

Title:	Kuda Cannabis Retail Facility
Project:	Conditional Use Permit CUP-23-0003
Location:	12 W 4 th Street
APN:	001-023-005
Applicant:	Max Petras (DBA Kuda Bros Distro, LLC)
Property Owner:	David Mulhern
Purpose/Use:	Cannabis Retail
Application Date:	May 10, 2023
General Plan:	LI – Light Industrial
Zoning:	HN – Hinge Industrial
CEQA:	Exempt under §15301, Class I Existing Facilities
Staff Contact:	Lisa Savage, Senior Planner
Recommendation:	Hold a Public Hearing; and Adopt a Resolution finding the project is exempt from CEQA, and approving with conditions.
Motion:	<i>“I move the Planning Commission adopt a resolution finding the project is exempt from CEQA and conditionally approving a Conditional Use Permit for the Kuda Cannabis Retail Facility at 12 W 4th Street.”</i>

Figure 1: General Project Location- 12 W. 4th Street (APN 001-023-005)

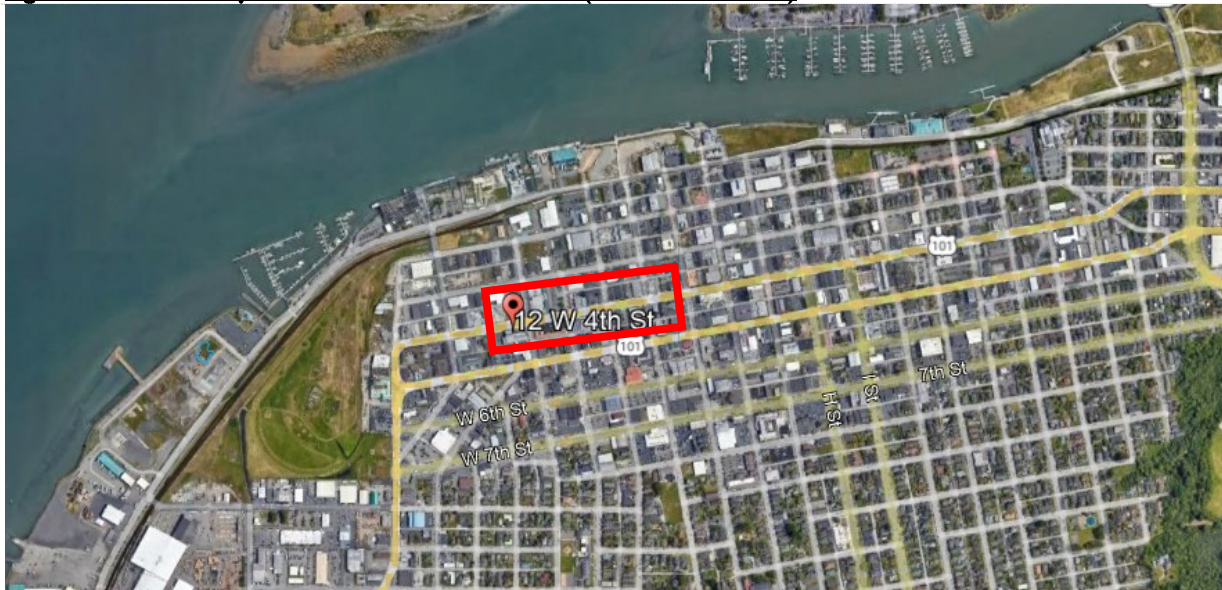
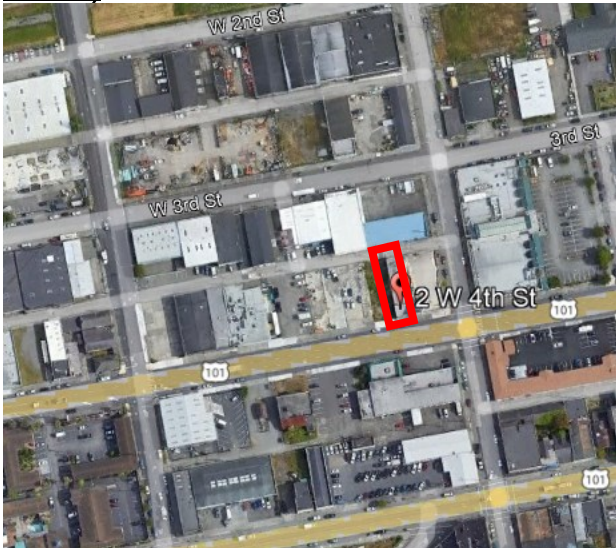


Figure 2: Project Location- 12 W. 4th Street (APN 001-023-005)



PROJECT SUMMARY

The applicant, Max Petras (DBA Kuda Bros Distro, LLC), is requesting approval of a Conditional Use Permit (CUP) to operate a small (250-sf) cannabis retail store within an existing 3,140-sf building that is presently licensed for General Cannabis Use (Distribution) at 12 W 4th Street in the Hinge Industrial (HN) Zone District (Figures 2 and 3). The applicant is also applying for cannabis manufacturing without chemical extraction, which falls under General Cannabis Use, which is a principally permitted use and will not need to be considered for this Use Permit. Only the interior of the structure will be modified; the exterior will not be modified other than signage, and the

applicant is in the process of applying for an administrative sign permit. There is no ground disturbing activity associated with the project.

Background

Kuda is located within a 3,200-sf, single-story building on a 3,300-sf, 30-ft-by-110-ft lot. In the subject building there is a large back room (2,600-sf) where the proposed manufacturing use will be co-located with the existing distribution use, in addition to a smaller front area (600-sf) with a restroom, office and a 250-sf storefront space where cannabis retail is proposed. There will be two additional employees, with a total of 9-10 employees covering the distribution, manufacturing, and retail cannabis store. The site is located one building in from the northwest corner of 4th Street (Hwy 101 South) and A Street, and is surrounded by both commercial and light industrial uses. Adjacent to the building to the east on the corner was a chocolate manufacturer and retail store (now vacant) and further east across A Street is the North Coast Co-op Grocery store. To the west of the site, is a vacant lot and additional vacant commercial space. South, across 4th Street, is an engineering firm. There are also hotels and veterans' housing in the area.

Figure 3 Street View- looking north



ANALYSIS

To approve a Use Permit, the Planning Commission must make all of the following findings:

1. The proposed use is consistent with the General Plan, Zoning Code, and any applicable specific plan or area plan adopted by the City Council.
2. The site is suitable for the size, design, and operating characteristics of the proposed use.
3. The proposed use will be compatible with existing and planned land uses in the vicinity of the property.
4. The proposed use will not be detrimental to the public health, safety, and welfare.
5. The proposed use is properly located within the city and adequately served by existing or planned services and infrastructure.

I. Plan and Code Consistency

General Plan

The General Plan designation for the subject property is Light Industrial (LI) which provides for lower-intensity manufacturing, assembly, packaging, processing, wholesaling, warehousing, distribution, research and development and other employment-generating uses. It is intended for uses that are able to operate in close proximity to commercial and residential uses with minimum mutual adverse impacts. Small scale retail service uses that support employees and are incidental to the primary use may be allowed as provided by the applied zoning district. Office uses and upper floor residential uses may be allowed as provided by the applied zoning district. The maximum Floor Area Ratio is 2.0.

The proposed project is in line with the Light Industrial Designation as the cannabis manufacturing is a lower-intensity manufacturing, that also includes distribution. The small cannabis retail facility is incidental to the manufacturing and distribution and the retail component will support two additional employees. Therefore, the proposed use implements the adopted land use and is consistent with the goals and policies of the General Plan. A review of the General Plan confirms the proposed project would not conflict with any General Plan policies.

Zoning Code

The subject property is located in the Hinge Industrial (HN) zoning district, the purpose of which is to provide an area for low-intensity manufacturing and very limited commercial uses close to Eureka's historic Core Area. The primary purpose of the HN zoning district is to provide a location for manufacturing uses. The HN zoning district secondarily allows upper-floor residential and office uses to increase housing opportunities and support a dynamic employment area that can evolve and adapt over time.

The proposed Cannabis Retail Use will be situated in an underutilized building that is already occupied by a General Cannabis Use (distribution). The small retail component (250-sf) will be located in the front of the building. The applicant is also proposing a second General Cannabis Use (manufacturing). The project will add two uses complementary to the already established

distribution use which will fully utilize the structure. In-filling an existing cannabis business along the Hwy 101 corridor will strengthen the established neighborhood, and will help realize the full development of one of Eureka's newly created light industrial areas. Adding the retail component will encourage pedestrian use of another block beyond the Co-op, in an area that is easily walkable from the Downtown Core and Old Town areas. The mural on the building shows design creativity and creates a more inviting streetscape. Based on the above analysis, the proposed new retail cannabis conditional use meets many of the purposes of the zoning code.

Specific or Area Plan

The proposed cannabis retail component is consistent with the Economic Development Strategic Plan's (EDSP) overarching goal to "Improve the quality of life for Eureka's residents, businesses and employees, and visitors through positive actions to attract, retain, and expand businesses within the city." The proposed use and improvements support two of four EDSP Sub-Goals because it proposes to create a new retail business (Sub Goal A: Maintain and Create High Quality Jobs), and it supports the local cannabis community (Sub-Goal C: Create a Diverse and Resilient Economy).

2. Site Suitability

The site consists of a 3,300-sf parcel with an existing building that encompasses 3,200-sf within its footprint. The building has been used for cannabis distribution since 2021. No remodel to the interior of the building will be required to accommodate the two new uses, and the water, sewer, and electricity are already available on-site.

Pursuant to Eureka Municipal Code (EMC) §158.021(F) and §155.324.030, Cannabis General Use and Cannabis Retail Use are considered commercial uses and require one off-street parking space for every 500-sf, or a total of 6 spaces. Since the lot is built out to almost 100 percent coverage, there are no on-site parking spaces available; however, there is ample on-street parking in front of the building on 4th Street where the retail entrance is located, and additional parking on A Street.

Since there is no parking lot, and the property is fully built-out, no landscaping or solid waste storage is required. There is an electric service entrance and roll up door from the alley at the rear of the building for deliveries.

Manufacturing hours will be from 8:00 am to 6:00 pm Monday through Friday. The retail portion of the business will be open Monday through Friday from from 8:00 a.m. to 12:00 p.m. The pick-up for delivery schedule will remain at the already established 3-4 pick-ups per day. Between the three uses, the applicant estimates between 9-10 employees at any one time.

Based on the above analysis, the site and the building are of sufficient size and design to accommodate the existing and proposed new cannabis uses. Accordingly, the site is suitable for the proposed cannabis retail conditional use.

3. Existing and Proposed Uses

The site is in the HN zone district in a neighborhood that generally consists of commercial uses, including a grocery store, engineering firm, hotels, and veterans' housing. The proposed General

Use (manufacturing) and Cannabis Retail Use, along with the already established General Use (distribution) are perfectly aligned with the HN zone district. The business already utilizes a filtration system that does not allow cannabis odors to be detectable outside of the facility and cannabis plants/product will not be seen from outside the facility. In addition, a security guard will be hired for the area between the storefront retail and the manufacturing/distribution area. For these reasons, the proposed use is compatible with the existing and anticipated uses in the vicinity.

4. Public Health, Safety, and Welfare

The previously approved and operating General Cannabis (distribution) facility, and other cannabis related businesses along 4th Street (Hwy 101 south), have not proved to be a nuisance or negatively impact public health, safety, and welfare. Cannabis uses have occupied a number of previously vacant storefronts that could still be vacant if not for the cannabis industry, and have thus contributed positively to the vibrancy of Highway 101 through Eureka. There is no indication that the addition of the Cannabis Retail Use in the same zone district would be different. In addition, the retail portion of the proposed project will increase the pedestrian traffic, which could serve to improve the safety of the area by adding eyes on the street.

In order to prevent any possible nuisances, the applicant will employ a licensed security guard that will be present on the premises to monitor the facility, and control loitering and site access. A state-of-the-art security system with strategically placed, hi-tech cameras, and exterior security lighting is presently utilized 24 hours a day. The building will be locked and monitored by a local alarm company when closed.

While the act of cannabis consumption can create certain personal health risks, these risks are taken willingly by the individual who chooses to consume cannabis or a cannabis product. Odor control systems will meet all applicable standards and conditions set by the City of Eureka. The project was referred to various City departments and local utility companies for comment and the comments received do not indicate that the proposed use would pose a risk to public wellbeing. In addition, the project was referred to the Humboldt Bay Fire Department, the City of Eureka Building Department, and the Eureka Police Department, each of which has review and approval authority for specific Cannabis Safety and Security Standards.

Commercial Cannabis Licenses for General Cannabis (manufacturing) and Cannabis Retail have been submitted for this location and will move forward once the CUP is approved.

Bases on the analysis above, there will be no detrimental effect to public health, safety and welfare of the surrounding area.

5. Location

The proposed location for the business is 12 W 4th Street, which is one building from the northwest intersection of 4th and A Streets. Across 4th Street there are hotels, veterans' housing and an engineering firm, and across A Street is the Co-op. The building can be accessed by pedestrians and vehicles on 4th Street and cars can park on 4th or A Streets. There is a roll up door in the alley for distribution pickup/deliveries.

The site is a developed urban location and is fully served by water, sewer, power, telecommunications, and transportation infrastructure. No additional infrastructure is required for the proposed use.

Based on the above analysis, the location is appropriate for the proposed use.

ENVIRONMENTAL ASSESSEMENT

The City of Eureka, as Lead Agency, has determined the proposed project is categorically exempt from the provisions of the California Environmental Quality Act, in accordance with CEQA Guidelines Section 15301, Existing Facilities, Class I which consists of the operating of private structures involving negligible or no expansion of use. As there is no proposed expansion to the existing building, the proposed conditional cannabis use is exempt from the California Environmental Quality Act.

PUBLIC HEARING NOTICE

Public notification consisted of notification by mail of property owners within a 300-foot radius of the site on or before June 30, 2023. In addition, the notice was posted on the City’s website and bulletin boards. A public hearing notice sign was posted on the site on or before June 30, 2023.

CONCLUSION

Based on the analysis above, the proposed Cannabis Retail Use is consistent with the General Plan, Zoning Code, and the Economic Development Plan. The project is suitable for the site, and is compatible with existing and planned land uses in the vicinity. The use is not detrimental to the public health, safety, and welfare, and is properly located within the city and adequately served by existing utilities and infrastructure.

STAFF CONTACT

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DOCUMENTS ATTACHED

Attachment I: Planning Commission Resolution 2023-00xx.....pages 7-8