



## Legislation Text

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**File #:** 16-347, **Version:** 1

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PLN16-0025; Conditional Use Permit to allow a medical marijuana dispensary at an existing commercial and industrial building at 1965 Marina Boulevard. The proposal is to occupy approximately 14,688 square feet within an approximately 44,737 square foot building currently occupied by a tile warehouse and a uniform warehouse wholesale/retail use. A medical marijuana dispensary is a conditionally permitted use on the subject property which is in the IG(S) Industrial General District (Special Review Overlay District). Alameda County Assessor's Parcel Number 77A-646-27; Harborside San Leandro (applicant); A. Lopez (property owner).

### **SUMMARY AND RECOMMENDATION**

The applicant and property owner propose to utilize approximately 14,688 square feet of vacant internal floor space for a medical marijuana dispensary within an existing approximately 44,737 square-foot building at 1965 Marina Boulevard. Harborside San Leandro would occupy the rear portion of the building and would refresh the façade for their lease area and add landscaping to the site. Parking at the property would be provided in the front/side parking lot with 24 parking stalls and the rear/side parking lot with 44 parking stalls, for a total of 68 on-site parking spaces. Zoning Code Section 2-706.B.16 requires that a Medical Marijuana Dispensary in the IG Industrial General District obtain Conditional Use Permit approval.

Staff believes that, with the recommended Conditions of Approval that pertain to hours, parking, compliance with the Dispensary Permit issued by the City Council and Chapter 4-33 of the San Leandro Municipal Code, and Harborside San Leandro's strict security measures, the medical marijuana dispensary would operate well on the property and would be compatible to adjacent commercial and industrial uses, without detriment or burden to the immediate area. Staff recommends that the Board of Zoning Adjustments:

- A) Adopt the CEQA categorical exemption;
- B) Adopt the recommended Findings of Fact; and
- C) Approve Conditional Use Permit PLN16-0025 subject to the attached recommended Conditions of Approval.

### **APPLICANT'S SUPPORTING STATEMENT**

See Attached Statement.

### **RELATIONSHIP TO SURROUNDING AREA**

The subject parcel, 1965 Marina Boulevard, is located on the south side of Marina Boulevard, one block to the west of Merced Street on the corner of Verna Court. The subject site is zoned IG (S) Industrial General District (Special Review Overlay District), as are some of the immediate

surrounding properties which are developed with multi-tenanted industrial park buildings. Further to the east, on the southeast corner of Merced Street and Marina Boulevard, lies the commercial retail center with the Wells Fargo Bank, Denny's restaurant and retail/commercial cluster as well as the Kaiser Permanente San Leandro Medical Center. Across the street, at the northeast corner of Merced Street and Marina Boulevard, the site is developed with a Kentucky Fried Chicken and A&W fast food restaurant.

## **BACKGROUND**

The single-story industrial building on the subject site, comprising approximately 44,737 square feet, was originally constructed in 1948. It has been used for a variety of mixed commercial and industrial uses and currently houses a uniform warehouse and wholesale/retail distribution (Workwear and Beyond) and the property owner's stone and tile warehouse distribution businesses (Direct Stone Importers Kitchen & Bath/Construction). The proposed medical marijuana dispensary would be operated by Harborside San Leandro and would occupy a vacant area at the rear of the building that was formally occupied by a HVAC manufacturer (Custom Mechanical Systems) who left the site in 2014.

The existing site perimeter is not landscaped at this time nor is the rear lot area striped for parking. The property has five driveways, with ingress and egress points on both Marina Boulevard and Verna Court. Parking is currently provided in the parking area in the front of the building along Marina Boulevard, with some parking of trucks and outdoor storage in the rear lot area. The rear of the site is bounded by a metal perimeter fence with a gate across the rear driveway on Verna Court.

In 2013, a different unit at the subject property was conditionally approved for a small taquería restaurant by the Board of Zoning Adjustments, however that project has been delayed and the conditional use permit for the taqueria has expired. The taqueria project sponsor would need to reapply for that use at the site. The site upgrades for the property from the 2013 approval was to include new landscaping, parking lot restriping, new ornamental fence and gate, new sidewalk and curb cut, landscaping, and signage.

Medical marijuana (also known as "cannabis") is a policy issue that has undergone substantial public debate in San Leandro and for which the City Council has rendered various policy decisions. The process to codify, issue, and select a medical cannabis dispensary was a three to four year effort by staff, a consultant, and City Council. As part of that process the Board of Zoning Adjustments and the Planning Commission reviewed zoning code amendments related to the operation of a medical cannabis dispensary in the City of San Leandro. On February 6, 2014, the Board of Zoning Adjustments reviewed zoning code changes and provided general support for the amendments, which included the attached Eligible Dispensary Locations Map. The role of the Board of Zoning Adjustments is to ensure that the proposed site is appropriate for the use.

It should be noted that the City Council has already awarded the medical cannabis dispensary permit to Harborside San Leandro after a methodical and objective screening and an extensive public process. The conditional use permit is a discretionary permit and it is the final step in the land use entitlement process for the medical cannabis dispensary use to be located at 1965 Marina Boulevard.

## **DETAILS OF THE PROPOSAL**

Harborside San Leandro is a medical cannabis dispensary that is proposing to operate a new

dispensary at 1965 Marina Boulevard. Harborside San Leandro is an affiliate company of Harborside Health Center. Harborside Health Center was one of the first medical cannabis dispensaries licensed by the City of Oakland, the first city in the United States to license medical cannabis distribution.

Harborside San Leandro will be leasing approximately 15,000 square of space at the rear of the existing multi-tenant building. Of the leased space, approximately 6,755 square feet would be used as retail space; 5,234 square feet for storage; and 2,699 square feet for offices. Harborside San Leandro would operate similar to a medical office, pharmacy, and retail store, offering a selection of lab-tested cannabis medicines and patient services, and would be open seven days a week from 9:00 a.m. to 8:00 p.m. consistent with the San Leandro Municipal Code requirements. There would be no medical cannabis intake, processing, or packaging on site. Those functions would be handled by Harborside Health Center in Oakland. Consumption of medical cannabis and congregation areas would not be allowed on premises.

Harborside San Leandro's main point of entry at the site would be on the south east side of the building, off of Verna Court, with its own entrance and parking lot area. Overall the site has 68 parking stalls available for use, of which 44 are designated to Harborside San Leandro. There will be no structural changes to the building exterior. Improvements proposed for the site include: a refresh the façade with new paint for the leased area; new landscaping for the property; restriping of the parking lots; a bicycle parking rack; new lighting; exterior wall signage; and a state-of-the-art security equipment.

Harborside San Leandro anticipates an average of 25 patients per day in the initial months of operation. Patient visits are expected to grow gradually over an 18-month period until reaching an average of 200 visits per day. The average patient visit is 10 to 15 minutes, depending on the individual needs or services being used. As has been the case with its Oakland dispensary, Harborside San Leandro expects that patient flow will be busiest on the weekends and in the evenings during the workweek.

Harborside San Leandro anticipates a starting staff of 15 to 18 employees, of which 12 are expected to be on site at any one time during operating hours. As with their other locations, their staff will be encouraged and incentivized to carpool and use public transportation. Harborside San Leandro staff will be able to use the Links shuttle which stops at the corner of Marina Boulevard and Verna Court and connect to the San Leandro BART station. There is also bus service available within one and a half blocks of the project site via AC Transit Bus Line 75.

Harborside San Leandro will maintain a minimum of three licensed security guards on duty during all business hours and one during off-hours. A local security contractor will be hired to provide unarmed uniformed guard support to the Harborside San Leandro security team and to assist in perimeter patrols as well as after-hours alarm monitoring. Strict adherence to local regulations and State law will be a part of Harborside San Leandro's daily operations. Harborside San Leandro will work closely with the San Leandro Police Department on a security plan as required by the Dispensary Permit issued by the City Council and Chapter 4-33 of the San Leandro Municipal Code.

## **STAFF ANALYSIS**

The subject property is a commercial/industrial building, developed in 1948. Tenants in the building have been a mix of commercial wholesale and retail business and industrial warehouse or

manufacturing. The subject parcel lies within the Marina Boulevard corridor that includes a mix of commercial and industrial uses that are zoned either light or general industrial. As required by the San Leandro Municipal Code, the subject property for the medical cannabis dispensary is at least one thousand feet from a public or private school, public library, youth center, parks and recreation facilities, facilities for religious worship and incidental religious education, and another dispensary; and five hundred feet from a residential zone.

A medical cannabis dispensary is conditionally permitted use within the IG Industrial General Zoning District. A medical marijuana dispensary is defined in the zoning code as “a collective or cooperative that distributes, dispenses, stores, exchanges, processes, delivers, makes available, transmits and/or gives away marijuana for medicinal purposes to four or more qualified patients and/or primary caregivers pursuant to California Health and Safety Code Sections 11362.5 and 11362.7 et seq.” Although the Harborside San Leandro lease space is large, the total usable area for patients represents only 46 percent of the total floor area of the 14,688 square foot unit. The remainder of the floor area would be used for offices and storage. Approximately 3,117 square feet of the leased area would be vacant and would possibly be used as storage in the future.

The proposal includes a series of site upgrades that will ensure that the medical marijuana dispensary is compatible with surrounding uses. The addition of approximately 4,615 square feet of new landscaping (which meets the minimum site landscaping requirement for the IG District) in five different areas, including along the street frontages of Marina Boulevard and Verna Court, are important curb appeal improvements for the site. Harborside San Leandro is proposing to install new landscaping in the front of the property along the Marina Boulevard frontage; in areas along Verna Court; as well as in a wedge at the entrance to the rear driveway on Verna Court; and along the south east boundary with the adjacent property. Landscaping includes drought tolerant grasses, perennials, shrubs, and trees.

Existing lighting includes building mounted lights along the side and rear building perimeters. Detailed plans for new lighting for the site have not been submitted for staff review. However, Harborside San Leandro will work closely with the San Leandro Police Department on a security plan as required by the Dispensary Permit issued by the City Council and Chapter 4-33 of the San Leandro Municipal Code. High definition security cameras or other technology that produces high resolution video and recording capabilities would be installed at the site. The cameras would be in use twenty-four hours a day, seven days per week, and would cover the marijuana dispensing areas, storage areas, all doors and windows to the dispensary, and parking areas.

The parking requirement for a medical marijuana dispensary is 1 parking space per 200 square feet of retail sales and services area. Harborside San Leandro requires a total of 44 parking spaces, which would be provided in Lot B1. The other uses at the site require 20 parking spaces, with 5 parking spaces for Workwear and Beyond and 15 parking spaces for Direct Stone Importers Kitchen & Bath/Construction. A total of 68 parking spaces would be provided at the site where 64 are required per the zoning code parking requirements. Lot B2, which is currently being used for outdoor storage of materials for the stone and tile business could be used in the future and restriped for parking for additional parking stalls. The new striping for the front, side and rear parking lot areas are important improvements for this site. Further, Harborside San Leandro will be providing a bicycle parking racks in Lot A.

As has been the case with Harborside Health Center’s Oakland dispensary, Harborside San Leandro

expects that patient flow will be busiest on the weekends and in the evenings during the workweek, which would lessen the traffic impacts to the nearby industrial park uses in the surrounding area. That would be optimal for the neighborhood as most surrounding businesses are most active during weekday hours.

The Alameda County Fire Department and the City of San Leandro Engineering staff have reviewed the proposed parking configuration and find it acceptable for emergency vehicle requirements and regular traffic access and transit requirements. The proposal has also been reviewed by various City Departments and the recommended Conditions of Approval ensure adherence to City codes, policies, and regulations to ensure the use is compatible with surrounding industrial and commercial uses.

Uses are considered conditionally permitted whenever the City has deemed that they would be compatible in a subject district only when conditions of approval are included in the permit that would allow such use to operate in harmony with the surrounding, in this case, industrial zoning. With the recommended Conditions of Approval that pertain to hours, parking, compliance with Chapter 4-33 of the San Leandro Municipal Code, and Harborside San Leandro's strict security measures, the medical marijuana dispensary would operate well on the property and would be compatible to adjacent commercial and industrial uses in the area. Further, the uses, hours, security requirements and other operational items are regulated by the Dispensary Permit issued by the City Council and Chapter 4-33 of the San Leandro Municipal Code.

## **GENERAL PLAN CONFORMITY**

In the specific proposal by Harborside San Leandro, this dispensary has features of a medical office or pharmacy, both considered commercial uses. The proposed medical cannabis dispensary use conforms to the General Plan, which designates the property as Light Industrial, "characterized by wholesale activities, distribution facilities, research and development or e-commerce uses, business services, and manufacturing." (General Plan, page 3-16) The Light Industrial category goes on to state that "Allowances for retail stores within these areas is guided by General Plan policy." Further, Harborside San Leandro would operate similar to a retail store. Any potential impacts and conflicts will be mitigated through the recommended Conditions of Approval and the performance standards in the San Leandro Municipal Code, thus the conversion of space in this older industrial building to accommodate the proposed medical marijuana dispensary is conditionally compatible at this site.

Furthermore, the proposed medical marijuana dispensary at this site ensures that the following General Plan goals and policies are achieved:

Goal 7.02 Economic Diversity - Promote economic diversity and the growth of new and emerging industries. Target businesses that will provide higher-paying jobs for San Leandro residents.

Goal 7.06 Adaptive Reuse - Encourage private reinvestment in vacant or underutilized industrial and commercial real estate to adapt such property to changing economic needs, including the creation of flex/office space.

Goal 8.03 Aesthetics - Upgrade the City's commercial corridors by building upon their existing

strengths and improving their aesthetic qualities.

Goal 10.01 Reuse of Older Buildings - Support the reuse of underused, vacant, or obsolete industrial/commercial buildings with higher value uses that are consistent with the goals and policies of the General Plan.

Tenant improvements are proposed to the existing building which will ensure that this aged industrial building is maintained and revitalized. Building signage, and other on-site improvements, such as improved landscaping and façade work, will ensure compatibility with its immediate neighbors. Further, with the incorporation of the recommended Conditions of Approval and adherence to the California Health and Safety Code regulations, California Attorney General Guidelines, San Leandro Municipal Code, the use will not be detrimental to the public health, safety or welfare of persons residing or working in or adjacent to the area.

## **PUBLIC OUTREACH**

This item received normal noticing for the July 7, 2016 Board of Zoning Adjustments hearing, including a legal advertisement in the East Bay Times newspaper, the posting of placards on the property and notice sent out to property owners and businesses within 500 feet of the subject property.

## **ENVIRONMENTAL REVIEW**

Staff recommends that the Board find this item to be categorically exempt from the California Environmental Quality Act (CEQA) per CEQA Guidelines, Article 19, Section 15301 (a) as interior and exterior improvements to an Existing Facility.

## **RECOMMENDATION**

Staff believes, that with adherence to the recommended Conditions of Approval, compliance with the Dispensary Permit issued by the City Council and Chapter 4-33 of the San Leandro Municipal Code, and Harborside San Leandro's strict security measures, the medical marijuana dispensary will be an appropriate use at the site. The applicant will be upgrading the building internally, improving the exterior with paint and landscaping, and installing new signage to give a more attractive aesthetic appearance.

The use as proposed conforms both to the City Zoning Code and the General Plan. Any planning issues associated with this application will be mitigated by the implementation of the proposed conditions of approval and performance standards in the San Leandro Municipal Code. Staff therefore recommends that the Board of Zoning Adjustments:

- A. Adopt the findings that this project is exempt under the California Environmental Quality Act (CEQA) per CEQA Guidelines, Article 19, Section 15301 (a) as interior and exterior improvements to an Existing Facility.
- B. Approve the attached Findings of Fact for the Conditional Use Permit for PLN16-0025; and

C. Approve Conditional Use Permit PLN16-0025 subject to the recommended Conditions of Approval.

## **ATTACHMENTS**

Vicinity Map

Applicant Statement

Recommended Findings of Fact

Recommended Conditions of Approval

Ordinance No. 2016-007 Amending Title 4, Chapter 4-33 of the San Leandro Municipal Code pertaining to Medical Cannabis Dispensary Permits

Eligible Dispensary Locations Map

Exhibit A - Overall Site Plan (CUP-1)

Exhibit B - Floor Plans (CUP-2)

Exhibit C - Egress Analysis (CUP-3)

Exhibit D - Elevations (CUP-4)

Exhibit E - Site Pictures (CUP-5)

Exhibit F - Renderings and Signage (CUP-6)

Exhibit G - Landscaping Plan and Trash Enclosure Details (CUP-7)

Exhibit H - Planting Plan (L1.00)

Exhibit I - Plant List (L1.10)

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