



REPORT to the LA MESA PLANNING COMMISSION

DATE: July 17, 2024

SUBJECT: HEARING: PROJECT NO. 2022-0692 (CENTER STREET DISTRIBUTION)- RESOLUTION NO. PC-2024-XX, A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LA MESA TO APPROVE A CONDITIONAL USE PERMIT, TO ALLOW FOR A CANNABIS DISTRIBUTION FACILITY AT 8227-8229 COMMERC

DESCRIPTION: The applicant, Center Street Distribution, LLC, is requesting a Conditional Use Permit (CUP) to allow for a Cannabis Distribution Facility in the M (Industrial Service and Manufacturing) Zone

ISSUING DEPARTMENT: Community Development

SUMMARY:

Issue(s):

Should the Planning Commission approve a Conditional Use Permit, to allow for the use of Cannabis Distribution at 8227-8229 Commercial Street

Recommendation:

Adopt Resolution PC-2024-XX (Attachment A) approving Project No. 2022-0692, to approve a Conditional Use Permit to allow for Adult Use Cannabis Distribution at 8227-8229 Commercial Street.

Environmental Review: (if required)

The project is exempt from environmental review under CEQA Guidelines Sections 15301, 15303, and 15332. Section 15301 exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of a private structures involving negligible or no expansion of a use beyond what existed at the time of the lead agency's determination. Section 15303 exempts new construction or conversion of small structures including commercial structures, accessory structures, and water, electrical, gas, and other utility extensions including street

Report to Planning Commission

Date: July 17, 2024

Page: 2 of 6

improvements. Section 15332 exempts infill development projects that meet all of the conditions necessary to qualify for the exemption: (a) the project is consistent with the applicable general plan designation and policies, as well as with applicable zoning designation, and regulations; (b) the project occurs within the City limits on a project site of no more than five acres substantially surrounded by urban uses; (s) the project site has no value, as habitat for endangered, rare, or threatened species; (d) approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and the site can be adequately served by all required utilities and public services. The project meets the criteria for the exemption. None of the exceptions listed in Section 15300.2 apply. Therefore, the project complies with the exemption standards established in the CEQA Guidelines

BACKGROUND:

In October 2019, the City of La Mesa adopted Chapter 6.11 of the La Mesa Municipal Code – Commercial Adult-Use Cannabis Businesses. It is the purpose and intent of Chapter 6.11 to implement the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (hereinafter “MAUCRSA”) to provide access to adult-use cannabis for persons over the age of twenty-one as authorized by the Control, Regulate and Tax Adult use Marijuana Act (“AUMA” or “Proposition 64” passed by California voters in 2016), Further, it is the intent of Chapter 6.11 to regulate the cultivation, processing, manufacturing, testing, sale, delivery, distribution, and transportation of cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of the city of La mesa; to impose regulations on the use of land; and to enforce rules and regulations consistent with state law. Chapter 6.11 requires all adult-use commercial cannabis operators to obtain and hold a license to operate within the City of La Mesa.

California offers a transport-only distributor license which restricts licensees to moving cannabis and cannabis products between cultivation, manufacturing, or distribution premises. Transport-only distributor licenses cannot perform any other functions of a distributor, including testing, packaging, or labeling. A transport-only distribution license in California is also referred to as a Type 13 license does not permit the transportation of cannabis goods to a licensed retailer. However, they can transport immature live plants and seeds from a licensed nursery

The Phase Two Adult Use Cannabis License application for the proposed Distribution Use (Type 13 - transport only) at 8227-8229 Commercial Street is currently in process and is anticipated to be approved in August 2024. The proposed Adult Use Cannabis Distribution Facility (Distribution Facility), also requires a CUP, approved by Planning Commission.

The proposed distribution facility is consistent with the allowed uses within the Industrial Service and Manufacturing Zone (M Zone). The purpose and intent of the M Zone is to provide areas where light manufacturing, industrial uses, and processing can be accommodated without undue environmental pollution or impact. This zone also provides for redevelopment for general commercial uses as stated in La Mesa Municipal Code (LMMC) Section 24.07.010.

DISCUSSION:

The applicant, Center Street Distribution, LLC, proposes a minor interior tenant improvement to an existing 4,859 square foot light-industrial building to allow for the distribution facility (Attachment B). No exterior improvements are proposed or required. Pursuant to LMMC 6.11.070 (C), a validly permitted and licensed adult-use cannabis distribution facility may be authorized without co-location with a medicinal use cannabis business validly permitted and licensed under Measure “U” (LMMC Chapter 24.23). The proposed action requires approval of an adult use license and a conditional use permit. The subject 5,275 square foot site is located on the southerly side of Commercial Street, west of Center Street (Attachment C).

Required Findings for Conditional Use Permit (CUP) Approval:

City staff has reviewed the proposal for a distribution facility at 8227-8229 Commercial Street and has determined that the project is consistent with the recommended land use and development standards in effect for this site in accordance with the La Mesa Municipal Code Chapters 6.11 and 24.23. The project is not requesting, nor does it require, any deviation or variance from the applicable regulations and policy documents. The proposed specific regulatory conditions of approval assure the project’s compliance with applicable local, regional, and State codes and rules, and ensure the project would not be detrimental to the public health, safety and welfare.

Based on the findings for approval of a conditional use permit (LMMC Section 24.02.060) and the analysis in this report, staff has made the following findings in support of the recommendation of approval.

Incompatibility with other uses in the same vicinity will not result.

The project is compatible with other uses in the same vicinity. The Industrial Service and Manufacturing (M) zoning classification of the subject property is consistent with the General Plan land use designation of Light Industrial. The M zone permits an adult use cannabis distribution use with a CUP. The zone is intended for and permits general commercial uses with light industrial and manufacturing-type uses. Existing uses along Commercial Street include manufacturing and sales; fabrication shops, and multi-tenant industrial buildings. The proposed distribution use is a compatible use with the wide range of surrounding industrial, manufacturing, and general commercial uses identified above

and therefore will not adversely affect surrounding uses or conflict with the vision established for the industrial area by the applicable land use plan.

Issuance of such a conditional use permit would not lead to the creation of a nuisance and would not endanger the public health, safety, or order by:

- (1) Unreasonably increasing pedestrian and/or vehicular traffic in the area in which the premises are located.

The issuance of a CUP would not unreasonably increase pedestrian and/or vehicular traffic in the area. The proposed facility will be fully contained within an existing 4,859 square foot building that is not expected to increase additional vehicular trips. The proposed project is an industrial use, which is similar to other industrial uses allowed in the M Zone. The proposed use is not expected to generate high levels of vehicular or pedestrian traffic and therefore no traffic impacts would be expected with the cannabis distribution use.

The proposed specific regulatory conditions of approval further assure the project's compliance with applicable local, regional, and state codes and rules including that entry to the facility is prohibited unless said person(s) is a licensed facility employee, or those whose responsibilities necessitate access to facility provided they are under direct personal supervision. All access to the site will comply with all local and the Department of Cannabis Control regulations. These regulations, which would be implemented and enforced through the adult use cannabis license and approved CUP, are intended to reduce and/or prevent all adverse impacts to the public and community at large. The project, as proposed, is compliant with both LMMC Chapters 6.11 and 24.23.

- (2) Increasing the incidence of disruptive conduct in the area in which the premises are located.

The issuance of a CUP would not unreasonably increase the incidence of disruptive conduct in the area. The proposed project conditions include provisions for security measures to be implemented, including, but not limited to, perimeter security and lighting systems, fire and burglar alarm systems monitored by an alarm company licensed by the State of California; evidence that a California State Licensed Security Guard contracted by the business is present at all times the facility is open, and installation of an operable 24-hour, fixed-camera video surveillance system; The surveillance system is required to cover every interior area and room, and adjacent perimeter areas, within a minimum of 50 feet. 24-hour surveillance system access is required by the La Mesa Police Department or other City authorized department.

In addition, conditions of the permit would require that the applicant for the permit proactively address and cure any legitimate loitering complaints, noise complaints, odor complaints, non-compliance issue with the CUP, or non-compliance with other applicable State or local regulations. Failure to operate the business in conformance to the conditions of approval(s) could result in possible suspension or revocation of the CUP and/or cannabis license(s). It is not anticipated that within such a controlled and conditioned environment, disruptive conduct would occur.

(3) Unreasonably increasing the level of noise in the area in which the premises are located.

In this case, the issuance of a CUP would not unreasonably increase the level of noise in the area. No increase in noise level is expected from this industrial use compared to other uses allowed in the M zone. The proposed cannabis distribution facility is an indoor use comparable with surrounding uses, with the expectation that noise generated by normal operations and other operations activity should not be significantly different from a use that is more familiar to the general public. In addition, the project complies with LMMC Chapters 6.11 and 24.23 and a condition of the permit would require the applicant to proactively address and cure any legitimate noise complaints. Failure to do so could result in possible suspension or revocation of the CUP and/or cannabis license(s).

The use is consistent with the General Plan

The General Plan land use designation of the subject property is “Commercial Light Industrial” and is consistent with the Industrial Service and Manufacturing (M) zone classification of the property. With a CUP, conditions to regulate the project will promote the goals and objectives of the General Plan. Designated for “Light Industrial” land use, the General Plan states that the goal of this designation is to preserve the area as an employment center by allowing a mix of light industrial, wholesale commercial and construction service uses. When considering which particular uses are acceptable, the City will encourage those uses which generate employment or revenue. The proposed distribution facility would support this planned land use intent. General Plan Objective LU-3.2 promotes “An industrial employment center attractive to customers from both local neighborhoods and Regional communities” (p. LD-37) with supporting policies to encourage businesses that improve the appearance of the area and provide off-street and on-street parking to satisfy inadequate parking availability for the area. The project also promotes economic growth and employment consistent with Land Use Policy LU-3.2.1.

CONCLUSION:

The project meets the location and design of commercial adult-use cannabis standards required pursuant to La Mesa Municipal Code 6.11.160 (D), which states that each commercial adult-use cannabis business projects shall:

1. Conform to the city's general plan, any applicable specific plans, masterplans, and design requirements.
2. Comply with all applicable zoning and related development standards.
3. Be constructed in a manner that minimizes odors to surrounding uses, and promotes quality design and construction, and consistency with surrounding properties.
4. Be adequate in size and shape to accommodate yards, walls, fences, parking and loading facilities, landscaping and all items required for the development
5. Be served by streets and/or highways adequate in which and improved as necessary to carry the kind and quantity of traffic such use will generate.
6. Be provided with adequate electricity, sewage disposal, water, fire protection, and storm drainage facilities for the intended purpose.

RECOMMENDATION:

Staff recommends that the Planning Commission adopt a resolution approving Project No. 2022-0692, approval of a CUP for a cannabis distribution facility located at 8227-8229 Commercial Street, subject to the recommended conditions of approval shown on Exhibit A and project plans, as submitted.

Respectfully submitted by:

Lynnette Santos

Lynnette Santos
Director of Community Development

Attachments:

- Attachment A: Resolution PC-2024-XX
- Attachment B: Project Plans
- Attachment C: Vicinity Map