



# **PLANNING COMMISSION AGENDA REPORT**

MEETING DATE: APRIL 10, 2023

ITEM NUMBER: PH-2

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

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

**PRESENTATION BY: GABRIEL VILLALOBOS, ASSISTANT PLANNER**

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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 (Existing Facilities); and
2. Approve Planning Application 22-27, subject to conditions of approval.

## **APPLICANT OR AUTHORIZED AGENT**

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

## PLANNING APPLICATION SUMMARY

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

### **SUBJECT PROPERTY:**

### **SURROUNDING PROPERTY:**

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

## DEVELOPMENT STANDARDS COMPARISON

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

### **BACKGROUND:**

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

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

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

There are no active Code Enforcement cases on this property.

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

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

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

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

### ***Cannabis Business Permit (CBP) Process***

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

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

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

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

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

**DESCRIPTION:**

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

**Table 1 – Building O Cannabis Tenant List**

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

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

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

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

## **ANALYSIS**

### ***Conditional Use Permit***

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

### ***Exterior and Interior Improvements***

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

### ***Distribution Use***

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

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

### ***Non-Storefront Retail (Delivery) Use***

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

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

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

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

### ***Parking***

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

### ***Odor***

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

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

### ***Business Plan***

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



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

### ***Security Plan***

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

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

### **GENERAL PLAN CONFORMANCE**

#### ***Conformance with the City of Costa Mesa General Plan***

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

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

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

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

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

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

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

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

### **Conformance with the Zoning Code**

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

### **FINDINGS**

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

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

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

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

## **ENVIRONMENTAL DETERMINATION**

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

## **ALTERNATIVES**

The Planning Commission has the following alternatives:

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

## **LEGAL REVIEW**

The draft resolution has been approved as to form by the City Attorney's Office.

## **PUBLIC NOTICE**

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

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

3. **Newspaper publication.** A public notice was published once in the Daily Pilot newspaper.

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

## **CONCLUSION**

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