



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Grant Yates, City Manager

Prepared by: Damaris Abraham, Senior Planner

Date: January 12, 2021

Subject: Planning Application No. 2020-98 (SCCC Group) for a New Cannabis Manufacturing Facility Located Within an Existing 4,925 sq. ft. Building

Applicant: Hazelina Laskey, SCCC Group Services, Inc.

Recommendation

1. Introduce by title only and waive further reading of AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING DEVELOPMENT AGREEMENT NO. 2020-04 FOR A 4,925 SQUARE FOOT CANNABIS FACILITY LOCATED AT 31889 CORYDON ROAD, SUITE 170 (APN: 370-031-007); and
2. Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT NO. 2020-13 TO ESTABLISH A 4,925 SQUARE FOOT CANNABIS FACILITY LOCATED AT 31889 CORYDON ROAD, SUITE 170 (APN: 370-031-007).

Background

On August 11, 2020, the City Council adopted an interim urgency ordinance imposing a 45-day moratorium on the acceptance and processing of new entitlement applications for cannabis-related land uses. On September 22, 2020, the City Council extended the moratorium for an additional 5 months and 21 days.

This application for a new cannabis business was submitted for review and processing on July 27, 2020, prior to the moratorium being effective.

At the December 15, 2020, Planning Commission hearing, a motion was made and seconded to recommend approval of the Development Agreement and the Conditional Use Permit applications. However, the motion failed when only two of the four Commissioners present voted in favor. Because the motion to recommend the project did not receive a majority vote of the Commissioners, there is no recommendation from the Planning Commission.

Project Description

The proposed project would establish a cannabis facility within an existing building utilizing 50% of tenant space for non-volatile, solvent-less manufacturing, with accessory use for wholesale

and retail distribution and retail dispensary of medicinal and recreational cannabis-derived products (Project). The total facility area of use is 4925 sq. ft., with dispensary accounting for 1209 sq. ft., less than 25% of total space and revenue (24.55%), manufacturing and distribution 933 sq. ft., and the balance for employee area and large patient and wholesale customer waiting room area.

The Project is generally located at the northwest corner of the intersection Cereal Street and Corydon Road and more specifically referred to as 31889 Corydon Road, Suite 170 (APN:370-031-007).

Analysis

General Plan Consistency

The subject site has a General Plan Land Use Designation of Limited Industrial (LI) and is in the East Lake District. The LI designation provides for industrial parks, warehouses, manufacturing, research and development, public and quasi-public uses, and similar and compatible uses. The subject use includes a variety of manufacturing, distribution, and warehousing uses for the production of cannabis products. The proposed facility is located within the existing building and does not propose or is allowed to have exterior operations. The proposed cannabis facility help to further the goals of the East Lake district by reinforcing the viability of the existing industrial hubs without impacting the master-planned residential communities and help to create vibrant industrial hubs by introducing additional business in existing developments that would create high paying jobs, reduced vacancy rates, and increased investment in the existing industrial parks.

Overall, the proposed cannabis facility introduces new land uses to an existing mix of industrial and commercial uses. The proposed facilities have been previously identified as furthering the goals of the East Lake District and not creating new unmitigated significant impacts, because of this they are found to be consistent with the General Plan.

Municipal Code Consistency

The subject property has a base zoning designation of Limited Manufacturing (M-1). The proposed cannabis facility is located wholly within existing an industrial park, which has been previously analyzed for consistency with the base district development standards and other criteria and was found to be consistent with the applicable base zoning designations. A review of the current operational characteristics did not find any code violations and the building is following the base district regulations as well.

For Cannabis-related land uses, Chapter 17.156 Cannabis Uses, of the Lake Elsinore Municipal Code (LEMC), specifically regulate these uses. The proposed cannabis facility has been analyzed for consistency with these operational requirements and the proposed facility has been found to meet these requirements. In addition to the code requirements, additional detailed information was specified in the application materials these include the following:

- Fire protection plan
- Closure plan, i.e., a plan to fully restore the occupied space to the condition that existed before the establishment of a cannabis-related facility and the posting of a bond so that the City could authorize the work without incurring financial liability
- Information related to project proponents

- Project-specific details as to the operational characteristics identifying the number of employees, production quantities and values, and other pertinent information.

These additional details were required to ensure that the proposed facility operated safely and would not create unintended impacts during the construction, operation, and closure of these facilities. Staff has reviewed these additional details and have found that the materials submitted demonstrate that the proposed cannabis facility would operate in a manner that would not adversely impact the adjacent business in operation.

Because the proposed cannabis facility meets the minimum code requirements and does not propose any adverse impacts on adjacent businesses, they have been found consistent with the Municipal Code. Also, Conditions of Approval have been prepared that would mitigate any potential issues associated with the future development and establishment of the use. Building and Safety and Fire divisions will conduct occupancy inspections to ensure the space is adequate for the proposed use.

Environmental Determination

The proposed Project is exempt from the California Environmental Quality Act (Cal. Pub. Res. Code §§21000 et seq.: "CEQA") and the CEQA Guidelines (14 C.C.R. §§ 15000 et seq.) pursuant to CEQA Guidelines Section 15301 (Class 1: Existing Facilities) (a) Interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances:

- The project is located within an existing building.
- The proposed project does not propose an intensification of use that would require the preparation of a Traffic Impact Analysis since the proposed use generates less than 100 trips.
- The proposed project does not create an expansion or intensification of use beyond what was previously analyzed as a part of the original project's environmental assessment.

Fiscal Impact

The time and costs related to processing this extension of time request have been covered by application fees paid for by the applicant. No General Fund budgets have been allocated or used in the processing of this application.

Exhibits

- A – DA Ordinance
- B – CUP Resolution
- C – Conditions of Approval
- D – Vicinity Map
- E – Aerial Map
- F – Project Plans