



AGENDA ITEM: _____

DATE: 1/27/2025

**STAFF REPORT
CONDITIONAL USE PERMIT NO. 24-005**

DATE: January 27, 2025

TO: Lancaster Planning Commission

FROM: Mitzi Alvarado, Planner
Community Development Department

APPLICANT: EJ2 Ventures, LLC.

LOCATION: 45248 Trevor Avenue (Assessor's Parcel Number (APN): 3137-015-047)

REQUEST: Conditional Use Permit (CUP) No. 24-005 for cannabis retail and delivery, within an existing building located at 45248 Trevor Avenue (APN: 3137-015-047) in the Heavy Industrial (HI) zone.

RECOMMENDATION: Adopt Resolution No. 25-01 approving Conditional Use Permit No. 24-005 to allow for cannabis retail and delivery, within an existing building located at 45248 Trevor Avenue (APN: 3137-015-047) in the Heavy Industrial (HI) zone and finding that the project is categorically exempt under the California Environmental Quality Act; authorizing staff to execute and file a Notice of Exemption.

BACKGROUND

Cannabis Legislation

On October 9, 2015, Governor Brown signed into law the Medical Marijuana Regulation and Safety Act (MMRSA), which went into effect on January 1, 2016. MMRSA established a comprehensive State licensing and regulatory framework for the cultivation, manufacturing, transportation, testing, storage, distribution, and sale of medical cannabis through Assembly Bills (AB) 243 and 266 and Senate Bill (SB) 643.

On February 28, 2017, the City Council approved the Medical Cannabis Cultivation Facilities Ordinance No. 1019, adding Chapters 5.56 and 17.43 to the Lancaster Municipal Code (LMC), relating to the regulation of medical cannabis. This ordinance went into effect on March 30, 2017.

On December 11, 2018, the City Council adopted amendments to Chapters 5.56 and 17.43 of the Lancaster Municipal Code (LMC) relating to the Regulation of Cannabis Commercial Activity in the City (Ordinance No. 1053). The purpose of the ordinance was to align the city's regulation of commercial cannabis activity with applicable state law, to regulate the types of commercial cannabis activity permitted under state law, and to allow self-distribution of cannabis and cannabis products and testing laboratories within the city. The updated ordinance went into effect on January 11, 2019.

On May 11, 2021, the City Council approved Ordinance No. 1083, that amended Chapters 5.56 and 17.43 of the LMC regarding Commercial Cannabis Activity, and adopted Resolution No. 21-20, amending fees and surcharges regarding regulation. The purpose of the ordinance was to align the city's regulations to more closely mirror commercial cannabis activities allowed under state law; specifically, it amended the existing regulations to do the following:

- a. Clarify that sub-categories of cannabis cultivation are permissible in the city.
- b. Allow mixed-light cultivation.
- c. Allow for stand-alone distribution facilities.
- d. Allow retail sales and delivery of cannabis and cannabis products.

Ordinance No. 1083 also authorized the City Manager to establish and implement written policies regarding the maximum number of licenses that may be issued for commercial cannabis facilities. In addition, the ordinance added enforcement mechanisms and aligned the regulatory requirements with industry standards and state regulations. Resolution No. 21-20 amended the license, conditional use permit, and site regulation fees established in 2017, as well as the surcharges associated with commercial cannabis activity.

Site History

The existing building on the project site has previously operated as an auto body shop since its construction shortly after 1980. The auto body shop closed between late 2022 and early 2024, and the building and site have been vacant since that time.

On June 5, 2024, the applicant EJ2 Ventures, LLC, submitted an application for CUP No. 24-005 requesting approval of cannabis retail and delivery within an existing 1,800 square-foot building. The request is proposed in conjunction with significant site improvements to the building, parking lot, and perimeter wall. The subject property is located in the HI zone. The surrounding land uses are composed of heavy industrial uses and auto body shops

GENERAL INFORMATION

Table 1 summarizes the general information concerning this project.

Table 1: General Information

ITEM	DESCRIPTION
APN	3137-015-047
LOCATION	45248 Trevor Avenue
ZONING AND LAND USE	Heavy Industrial (HI)
SURROUNDING LAND USES AND ZONING	North: Auto Body, Industrial South: Auto Body, Industrial East: Auto Body, Industrial West: Auto Body, Industrial
CURRENT DEVELOPMENT	The project site is currently developed with a 1,800 square-foot building and parking lot.
ENVIRONMENTAL REVIEW	The project was reviewed for compliance with the California Environmental Quality Act (CEQA) and staff determined that the project is exempt from further environmental review under CEQA Section 15301, Class 1 "Existing Facilities". A Notice of Exemption has been prepared for the proposed project.

PROJECT DESCRIPTION

The applicant, EJ2 Ventures, LLC., is proposing to operate a cannabis retail and delivery in an existing 1,800 square-foot industrial building with proposed façade, parking lot, and landscape improvements. The building will be painted a two-tone combination of neutral beige and brown with cornicing detail. Architectural features will be added to the building elevations such as canopy overhangs above the doors and trellis features with lighting on their largest south elevation. Any wiring, metering, or exposed mechanical equipment will be painted, relocated, or screened on the roof by a new parapet.

The applicant will be improving the existing condition of the site. There will be a new six-foot perimeter concrete block wall built along the south, east and north property lines, replacing the metal sheeting that is currently there. A new 168 square-foot trash enclosure will be constructed at the rear of the site to hold three 3-yard collection bins that were previously uncovered. Striping will be done for five parking spaces along the south property line, with one ADA parking space in front of the building entrance. New enhanced landscaping will be installed street adjacent to Trevor Avenue near the building entrance.

Retail hours of operation would be from 9 a.m. to 10 p.m., Monday through Sunday. When fully operational, the facility would be expected to employ five individuals. Delivery operations would take place between 6 a.m. to 10 p.m., Monday through Sunday.

Check in Process and Retail Sales

Upon arrival onsite, customers would enter the retail store through the public main entrance lobby and would be required to sign in, providing a valid form of government identification. There would be a maximum allowed ratio of five customers for every one staff member on the sales floor at a given time. Should the showroom be at full capacity, customers would be instructed to wait outside the building or in their vehicles until they can proceed into the store.

Only adult-use customers over the age of 21 would be granted access to the retail area after their identification has been verified. After the check-in process has been completed, customers would be granted access to the sales area. By granting access to the retail floor, staff is ensured limited and controlled access from the lobby area to the retail floor, and could provide a positive and safe customer experience.

Cannabis products sold onsite would include but not be limited to flower, vape cartridges, cannabis food products, pre-rolls and other authorized licensed cannabis products. Some products carried for sale would come from outside vendors, which would be limited to State-regulated and -licensed distributors. Inventory would be enclosed in cases for display/promotion on the sales floor, however, most stock would be held within the vault room

Delivery

All deliveries will be conducted by a delivery employee who is at least 21 years of age and employed by EJ2 Ventures, LLC. Upon delivery of the cannabis goods to a delivery customer, their identity and age will be confirmed. All deliveries are to be conducted to physical addresses within California and in no circumstance would delivery be made to a public- or school-owned location. Delivery vehicles would consist of fully enclosed automobiles driven exclusively by EJ2 Ventures, LLC delivery employees and would be outfitted with Global Positioning Systems (GPS) tracking for monitoring and recording purposes.

Security

The proposed Project would always be staffed with a minimum of one security guard on site at all times. The proposed Project includes indoor and outdoor security cameras monitored by an offsite third-party vendor. Camera footage would be made available to the city as conditioned. No person would be admitted to the sales area without first verifying that they meet the minimum age requirement under State law to enter the premises for adult use or as a medical patient. All secured areas would be alarmed locked with limited access by employees and all doors will be alarmed and equipped with motion detectors.

Odor Management

The facility would be fully equipped with carbon filters to prevent odors. If management detects any questionable or objectionable onsite odors, or receives any complaints regarding such odors, they would implement a protocol to investigate and mitigate. There is no cannabis cultivation or manufacturing to occur, this Project is limited to retail and delivery only; however once, odor control is established periodic testing will be conducted to ensure odor control systems are operational and continuing to maintain the baseline.

ANALYSIS:

General Plan Consistency

Staff has evaluated the Project related to the goals and objectives of the City of Lancaster General Plan 2030. The HI designation is meant to include a "a range of industrial uses in a less restrictive setting" (General Plan Objective 17.1 Table 8-1). The HI zone is intended to accommodate a wide range of industrial and related commercial operations, such as food manufacturing, food processing, and general manufacturing included, but not limited to, assembly plants, automotive, building materials, clay and cement products and machine shops. A cannabis use, while not specifically addressed in the General Plan, is an appropriate use in the HI zone.

The proposed use is consistent with the following Goals and Actions of the General Plan:

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| Goal 18: | To manage development by planning the location and intensity of urban and rural uses to create a comprehensive structure. |
| Policy 18.1.3: | Ensure that land use map designations are compatible with adjacent proposed land uses, surrounding developments, existing infrastructure, the roadway system, and Redevelopment Project Areas. |
| Policy 18.2.2: | Encourage appropriate development to locate so that municipal services can be efficiently provided. |

The proposed Project is compatible with adjacent land uses, surrounding development, existing infrastructure and zones and is consistent with Goal 18. The adjacent uses consist of existing auto body industrial buildings. The proposed Project encourages appropriate development to locate so that municipal services can be efficiently provided, because it would comply with all City standards including, but not limited to the zoning code, building code, and business licenses and regulations. Compliance with codes and regulations is a vital part of the city running efficiently.

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| Goal 16: | To promote economic self-sufficiency and a fiscally solvent and financially stable community. |
| Policy 16.3.4 | Promote business development in those industrial sectors, which are underrepresented in the Antelope Valley area economy. |

The proposed Project would bring in an emerging business within the city and create a business-friendly environment. The proposed Project would help expand local job opportunities to achieve economic self-sufficiency, and the development of industrial property promotes the expansion of revenue-generating land uses.

Compliance with the Lancaster Municipal Code

The proposed use, which consists retail and delivery of cannabis within an industrial building, requires a CUP within the HI zone pursuant to Section 17.43.060 of the LMC. With the granting of a CUP and adherence to the conditions of approval, the proposed Project is in compliance with the LMC. The Project

complies with all applicable development standards and guidelines. While the proposed site improvements are in compliance with the LMC, the proposed cannabis retail use requires specific review and approval by the Planning Commission.

Staff has investigated the information submitted with the application for a CUP and has determined that the applicant has submitted all required application components (as set forth in Section 17.43.070.B) and that the proposed facility complies with the requirements of Chapter 17.43 of the LMC, and all other applicable state and local laws and regulations. Prior to commencement of operation of the retail cannabis, city personnel will conduct site inspections to verify that the facility fully complies with the submitted application, all applicable environmental, building, electrical, zoning and fire codes, security requirements, accessibility requirement of the American with Disabilities Act, Chapter 5.56 of the LMC, all other applicable city and state laws and regulations, and any specific, additional operating procedures and measures as may be imposed as conditions of approval in the CUP and/or the local license.

Separation Distance Requirements

Section 17.43.110 of the LMC establishes distance requirements between cannabis facilities and uses identified as sensitive uses. These distances are measured from the corner of the cannabis facility to the nearest property line of the sensitive use. A cannabis facility shall not be located within 600 feet of a religious assembly, residential use or residentially designated property, public park, public or private school, college or university (excluding trade schools), or a day care. The proposed location meets the separation distance requirements.

CONDITIONAL USE PERMIT FINDINGS

In order to grant a CUP, Section 17.32.090 of the LMC states that the Planning Commission must make all of the following findings:

1. That the proposed use will not be in substantial conflict with the adopted general plan for the area.

The proposed use would not be in substantial conflict with the adopted general plan for the area, because the proposed Project would be in conformance. It is compatible with adjacent land uses, surrounding development, and zones. The proposed use helps achieve the following goals, objectives, and policies of the City Lancaster General Plan 2030:

Goal 18: To manage development by planning the location and intensity of urban and rural uses to create a comprehensive structure.

Policy 18.1.3: Ensure that land use map designations are compatible with adjacent proposed land uses, surrounding developments, existing infrastructure, the roadway system, and Redevelopment Project Areas.

Policy 18.2.2: Encourage appropriate development to locate so that municipal services can be efficiently provided.

Goal 16: To promote economic self-sufficiency, and a fiscally solvent and financially stable community.

Policy 16.3.4 Promote business development in those industrial sectors which are underrepresented in the Antelope Valley area economy.

2. That the requested use at the location proposed will not:
 - a. Adversely affect the health, peace, comfort or welfare of persons residing or working in the surrounding area, or
 - b. Be materially detrimental to the use, enjoyment or valuation of property of other persons located in the vicinity of the site, or
 - c. Jeopardize, endanger or otherwise constitute a menace to the public health, safety or general welfare.

The proposed use would not adversely affect the health, peace, and comfort of the residents and workers of the surrounding area and would not be detrimental to other properties or jeopardize public health and safety. The proposed Project is over 600 feet from any residence or other sensitive use. The proposed industrial buildings and retail operation will employ documented operating procedures and security protocols to ensure there are no adverse impacts to health, peace, comfort, and welfare of surrounding persons.

The proposed development would be consistent with the surrounding uses and would not jeopardize, endanger, or constitute a menace to the public health, safety, or welfare of the neighborhood. The cannabis retail use would be in a secure space with limited access to those employed by the facility or authorized to enter it. In addition, a security plan was prepared for the project which would ensure thorough monitoring and safe operation.

3. That the proposed site is adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and other development features prescribed in this title, or as is otherwise required in order to integrate said use with the uses in the surrounding area.

Staff reviewed the Project submittal and verified that the proposed Project complies with the LMC, including specific development standards. This is demonstrated on the proposed site plan, elevations, and fence plans.

4. That the proposed site is adequately served:
 - a. By highways or streets of sufficient width and improved as necessary to carry the kind and quantity of traffic such use would generate, and;
 - b. By other public or private service facilities as are required.

The proposed project site is adequately served by Trevor Avenue and Avenue I which are of sufficient width and improved to carry the daily vehicle trips generated by the proposed cannabis retail use. In addition, public or private service facilities, including sewer, water, fire, and police services are served to the project site.

In order to grant a CUP for a cannabis use, Section 17.43.080(B) of the LMC states that the Planning Commission must make all of the following findings:

1. The cannabis facility as well as all operations as conducted therein, fully comply with all applicable environmental, building, electrical, zoning and fire codes, accessibility requirements of the Americans with Disability Act, and all other applicable local and state laws and regulations; and

The proposed Project would comply with the LMC, environmental requirements, building, electrical, and fire codes, American with Disabilities Act and all other applicable city and state laws and regulations.

2. The cannabis facility complies with and meets all operating criteria required pursuant to state laws, Chapter 5.56 of this Code, any other applicable provisions of this Code, and any specific, additional operating procedures and measures as may be imposed as conditions of approval in the conditional use permit.

The applicant shall obtain approval of a primary license, in accordance with the requirements set for in Chapter 5.56 of the LMC and said license shall be ready for issuance upon approval of the CUP, final site inspection, issuance of a certificate of occupancy, and payment of all fees and surcharges. The proposed Project has been conditioned to comply with Chapter 5.56 of the LMC and all other applicable City and state laws and regulations.

Compliance with CEQA

This proposed Project has been reviewed in accordance with the California Environmental Quality Act (CEQA). Staff has determined that the Project is categorically exempt from further review under the State CEQA Guidelines, Section 15301, Existing Facilities (Class 1).

The Project is exempt from CEQA under the Class 1 exemption set forth in State CEQA Guidelines section 15301. Class 1 encompasses the "operation, repair, permitting, or minor alteration of existing private structures... involving negligible or no expansion of existing or former use." Section 15301 provides examples of such projects, which include, but are not limited to, "interior or exterior alterations" and "maintenance of existing landscaping." The proposed Project involves the operation of a cannabis retail and delivery business within an existing 1,800-square-foot industrial building. As part of the Project, the building will undergo improvements, including façade upgrades, parking lot improvements, and landscaping enhancements. Importantly, the Project will not increase or expand the use of the property; the building will not be enlarged or altered in a way that increases its footprint or capacity. The proposed use will remain confined within the existing structure. Therefore, the Project qualifies for the Class 1 exemption.

Lastly, no exceptions to the exemption as set forth in State CEQA Guidelines Section 15300.2 apply. The Project is located in a heavy industrial area and is fully developed with a 1,800 square-foot building and parking lot. There is no possibility of a significant cumulative impact as staff does not anticipate that other projects of the same type will take place at the project site or the surrounding area. The property does not present any unusual circumstances such as unusual resources, an unusual location, or unusual physical qualities inherent to the project site that might result in significant impacts. The project area is developed and does not contain any environmentally sensitive areas. The Project would not damage any scenic resources, including trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. The Project is not located on a hazardous waste site or any other site included on a list compiled pursuant to Government Code section 65962.5 and the proposed Project will not cause a substantial adverse change in the significance of a historical resource because there are no historical resources near the proposed Project such that project impacts would not have any substantial adverse changes in the significance of a historical resource.

A Notice of Exemption (NOE) will be filed with the County Recorder's Office and submitted to the State Clearinghouse within 5 days after Project approval.

LEGAL NOTICE

A notice of Public Hearing was mailed to all property owners within a 500-foot radius of the Project, posted in three places, posted on the subject property, and noticed in Antelope Valley Press on January 17, 2025.

RECOMMENDATION

Adopt Resolution No. 25-01 approving Conditional Use Permit No. 24-005 to allow for cannabis retail and delivery, within an existing building located at 45248 Trevor Avenue (APN: 3137-015-047) in the Heavy Industrial (HI) zone, and authorizing staff to execute and file a Notice of Exemption.

Attachments:

Resolution No. 25-01