

RESOLUTION NO. PC-XXXX-24

A RESOLUTION OF THE CITY OF SAN LUIS OBISPO PLANNING COMMISSION GRANTING A CONDITIONAL USE PERMIT FOR THE ESTABLISHMENT AND OPERATION OF A CANNABIS RETAIL STOREFRONT. THE PROJECT IS EXEMPT FROM ENVIRONMENTAL REVIEW (CEQA) AS REPRESENTED IN THE PLANNING COMMISSION AGENDA REPORT AND ATTACHMENTS DATED SEPTEMBER 11, 2024 (2400 BROAD STREET; USE-0266-2024)

WHEREAS, the Planning Commission of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California on September 11, 2024, for the purpose of considering a Conditional Use Permit application USE-0266-2024 for establishment and operation of a cannabis retail storefront; and

WHEREAS, notices of said public hearing were made at the time and in the manner required by the law; and

WHEREAS, the Planning Commission has duly considered all evidence, including the testimony of interested parties and the evaluation and recommendations provided by staff, presented at said hearing.

NOW, THEREFORE, BE IT RESOLVED, by the Planning Commission of the City of San Luis Obispo as follows:

SECTION 1. Findings. Based upon all evidence, the Planning Commission makes the following findings in support of approval of the Conditional Use Permit:

1. The project complies with the applicable provisions of the San Luis Obispo Municipal Code (SLOMC), specifically Chapter 9.10 (Cannabis Regulations) and Section § 17.86.080 (Zoning Regulations for Cannabis Activities) because the applicant has secured a Contingent Operator Permit to conduct commercial cannabis activity, 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). The project, as proposed, meets all operational requirements set forth in Chapter 9.10, including reporting, inspection, and security measures, and the applicant is required to maintain ongoing compliance with these regulations. The proposed location is within a zone designated for cannabis retail use, and the project complies with all applicable development standards including adherence to an Operations Plan, Security Plan, Waste Management Plan, and Odor, Noise and Light Management Plan.

2. The proposed use is consistent with the General Retail (G-R) designation as described in the General Plan Land Use Element. The General Retail designation is intended to accommodate businesses providing goods and services to meet the needs of city residents and nearby county communities. A cannabis retail storefront operates similarly to other retail establishments, engaging in direct sales of goods to consumers, which aligns with the permitted uses in the General Retail zone.

3. The project is consistent with the goals of the Broad Street Area Special Focus Planning area because it will contribute to the visual improvement and economic revitalization of the surrounding area.

4. The proposed use is consistent with the intent of the Cannabis Business Zone (CBZ) Overlay. This overlay establishes specific land use controls for areas zoned to accommodate cannabis-related businesses. The proposed project complies with the Zoning Regulations, as cannabis retail storefronts are permitted within the Retail Commercial (C-R) Zone under the CBZ Overlay, subject to the approval of a Conditional Use Permit. The project also meets the required buffer distances from sensitive land uses, including schools, parks, and residential areas, thereby satisfying the location criteria established in the CBZ Overlay.

5. The site is adequate for the project in terms of size, configuration, topography, location, and other applicable features, and has appropriate access to public streets with adequate capacity to accommodate the quantity and type of traffic expected to be generated by the use.

6. The project will not be detrimental to the health, safety and welfare of persons living or working at the site or in the vicinity because the cannabis retail storefront does not present a potential threat to the surrounding property and buildings. This project is subject to the Conditional Use Permit requirements, City regulations, and California Building Code requirements designed to address health, safety, and welfare concerns.

7. The applicant prepared a Security Plan that addresses both state-wide regulations of the Department of Cannabis Control and concerns of the City Police Department.

8. The cannabis retail storefront, as proposed, will comply with all the requirements of the State and City for the dispensing of cannabis, including dual licensure and participation in an authorized track and trace program.

SECTION 2. Environmental Determination. 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. The site is served by required utilities and public services.

SECTION 3. Action. The Planning Commission hereby approves the Conditional Use Permit application USE-0266-2024 for a cannabis retail storefront project at 2400 Broad Street subject to the following conditions:

1. The proposed use shall operate consistent with the project description and other supporting documentation submitted with this application unless otherwise conditioned herein, including, but not limited to the Operations Plan; Chapter 9.10 of the Municipal Code; and Section § 17.86.080 of the Municipal Code. This Conditional Use Permit shall be reviewed by the Community Development Director if any reasonable written complaint is received from any citizen or from the Police Department or upon receipt of evidence that the use is not in compliance with conditions of approval or the Municipal Code. The Community Development Director may refer the complaint to the Planning Commission at his/her discretion and conditions of approval may be added, deleted, or modified or the Conditional Use Permit may be revoked to ensure on-going compatibility between uses on the project site and other nearby uses.

2. The applicant shall obtain and maintain a Commercial Cannabis Operator Permit from the City and any appropriate state licenses.

3. The applicant shall pay all applicable current and future state and local taxes and all applicable commercial cannabis fees and related penalties established by City Council, including but not limited to applications, administrative review, inspections, etc.

4. All owners, principals, property owners and employees must undergo background checks and be vetted in accordance with state law and local cannabis regulations. No employee with a disqualifying criminal record, as defined by state law, shall be employed at the cannabis retail storefront.

5. Minors under the age of 18 are prohibited from entering the cannabis retail storefront. Individuals aged 18 to 20 with a valid medical cannabis identification card, in compliance with California state law, may enter the premises, while all other persons under 21 without a valid medical ID are prohibited, even if accompanied by a parent or guardian.

6. Outdoor storage of cannabis or cannabis products is prohibited.

7. The operator shall implement and maintain a ventilation and filtration system to prevent odors from escaping the premises. Odors must not be detectable outside the building or in adjacent properties.

8. Any parking lot lighting installed on the site by the applicant shall be night sky compliant. The Community Development Director may modify this requirement upon a determination that such lighting would not be conducive to the safety of the public or would not meet the requirements of the California Building Code, while maintaining consistency with the intent of the City's Lighting and Night Sky Ordinance.

9. All business operations, including deliveries and waste collection, shall adhere to the City's noise control regulations. Noise levels must be minimized to avoid disturbance to nearby residential and commercial areas.

10. The operator shall ensure full compliance with the most recent editions of the ADA Standards for Accessible Design and the California Building Code (CBC), implementing all required accessibility and safety measures in the design and operation of the cannabis retail storefront.

11. The operator shall obtain a building permit from the City prior to commencing any physical work on the premises, ensuring that all construction activities are reviewed and approved in accordance with City regulations.

12. Prior to the issuance of a building permit, the applicant shall record a Community Benefits Agreement, reflecting the community and environmental commitments from the Commercial Cannabis Operator Permit application, which were evaluated in the scoring process, in a form approved by the City Attorney.

13. The applicant shall defend, indemnify, and hold harmless the City and/or its agents, officers, and employees from any claim, action, or proceeding against the City and/or its agents, officers, or employees to attack, set aside, void, or annul the approval by the City of this project, and all actions relating thereto, including but not limited to environmental review ("Indemnified Claims"). The City shall promptly notify the applicant of any Indemnified Claim upon being presented with the Indemnified Claim, and City shall fully cooperate in the defense against an Indemnified Claim.

Upon motion of _____, seconded by _____ and on the following roll call vote:

AYES:

NOES:

ABSENT:

The foregoing resolution was passed and adopted this _____ day of _____ 2024.

Brian Leveille, Secretary
Planning Commission