

## PLANNING COMMISSION AGENDA REPORT

**SUBJECT:** REVIEW OF A CONDITIONAL USE PERMIT (USE-0266-2024) FOR A NEW 2480 SQUARE-FOOT COMMERCIAL CANNABIS RETAIL STOREFRONT LOCATED AT 2400 BROAD STREET, IN THE RETAIL COMMERCIAL (C-R-SF) ZONE WITH SPECIAL FOCUS OVERLAY (THE PROJECT IS CATEGORICALLY EXEMPT FROM E

**FILE NUMBER:** USE-0266-2024

**BY:** Ivana Gomez, Cannabis Business Coordinator  
 Phone Number: (805) 781-7147  
 Email: igomez@slocity.org

**APPLICANT:** Embarc SLO

**PROJECT ADDRESS:** 2400 Broad Street

**FROM:** Brian Leveille, Principal Planner

### RECOMMENDATION

Adopt the Draft Resolution (**Attachment A**) granting a Conditional Use Permit allowing the establishment and operation of a cannabis retail storefront at 2400 Broad Street, based on findings and subject to conditions.

### SITE DATA

<b>Applicant</b>	Embarc SLO
<b>Zone</b>	Retail Commercial (C-R)
<b>Overlay Zone</b>	Special Focus Area Overlay Zone (S-F), Cannabis Business Zone Overlay (CBZ)
<b>General Plan Land Use</b>	General Retail (G-R)
<b>Site Area</b>	Approximately 0.18 acre (8,000 s.f.)
<b>Environmental Determination</b>	Categorically Exempt, CEQA Guidelines § 15301 (Existing Facilities)



**Figure 1: Project Site.**

### 1.0 COMMISSION'S PURVIEW

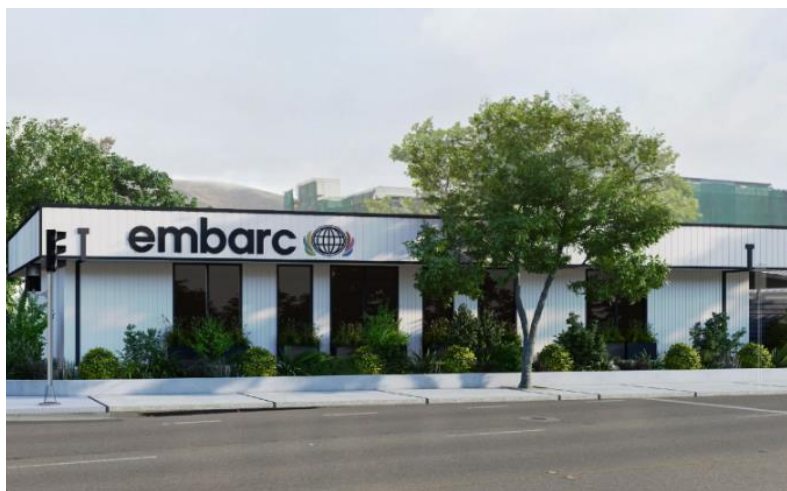
USE-0266-2024 (2400 Broad)  
Planning Commission Report – September 11, 2024

The Planning Commission’s role is to review the project for consistency with the policies and standards set forth in the City’s General Plan and Zoning Regulations, including specific standards for commercial cannabis activities described in Section § 17.86.080 of the Municipal Code (Zoning Regulations for Cannabis Activities).

## 2.0 SUMMARY

The applicant, Embarc San Luis Obispo (Embarc SLO), has applied for a Conditional Use Permit to establish a cannabis retail storefront business, as provided by Sections §§ [17.10.020\(A\)](#) and [17.86.080\(E\)\(1\)\(a\)](#) of the Municipal Code (SLOMC) in a 2,480 square-foot commercial building space (formerly the Hanger Clinic) at 2400 Broad Street. To operate a commercial cannabis business in the City, applicants are required to obtain both a Commercial Cannabis Operator Permit (Operator Permit) pursuant to Chapter [9.10](#) (Cannabis Regulations), and a Conditional Use Permit, as outlined in Section § [17.86.080](#).

The City of San Luis Obispo currently hosts two commercial cannabis operations—Megan’s Organic Market, LLC and SLOCAL Roots, LLC—both of which are retail storefronts. Per Section § 17.86.080(E)(10)(b)(ii) of the Municipal Code, retail storefronts are capped at three citywide. During the most recent application period (July 1, 2023 – August 15, 2023), the City received two competitive applications for the remaining retail storefront permit. These applications were scored based on the City’s Cannabis Business Operator Permit Scoring Guidelines<sup>1</sup> and merit criteria adopted by the City Council<sup>2</sup>. Following this evaluation process, Embarc SLO was selected and issued a Contingent Operator Permit by the City Manager. Embarc SLO will be eligible to receive a Final Operator Permit upon approval of the Conditional Use Permit.



*Figure 2: Embarc SLO Front Elevation as proposed in application (Broad Street).*

## 3.0 PROJECT INFORMATION

---

<sup>1</sup> [Cannabis Business Operator Permit Scoring Guidelines](#)

<sup>2</sup> [R-11417 approving updates to the Cannabis Operator Permit Ranking Criteria \(slocity.org\)](#)

**3.1 Site Information/Setting**

**Table 1: Site Information**

<b>Present Use &amp; Development</b>	Vacant tenant space (formerly Hanger Clinic)
<b>Access</b>	Broad Street (Frontage Road Section) Woodbridge Street (Access Road)
<b>Surrounding Use/Zoning</b>	<b>North:</b> C-R-SF (General Retail Businesses – Cucina Kitchen & Baths, My Friend Mike’s Pizza) <b>East:</b> C-S-SF (Services & Manufacturing – West Coast Detailing) <b>South:</b> C-R-SF (General Retail Businesses – Isaman Design) <b>West:</b> R-2 (Medium Density Residential)

**3.2 Project Description**

As shown in the project Site Plan (**Attachment B**) and Floor Plan (**Attachment C**), the applicant proposes to convert an existing vacant retail building into a cannabis retail storefront business with:

- 2,480 total square feet of commercial building space;
- 1,028 square feet of retail space;
- 397 square feet of secure storage space;
- 331 square feet of employee break room space;
- 113 square feet of office space;
- A contact free screening lobby with polycarbonate windows and electronic access control;
- A covered and gated loading/unloading area with an electronic swinging gate; and,
- Customer parking area with eight vehicle parking spaces (including an ADA space) and two bicycle parking spaces;



**Figure 3: Embarc SLO Retail Sales Area and Lobby as proposed in application.**

**4.0 PROJECT ANALYSIS**

#### 4.1 Parking Statistics

**Table 2: Parking**

Item	Proposed	Standard
<b>Parking Spaces</b>		
<b>Total Vehicle</b>	8	8
General Retail	8	8 (1 per 300 s.f. of general retail)
Accessible Parking (ADA)	1	1
<b>Total Bicycle</b>	2	2
Bicycle	2 (short term)	2 (1 per 1,000 s.f.)

*Proposed: Applicant's project plans*

*Standard: SLOMC Chapter [17.72](#)*

The proposed project at 2400 Broad Street shares a parking lot with the neighboring business at 2420 Broad Street, Isaman Design. The total number of available parking spaces in the shared lot is 18 total parking spaces. Of those 18 parking spaces, 8 of them are to be reserved for Embarc SLO use, designated by signage. Additionally, 1 of the allocated Embarc SLO parking spaces is proposed to be a van accessible ([ADA](#)) parking space in accordance with the California Building Code (CBC).

The proposed parking meets the required number of spaces required for the land use (General Retail). The parking calculation is based on Section § [17.72.030](#), which requires 1 parking space for every 300 feet of general retail area, as well as the most recent edition of the ADA Standards for Accessible Design and the requirements of the California Building Code (CBC). The applicant is proposing to install two (2) short-term bicycle parking spaces consistent with bicycle parking space requirements of the Zoning Regulations (Section § [17.72.070](#)).

#### 4.2 Consistency with the General Plan

Staff has evaluated the proposed project for consistency with the applicable General Plan goals and policies, Zoning Regulations, and for consistency with the regulations for commercial cannabis activities set forth in SLOMC Chapter [9.10](#) (Cannabis Regulations) and Section § [17.86.080](#) (Zoning Regulations for Cannabis Activities).

USE-0266-2024 (2400 Broad)  
Planning Commission Report – September 11, 2024

Land Use Element - General Retail (GR)

The General Retail (GR) designation within the General Plan Land Use Designations and Development Standards provides for goods and services adequate to meet most of the cities needs and nearby county residents<sup>3</sup>. A cannabis retail storefront aligns with this land use designation because it functions primarily as a retail operation, which is a core activity permitted in these areas. Just like other retail businesses, it involves the sale of goods directly to consumers, fitting within the intended commercial uses of the General Retail zone.

Special Planning Area – Broad Street Area

The Broad Street Area is included as a Special Planning Area identified in the General Plan to create a safe, attractive and economically vital neighborhood with a mix of complementary land uses. The project is consistent with the purpose of this area as it will implement design ideas which promote the safety and beautification of the surrounding area including the development of limited access areas and a limited access intake area with an electronic swinging door, as well as updates to the exterior building such as new paint, trim and signage.

**4.3 Consistency with Overlay Zones**

Cannabis Business Zone (CBZ) and Special Focus Area (S-F) Overlays

The Cannabis Business Zone (CBZ) Overlay establishes land use controls for developments within its boundaries. The proposed retail storefront at 2400 Broad Street is consistent with this overlay, as cannabis retail storefronts are permitted in the Retail Commercial (C-R) Zone within the CBZ Overlay with a Conditional Use Permit. The project also meets buffer requirements by maintaining the required distance from sensitive land uses such as schools, parks, and residential areas.

Additionally, the site falls within the Special Focus Area (S-F) Overlay, which encourages revitalization through thoughtful development. This project enhances the Broad Street Area by incorporating design upgrades like new paint, trim, and signage, contributing to the area's beautification.

**4.4 Consistency with Cannabis Regulations and Zoning Requirements (SLOMC Chapter 9.10 and Section § 17.86.080)**

The project is consistent with the cannabis regulations outlined in Chapter 9.10 of the SLOMC, which were adopted by Ordinance No. 1647<sup>4</sup> on May 22, 2018. Chapter 9.10 establishes a regulatory framework to protect the health, safety, and welfare of the community by setting standards for commercial cannabis operations. The applicant has complied with these standards by obtaining a Contingent Operator Permit from the City on February 23, 2024, and upon approval of a Conditional Use Permit, will be eligible to obtain a Final Operator Permit from the City and a Type 10 storefront retailer license from the California Department of Cannabis Control (DCC).

---

<sup>3</sup> Chapter 1 - [SLO General Plan Land Use Element \(slocity.org\)](https://www.slocity.org/slo-general-plan-land-use-element)

<sup>4</sup> [O-1647 Zoning Amendments for Cannabis Business and Personal Cultivation \(slocity.org\)](https://www.slocity.org/o-1647-zoning-amendments-for-cannabis-business-and-personal-cultivation)

USE-0266-2024 (2400 Broad)  
Planning Commission Report – September 11, 2024

The project adheres to the operational requirements of Chapter 9.10, including provisions related to Records and Reporting (Section § 9.10.130), Inspection and Enforcement (Section § 9.10.140), and Security Measures (Section § 9.10.250). Additionally, the project complies with Sections §§ 9.10.210, 9.10.220, and 9.10.240, as no alcohol or tobacco sales, cannabis events, or cannabis vending machines are proposed on site. The applicant will be required to renew the commercial cannabis operator permit annually and maintain compliance with all reporting, inspection, and security requirements.

The project is also consistent with Section § 17.86.080 of SLOMC Title 17 (Zoning Regulations for Cannabis Activities), which were amended by Ordinance No. 1647 to establish land use requirements and development standards for cannabis activities. The proposed storefront is located within a zone designated for cannabis retail use, and the project meets all applicable development standards, including location restrictions and operational limitations. Based on this evaluation, the project satisfies the land use and development criteria set forth in the Zoning Regulations.

#### 4.4.1 Operations Plan

The applicant submitted an Operations Plan that complies with Section § 17.86.080(E)(4)(b), including an employee safety and training plan, noise and light management plan, waste management plan, and educational materials dissemination plan. The project will adhere to California Green Energy Standards and is not expected to result in excessive water, energy, or waste demand. Detailed analyses of the security plan, odor management plan, and access restriction plan for minors are provided below. Excerpts of the Operations Plan are included as **Attachment D** (sensitive material, such as certain Security Plan information, has been removed).

#### 4.4.2 Security Plan

The applicant prepared a Security Plan that meets both state-mandated regulations and City Police Department requirements (Section § 17.86.080(E)(4)(b)(i)). This Security Plan was reviewed and approved by the City's Police Department during the evaluation of the Commercial Cannabis Operator Permit application. The plan includes on-site security guards, controlled access to the retail area, a secured delivery bay, and real-time accessible video cameras for the City Police Department.

#### 4.4.3 Enforcement Priorities

Pursuant to Section § 17.86.080(E)(5)(e), all commercial cannabis facilities shall incorporate measures to adequately address enforcement priorities for commercial cannabis activities, including restricting access to the public and to minors and ensuring that cannabis and cannabis products are only obtained from and supplied to other permitted licensed sources within the state and not distributed out of state. The applicant will prevent anyone from under the age of 21 (or 18 with a valid physician's recommendation) from entering the retail facility by reviewing valid forms of identification in the screening lobby, before allowing access into the retail sales area.

USE-0266-2024 (2400 Broad)  
Planning Commission Report – September 11, 2024

Signage will be posted at the entrances to limited access areas, clearly indicating that only employees are permitted beyond these points. Access to these areas will be restricted based on employee roles, with keys and credentials distributed and collected at the beginning and end of each shift. The product intake area will feature a covered, gated entry with an electronically controlled swinging door for secure access.

Upon intake, a manager will examine goods for compliance with state packaging and labeling compliance, while verifying the sell-by dates, expiration dates and general condition of goods prior to acceptance. In accordance with state law, the applicant will use Metrc, the state's track-and-trace program which is designed to track the movement of cannabis products from seed to sale, ensuring compliance with state laws and regulations.

#### 4.4.4 Cannabis Odor

Commercial cannabis activities must be conducted in a manner that prevents cannabis odors from being detected offsite (Section § 17.86.080(E)(5)(c)). The applicant prepared an Odor Control Plan as part of their application packet, stating that all cannabis goods will be received in final form packaging with a tamper-evident seal, which significantly reduces odor. Odor control has been addressed as a condition of approval, requiring the operator to implement and maintain an effective ventilation and filtration system that prevents cannabis-related odors from escaping the premises. This condition creates an enforceable mechanism, allowing the City to take corrective actions if odors are detected beyond the building or on adjacent properties. Compliance with this condition will be monitored through inspections and complaints, ensuring that odor impacts on surrounding areas are minimized.

#### 4.4.5 Hours of Operation

Hours of operation proposed by the applicant are 7:00 a.m. to 9:00 p.m. Monday through Sunday, consistent with requirements set forth in Section § 17.86.080(E)(10)(v).

#### 4.4.6 Location and Number of Facilities

Zoning Regulations mandate that cannabis retail storefront businesses be located at least 1,000 feet from schools (of any level), public parks, and playgrounds; at least 600 feet from licensed daycare centers; and at least 300 feet from any residentially zoned area within the Cannabis Business Zone (Section § 17.86.080(E)(10)(iii)). Cannabis retail storefronts are limited to three facilities within the City (Section § 17.86.080(E)(10)(b)(ii)). Additionally, cannabis retail storefront businesses must be separated by at least 1,000 feet from other cannabis retail storefront businesses (§ 17.86.080(E)(10)(b)(iv)). The two other retail storefronts in the City, Megan's Organic Market at 280 Higuera Street and SLOCAL Roots at 3535 South Higuera Street, are both more than 1,000 feet from the subject site. A Sensitive Use Map has been submitted with the application and is attached for reference (**Attachment E**).

## 5.0 ENVIRONMENTAL REVIEW

The project is categorically exempt from the preparation of environmental documentation under the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301 (Existing Facilities). The project is consistent with General Plan policies for the land use designation and is consistent with the applicable zoning designation and regulations. The project consists of the operation of existing, private structures that involves negligible expansion of use beyond existing and historical uses as an orthotic and prosthetic sales facility (Hanger Clinic), as described in CEQA Guidelines § 15301 (Existing Facilities). The project site is not on a list of hazardous waste sites and does not contain a significant historical resource. The property is less than one acre in size and is surrounded by urban uses that have no value as habitat for endangered, rare or threatened species as the site is located on an existing developed property and is almost entirely paved. The site is served by required utilities and public services.

## 6.0 OTHER DEPARTMENT COMMENTS

The project has been reviewed by the Building Division, Engineering Division, Planning Division, Utilities Department, and Fire Department. As noted above, the Security Plan was reviewed and approved by the City Police Department. Any conditions of approval or informational notes from these departments and divisions have been incorporated into the Draft Resolution (**Attachment A**) for project approval.

## 7.0 ALTERNATIVES

1. **Continue the item.** An action to continue the item should include a detailed list of additional information or analysis required to make a decision.
2. **Deny the item.** Deny the project based on findings of inconsistency with State law, the General Plan, Zoning Regulations, and/or other pertinent City standards. This is not recommended as the applicant has already received a contingent operator permit and the Conditional Use Permit application demonstrates consistency with all applicable local and state requirements governing commercial cannabis activity.

## 8.0 ATTACHMENTS

- A – Draft PC Resolution (USE-0266-2024)
- B – Project Site Plan
- C – Project Floor Plan
- D – Operations Plan (Excerpts)
- E – Sensitive Use Map