ana, CA have made us one of the largest tax generators in all of Orange County, paying over \$3.5mm in taxes on sales in 2020. Our stores and businesses enjoy approved banking, have Union Labor Peace Agreements in place, and are held in high esteem by the cities they operate.

Mr. Nice Guy employees enjoy wages and benefits that well exceed those of other businesses. Our starting wage is at least 133% of the required legal minimums. Our workforces are sourced as locally as possible from the areas we operate, with over a 75% local-hire rate (and we anticipate in Costa Mesa if granted a license, to get that over 90% and as close to 100% as possible of non-management positions).

Mr. Nice Guy cannabis businesses have always engaged in good-faith negotiations with unions under state and local requirements. We have acted proactively and engaged the labor union to become one of the first businesses in Southern California to have a collective bargaining agreement executed. We have worked in partnership with the union to provide high wages, top benefits, and stability for our workforce.

Our stores have not had a single negative incident of crime, code violations, or other infractions with the City or state. We strive to maintain operational standards above and beyond the requirements of the cannabis code – and we have successfully done so during the many years we have operated, navigating a changing regulatory environment surrounding this new industry.

We adhere to all aspects of the METRC track-and-trace programs, utilizing state-of-the-art technological systems, and ensure that all requirements of the BCC are met in every aspect of our business units. Mr. Nice Guy currently employs approximately 230 team members across all of our multi-state cannabis businesses. We anticipate hiring at least 8 people upon launch in the City if granted these licenses from the City, with many more planned as we grow the future with the City.

Hours of Operation: 7 am to 10 pm.

Build Out: The building is small, with the existing footprint preserved. The interior build out is anticipated to move swiftly, and the exterior façade will be modernized.

Site Improvements: The site will have the same building location, size of building, parking and site flow. The Drive Thru will be eliminated.

Supply Chain: This will be operated by an experienced Team that is fully integrated here in California and Oregon. Their licensed Salinas cultivation facility will transport flower via the Teams Licensed Distributor to a Licensed Santa Ana Facility to be packaged into jars and Pre Rolls. Other Licensed Facilities will package a variety of cannabis forms. The Team outsource extracting Flower into Oil, and the Oil is utilized in manufacturing House Brands. The Team has relationships with other Top Selling Brands. The Finished Packaged Goods are brought last mile from the Manufacturing / Packaging Licensed Facilities to Mr. NICE GUY by the Teams licensed Distribution vehicle.

Target Customer: The store will offer a limited item supply curated to a higher end customer, with higher ticket averages and lower customer counts. The lower SKU count is designed intended to provide a wide enough variety to cater to the upscale customer.

Operations: The Team will relocate an experienced Manager from another location. Employees are hired based on criteria and characteristics they can perform and add value in a highly regulated industry. The facility is designed with Safety, Security and operational excellence. All Employees go through onboarding training, and depending on roles, various levels of ongoing training, supported by an SOP Operations Manual. Periodic meetings take place to reinforce safety, security and operations process, and a chance to report and discuss any opportunities for improvement.

The facility is designed to facilitate speed in customer orders and have a higher percentage of sales via Order Online – Pick Up In Store and Home Delivery. One Counter will be dedicated to the Order Online / Pick Up In Store Customers who know what they want and seek an efficient transaction. One Counter Area will be allocated to a more consultative Customer experience, where a little more time can be spent on Cannabis Education.

Compliance: The Operation utilizes a Point of Sale and Track & Trace technology to achieve regulatory compliance and efficiently manage the business. All cannabis and cash are entered, reported, audited, and analyzed, with discrepancies investigated and reported as necessary. The operation will implement a noncash transaction option for Retail, that reduces the amount of cash to handle, and corresponding threats.

Members – Chamber of Commerce: The Team is a member of the Chamber of Commerce and sponsored the Mayor's State of the City last year.

Conditional Use Permit Letter – Mr. NICE GUY – 1854 Newport Blvd

Employees: Because of the smaller retail space footprint, this store will have fewer Employees. We will prioritize hiring locals, who can walk, bike or take public transportation with a focus on operational skill sets, trainability and demonstrated ability to deliver a quality customer experience. All efforts will be to hire local. It weaves operations into the fabric of the community, and locals can walk or bike. We will partner with the Chamber of Commerce on “Hire Local” and use temporary signs to target drive by, bike by potential employees. Cannabis jobs are good paying jobs, with opportunities for advancement and creation of careers. The Team will look to hire from Orange Coast Community College, due to success in hiring from this demographic, who is in convenient proximity to out location.

All Employees and Owners are police background checked prior to employment and issuing a badge.

Neighborhood Compatibility: The Team is an experienced operator who has successfully launched and sustained several Cannabis Retail Stores. The Team employs a “Good Neighbor Policy” by providing contact information, a commitment to discussion and issue resolution, picking up trash and having the Security Guard be a neighborhood asset. Parking exceeds requirements, so no neighborhood impacts anticipated and will be monitored. All surrounding properties will have a phone number to contact the Managers of the Cannabis operation. The Security Guard and Parking Lot Manager have responsibilities to monitor the parking lot to make sure no loitering, that trash is picked up, and specific goals to know the neighborhood and neighbors. The Guard will be a neighborhood asset. The Site is being developed to respect neighbors.

The Team held an outreach event, inviting the surrounding neighborhood and relevant parties for a meet and greet to introduce the Team and discuss and questions and listen to comments.

Parking: The project is parked to code. Bike Racks will be prominently featured. Employees will be offered Ride Sharing vouchers if they are unable to walk, ride a bike, use public transportation. This will maximize parking for Customers.

Landscaping: The landscaping will introduce a new and modern pallet with drought tolerant landscaping and Trees.

Walkability – Bikeability -Active Transportation: This project is located on a major street with active transportation elements introduced and more planned. We have featured a Bike Rack. We will Hire Local so that employees can bike & walk. We encourage Ride Share of carpools and technology. We will have promotions to incentivize Customers to choose walking, biking, public transportation options. We will work with the City to tie into their activities to encourage and facilitate active transportation.

There is a Bus Stop directly in front of the property, on Newport Blvd.

Odor: HVAC and carbon filter elements are introduced to address any potential odors, with the standard, no detectable odor outside the facility. All products are finished packaged goods, which minimizes or eliminates the potential of odor.

Partner with Chamber of Commerce: The Chamber has embraced Cannabis and is developing to key projects in support of the Cannabis Industry and Operators. 1) Hire Local: Chamber will have a portal where the Operator can list open positions. The Chamber will actively promote. 2) Shop Local: Chamber will actively promote Cannabis Retailers approved by the City.

Partner with Cultural Arts Committee: Operator seeks to work with the City of the Arts to introduce local artists. The specific projects are yet to be determined, the intent is to identify local artists who can produce art for the interior. Consider an approved Mural, and seek opportunities to support the Utility Box program. All ideas are welcome.

Security Plan, Technology Solutions, Process and Training: The reviewed and approved Security Plan is prepared and installed by a trusted local subject matter expert who has a dozen and a half Costa Mesa projects, and several dozen in Southern California. He and the company have the necessary credentials and experience to provide plans, systems, installations, process and training. The concept of a plan, development and implementation is the “Secure Layered Onion”. The outer layer is hardened, and several layers are introduced designed to slow down and prevent unwanted access, and control access. The Perimeter has facility design in mind when developing the Site Plan and Floor Plan. Perimeter lighting is added as a deterrent and to enhance external video surveillance at night. Any windows have a Security Film. All doors are secure access. Customers check in, Visitors sign in. There are specific areas Customers can go, and Limited Access Areas (properly signed) where only badged Employees or Visitors escorted by an Employee. The Cannabis and Cash are in secure storage areas, with limited access. The Security System can be remotely viewed. Other tools are motion detectors in strategic areas, 100% video surveillance saturation wherever cannabis is located (Including full coverage of external loading and unloading) panic buttons and some proprietary elements to protect people, cannabis and cash. These systems and process have manuals and are integrated into training programs.

Security Plan: a 126-page plan was submitted and reviewed by the City 3rd Party expert and was approved without comments. It contained a thorough demonstration of compliance with extensive narrative supported by diagrams to say and show how the operation will comply with State and City Regulations. Covered all aspects of a secure and compliant Cannabis Retail operation components like theft reduction, cash management, Morning – Start of Shift – During Shift – End of Shift SOP’s. It covered both the Retail operations as well as Home Delivery.

Security Guards: A Security Guard will be onsite 24 hours a day, unless modified by City Council. This 3rd Party Security company has a credentialed, experienced subject matter expert ownership to facilitate the hiring and training of Guards based on a handbook of specific Standard Operating Procedures. The onsite Guard monitors the day to day operations, periodically makes rounds inside and out, oversees all unloading and loading of deliveries. The company has all the required State Licenses and Insurance.

Business Plan: A 87-page Business Plan was submitted and received approval without comments. The Plan covers vast requirements from proof of capital, a plan and budget to open and operate. Facility Diagrams. Standard Operating Procedures. Customer Check In. It covered both the Retail operations as well as Home Delivery.

Deliveries: All loading and unloading will occur in a space, closest to the Secure Door. All loading and unloading activities will be under video camera surveillance and under the supervision of the Guard.

Home Delivery: The Retail location will support the pickign and packing of orders. All orders are dispatched using technology to track the vehicles. All aspects are consistent to State and City requirements.

Waste Management: A container is located in the secure storage area, should the unlikely event of cannabis waste be created. Most would be returned to the Distributor or rendered unrecognizable and unusable, and properly disposed of.

Signage: Compliant internal and external signs to meet State and City requirements, and assist customers on way finding and no access areas.



Legend

 Costa Mesa

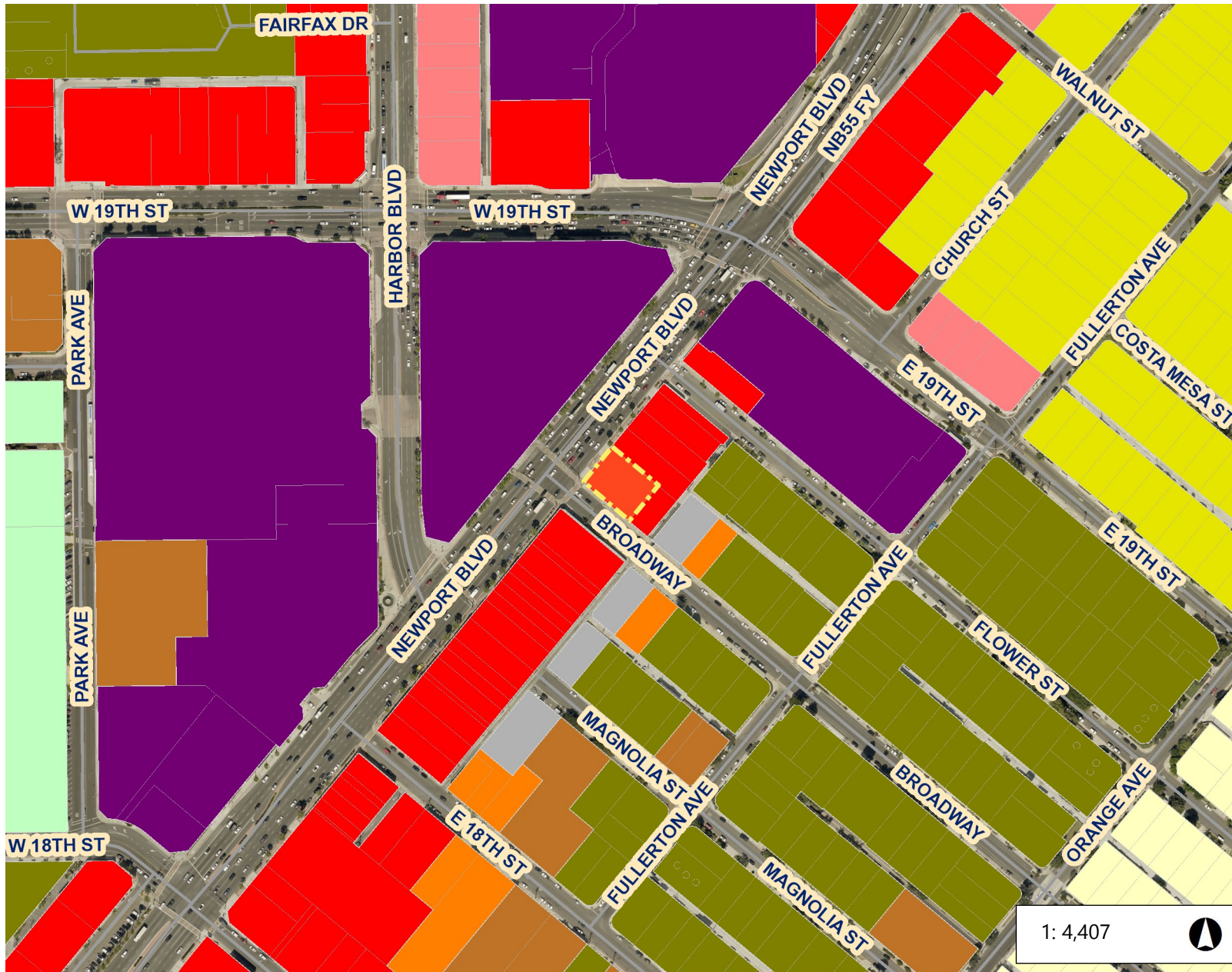
Notes

PA-21-16
1854 Newport Boulevard

0.1 0 0.04 0.1 Miles

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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 Residentic
- 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

1: 4,407



0.1 0 0.07 0.1 Miles

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Notes

PA-21-16
1854 Newport Boulevard

SITE PHOTOS

1854 NEWPORT BOULEVARD



Previous use entrance and front parking stalls



Existing side entrance (to become the customer exit) and employee-only door



Existing conditions in the rear of the property



Existing rear parking and the adjacent building

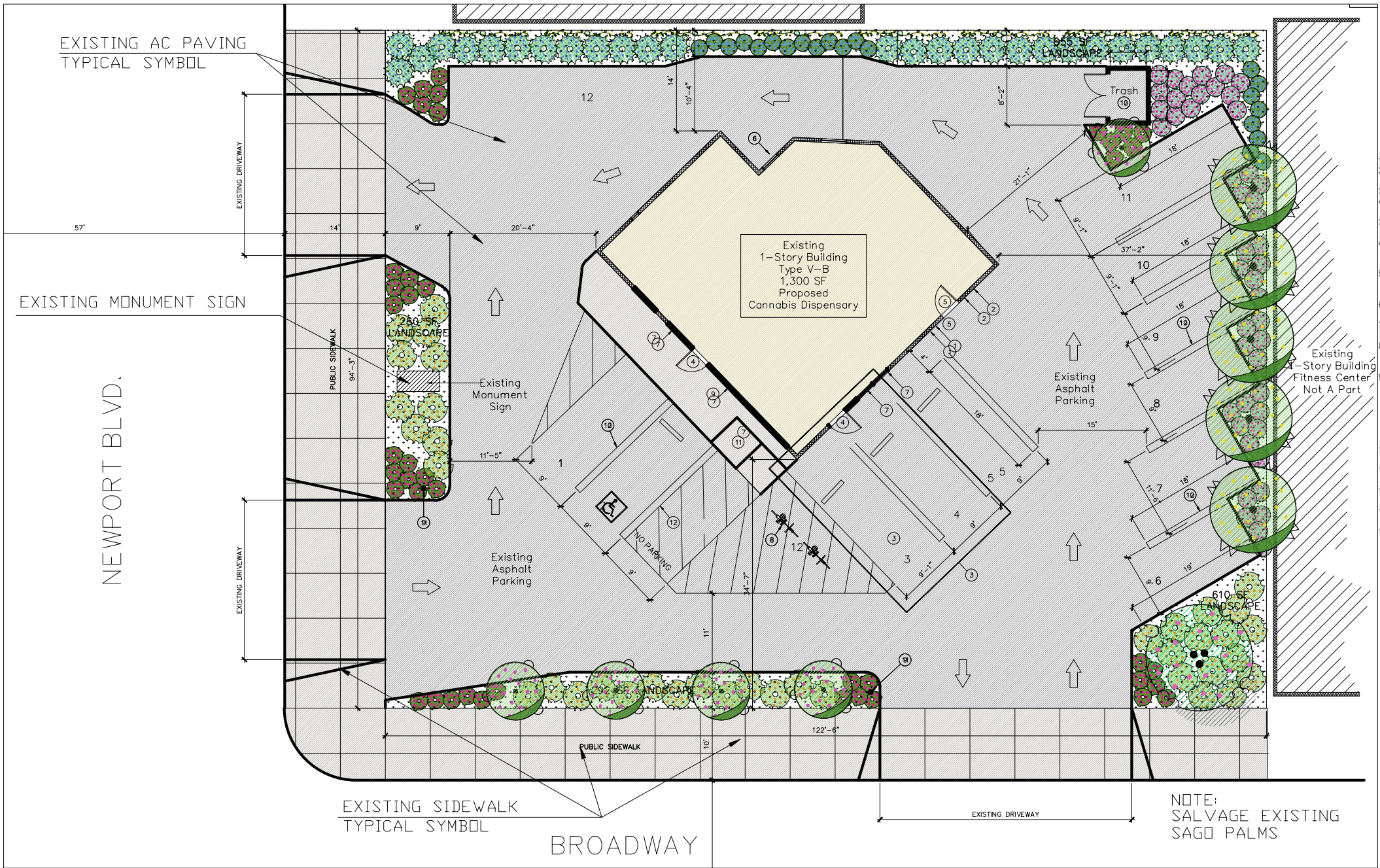


Cannabis Dispensary
Tenant Improvements
1854 Newport Blvd
Costa Mesa, CA. 92627

- PLANTING NOTES**
1. Protect in place all existing Queen Palms on the site.
 2. Remove and salvage all existing Sago Palms on the site, for use by a local nursery or landscape contractor.
 3. Remove and dispose of all other plants on the site.
 4. Hand water existing palm trees to remain as necessary to keep them in a healthy condition while irrigation system is turned off for construction.
 5. Contractor shall maintain a qualified supervisor on the site at all times during installation through completion of work.
 6. Contractor shall verify all plant material species and quantities prior to installation. Plant quantities are listed for the convenience of the Contractor; actual number of plant symbols shown on plan shall have priority over quantity listed.
 7. All container grown plants and ground covers and installation per the plans are to be provided and paid for by the Contractor. Contractor shall be responsible for the continuous protection of all plants upon delivery to the site and throughout construction.
 8. All plant materials shall be inspected and are subject to approval prior to installation by the Landscape Architect.
 9. Loosen/till soil in landscape areas to a depth of 8". Remove all debris, weeds, excess material, and rocks larger than 2" in diameter prior to soil preparation and again prior to planting.
 10. Contractor shall obtain samples of site soil from two different locations in landscape areas and have them analyzed by a reputable soil testing laboratory for fertility and agricultural suitability. Install soil amendments as recommended in the soil analysis report.
 11. Excavate plant pits for trees and shrubs twice the diameter and 1-1/2 times the depth of the root ball. For bidding purposes, use the following soil amendment specifications. Place native soil without amending for backfill to the bottom of the root ball, and the following backfill mix, thoroughly mixed, around the root ball to the surface:
3 parts by volume on-site soil
1 part by volume nitrogen stabilized organic amendment (fir or cedar shavings)
Gro-Power Controlled Release fertilizer, quantity per manufacturer's specification
 12. Fine grade all planting areas to achieve surface drainage toward street, parking lot, or storm drains.
 13. Following completion of planting, spread a continuous 3" thick layer of shredded bark mulch in newly planted areas.
 14. Upon completion, remove all extraneous material and debris from the site, and rake the area clean.
 15. Contractor shall include in his bid maintenance of the landscape for 60 days, including weeding, pruning, cleanup, adjustment of irrigation system, and replacement of dead or damaged plants.
 16. Contractor shall guarantee all shrubs for a period of 90 days and all trees for a period of one year following completion of the 60-day maintenance period, and shall replace any dead plants at no additional cost unless vandalism, improper maintenance, or damage by other contractors or Owner can be shown.

SITE LANDSCAPE SUMMARY

LANDSCAPE:	
Proposed Landscape:	1,837 SF
TREES:	
INVENTORY REQUIRED VS. PROPOSED REQUIRED:	
1-15 gsl per 200 sf 1,837 sf =	9 trees
1-Tree per 6 parking spaces/10 =	2 trees
Total new trees required =	11 trees
PROVIDED:	
Total new trees provided =	11 trees



TREE LEGEND

SYMBOL	BOTANICAL NAME	COMMON NAME	SIZE	QUANTITY	PLANT FACTOR
Trees					
A M	Arbutus marina	No common name	24" box	1	L
H F	Hymenosporum flavum	Sweet Shade	15 gal	5	M
L Z	Lagerstroemia 'Zuni'	Crete Myrtle hybrid	15 gal	5	M

Note: Install a 3" thick layer of shredded bark mulch throughout all landscape areas.

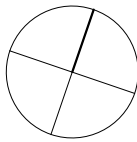
Plant Factor describes plant species water use rating - L = Low, M = Moderate, H = High

SHRUB AND VINE LEGEND

SYMBOL	BOTANICAL NAME	COMMON NAME	SIZE	QUANTITY	PLANT FACTOR
Shrubs/Perennials/Ground Covers					
E R	Eriogonum grande rubescens	Red Buckwheat	1 gallon	48	L
H P	Hesperaloe parviflora	Red Yucca	1 gallon	43	L
L N	Lantana 'New Gold'	New Gold Lantana	1 gallon	38	L
R B	Rosmarinus o. 'Huntington Carpet'	Ground cover Rosemary	1 gallon	28	L
S B	Sisyrinchium bellum	Blue Eyed Grass	1 gallon	21	L
Vines/Espaliers					
M U	Macfadyena unguis cati	Cat Claw Vine	5 gallon	8	M

Note: Install a 3" thick layer of shredded bark mulch throughout all landscape areas.

Plant Factor describes plant species water use rating - L = Low, M = Moderate, H = High



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

**Cannabis Dispensary
Tenant Improvements
1854 Newport Blvd
Costa Mesa, CA 92627**

Issued For	Date
Plan Check Submittal	08-15-2022

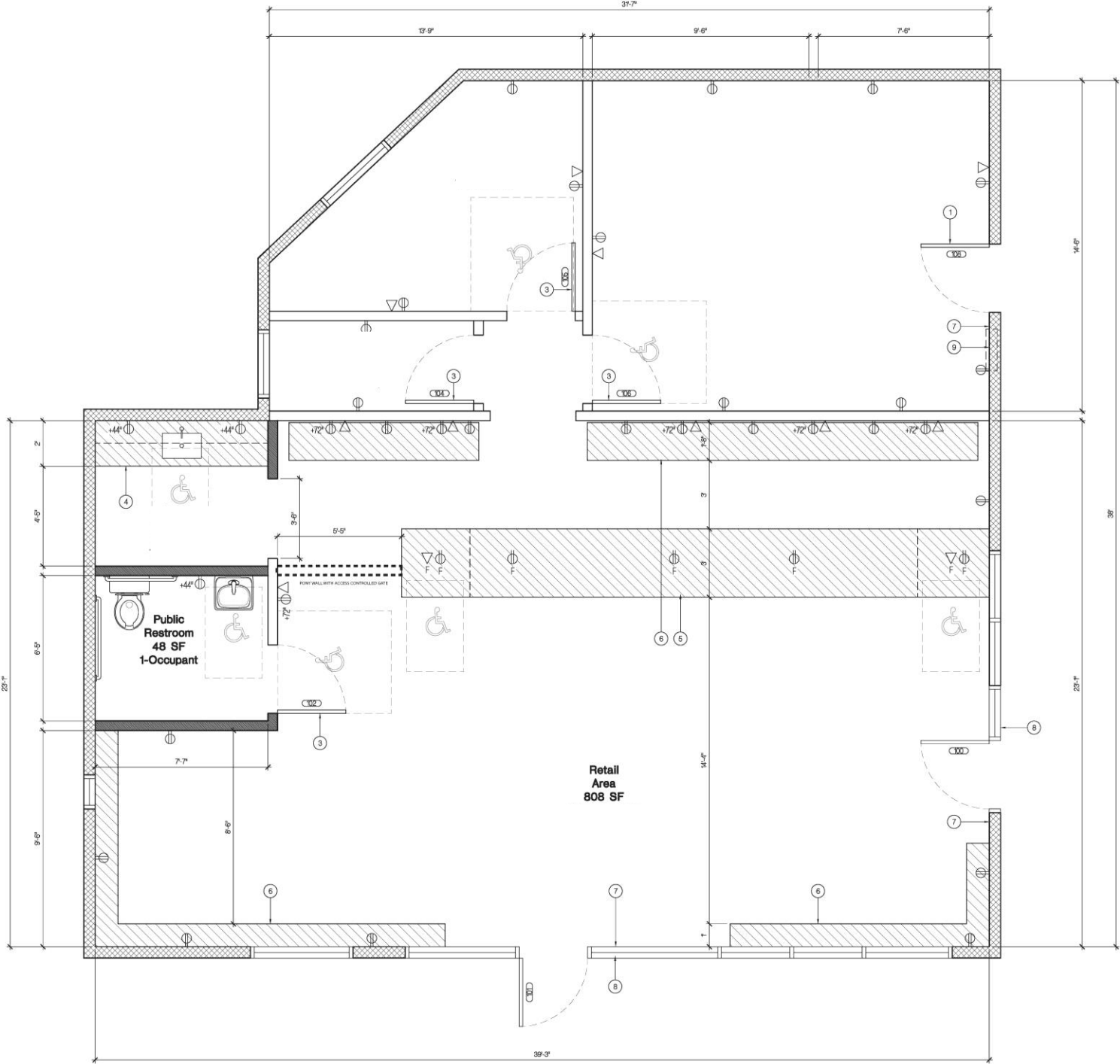
These drawings are the property of Frank Martinez.
All design ideas and information on these drawings are the
property of Frank Martinez and can not be copied or
disclosed without written permission from Frank Martinez.

File No:	A-22
Job No:	2134A
Drawn By:	Staff
Date:	07-19-2021
Scale:	As Shown

**PROPOSED
FLOOR PLAN**

A-2.2

2015 FRANK MARTINEZ



Legend:

- EXISTING STUCCO BUILDING WALL, TYP.
- EXISTING INTERIOR WALL, TYP.
- NEW INTERIOR WALL, TYP.
- NEW ELECTRICAL OUTLET
- NEW PHONE/DATA OUTLET
- NEW FLOOR MOUNTED PHONE/DATA OUTLET
- NEW FLOOR MOUNTED ELECTRICAL OUTLET
- NEW 3'X7' METAL DOOR AND FRAME
- NEW PAIR OF 3'X7' GLASS SLIDING DOORS
- NEW 3'X7' METAL DOOR AND METAL FRAME - LEVER HARDWARE
- NEW UPPER AND LOWER CABINETRY WITH STONE TOP, KITCHEN SINK WITH GARBAGE DISPOSAL
- NEW SALES COUNTER, TYP.
- NEW WALL DISPLAY, TYP.
- NEW EXIT TACTILE SIGN
- NEW ADA DOOR LOGO DECAL
- RELOCATED ELECTRICAL SUB-PANEL

GREEN BUILDING CODE NOTES:
1. NEW PLUMBING FIXTURES AND FITTINGS SHALL NOT EXCEED THE MAXIMUM ALLOWABLE FLOW RATES SPECIFIED IN SECTION 5303.3
2. NON-ABSORBENT INTERIOR FLOOR AND WALL FINISHES SHALL BE USED WITHIN AT LEAST 2 FEET AROUND AND PERPENDICULAR TO NEW EXTERIOR ENTRANCES AND/OR OPENINGS SUBJECT TO FOOT TRAFFIC.
ADA NOTES:

Proposed Floor Plan

3/8"=1'-0"

1





PH-3

PARTIDA, ANNA

From: Cathy Do-Naab <cdo21@hotmail.com>
Sent: Tuesday, August 2, 2022 10:32 PM
To: PC Public Comments
Subject: Re: PA-21-16 - 1854 Newport Blvd

Hi CM planning commission!

I am writing to tell you I strongly oppose the cannabis store front Dippity by Nice Guys on 1854 Newport Blvd. I live literally a few houses from it and not super jazzed about this idea. I believe if this is a cannabis delivery service it needs to be in a more industrial or more of a commercial area. I understand that it is located in this downtown Costa Mesa area but, it's also right next to a huge residential neighborhood. It is literally 200 ft away. I'm really cringing the fact that this will bring more traffic and noise to the area of delivery cars zooming in and out while delivering the cannabis products. The name of their store is confusing as hell. The location used to be Dippity donuts and was there for at least a couple of decades... it's a sweet gesture they want to keep the name the same but, it's going to confuse people and they will think it's a donut shop. I really don't want any more rift raft coming to the area and loitering because of the cannabis store. We already get a bunch rift raft in the area due to the many bars and drunks who like to park on Broadway and Flower street while the visit the bars. We see lots of empty junk food containers, empty bottles and used condoms on the curbs already from them. It's pretty gross. I try my best to keep the neighborhood clean and try to sweep that stuff up.

Anyways...please please consider the people and the huge neighborhood that lives 200 feet away from this proposed business. I have no ill will towards this cannabis store or the industry. I just think they could find another location that's not so close to so many homes and perhaps in a more commercial or industrial location like west side Costa Mesa by all the warehouses or by the airport.

Thank you for reading my email.

Sincerely,

Cathy Do-Naab

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From: Scot Lewis <woodcoinv@att.net>
Sent: Monday, August 8, 2022 11:54 AM
To: PC Public Comments
Subject: 1854 Newport Blvd - Application PA-21-16

Categories: Yellow Category

I own 126, 128, 130 & 132 Broadway, Costa Mesa (a total of 16 apartments). These properties are some of the closest residential units to this location. I already have a lot of problems with the high volume of bars near my properties. Drunks leaving bars often disturb my tenants and leave trash on and near my property. I oppose this cannabis shop and fear it will create more problems for the area.

Glenda Lewis

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From: Conrad Gunderson <conradg923@yahoo.com>
Sent: Friday, August 5, 2022 4:08 PM
To: PC Public Comments
Subject: 1854 Newport Blvd, Costa Mesa, CA 92627 Dippity by Mr. Nice Guy
Categories: Yellow Category

To whom it may concern;

Being a resident in Costa Mesa for a significant amount of time and working at Mr. Nice Guy, I am overjoyed to have the chance to work in the city in which I presently reside. This company is going to end up being an excellent addition to the existing buissness community, high is quite exciting. It is important to me that the people in our community feel like they can take pride in something, therefore I will make it a priority to do my best and give it the attention it deserves.

Best Regards,

Conrad.Gunderson

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From: Stacie Delaine <stacie.delaine@gmail.com>
Sent: Friday, August 5, 2022 11:34 AM
To: PC Public Comments
Subject: Costa Mesa

I support 1854 Newport Blvd application for cannabis retail. I am excited to see this shop open in Costa Mesa. I am a long time customer of Santa Ana location and excited to see a location closer to home. Please approve this application as I know they will be a great addition to the Costa Mesa business community. Thank you for your time.

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PARTIDA, ANNA

PH-1,2,3

From: Schellie Walsh <schelliewalsh555@gmail.com>
Sent: Monday, August 8, 2022 11:59 AM
To: PC Public Comments
Subject: Attachments for 8/8/22
Attachments: attachment 1.pdf; attachment 1.pdf; attachment 1.pdf
Categories: Yellow Category

Please approve my 3 attachments and have it available for me to present at the meeting tonight, Aug 8, at 6pm.

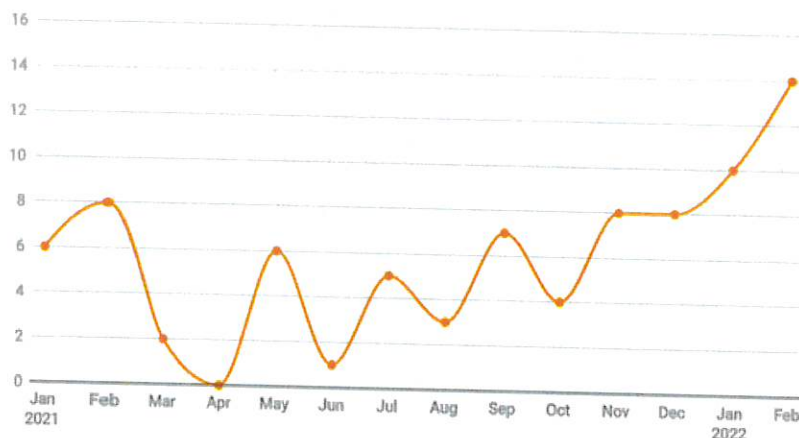
Thank you
Schellie Walsh

Over the past four months, there have been more reports of robberies, burglaries, assault with a deadly weapon and other crimes at Los Angeles dispensaries than during any other stretch since cannabis became available for retail sale four years ago. In the month of February, there were 14 reported crimes, the highest ever since 2018. January had 10 crimes, while November and December had eight each. In previous years, the average monthly number of crimes never reached five.

Crime Tracker

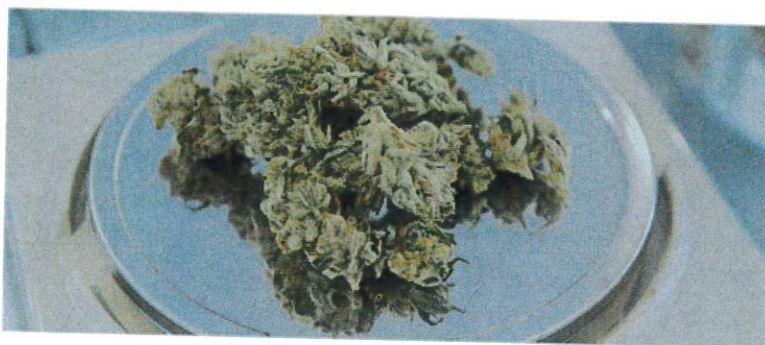


Crime in cannabis dispensaries, Jan. 2021-Feb. 2022



Source: LAPD Crime Dataset

Do marijuana dispensaries increase neighborhood crime?



2/20/19- CU Denver Today

"We found that neighborhoods with one or more medical or recreational dispensary saw increased crime rates that were between 26 and 1,452 percent higher than in neighborhoods without any commercial marijuana activity," Lorine Hughes, CJRA Expert.

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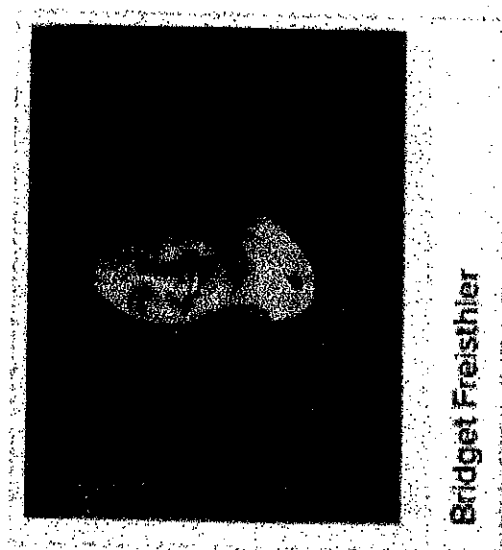
April 27, 2017

COLUMBUS, Ohio – Legal marijuana shops are linked to higher levels of property crime in nearby areas, according to a nearly three-year study in Denver.

Researchers found that crime isn't higher in the area immediately surrounding marijuana outlets. But adjacent areas saw about 84 more property crimes per year than neighborhoods without a nearby marijuana store.

In Denver, no significant increase in violent crime was seen as a result of marijuana sales.

The results show that legal marijuana sales come with a cost, said Bridget Freisthler, lead author of the study and professor of social work at The Ohio State University.



Freisthler, an assistant professor of social work, is the lead author of the study.