

**CITY OF COMMERCE
PLANNING COMMISSION
RESOLUTION NO. 21-22**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF
COMMERCE RECOMMENDING CITY COUNCIL APPROVAL AND ADOPTION
OF AMENDED AND RESTATED DEVELOPMENT AGREEMENT NO. 7##
BETWEEN THE CITY OF COMMERCE AND ABC COMMERCE, LLC TO
REPLACE DEVELOPMENT AGREEMENT NUMBER 727 TO REFLECT THE
FOLLOWING PRIMARY MODIFICATION: CHANGE OF OWNERSHIP FOR THE
COMMERCIAL CANNABIS BUSINESS PREVIOUSLY APPROVED AT 6915
SLAUSON AVE; FINDINGS OF GENERAL PLAN CONSISTENCY**

WHEREAS, the State of California enacted California Government Code Sections 65864 et seq. ("Development Agreement Statutes") to authorize municipalities to enter into development agreements with those having an interest in real property to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development in connection with the development of real property within their jurisdiction;

WHEREAS, the purpose of the Development Agreement Statutes is to authorize municipalities, in their discretion, to establish certain development rights in real property for a period of years regardless of intervening changes in land use regulations, to vest certain rights in the Owner/Applicant ABC Commerce, LLC, and to meet certain public purposes of the local government;

WHEREAS, as authorized by the Development Agreement Statutes, the City has adopted Resolution No. 18-50 ("A Resolution of the City Council of the City of Commerce Approving Procedures and Requirements for the Processing of Development Agreements") establishing the procedures and requirements for the consideration of development agreements with the City;

WHEREAS, on September 4 2018, City Council adopted Ordinance No. 700, concerning commercial cannabis regulations, which added new Chapter 5.61 "Commercial Cannabis Activities", of Title 5, "Business Regulations and Licensing", of the Commerce Municipal Code, and became effective October 4, 2018;

WHEREAS, the purpose and intent of Ordinance No. 700 is to regulate the cultivation, manufacturing, testing, distribution, non-storefront retailer-delivery only, and microbusinesses, of medicinal and adult-use cannabis and cannabis products, and the ancillary transportation and delivery of same, in a responsible manner to protect the health, safety, and welfare of the residents of City of Commerce and to enforce rules and regulations consistent with the California Medicinal and Adult-Use Cannabis Regulation and Safety Act, and related laws, regulations, and policies issued by the State of California;

WHEREAS, in October 2018, ABC Commerce, LLC applied to this City for a Commercial Cannabis Permit (hereinafter "CCP") to conduct Commercial Cannabis Activities. No such activities are allowed or authorized without a Development Agreement, a Commercial Cannabis Permit, and all requirements pursuant to City Ordinance No. 700, including all requirements pursuant to Commerce Municipal Code Section 5.61.060;

WHEREAS, the definition of "Proposed Owner" hereunder shall mean and refer to the applicant with new ownership composition, to the extent such person is a party to the development agreement, and will hold or be covered by a City of Commerce Commercial Cannabis Permit to operate a commercial cannabis business in the City of Commerce;

WHEREAS, Proposed Owner currently holds a legal or equitable interest in real property considered in Amended and Restated Development Agreement No. 7##, located at 6915 Slauson Ave, in the City of Commerce;

WHEREAS, ABC Commerce, LLC presently has a duly-approved and executed Development Agreement with the City which allows for operation of a commercial cannabis business for Manufacturing, Cultivation, Non-storefront Retail and Distribution of Commercial Cannabis 6915 Slauson Ave, consistent with all applicable local and state laws, regulations and policies

WHEREAS, the project site is developed with one industrial building measuring approximately 34,500 square feet located on a 91,887 square foot lot located at 6915 Slauson Ave. The lot is generally flat in nature and is situated in the City's Industrial District (M2), surrounded by industrial to the west, south, east and railroad to the north. The project is already approved for a Commercial Cannabis Permit, which is a type of regulatory permit, to allow for a Commercial Cannabis Facility and a development agreement (DA) for commercial cannabis activities including manufacturing, distribution, non-storefront, and cultivation with no changes proposed to such operations, simply change of ownership;

WHEREAS, in December 2021, a request was placed with City CCP staff to change the ownership composition of ABC Commerce, LLC pursuant to City Ordinance No. 700, including all requirements pursuant to Commerce Municipal Code Section 5.61.060 and Article 21 of the DA.

WHEREAS, such Commercial Cannabis facilities shall operate in accordance with all applicable provisions of state and local laws, regulations and policies, including City of Commerce Municipal Code and City of Commerce Ordinance No. 700;

WHEREAS, a Zoning Analysis, providing the Project's general plan designation, specific zone designation, applicable zoning regulations, an environmental assessment, and a project description, is attached hereto as Exhibit "A" and incorporated herein by this reference;

WHEREAS, ultimately, Proposed Owner intends to obtain a California State License issued, pursuant to applicable state cannabis laws, and consistent with its Commercial Cannabis Permit application and Development Agreement, to operate at the Site under their new name;

WHEREAS, all procedures of the California Environmental Quality Act ("CEQA"), California Public Resources Code §21000 et seq., and the CEQA guidelines, title 14 of the California Code of Regulations, chapter 3, §15000 et seq. have been satisfied. Further, the City has found that the proposed Project is Categorically Exempt from California Environmental Quality Act (CEQA) requirements under provisions of CEQA Guidelines Section 15301 – Existing Facilities. This exemption applies to projects characterized as alterations to existing facilities meeting the conditions described in Section 15301;

WHEREAS, pursuant to California Government Code Sections 65867 and 65090, the City of Commerce, on December 10, 2021, published a legal notice in the Los Cerritos News and mailed out to property owners within 500 feet of the subject property, indicating the public hearing to be held by the City of Commerce Planning Commission on December 21, 2021 to consider recommending approval and adoption of Amended and Restated Development Agreement No. 7## to the City Council, replacing Development Agreement 727;

WHEREAS, the City has given public notice of the Planning Commission's intention to consider recommending the adoption of Amended and Restated Development Agreement No. 7## to replace Development Agreement No.727 to the City Council and has conducted a public hearing thereon pursuant to California Government Code §65867;

WHEREAS, the Planning Commission considered the provisions of Amended and Restated Development Agreement No. 7## at a public hearing on December 21, 2021 and all interested parties were given an opportunity to be heard regarding Amended and Restated Development Agreement No. 7##;

WHEREAS, Sections 65864-65869.5 of the California Government Code authorize the City to enter into development agreements and requires the planning agency of the City to find the proposed Development Agreement to be consistent with the policies and programs of the General Plan and any applicable specific plan. Government Code Section 65865 authorizes the City to enter into development agreements with any person having a legal or equitable interest in real property, which interest Proposed Owner has in the Site, as evidenced by the information within the Development Agreement, and attachments thereto. Government Code Sections 65867.5 and 65868 further allow for amendments to a Development Agreement;

WHEREAS, after conducting a duly noticed hearing on December 21, 2021, in conjunction with the City's applicable ordinances and resolutions, the Planning Commission of the City of Commerce reviewed, considered and recommended approval of the execution of Development Agreement No. ### to the City Council. The Planning Commission found the Project: consistent with the objectives, policies, general land uses and programs specified in the general plan; compatible with the uses authorized in the City's zoning laws; in conformity with the public necessity, public convenience, general welfare and good land use practices; will not be detrimental to the health, safety and general welfare of the city; will not adversely affect the orderly development of property or the preservation of property values; and will have a positive fiscal impact on the City; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, the Planning Commission of the City of Commerce does hereby resolve, declare and determine as follows:

Section 1. That based upon staff reports, presentations, public testimony, and all other matters presented during the public hearing on this item, the Planning Commission hereby finds and declares that the foregoing recitals are true and correct and incorporates them herein as findings and as a substantive part of this Resolution.

Section 2: Pursuant to the Government Section Code 65864 through 65869.5 and in light of the record before it including the staff report (and all attachments), and all evidence and testimony heard at the public hearing for this item, and in light of all evidence and testimony provided in connection with this Project, the Planning Commission makes the following findings pertaining to Development Agreement No. 7## as related to the proposed disposition of the Site for purposes of the Project:

Finding 1: Amended and Restated Development Agreement No. 7## is consistent with the goals and policies of the General Plan, its purposes and applicable Specific Plan(s).

Evidence: The proposed project site is currently developed with one approximately 34,500 square foot industrial building on a 91,887 square foot lot. The lot is generally flat in

nature and is situated in the City's Industrial Zone District (M-2), surrounded by railroad to the west and industrial warehouses to the north, south, and east. The proposed project includes change of ownership, and conducting cultivation, distribution, non-storefront delivery and manufacturing of commercial cannabis at 6915 Slauson Ave. This project is consistent with the General Plan in that it contributes to help establish an orderly pattern of development, economic development, and a wide range of activities. The project will also improve an existing building that has been underutilized. It will improve upon that use and help compliment the general vicinity. As determined by staff, the use will promote the improvement of a location where reinvestment and revitalization is needed. Furthermore, the project will provide needed economic development to the community.

Evidence: The proposed use is one compatible and consistent within the subject zone and complies with the intent of all applicable provisions of this Title 19. The proposed use is one that is consistent as the land uses within the M-2 zone pursuant to the Commerce Municipal Code (CMC). The proposal will allow for the establishment and operation of commercial cannabis business land use within the M-2 (Heavy Manufacturing Zoning District) zone. Through Development Agreement No. 7###, the conditions of approval thereof, and all other required City approvals, permits and licenses, the applicant will ensure the project will adhere to all requirements of Title 19 of the Zoning Code.

Evidence: The proposed use would not impair the integrity and character of the zone in which it is to be located. As proposed, the use will be complimentary to other uses in the immediate vicinity and throughout the M-2 zone. As such, the proposed use will not impair the integrity of the area or its character. Appropriate conditions of approval have also been crafted in order to ensure the use operates in a manner so as not to impact the area in which it is located.

Evidence: The subject site is physically suitable for the type of land use being proposed. All proposals to accommodate the commercial cannabis use will occur within the existing footprint of the building.

Finding 2: Amended and Restated Development Agreement No. ### is consistent with and furthers a number of goals and objectives identified in the City's General Plan.

Evidence: General Plans are required to not only be consistent with a City's zoning ordinance, but they must also be internally consistent. Therefore, individual elements must be consistent with one another. If a project is consistent with one element of a General Plan, it should therefore be consistent with the rest of the document. The subject project includes consistency with following policies in the Community Development Element of the General Plan:

- *Community Development Policy 1.1.* The City of Commerce will continue to promote land use compatibility.
- *Community Development Policy 1.8.* The City of Commerce, in conjunction with the South Coast Air Quality Management District, the Environmental Protection Agency, the Los Angeles County Fire Department, and other public agencies, will work to reduce potential hazards and health risks associated with the use, storage, or manufacture of hazardous materials.
- *Community Development Policy 3.1.* The City of Commerce will continue to promote the maintenance and preservation of industrial activities and business that contribute to the city's economic and employment base.

- *Community Development Policy 6.3.* The City of Commerce will require new commercial and industrial development to employ architectural and site design techniques that will promote quality and efficient development.

Evidence: The abovementioned policies, along with other policies and elements identified in the General Plan will help contribute to an orderly pattern of development in the City, while helping to contribute to the City's economic well-being.

Evidence: The proposed use would be compatible with existing and future land uses within the zone and the general area in which the proposed use is to be located. The parcel is surrounded by a series of complimentary uses. The proposed use is compatible with adjacent uses and combined with other uses in the M2 zone, will serve to help provide a variety of non-residential activities as called for in the City's General Plan. As such, the proposed use would be compatible with existing and future land uses within the zone and the general area in which the proposed use is to be located.

Evidence: The proposed use would not be detrimental to the public interest, health, safety, convenience, or welfare. The proposed operation of the use will be conditioned to comply with all the applicable standards of the Zoning Ordinance, and with the conditions of approval, the project will not adversely impact the general welfare of the City. To the contrary, the proposed use will be complimentary to the existing operations currently occurring in the general vicinity and operated by the ownership group. Further, the proposed use will be maintained in a safe and efficient manner in accordance with the imposed conditions. The conditions imposed will serve the public interest, health, safety, convenience, and welfare. Therefore, the proposed use would not be detrimental to the public interest, health, safety, convenience, or welfare.

Section 3. Based upon the findings outlined in Section 2 above, the Planning Commission of the City of Commerce hereby recommends the City Council approve Amended and Restated Development Agreement No. 7##, replacing Development Agreement 727 by adopting an uncodified ordinance to approve Amended and Restated Development Agreement No. 7##, between the City of Commerce and ABC Commerce, LLC attached hereto as Attachment "B."

Section 4. If any section, subsection, line, sentence, clause, phrase, word, part, provision, or portion of this Resolution, or its application to any individual, entity, or circumstance, for any reason, is held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution, and shall continue in full force and effect. To this end, any section, subsection, line, sentence, clause, phrase, word, part, provision, or portion of this Resolution is severable. The Planning Commission of the City of Commerce declares that this Resolution would have been adopted by the Planning Commission regardless of the fact that any section, subsection, line, sentence, clause, phrase, word, part, provision, or portion thereof, might be declared to be invalid or unconstitutional.

Section 5. The City Clerk shall attest and certify to the passage and adoption of this Resolution, and enter it into the book of original resolutions.

PASSED, APPROVED and ADOPTED this 19th day of January 2021.



Ernesto Gonzalez
Chairperson

ATTEST:



Secretary