

**MEMORANDUM**

TO: **PLANNING COMMISSION**

FROM: **JEFFREY RIMANDO, ASSISTANT PLANNER**

DATE: **JANUARY 26, 2025**

SUBJECT: **CONDITIONAL USE PERMIT (PA-21-34) CONDITION OF APPROVAL NO. 31 - SIX-MONTH REVIEW ("420 FLOWER FACTORY")**

BACKGROUND

Pursuant to Costa Mesa Municipal Code (CMMC) Sections 9-487, 9-494, and 13-200.93(c)(1), a conditional use permit (CUP) and a valid cannabis business permit (CBP) are required for the establishment and operation of cannabis businesses in Costa Mesa. On November 28, 2022, the Planning Commission approved CUP PA-21-34 (Resolution No. PC-2022-32) for a retail cannabis storefront at 2332 Newport Boulevard, subject to conditions of approval and local and State regulations. Furthermore, the City issued Cannabis Business Permit No. MQ-21-20 on April 18, 2025. The approved applications allowed for the operation of a retail cannabis storefront with no delivery services provided.

Consistent with several other commercial properties that front Newport Boulevard in this area of the City, the subject property is separated from residentially zoned properties (R2-MD, Multi-Family Medium Density and R2-HD, Multi-Family Density) by an existing 20-foot public alley. Existing residential uses in the area include detached single-family homes, attached condominiums, and multi-family units. To ensure neighborhood compatibility, project conditions and requirements were proposed to limit business hours from 7 a.m. to 10 p.m. and restrict customer traffic from entering or exiting the premise from the public alley separating the residential properties to the rear.

With the subject property's close proximity to the residential properties to the rear, operational conditions specific to the site were approved by the Planning Commission, included the following Operational Conditions of Approval:

No. 8: "The vehicle gate adjacent to the alley shall remain closed and locked except when temporary access is needed for trash collection or for other temporary property maintenance services. Customers shall not enter or exit the property through the alley

at any time. KnoxBox access shall be provided to the Costa Mesa Fire Department and Costa Mesa Police Department.

No. 10: "One parking stall shall be labeled for employees and vendors only. Vehicle loading and unloading shall only take place within direct unobstructed view of surveillance cameras, located in close proximity to the limited access door, as generally described in the staff report and 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 vendor unloading. Video surveillance cameras shall be installed on the exterior of the building with direct views of doors. Any modifications or additional vehicle unloading areas shall be submitted to the Director of Economic and Development Services or designee for approval."

No. 20: "Waste disposal to the exterior trash enclosure shall be limited between the hours of 8AM and 8PM to prevent noise impacts to the abutting residentially zoned property."

No 21: "A parking attendant shall be required to monitor the exterior including the parking lot especially during the evening to ensure customers and vendors are using consideration (i.e. abiding by the parking lot signs as conditioned in Cannabis Business Permit Condition No. 7) when entering or leaving the business."

At the November 28, 2022 Planning Commission meeting, the Planning Commission also modified Operational Conditional of Approval (COA) No. 6 related to parking management to be read:

"If parking shortages or other parking-related problems develop, the business owner or operator will be required to institute appropriate operational measures necessary to minimize or eliminate the problem in a manner deemed appropriate by the Director of Economic and Development Services or designee. Temporary or permanent parking management strategies include, but are not limited to, employee shuttle service from an approved location with excess parking, reducing operating hours of the business, hiring an employee trained in traffic control to monitor parking lot use and assist with customer parking lot circulation, encouraging customers to take advantage of online ordering for a faster pick-up, limiting the number of employees that park onsite, and incentivizing employee carpooling/cycling/walking.

In addition, the Planning Commission approved General Condition of Approval (COA) No. 31 which required:

"After six months of operations (open to customers), the Planning Commission shall review the CUP at a public hearing."

A detailed description of the project is provided in the November 28, 2022, Planning Commission Agenda Report linked below. The meeting minutes and video are also linked below:

- [November 28, 2022 Planning Commission Agenda Report](#)
- [November 28, 2022 Planning Commission Minutes](#)
- [November 28, 2022 Planning Commission Video](#)

ANALYSIS

420 Flower Factory began operations on May 6, 2025, making the six-month operational anniversary date November 6, 2025. Thus, this memo is intended to respond to COA No. 31.

To evaluate the operation consistency, staff has visited the site and the Costa Mesa Police Department has provided a log of calls for service associated with the 2332 Newport Boulevard property (Attachment 2). Between the effective date of CBP issuance of April 18, 2025 to the end of the year of December 31, 2025, there have been a total of nine calls for service. These calls range from the following:

- Audible alarm system
- Suspicious person or vehicle
- Burglary

Other than the loud alarm system concerns, there have been no applicable noise complaints logged by Costa Mesa Police. Upon the site visit, staff observed that no parking shortages seem to exist. Pursuant to Operational Condition Approval No. 8, the vehicle gate adjacent to the public alley was closed and in compliance with the condition. Furthermore, a business staff member was identified to be on site and monitoring the parking lot. Lastly, there have been no code violations logged at this property and according to the City's Finance Department, 420 Flower Factory is current on tax returns and payments for 2025/2026.

CONCLUSION

Planning staff finds that, during this six-month review period, the operations are consistent with project land use approvals and without issues of neighborhood compatibility. In summary, based on review of 420 Flower Factory's operation for the first six months of operations; therefore, staff finds that the business is operating in good faith and no modifications to business operations or conditions of approval are warranted at this time.

Attachments:

1. November 28, 2022, PA-21-34 Resolution
2. Calls for Service Log