

RESOLUTION NO. 2025-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, UPHOLDING THE DIRECTOR OF ECONOMIC AND DEVELOPMENT SERVICES DETERMINATION THAT CANNABIS BUSINESS PERMIT MQ-21-15 FOR A CANNABIS STOREFRONT LOCATED AT 2301 NEWPORT BOULEVARD (CULTURE CANNABIS CLUB) IS NONOPERATIONAL AND ABANDONED

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

WHEREAS, appeal application PAPL-25-0003 was filed by Julie Le, representing Culture Cannabis Club, and the property owner, Sweet Inspirations LLC, requesting an appeal of the Director of Development Services determination that Cannabis Business Permit MQ-21-15 to operate a cannabis retail storefront business within an existing 3,607-square-foot commercial building located at 2301 Newport Boulevard has been considered nonoperational and abandoned;

WHEREAS, pursuant to Costa Mesa Municipal Code (CMMC) Sections 9-495(h)(16) and 9-487 a valid cannabis business permit (CBP) is required for the establishment and operation of cannabis businesses in Costa Mesa;

WHEREAS, on June 13, 2022, the Planning Commission approved conditional use permit (CUP) PA-21-22 and Resolution No. PC-2022-09, for a retail cannabis storefront at 2301 Newport Boulevard, subject to conditions of approval, including general condition of approval no. 3 requiring the operation to have a valid CBP, and comply with local and State regulations;

WHEREAS, the City issued Cannabis Business Permit No. MQ-21-15 to Culture Cannabis Club on May 17, 2024;

WHEREAS, pursuant to CMMC Section 9-495(h)(16), a permitted commercial cannabis retail business shall have 180 days after permit issuance by the city to commence operations, after which the permit shall be void and of no further force and effect and a cannabis retail business shall be considered nonoperational and abandoned after failing to report income and/or reporting no income to the city in any one quarter, ceasing to operate, losing the right to occupy the permitted premises or

otherwise failing to maintain an on-going permitted business at the premises for a total of 90 days in any 12 month period;

WHEREAS, the retail storefront opened on November 13, 2024, within the required 180-day timeframe from the date of issuance of the CBP;

WHEREAS, the business' operations history, confirmed via a State-mandated cannabis tracking system, has resulted in closures within the following dates: 1) December 7, 2024 – February 11, 2025, 2) February 13, 2025 – March 6, 2025, 3) April 1, 2025 – April 6, 2025, and 4) April 25, 2025 – June 15, 2025 (and onward);

WHEREAS, on April 29, 2025, the Orange County Sheriff's Department had issued an eviction notice to the business as the business lost the right to occupy the permitted premises;

WHEREAS, on June 16, 2025, the City issued a notice of abandonment of the CBP to the operator, establishing that the CBP was considered null and void as of the eviction on April 29, 2025;

WHEREAS, an appeal of the Director of Development Services determination of the abandonment of the CBP was filed on June 23, 2025;

WHEREAS, a duly noticed public hearing was held by the City Council on September 2, 2025 with all persons having the opportunity to speak for and against the appeal;

NOW, THEREFORE, based on applicable evidence in the record, project conditions of approval and regulations pursuant to the Cost Mesa Municipal Code, the City Council hereby **DENIES** the appeal and upholds the Director of Economic and Development Services determination that Cannabis Business Permit MQ-21-15 is nonoperational and abandoned and is therefore invalid and of no further force and effect.

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 2nd day of September, 2025.

John Stephens, Mayor

ATTEST:

APPROVED AS TO FORM:

Brenda Green, City Clerk

Kimberly Hall Barlow, City Attorney

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

I, BRENDA GREEN, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 2025-xx and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 2nd day of September 2025, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 2nd day of September 2025.

Brenda Green, City Clerk