



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: APRIL 24, 2023

ITEM NUMBER: PH-1

SUBJECT: PLANNING APPLICATION 22-41 FOR A CANNABIS NON-STOREFRONT RETAIL (DELIVERY) FACILITY ("OCM VENTURES INC.") AT 3505 CADILLAC AVENUE, UNIT M-102

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

PRESENTATION BY: PATRICK ACHIS, ASSISTANT PLANNER

**FOR FURTHER INFORMATION CONTACT: PATRICK ACHIS
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RECOMMENDATION

Staff recommends the Planning Commission adopt a Resolution to:

1. Find that the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15301 (Class 1) Existing Facilities; and
2. Approve Planning Application 22-41, subject to conditions of approval.

APPLICANT OR AUTHORIZED AGENT

The applicant/authorized agent is Magellan Architecture, for the property owner, 3505 Cadillac Ave LLC.

PLANNING APPLICATION SUMMARY

Location:	3505 Cadillac Ave, Unit M-102	Application Numbers:	PA-22-41
Request:	Planning Application 22-41 is a request for a Conditional Use Permit to allow a cannabis non-storefront retail (delivery) within an existing 1,833-square-foot tenant space in the PDI (Planned Development Industrial) zone.		

SUBJECT PROPERTY:

SURROUNDING PROPERTY:

Zone:	PDI (Planned Development Industrial)	North:	PDI (Planned Development Industrial)
General Plan:	Industrial Park	South:	PDI (Planned Development Industrial)
Lot Dimensions:	Approximately 40 FT x 55 FT	East:	PDI (Planned Development Industrial)
Lot Area:	2,178 SF	West:	PDI (Planned Development Industrial)
Existing Development:	Existing, approximately 1,833-square-foot tenant space previously utilized as a professional office.		

DEVELOPMENT STANDARDS COMPARISON

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

BACKGROUND

The subject property is located on the west side of Cadillac Avenue near the westerly terminus of Sunflower Avenue. This area of the City is commonly known as the “Green Zone” which allows a variety of cannabis uses including manufacturing, distribution, testing and non-storefront retail uses (delivery only), subject to the issuance of City and State permits and licenses. The 13.9-acre property known as Cambridge Park (developed in 1982) is an industrial park with approximately 230,000 square feet of industrial, research and development, and office condominiums. Physical on-site improvements include landscaping and surface parking shared among the businesses within Cambridge Park. The property is zoned Planned Development Industrial (PDI),

and is surrounded by properties zoned Industrial Park (MP) to the north and east, the Interstate 405 Freeway to the south, and the Santa Ana River Trail to the west. The site has a General Plan Land Use Designation of Industrial Park (IP).

The proposed project is located in an existing 1,833-square-foot tenant space on the first floor of a multi-tenant industrial building (Building M). There are no open Code Enforcement cases at this proposed location. Similar to many of the buildings located in the Cambridge Park, the subject industrial building currently contains six approved tenant spaces for cannabis, all of which are distribution, manufacturing and/or non-storefront retail businesses, as shown in Table 1.

Table 1 – Building M Cannabis Tenant List

Unit	Entity	Use	Case Number	Status
M101	Se7en Leaf, LLC	Manufacturing & Distribution	PA-18-03; A1	CBP issued; In operation
M102 (Subject Project)	OCM Ventures INC.	Non-Storefront Retail (Direct Delivery)	PA-22-41	CURRENTLY PENDING CUP
M201	Biosgrove Technology, Inc.	Distribution	PA-18-38	CBP issued; In operation
M202	Fabulous Creations Inc.	Proposed Use: Manufacturing/ Distribution & Non-Storefront Retail (Direct Delivery)	PA-22-41	CUP approved
M103	Pure Labs, Inc.	Manufacturing & Distribution	PA-18-17; A1	CBP issued; In operation
M104	SCCC Group	Manufacturing/ Distribution & Non-Storefront Retail (Direct Delivery)	PA-20-18; A1	CUP approved
M204	New Normal Labs, LLC	Manufacturing & Distribution	PA-20-15	CUP approved

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, excluding the South Coast Collection (SOCO) property located at 3303 Hyland Avenue. This industrial area is known as the “Green Zone”. Measure X is codified in Titles 9 and 13 of the Costa Mesa Municipal Code (CMMC). Cannabis uses are also subject to State cannabis requirements.

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

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

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

The initial phase of a Cannabis Business Permit review includes a background check of the proposed owner, and an evaluation of the proposed business plan and security plan by the City’s cannabis consultant, HdL Companies. The applicant has successfully completed these evaluations and staff issued a Notice to Proceed, which allows the

applicant to continue to the next step in the review, which is the submittal of a Conditional Use Permit (CUP) application.

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

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

DESCRIPTION

The applicant (OCM Ventures) is requesting approval of a Conditional Use Permit (CUP) to operate a cannabis non-storefront retail (delivery) facility within an 1,833-square-foot, first floor tenant space located at 3505 Cadillac Avenue, Unit M-102. Unit M-102 is located directly below Unit M-202 (Fabulous Creations Inc.), and shares a common ground floor entrance/lobby area with direct access from the adjacent southerly parking area. Additionally, Unit M-102 also has an entry door with access from the southerly parking lot area.

As indicated in the submitted applicant letter, the proposed cannabis delivery business would operated daily from 7 AM to 10 PM. According to the applicant, the business would operate with eight “experienced” employees that are currently employed by the applicant in their existing business in Oakland, California. A total of four dedicated delivery vehicles will be used for direct delivery to customers and these vehicles will be stored on-site. As conditioned, vehicles for delivery and distribution will be installed with secure storage areas for cannabis products. In addition, and as also conditioned, all transfer of cannabis products from the licensed premises to the delivery/distribution vehicles will be undertaken within a secured container.

The proposed cannabis business operations require a Type 9 “non-storefront retailer” State license. A CUP and State license for the facility would allow the business to sell cannabis goods to customers exclusively through delivery to off-site customers, subject to conditions of approval and local and State requirements. The premise is a non-storefront retail, which is not open to the public. Customers would place orders via on-line or by phone. Cannabis cultivation is not proposed and is prohibited in Costa Mesa.

ANALYSIS

Conditional Use Permit

Pursuant to CMMC Section 13-200.93(c)(1), subject to the approval of the Planning Commission, a CUP is required for the establishment of cannabis non-storefront (delivery) operations. In addition, the CMMC Section 13-200.93(g) also specifies that non-storefront uses may operate independently from a retail storefront or as a part of, and in conjunction with, a permitted storefront, distribution, or manufacturing facility; parking requirements shall be subject to CMMC Section 13-89 and shall also include sufficient parking spaces for delivery vehicle; all deliveries to customers shall be completed by 10:00 PM; and the general public shall not be permitted to enter the premises of a non-storefront retail use.

Pursuant to the CMMC, cannabis retail non-storefronts are subject to extensive regulation (as specifically described in this report). These regulations are adopted to prevent land use inconsistencies with adjacent properties. Pursuant to the CMMC, the approval of a CUP requires that the Planning Commission make findings related to neighborhood compatibility, health and safety and land use compatibility. The analysis regarding CUP findings is provided further in this report. Lastly, staff has drafted specific conditions of approval, included in the Resolution, to ensure operational/site-specific land use compatibility.

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

As described in the applicant's letter (Attachment 2) and illustrated on the proposed plans (Attachment 6), the proposed project will occupy an 1,833-square-foot tenant space with the following specific cannabis operation areas:

1. Cannabis Delivery/Sorting – 126 square feet
2. Cannabis Unloading – 117 square feet
3. Cannabis Storage – 128 square feet

In addition, the proposed project includes two administrative offices, a common break area, entry area, restroom, and dispatch and security areas. Only minor changes are proposed to the interior floor plan to comply with City and State regulations (installation of security systems, monitors, etc.), and no exterior changes are proposed (with the exception of required security cameras).

Pursuant to the Type 9 State license, only packaged cannabis products can be delivered directly to customers. Packaged cannabis products would arrive to the facility via a licensed distribution service in State compliant packaging that is sealed and odor resistant, and remain unopened. Additionally, the Type 9 license restricts the permittee from tampering with cannabis products. Basically, the Type 9 license allows the permittee to receive cannabis product from licensed distributors, store cannabis products until delivery, insert the cannabis products in a transferable package (similar to a grocery store

shopping bag), and deliver the cannabis product to a preordered customer destination. Delivery to customers is limited to the hours between 7:00 AM and 10:00 PM, pursuant to Resolution Condition of Approval No. 2 (“Operational Conditions”).

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

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

- All employees who deliver cannabis shall have valid identification and a copy of the CBP and State license at all times while making deliveries;
- All employees are at least 21 years of age;
- Delivery to consumers is limited to the hours between 7 a.m. – 10 p.m.;
- All commercial cannabis retail businesses shall maintain proof of vehicle insurance for all vehicles being used to transport cannabis goods as required by State law;
- During delivery, the delivery employee shall not leave the State of California while possessing cannabis products and/or performing his or her duties for the cannabis retailer;
- A commercial cannabis retail business shall maintain a list of all deliveries, including the address delivered to, the amount and type of product delivered, and any other information required by the State;
- A manifest with all information required pursuant to local and State provisions shall accompany delivery persons at all times during the delivery process and delivery hours;
- Any delivery methods shall be made in compliance with State law, as amended, including use of a vehicle that has a dedicated GPS device for identifying the location of the vehicle (cell phones and tablets are not sufficient);
- Each delivery request shall be entered into a point-of-sale tracking system and have a receipt prepared by the commercial cannabis retail business with the following information:
 1. Name and address of the commercial cannabis retail business;
 2. The name of the employee who delivered the order;
 3. The date and time the delivery request was made;
 4. The complete customer’s first name, retailer-assigned identification number, and delivery addresses;

5. A detailed description of the cannabis goods requested for delivery including the weight or volume, or any accurate measure of the amount of cannabis goods requested;
 6. The total amount paid for the delivery including any fees or taxes; and
 7. The date and time delivery was made, and the signature of the person who received the delivery.
- At the time of the delivery, the person receiving the delivery provides identification and must be 21 years old.
 - No cannabis delivery vehicle shall display signs, decals or any other form of advertisement.
 - Inspections by an authorized City representative may be conducted anytime during regular business hours.
 - Delivery must be made to a physical address that is not on publicly owned land, a school, a day care, or a youth center.
 - The delivery employee shall not carry cannabis goods valued in excess of \$5,000 at any time with no more than \$3,000 of cannabis goods that are not already part of a customer order that was processed prior to leaving the premises.
 - A direct employee of the licensed retailer must make delivery in person. An independent contractor, third-party courier service, or an individual employed through a staffing agency would not be considered directly employed by the licensed retailer.
 - The delivery employee shall confirm the age of the buyer through entering government issued identification information into an electronic age verification system.

Business Plan

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

Security Plan

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

- Live scan background check for every employee including drivers;
- City-issued identification badge for each employee;

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

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

Parking and Loading/Unloading

The existing surface parking lot was designed with the intent to be shared and to serve all of the businesses operating within the Cambridge Park industrial complex. The industrial complex was originally developed in 1981 and based on the City's established "industrial" use parking requirement of three spaces per 1,000 gross square feet for the first 25,000 square feet of gross floor area, two parking spaces per 1,000 square feet for the next 25,000 to 50,000 square feet of gross floor area, and 1.5 parking spaces per 1,000 square feet for every 1,000 square feet thereafter, the total Center shared parking space requirement is 395 parking spaces. However, Cambridge Park is developed with 731 parking spaces, which results in a surplus of 336 parking spaces and is therefore compliant with the City's industrial floor area/parking requirement. In addition, staff has visited this site on numerous occasions throughout the day, and on different week days, and have continuously witnessed that the parking lot was less than half occupied. The minimal observed occupancy of the parking lot is likely based on the aforementioned surplus parking provided in the Center, and the numerous similar cannabis facilities (manufacturing and non-storefront delivery) operating at the Center which maintain limited employees and do not result in customer parking demand. Although parking issues are not anticipated, conditions of approval are included to ensure that if parking shortages or parking related issues arise that the business operator would be required to institute appropriate measures necessary to minimize or

eliminate the parking problem to the satisfaction of the Director of Economic and Development Services or their designee.

During business hours, delivery and vendor vehicles would use the loading/unloading area proposed at the front of the existing building (see "Key Note No. 10" as indicated on the proposed site plan pg. A1.10). The distance of the path of travel from the subject tenant space to the loading/unloading area is approximately 102 feet. The applicant is proposing a maximum of four-delivery vehicles with no more than two vehicles used for loading/unloading at a given time. Any delivery vehicles not being loaded/unloaded will be parked in the adjacent available parking lot spaces. When loading/unloading vehicles, delivery employees would enter/exit through the access-controlled door, and vendors would only be allowed to enter the premise while accompanied by an employee. All orders received for home delivery will be "tracked and traced," including vehicles used for such deliveries. All delivery activities would follow State and City requirements per the required conditions of approval. As conditioned, the access-controlled doors, path of travel, and vehicle loading/unloading area would be under camera surveillance at all times. As conditioned, vehicles for delivery and distribution will be installed with secure storage areas within the vehicle for cannabis products. Lastly, and as conditioned, all transfer of cannabis products from the licensed premises to the delivery/distribution vehicles will be within a secured container.

GENERAL PLAN CONFORMANCE

Conformance with the City of Costa Mesa General Plan

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

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

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

Consistency: The proposed cannabis use would provide a new entrepreneurial business in Costa Mesa as allowed under Measure X and Measure Q (local voter approved ballot measures), new goods and services, and may potentially provide new employment opportunities in the community.

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

Consistency: The proposed use would create new jobs and continue the industrial and commercial nature of an existing industrially-zoned property located north of I-405.

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

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

REQUIRED FINDINGS

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

- **The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.** The subject site is located within the Green Zone, an industrial area of the community where several types of cannabis uses are conditionally permitted, such as non-storefront retail (delivery), distribution, and manufacturing. The proposed use is a non-storefront (delivery) retail use and there are currently six permitted cannabis tenants within Building M. Similar to other industrial uses, the proposed delivery business would generally not generate customer traffic to the site. As proposed and conditioned, the cannabis use would be compatible with adjacent industrial and commercial uses, including several other adjacent cannabis uses. Compliance with conditions of approval, other local regulations, and State requirements would allow this use to operate with minimal impact on surrounding properties and uses.
- **Granting the conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.** The proposed non-storefront retail 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 Companies. Measures designed to maintain safety at the facility include, but are not limited to, window and door alarms, panic buttons, motion-detectors, limited access areas, a monitored video surveillance system covering all exterior entrances, exits, and all interior limited access spaces. As proposed and conditioned, video recordings shall be maintained for a

minimum of 90 days. As required by the CMMC and affirmed in the security plan, the business shall designate a security representative to be available to meet with the City Manager, Chief of Police, or their designees, regarding any security or operational concerns. The business employees, including delivery drivers and part-time staff, shall pass a live scan background check and obtain identification badges from the City. The recommended conditions of approval and local and State laws are intended to ensure that the use would not be materially detrimental to the health, safety and general welfare of the public 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 use is consistent with the General Plan goals and policies as discussed earlier in this report. The proposed use will be located within an existing building and there are no proposed additional square footage to the tenant space or to the building; therefore, there is no change in intensity. As stated in the General Plan Land Use Element, the City's industrial designations "accommodate a variety of industrial and compatible office uses, as well as limited and supportive commercial uses." The use is consistent with General Plan policies related to providing a mixture of commercial goods, services, and employment opportunities; prioritizing commercial and industrial uses at properties north of the I-405; and promoting the incubation of unique and specialized commercial and industrial businesses. In addition, the proposed use is a conditionally permitted use in the subject industrial zone.

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 (Class 1). This project site contains an existing industrial building and the proposed project only involves minor interior tenant improvements that would not expand the existing footprint or increase the square footage. The proposed use would not require any other exterior modification or off-site improvements to the industrial complex. Thus, the proposed use does not intensify the area in terms of Floor Area Ratio (FAR) or generate increased traffic that was not already anticipated for this area pursuant to the General Plan. The project also complies with all applicable business operational standards of Article 9 and 13 of the CMMC. Furthermore, none of the exceptions that bar the application of a categorical exemption pursuant to CEQA Guidelines Section 15300.2 applies. Specifically, the project would not result in a cumulative impact; would not have a significant effect on the environment due to unusual circumstances; would not result in damage to scenic resources; is not located on a hazardous site or location; and would not impact any historic resources.

ALTERNATIVES

The Planning Commission has the following alternatives:

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

LEGAL REVIEW

The draft Resolution and this report have been approved as to form by the City Attorney's Office.

PUBLIC NOTICE

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

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

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

CONCLUSION

The proposed use is for a cannabis non-storefront retail (delivery only) facility in the City's Green Zone. As proposed and conditioned, the proposed use would be consistent with other industrial uses in the Green Zone, and is in conformance with the

City's Zoning Code and General Plan. In addition, the required findings for the Conditional Use Permit can be met as described above. Therefore, staff recommends approval of Planning Application 22-41, subject to conditions of approval.