



**CITY OF SALINAS
PLANNING COMMISSION REPORT**

DATE: APRIL 3, 2024

TO: PLANNING COMMISSION

FROM: COURTNEY GROSSMAN, PLANNING MANAGER

BY: THOMAS WILES, SENIOR PLANNER

TITLE: **CONDITIONAL USE PERMIT 2022-048 AND COMMERCIAL CANNABIS PERMIT 2023-007 FOR SUBJECT SITE 1228 SOUTH MAIN STREET IN THE COMMERCIAL RETAIL - SOUTH MAIN STREET FOCUSED GROWTH OVERLAY DISTRICT (CR-FG-3) ZONING DISTRICT**

RECOMMENDED MOTION:

Receive a report from Staff and consider the following:

1. Conditional Use Permit 2022-048 to change the use from *Retail* to a proposed two-tenant *Shopping Center* within an existing 20,162 square-foot building located at 1228 South Main Street in the Commercial Retail - South Main Street Focused Growth Overlay District (CR-FG-3) Zoning District and allowing for a 41-space (51%) Parking Reduction per Zoning Code Table 37-50.100, exception from the requirements of Zoning Code Section 37-50.200 to allow for internal waste storage to be located within the existing structure, and Alternative Means of Compliance for landscaping; and
2. Commercial Cannabis Permit 2023-007 to amend Commercial Cannabis Permit 2023-003 to relocate an existing Cannabis Dispensary with accessory Delivery and Distribution from 1156 Abbott Street to the subject site located at 1228 South Main Street within proximity of sensitive use buffers.

Depending on the Commission's action with respect to the above Conditional Use Permit and Commercial Cannabis Permit, the Commission will need to either find the project categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332 (*In-fill Development Projects*), if approved, or statutorily exempt from CEQA pursuant to CEQA Guidelines Section 15270 (*Projects Which are Disapproved*), if denied.

EXECUTIVE SUMMARY:

Canna Cruz, Incorporated is requesting approval of Conditional Use Permit 2022-048 to change the use an existing 20,162 square-foot building located at 1228 South Main Street in the Commercial Retail - South Main Street Focused Growth Overlay District (CR-FG-3) Zoning District from *Retail* to a proposed two-tenant *Shopping Center*. The two tenant uses include a 9,413 square-foot retail furniture store in the front portion (Unit “A”) of the building and a 10,749 square-foot Cannabis Dispensary with accessory Delivery and Distribution retail use in the rear portion (Unit “B”). CUP 2022-048 includes the allowance of a 41-space (51%) Parking Reduction per Zoning Code Table 37-50.100, exception from the requirements of Zoning Code Section 37-50.200 to allow for internal waste storage to be located within the existing structure, and Alternative Means of Compliance for landscaping Planning Commission consideration is required for Parking Reductions exceeding 30%.

The project also includes a related Commercial Cannabis Permit 2023-007 to amend Commercial Cannabis Permit 2023-003 to relocate an existing Cannabis Dispensary with accessory Delivery and Distribution from 1156 Abbott Street to the subject site located at 1228 South Main Street. The subject site is located within sensitive use buffers as shown on the attached Sensitive Uses Map provided as an attachment to this Report. Planning Commission consideration is required for Commercial Cannabis Permits within sensitive use buffers. The Planning Commission must approve the proposed Conditional Use Permit 2022-048 (CUP 2022-048) allowing for a 10,749 square-foot Cannabis Dispensary with accessory Delivery and Distribution in Unit “B” for the related amendment to Commercial Cannabis Permit 2023-003 (CCP 2023-007) to be considered.

Staff is requesting that the Planning Commission receive the report, consider whether to approve Conditional Use Permit 2022-048 and Commercial Cannabis Permit 2023-007, related to the establishment of a commercial cannabis use at 1228 South Main Street, make findings in support of its determination, and make findings with respect to compliance with CEQA.

DISCUSSION:

Background:

Canna Cruz Incorporated has applied for two separate permits as described below:

1. Conditional Use Permit 2022-048 (CUP 2022-048): request to change the use from *Retail* to a proposed two-tenant *Shopping Center* within an existing 20,162 square-foot building. Proposed uses include a 9,413 square-foot retail furniture store in the front portion (Unit “A”) and a 10,749 square-foot Cannabis Dispensary with accessory Delivery and Distribution retail use in the rear portion (Unit “B”). CUP 2022-048 also includes a, a 41-space (51%) Parking Reduction per Zoning Code Table 37-50.100 (40 off-street parking spaces), exception from the requirements of Zoning Code Section 37-50.200 to allow for internal waste storage to be located within the existing structure, and Alternative Means of Compliance for landscaping located on a 1.02-acre site at 1228 South Main Street in the

Commercial Retail - South Main Street Focused Growth Overlay District (CR-FG-3) Zoning District; and

2. Commercial Cannabis Permit 2023-007 (CCP 2023-007): Request to amend Commercial Cannabis Permit 2023-003 (CCP 2023-003) to relocate from 1156 Abbott Street to the subject site located 1228 South Main Street within proximity of sensitive uses.

The property is owned by Samuel & Marguerite Kobrinsky, Trustees. A furniture store previously occupied the building until December 31, 2021. The property consists of 1.02-acres and is located in the Commercial Retail – South Main Street Focused Growth Overlay District (CR-FG-3) Zoning District. The following provides an overview of the land uses and zoning districts adjacent to the project site:

North:	Restaurant and Multi-family Residential / Commercial Retail – South Main Street Focused Growth Overlay District (CR-FG-3)
South:	Restaurant and Commercial / Commercial Retail – South Main Street Focused Growth Overlay District (CR-FG-3)
East:	Shopping Center / Commercial Retail – South Main Street Focused Growth Overlay District (CR-FG-3)
West:	Commercial / Commercial Retail – South Main Street Focused Growth Overlay District (CR-FG-3)

The project was originally scheduled for a Special Planning Commission public hearing on January 10, 2024. However, the hearing was cancelled due to concerns with zoning compliance. On December 29, 2023, the Applicant requested a 90-day time extension pursuant to Government Code Section 65957. Staff met with the Applicant on January 24, 2024, and February 28, 2024, to address outstanding issues. Revised plans were subsequently submitted, and a new hearing was scheduled for Planning Commission consideration on March 20, 2024. However, to ensure the complete processing of CCP 2023-007, the item was continued to the April 3, 2024 Planning Commission meeting.

Analysis:

Conditional Use Permit 2022-048

The subject site is designated Retail by the 2002 Salinas General Plan and is located in the CR-FG-3 (Commercial Retail – South Main Street Focused Growth Overlay) Zoning District. Per Zoning Code Section 37-30.190, the CR district allows a wide range of commercial retail uses such as retail stores, lodging, commercial recreation, personal services, business services and financial services. Until December 31, 2021, the site was occupied by a furniture store known as Legacy Furniture. The proposed Cannabis Dispensary is considered a retail use. Per Zoning Code Section 37-30.200, Table 37-30.90 and Section 37-40.220, retail uses are subject to consideration of an administrative Site Plan Review (SPR).

The table below summarizes the square footage of the building by proposed use. (see Exhibits “E” and “L” of CUP 2022-048):

Description (floor plan)	Area (s.f.)	Percent of Unit “A”/”B”	Zoning Code Use Classification Correlation	Percent of Bldg.
Dispensary (Unit “B”) (lobby, 565 s.f.)	6,543	61% (“B”)	Retail	32%
Distribution/Fulfillment (Unit “B”)	2,718	25% (“B”)	Warehouse/Distribution	13%
Employee/Common Area (Unit “B”)	1,488	14% (“B”)	Accessory	8%
Furniture Store (Unit “A”)	9,413	100% (“A”)	Retail	47%
Total:	20,162	100% (both)	n/a	100%

As shown above, 79% (32%+47%=79%) of the floor area of the building would be allocated to retail (dispensary and furniture store) and 21% (13%+8%=21%) for distribution/fulfillment and employee/common area, which conforms with the Retail zoning district requirements.

The project site is located in the South Main Street Focused Growth Overlay District (FG-3). Per Zoning Code Section 37-40.200, the purpose of the Focused Growth Overlay District is the following:

- (a) Create healthy neighborhood centers where residents of all economic and cultural backgrounds can live, work, walk, shop, exercise, and spend quality time outdoors;
- (b) Increase pedestrian activity by creating neighborhood centers that are conveniently accessed by public transit;
- (c) Provide a mixture of uses to keep the neighborhoods active at all times of the day, not just morning and evening (as in the case of residential zones) or business hours (for commercial zones);
- (d) Reduce vehicle trips and traffic by encouraging a mixture of uses and activities in one location;
- (e) Encourage creative architecture and public design that communicate a neighborhood's locale, purpose, priorities, and personality to those who use the space; and
- (f) Create revitalized neighborhoods through infill development and redevelopment activities.

The proposed project substantially complies with the purposes of the FG-3 District through infill development by revitalizing an existing vacant building providing additional retail opportunities.

Per Zoning Code Section 37-40.250, the Mixed Use Development standards shall apply to all development in the Focused Growth Overlay. The primary entrance for the retail furniture use, Unit “A”, will be from South Main Street which will provide eyes to the street as per Zoning Code Section 37-30.280(f)(1). The South Main Street frontage will provide natural surveillance per

Zoning Code Section 37-30.280(d) with the placement of windows, doors, and walkways.

The primary entrance for Unit “B” will be from a side entrance which is relatively close to the driveway entrance from South Main Street. The main entrance to the cannabis dispensary and distribution use, Unit “B”, would provide natural surveillance with the placement of windows, doors, and a walkway facing the north elevation. Ancillary storage for the retail use for Unit “B” would be in the rear of the unit and not located within the public view.

The project includes a six (6) foot tall fence along the west and south property lines and maintenance of an existing fence along the north property line to separate the use from adjacent properties. The project includes changes to the exterior building elevations and retention of the existing freestanding sign.

Landscaping:

The project includes landscaping along the South Main Street frontage and within the parking lot area. Per the project plans, 6,323 square-feet of the project site (14%) and 887 square-feet of the parking area (6%) would be landscaped, which exceeds the minimum Zoning Code requirements of 10% and 5% respectively. The applicant is requesting approval of Alternative Means of Compliance for landscaping pursuant to Zoning Code Section 37-50.690(i), wherein enhanced landscaping would be installed along the South Main Street frontage where visible to the public in lieu of the required property line and parking lot planters pursuant to Zoning Code Section 37-50.690(g)(1)(B) and (g)(4). Alternative Means of Compliance for Landscaping requires enhanced landscaping (trees, shrubs, and groundcover) to be installed along the South Main Street frontage, which will achieve results comparable to those achieved through strict interpretation of the Zoning Code as required per Zoning Code Sections 37-50.690(g)(1)(B) and (g)(4). Landscape and irrigation plans (see Exhibit “M” of CUP 2022-048) are compliant with a condition in CUP 2022-048 that the proposed walkway from South Main Street to the main entrance of Unit “A” does not exceed four-feet (4’) in width to minimize hardscape along the public frontage.

Recycle/Trash Exception:

The recycling and solid waste facility is proposed to be located in the rear of the building in a secure 283 square-foot area, which requires consideration of an exception. The facility substantially complies with Zoning Code Section 37-30.280(t) because its location will be convenient for commercial users and associated odors and noise will not adversely impact nearby residential and commercial uses. On June 15, 2023, the City’s recycling and solid waste provider Republic Services reviewed the proposed design and stated that it meets their service requirements. Pursuant to Zoning Code Section 37-50.200(d), the Conditional Use Permit would authorize an exception from the requirements of Zoning Code Section 37-50.200 to allow for internal waste storage to be located within the existing structure per Exhibit “E” of CUP 2022-048 (Proposed Floor Plan). Prior to the issuance of any building permit, proposed occupancy of Unit “A” and/or any additional changes in the use of the shopping center, shall require written confirmation from the City’s solid waste service provider to ensure that the recycling and solid waste provisions of

the project will meet the service needs of the service provider.

Off-Street Parking Reduction

The project plans indicate the provision of 40 off-street parking spaces, including two (2) accessible spaces. Per Zoning Code Section 37-50.360, Table 37-50.100, a minimum of 81 off-street parking spaces are required for the proposed shopping center ($20,146/250 = 81$). Due to the shortfall of parking, approval of the project requires consideration of a 41-space (51%) Parking Reduction. Planning Commission consideration is required for Parking Reductions exceeding 30%. In order to approve a Parking Reduction any one of the four (4) findings stated in Zoning Code Section 37-50.370(a)(1 – 4) need to be established.

- (1) Parking and loading requirements for an existing building(s), due to the exceptional shape or size of the site or other unusual site conditions, are burdensome to the point where they prevent a reasonable range of uses similar to other properties in the same zoning district;
- (2) The use or activity is participating in a facilities trip reduction plan in accordance with [Section 37-50.330: Vehicle trip reduction](#);
- (3) Multiple uses with different peak parking hours are sharing the same parking and loading spaces; or
- (4) Survey or other data exists which supports a reduction in parking and loading spaces for uses which, by their nature, are not likely to be converted to another use with greater parking requirements.”

The Applicant is requesting a Parking Reduction per Section 37-50.370(a)(4), which states:

- (4) Survey or other data exists which supports a reduction in parking and loading spaces for uses which, by their nature, are not likely to be converted to another use with greater parking requirements.

The Applicant has submitted a traffic demand study entitled “CannaCruz Salinas Parking Demand Study dated February 9, 2024” (see Exhibit “L” of CUP 2022-048), which describes the proposed shopping center as follows:

1. 5,726 square-foot cannabis dispensary;
2. 2,387 square-foot distribution area;
3. 2,660 square-foot employee area; and
4. 9,373 square-foot furniture store.

Per Page 3 of the study, the Applicant states that due to a specific parking rate for cannabis dispensary and furniture store uses in the Zoning Code, that if the specific uses were broken down,

then only 39 off-street parking spaces would be required. This is less than the 40 proposed on-site spaces. Page 4 of the study cites parking demand at existing cannabis dispensaries located in Aptos, Moss Landing, Prunedale, and Salinas. On Page 11, using the weighted average peak parking demand rate calculations for the cited dispensaries, the project is estimated to generate a peak parking demand of 37 off-street parking spaces, which is within the proposed 40 spaces. The 16 square-foot difference between the project plans and the Parking Demand Study is for common area such as walkways, which will not have impact on the requirement for off-street parking. The application materials indicate that the project would include 20 employees, with a maximum of 10 on-site employees at one time.

The Planning Commission must approve the proposed Conditional Use Permit 2022-048 (CUP 2022-048) allowing for a 10,749 square-foot Cannabis Dispensary with accessory Delivery and Distribution in Unit “B” for the related amendment to Commercial Cannabis Permit 2023-003 to be considered.

Commercial Cannabis Permit 2023-007

Commercial Cannabis is regulated by the City’s Municipal Code Chapter 5 – Public Peace and Morals. The proposed Amendment to Commercial Cannabis Permit 2023-003 (CCP 2023-003) requesting relocation from 1156 Abbott Street to 1228 South Main Street is subject to compliance with Municipal Code Section 5-07.09(a). The applicant may request a change to the business location subject to the following requirements:

- (1) The applicant shall submit all items normally required for a new application, except that information related to the principals or operations that will remain unchanged and are not directly related to the site may be excluded.
- (2) The selection committee shall review the proposed new site. The selection committee may approve an amendment to the permit authorizing the new site if it can make the following findings:
 - a. The new site would not be located within the distances specified in Section 5-07.27, unless an exception is approved pursuant to that section.
 - b. The relocation to the new site would not create any significant negative impacts greater than those that existed at the original site.
 - c. The proposed location is located in an appropriate zoning district for the proposed use.
 - d. Owners of real property located within three hundred feet of the proposed site have been notified and have had the opportunity to provide information to the city regarding the proposed site.

Planning Commission consideration of the Amendment to Commercial Cannabis Permit (CCP 2023-003) is required because the Cannabis Selection Committee is not authorized to consider a

cannabis permit for a dispensary located within proximity of sensitive uses. Pursuant to Municipal Code Section 5-07.27(a), no commercial cannabis business may operate within 1,000 feet of any of the following sensitive uses:

- (1) School, college or university (including public, private, charter, and other nontraditional schools, but excluding trade schools that exclusively serve adults at least eighteen years of age);
- (2) Park, daycare center, library, or publicly-owned and operated recreational facility;
- (3) Church or other house of worship;
- (4) Smoke-shops, hookah lounges or businesses engaged in the same or a similar activity, and locations where alcohol is sold or served for individual consumption on or off the premises;
- (5) Card rooms and retail firearm sales businesses;
- (6) Any other commercial cannabis business operating as a dispensary, excepting therefrom the occasional and transient operation of a commercial cannabis delivery business, or
- (7) Any other public or private business or facility where the presence of the commercial cannabis activity would cause a public nuisance or other situation which may result in repeated police department response.

In this case, the project is located within 1,000 feet of identified sensitive uses listed in subsections 3 and 4 above as shown on the Sensitive Use of Cannabis Map attached to this Report.

Draft CCP 2023-007, provided as an attachment to this Report includes conditions regulating the operation of the proposed cannabis dispensary including licensing, hours of operation, security and safety, and employment and labor.

Police Department comments:

Per Municipal Code Section 5-07.27(d), no commercial cannabis business may operate within any residential area or district of the city or adjacent to a residential area or district if, in the opinion of the chief of police or the community development director, the operation of a commercial cannabis business in such location would tend to cause a public nuisance or a situation which may result in repeated police department response or a negative impact on the adjacent residential units. Staff notes there is an existing 46-unit multi-family residential development located at 75 Nissen Drive adjacent to the site to the northwest.

Per the attached Memorandum dated March 19, 2024, the Police Department (Exhibit “J” of Conditional Use Permit 2022-048) sees no issues with the proposed parking reduction and relocation of the dispensary. However, the Memorandum identifies concerns with the proposed Commercial Cannabis Permit amendment as described below:

1. Traffic: The proposed dispensary is located in an area of busy with traffic due to the intersection with South Main Street and Plaza Circle and the location of the existing driveway. Per the Police Department comments, there have been approximately 18 traffic collisions since 2021 at the intersection of South Main Street and Plaza Circle with one being a fatal collision of a vehicle and a bicyclist;
2. Crime: There have been several burglaries of Marijuana Dispensaries in Monterey County, with one occurring at 1051 Terven Avenue in Salinas, two in Greenfield, and 2 to 3 in other parts of Monterey County; and
3. Proximity to residences and schools: The project site is located within close proximity to residential areas and Salinas High School (3,200 feet away).

Public Correspondence

Owners of real property located within 300-feet of the proposed site have been notified and have had the opportunity to provide information to the City regarding the proposed site. Comment letters and other correspondence received up to the date of publication are attached to the Report. Additional comments received after publication will be provided to the Commission at the meeting and will be included in the record.

Findings:

The Planning Commission must establish findings to approve or deny the conditional use permit and Commercial Cannabis Permit applications to change the use from *Retail* to a proposed two-tenant *Shopping Center* within an existing 20,162 square-foot building at 1228 South Main Street that includes a 10,749 square-foot Cannabis Dispensary with Accessory Delivery and Distribution retail use in the rear portion of the building, and to amend Commercial Cannabis Permit 2023-003 to relocate an existing Cannabis Dispensary with accessory Delivery and Distribution from 1156 Abbott Street to the subject site.

The Planning Commission must approve the proposed Conditional Use Permit 2022-048 (CUP 2022-048) allowing for a 10,749 square-foot Cannabis Dispensary with accessory Delivery and Distribution in Unit B for the related amendment to Commercial Cannabis Permit 2023-003 (CCP 2023-007) to be considered. Findings for the Planning Commission to consider in making a determination on CUP 2022-048 include the following:

- a. The proposed location of the use and structure is in accordance with the objectives of the Salinas General Plan, the Zoning Code and the purposes of the district in which the site is located;
- b. The use and structure will comply with the provisions of the Salinas Zoning Code, including the specific conditions required for the proposed use and structure; and

- c. The proposed location of the conditional use and the proposed conditions under which it would be operated or maintained are consistent with the Salinas General Plan and will not be detrimental to the public health, safety, or welfare of persons residing or working in or adjacent to the neighborhood of such use, nor detrimental to properties or improvements in the vicinity or the general welfare of the City of Salinas.

Findings for the Planning Commission to consider pursuant to City Code Section 5-07.09(a)(2) CCP 2023-007 include the following:

- a. Even though the new site is located within the sensitive distances specified in City Code Section 5-07.27, an exception has been approved pursuant to this Section;
- b. The relocation of the new site would not create any significant negative impacts greater than those that existing at the original site;
- c. The proposed location is located in an appropriate Zoning District for the proposed use; and
- d. The proposed conditional use will comply with the provisions of the Salinas Zoning Code, including any specific conditions required for the proposed use.

Time Consideration:

The project was deemed complete on November 18, 2023. Originally, final action was required by January 17, 2024, pursuant to CEQA Section 15107. As stated above, on December 29, 2023, the Applicant requested a 90-day time extension pursuant to Government Code Section 65957. Per Government Code Section 65957, the new deadline for action is April 16, 2024.

CEQA CONSIDERATION:

If the project is approved, it will need to be determined to be exempt from the California Environmental Quality Act under Section 15332 (*In-fill Development Projects*) of the CEQA Guidelines. The project site consists of 1.02-acres and is served by existing utilities and public services. Approval of the project would not result in any significant effects relating to traffic, noise, air quality or water quality.

If the project is denied, it will need to be determined to be exempt from the California Environmental Quality Act (CEQA) under Section 15270 (*Projects Which Are Disapproved*) of the CEQA Guidelines. This is because as per this Section, CEQA does not apply to projects which a public agency rejects or disapproves.

Alternatives Available to the Commission:

The Planning Commission has the following alternative:

Receive a report from Staff and consider the following:

1. Conditional Use Permit 2022-048 to change the use from *Retail* to a proposed two-tenant *Shopping Center* within an existing 20,162 square-foot building located at 1228 South Main Street in the Commercial Retail - South Main Street Focused Growth Overlay District (CR-FG-3) Zoning District and allowing for a 41-space (51%) Parking Reduction per Zoning Code Table 37-50.100, exception from the requirements of Zoning Code Section 37-50.200 to allow for internal waste storage to be located within the existing structure, and Alternative Means of Compliance for landscaping; and
2. Commercial Cannabis Permit 2023-007 to amend Commercial Cannabis Permit 2023-003 to relocate an existing Cannabis Dispensary with accessory Delivery and Distribution from 1156 Abbott Street to the subject site located at 1228 South Main Street within proximity of sensitive use buffers.

Depending on the Commission's action with respect to the above Conditional Use Permit and Commercial Cannabis Permit, the Commission will need to either find the project categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332 (*In-fill Development Projects*), if approved, or statutorily exempt from CEQA pursuant to CEQA Guidelines Section 15270 (*Projects Which are Disapproved*), if denied.

ATTACHMENTS:

Draft Conditional Use Permit 2022-048 approval document with the following exhibits

- Exhibit "A" Vicinity Map
- Exhibit "B" Site Map (Sheet A0.0)
- Exhibit "C" Site Plan (Sheet A1.0)
- Exhibit "D" Existing Floor Plan (Sheet A2.0)
- Exhibit "E" Proposed Floor Plan (Sheet A2.1)
- Exhibit "F" Exterior Elevations (Sheet A4.0)
- Exhibit "G" Landscape, Fencing, and Bicycle Parking Details (Sheet A9.0)
- Exhibit "H" Conceptual Landscape Plans (Sheet L1.0)
- Exhibit "I" Engineer's Report dated March 6, 2024
- Exhibit "J" Police Department comments dated March 19, 2024
- Exhibit "K" Permit Center comments dated February 28, 2024
- Exhibit "L" CannaCruz Salinas Parking Demand Study dated February 9, 2024
- Exhibit "M" Alternative Means of Compliance for Landscaping

Draft Commercial Cannabis Permit 2023-007 approval document

Sensitive Use for Cannabis Map

Commercial Cannabis Permit 2023-003

Public Correspondence

Cc: CannaCruz, Inc., Applicant
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