

Attachment A

Planning Commission Resolutions (without Attachments)

**CITY OF COMMERCE
PLANNING COMMISSION
RESOLUTION NO. _____**

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COMMERCE RECOMMENDING CITY COUNCIL APPROVAL AND ADOPTION OF DEVELOPMENT AGREEMENT NO. 19-_____ [ALSO IDENTIFIED AS COMMERCIAL CANNABIS PERMIT I.D. NO. 18-005] BETWEEN THE CITY OF COMMERCE AND HENG XIN INTERNATIONAL, CORPORATION FOR A COMMERCIAL CANNABIS BUSINESS OPERATING A CULTIVATION, MANUFACTURING, DISTRIBUTION, AND NON-STOREFRONT RETAIL DELIVERY-ONLY FACILITY, LOCATED AT 6557 FLOTILLA STREET "A", IN THE CITY OF COMMERCE; 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 Applicant, 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, Owners Heng Xin International Corporation 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 "Owner" hereunder shall mean and refer to the Development Agreement applicant, 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, Owner currently holds a legal or equitable interest in real property considered in the Development Agreement, located at 6557 Flotilla Street "A", in the City of Commerce.

WHEREAS, Owner presently intends to develop and open a commercial cannabis business on the Site consistent with all applicable local and state laws, regulations and policies, (known as the "Project"). The project site is currently developed with one industrial building measuring approximately 93,030 square foot. The building is currently vacant and is located on a lot measuring approximately 4.31 acres (187,679 square feet) located north of Flotilla Street and west of Garfield Avenue. The lot is generally flat in nature and is situated in the City's Heavy Manufacturing Zone District (M-2), surrounded by industrial to the north, south, east and west. The proposed project includes 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 cultivation, manufacturing, distribution, and non-storefront retail delivery;

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, 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;

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, on April 24, 2019, the Planning Commission continued five (5) application for development agreement to a date certain, allowing the applicants to find new locations for the proposed Commercial Cannabis Business.

WHEREAS, to date, the Planning Commission has recommended twenty-three (23) applications for approval by the City Council; of which, all were approved by the City Council;

WHEREAS, the City has given public notice of its intention to adopt this Development Agreement and has conducted a public hearing thereon pursuant to California Government Code §65867;

WHEREAS, Sections 65864-65859.5 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 Owner has in the Site, as evidenced by the information

within the Development Agreement, and attachments thereto; and

WHEREAS, pursuant to California Government Code Sections 65867 and 65090, the City of Commerce, on July 18, 2019, and July 19, 2019 published a legal notices in the Los Angeles Wave, and Los Angeles Times, respectively, 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 July 30, 2019 to consider recommending approval and adoption of six (6) development agreements to the City Council;

WHEREAS, the Planning Commission considered the provisions of the Development Agreement at a public hearing on July 30, 2019, and all interested parties were given an opportunity to be heard regarding the Development Agreement;

WHEREAS, after conducting a duly noticed hearing on July 30, 2019, 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 this Development Agreement 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 the Development Agreement as related to the proposed disposition of the Site for purposes of the Project:

Finding 1: The proposed Development Agreement is consistent with the goals and policies of the General Plan, its purposes and applicable Specific Plan(s).

Evidence: The proposed use is consistent with the objectives, policies, general, uses, and programs of the Commerce General Plan. The Commerce General Plan designates the project area as Industrial. The project site is currently developed with one industrial building measuring approximately 93,030 square foot. The building is currently vacant and is located on a lot measuring approximately 4.31 acres (187,679 square feet) located north of Flotilla Street and west of Garfield Avenue. The lot is generally flat in nature and is situated in the City's Heavy Manufacturing Zone District (M-2), surrounded by

industrial to the north, south, east and west. The proposed project includes 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 cultivation, manufacturing, distribution, and non-storefront retail delivery. 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 a 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) zone. Through the Development Agreement, 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: The Development Agreement 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 series of complimentary uses. The proposed use is compatible with adjacent uses and combined with other uses in the M-2 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 the Development Agreement by adopting an uncoded ordinance to approve Development Agreement No. 19-____ [Also identified as Commercial Cannabis Permit I.D. No. 18-005] between the City of Commerce and Heng Xin International, Corp. 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 ____ day of _____ 2019.

Chairperson

APPROVED AS TO FORM:

ATTEST:

City Attorney

City Clerk

**CITY OF COMMERCE
PLANNING COMMISSION
RESOLUTION NO. _____**

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COMMERCE RECOMMENDING CITY COUNCIL APPROVAL AND ADOPTION OF DEVELOPMENT AGREEMENT NO. 19-_____ [ALSO IDENTIFIED AS COMMERCIAL CANNABIS PERMIT I.D. NO. 18-006] BETWEEN THE CITY OF COMMERCE AND CALIFORNIA GREEN WORLD, LLC FOR A COMMERCIAL CANNABIS BUSINESS OPERATING A CULTIVATION, MANUFACTURING, DISTRIBUTION, AND NON-STOREFRONT RETAIL DELIVERY-ONLY FACILITY, LOCATED AT 5401 SHEILA STREET, IN THE CITY OF COMMERCE; 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 Applicant, 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, Owners California Green World, 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 "Owner" hereunder shall mean and refer to the Development Agreement applicant, 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, Owner currently holds a legal or equitable interest in real property considered in the Development Agreement, located at 5401 Sheila Street, in the City of Commerce.

WHEREAS, Owner presently intends to develop and open a commercial cannabis business on the Site consistent with all applicable local and state laws, regulations and policies, (known as the "Project"). The project site is currently developed with one industrial building measuring approximately 4,247 square foot. The building is currently vacant and is located on a lot measuring approximately 0.15 acres (6,589 square feet) located north of Sheila Street and east of O'Neill Avenue. The lot is generally flat in nature and is situated in the City's Commercial Manufacturing Zone District (C/M-1), surrounded by commercial to the north and west and industrial to the south and east. The proposed project includes 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 cultivation, manufacturing, distribution, and non-storefront retail delivery;

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, 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;

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, on April 24, 2019, the Planning Commission continued five (5) application for development agreement to a date certain, allowing the applicants to find new locations for the proposed Commercial Cannabis Business.

WHEREAS, to date, the Planning Commission has recommended twenty-three (23) applications for approval by the City Council; of which, all were approved by the City Council;

WHEREAS, the City has given public notice of its intention to adopt this Development Agreement and has conducted a public hearing thereon pursuant to California Government Code §65867;

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 Owner has in the Site, as evidenced by the information within the Development Agreement, and attachments thereto; and

WHEREAS, pursuant to California Government Code Sections 65867 and 65090, the City of Commerce, on July 18, 2019, and July 19, 2019 published a legal notices in the Los Angeles Wave, and Los Angeles Times, respectively, 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 July 30, 2019 to consider recommending approval and adoption of six (6) development agreements to the City Council;

WHEREAS, the Planning Commission considered the provisions of the Development Agreement at a public hearing on July 30, 2019, and all interested parties were given an opportunity to be heard regarding the Development Agreement;

WHEREAS, after conducting a duly noticed hearing on July 30, 2019, 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 this Development Agreement 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 the Development Agreement as related to the proposed disposition of the Site for purposes of the Project:

Finding 1: The proposed Development Agreement is consistent with the goals and policies of the General Plan, its purposes and applicable Specific Plan(s).

Evidence: The proposed use is consistent with the objectives, policies, general, uses, and programs of the Commerce General Plan. The Commerce General Plan designates the project area as Industrial. The project site is currently developed with one industrial building measuring approximately 4,247 square foot. The building is currently vacant and is located on a lot measuring approximately 0.15 acres (6,589 square feet) located north of Sheila Street and east of O'Neill Avenue. The lot is generally flat in nature

and is situated in the City's Commercial Manufacturing Zone District (C/M-1), surrounded by commercial to the north and west and industrial to the south and east. The proposed project includes 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 cultivation, manufacturing, distribution, and non-storefront retail delivery. 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 a 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 Industrial) zone. Through the Development Agreement, 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: The Development Agreement 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 series of complimentary uses. The proposed use is compatible with adjacent uses and combined with other uses in the M-2 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 the Development Agreement by adopting an uncoded ordinance to approve Development Agreement No. 19-____ [Also identified as Commercial Cannabis Permit I.D. No. 18-006] between the City of Commerce and California Green World, 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.

**CITY OF COMMERCE
PLANNING COMMISSION
RESOLUTION NO. _____**

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COMMERCE RECOMMENDING CITY COUNCIL APPROVAL AND ADOPTION OF DEVELOPMENT AGREEMENT NO. 19-_____ [ALSO IDENTIFIED AS COMMERCIAL CANNABIS PERMIT I.D. NO. 18-013] BETWEEN THE CITY OF COMMERCE AND RD COMMERCE FOR A COMMERCIAL CANNABIS BUSINESS OPERATING A CULTIVATION, MANUFACTURING, DISTRIBUTION, AND NON-STOREFRONT RETAIL DELIVERY-ONLY FACILITY, LOCATED AT 6915 E. SLAUSON AVE., IN THE CITY OF COMMERCE; 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 Applicant, 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, Owners RD Commerce 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 "Owner" hereunder shall mean and refer to the Development Agreement applicant, 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, Owner currently holds a legal or equitable interest in real property considered in the Development Agreement, located at 6915 E. Slauson Ave, in the City of Commerce.

WHEREAS, Owner presently intends to develop and open a commercial cannabis business on the Site consistent with all applicable local and state laws, regulations and policies, (known as the "Project"). The project site is currently developed with one industrial building measuring approximately 34,500 square foot. The building is currently vacant and is located on a lot measuring approximately 2.11 acres (91,887 square feet) located north of Slauson Avenue and east of Garfield Avenue. The lot is generally flat in nature and is situated in the City's Heavy Manufacturing Zone District (M-2), surrounded by industrial to the north, south, east and west. The proposed project includes 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 cultivation, manufacturing, distribution, and non-storefront retail delivery;

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, 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;

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, on April 24, 2019, the Planning Commission continued five (5) application for development agreement to a date certain, allowing the applicants to find new locations for the proposed Commercial Cannabis Business.

WHEREAS, to date, the Planning Commission has recommended twenty-three (23) applications for approval by the City Council; of which, all were approved by the City Council;

WHEREAS, the City has given public notice of its intention to adopt this Development Agreement and has conducted a public hearing thereon pursuant to California Government Code §65867;

WHEREAS, Sections 65864-65859.5 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 Owner has in the Site, as evidenced by the information within the Development Agreement, and attachments thereto; and

WHEREAS, pursuant to California Government Code Sections 65867 and 65090, the City of Commerce, on July 18, 2019, and July 19, 2019 published a legal notices in the Los Angeles Wave, and Los Angeles Times, respectively, 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 July 30, 2019 to consider recommending approval and adoption of six (6) development agreements to the City Council;

WHEREAS, the Planning Commission considered the provisions of the Development Agreement at a public hearing on July 30, 2019, and all interested parties were given an opportunity to be heard regarding the Development Agreement;

WHEREAS, after conducting a duly noticed hearing on July 30, 2019, 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 this Development Agreement 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 the Development Agreement as related to the proposed disposition of the Site for purposes of the Project:

Finding 1: The proposed Development Agreement is consistent with the goals and policies of the General Plan, its purposes and applicable Specific Plan(s).

Evidence: The proposed use is consistent with the objectives, policies, general, uses, and programs of the Commerce General Plan. The Commerce General Plan designates the project area as Industrial. The project site is currently developed with one industrial building measuring approximately 34,500 square foot. The building is currently vacant and is located on a lot measuring approximately 2.11 acres (91,887 square feet) located north of Slauson Avenue and east of Garfield Avenue. The lot is generally flat in nature and is situated in the City's Heavy Manufacturing Zone District (M-2), surrounded by industrial to the north, south, east and west. The proposed project includes 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 cultivation, manufacturing, distribution, and non-storefront retail delivery. 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 a 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 Industrial) zone. Through the Development Agreement, 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: The Development Agreement 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 series of complimentary uses. The proposed use is compatible with adjacent uses and combined with other uses in the M-2 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 the Development Agreement by adopting an uncodified ordinance to approve Development Agreement No. 19-____ [Also identified as Commercial Cannabis Permit I.D. No. 18-013] between the City of Commerce and RD Commerce 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 ____ day of _____ 2019.

Chairperson

APPROVED AS TO FORM:

ATTEST:

City Attorney

City Clerk

**CITY OF COMMERCE
PLANNING COMMISSION
RESOLUTION NO. _____**

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COMMERCE RECOMMENDING CITY COUNCIL APPROVAL AND ADOPTION OF DEVELOPMENT AGREEMENT NO. 19-_____ [ALSO IDENTIFIED AS COMMERCIAL CANNABIS PERMIT I.D. NO. 18-046] BETWEEN THE CITY OF COMMERCE AND SEPTEM LEAF CORPORATION FOR A COMMERCIAL CANNABIS BUSINESS OPERATING A CULTIVATION, MANUFACTURING, DISTRIBUTION, AND NON-STOREFRONT RETAIL DELIVERY-ONLY FACILITY, LOCATED AT 6557 FLOTILLA STREET "B", IN THE CITY OF COMMERCE; 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 Applicant, 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, Owners Septem Leaf Corporation 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 "Owner" hereunder shall mean and refer to the Development Agreement applicant, 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, Owner currently holds a legal or equitable interest in real property considered in the Development Agreement, located at 6557 Flotilla Street "B", in the City of Commerce.

WHEREAS, Owner presently intends to develop and open a commercial cannabis business on the Site consistent with all applicable local and state laws, regulations and policies, (known as the "Project"). The project site is currently developed with one industrial building measuring approximately 93,030 square foot. The building is currently vacant and is located on a lot measuring approximately 4.31 acres (187,679 square feet) located north of Flotilla Street and west of Garfield Avenue. The lot is generally flat in nature and is situated in the City's Heavy Manufacturing Zone District (M-2), surrounded by industrial to the north, south, east and west. The proposed project includes 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 cultivation, manufacturing, distribution, and non-storefront retail delivery;

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, 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;

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, on April 24, 2019, the Planning Commission continued five (5) application for development agreement to a date certain, allowing the applicants to find new locations for the proposed Commercial Cannabis Business.

WHEREAS, to date, the Planning Commission has recommended twenty-three (23) applications for approval by the City Council; of which, all were approved by the City Council;

WHEREAS, the City has given public notice of its intention to adopt this Development Agreement and has conducted a public hearing thereon pursuant to California Government Code §65867;

WHEREAS, Sections 65864-65859.5 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 Owner has in the Site, as evidenced by the information

within the Development Agreement, and attachments thereto; and

WHEREAS, pursuant to California Government Code Sections 65867 and 65090, the City of Commerce, on July 18, 2019, and July 19, 2019 published a legal notices in the Los Angeles Wave, and Los Angeles Times, respectively, 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 July 30, 2019 to consider recommending approval and adoption of six (6) development agreements to the City Council;

WHEREAS, the Planning Commission considered the provisions of the Development Agreement at a public hearing on July 30, 2019, and all interested parties were given an opportunity to be heard regarding the Development Agreement;

WHEREAS, after conducting a duly noticed hearing on July 30, 2019, 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 this Development Agreement 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 the Development Agreement as related to the proposed disposition of the Site for purposes of the Project:

Finding 1: The proposed Development Agreement is consistent with the goals and policies of the General Plan, its purposes and applicable Specific Plan(s).

Evidence: The proposed use is consistent with the objectives, policies, general, uses, and programs of the Commerce General Plan. The Commerce General Plan designates the project area as Industrial. The project site is currently developed with one industrial building measuring approximately 93,030 square foot. The building is currently vacant and is located on a lot measuring approximately 4.31 acres (187,679 square feet) located north of Flotilla Street and west of Garfield Avenue. The lot is generally flat in nature and is situated in the City's Heavy Manufacturing Zone District (M-2), surrounded by

industrial to the north, south, east and west. The proposed project includes 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 cultivation, manufacturing, distribution, and non-storefront retail delivery. 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 a 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) zone. Through the Development Agreement, 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: The Development Agreement 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 series of complimentary uses. The proposed use is compatible with adjacent uses and combined with other uses in the M-2 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 the Development Agreement by adopting an uncoded ordinance to approve Development Agreement No. 19-____ [Also identified as Commercial Cannabis Permit I.D. No. 18-046] between the City of Commerce and Septem Leaf Corp. 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 ____ day of _____ 2019.

Chairperson

APPROVED AS TO FORM:

ATTEST:

City Attorney

City Clerk

**CITY OF COMMERCE
PLANNING COMMISSION
RESOLUTION NO. _____**

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COMMERCE RECOMMENDING CITY COUNCIL APPROVAL AND ADOPTION OF DEVELOPMENT AGREEMENT NO. 19-_____ [ALSO IDENTIFIED AS COMMERCIAL CANNABIS PERMIT I.D. NO. 18-053] BETWEEN THE CITY OF COMMERCE AND RS INNOVATIONS, LLC FOR A COMMERCIAL CANNABIS BUSINESS OPERATING A MANUFACTURING, DISTRIBUTION, AND NON-STOREFRONT RETAIL DELIVERY-ONLY FACILITY, LOCATED AT 4170 E. WASHINGTON BLVD., IN THE CITY OF COMMERCE; 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 Applicant, 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, Owners RS Innovations, 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 "Owner" hereunder shall mean and refer to the Development Agreement applicant, 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, Owner currently holds a legal or equitable interest in real property considered in the Development Agreement, located at 4170 E. Washington Blvd Ave, in the City of Commerce.

WHEREAS, Owner presently intends to develop and open a commercial cannabis business on the Site consistent with all applicable local and state laws, regulations and policies, (known as the "Project"). The project site is currently developed with one industrial building measuring approximately 4,230 square foot. The building is currently vacant and is located on a lot measuring approximately 0.14 acres (6,245 square feet) located south of E. Washington Boulevard and north of E Pacific Way. The lot is generally flat in nature and is situated in the City's Heavy Manufacturing Zone District (M-2), surrounded by industrial to the north, south, east and west. The proposed project includes 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, and non-storefront retail delivery;

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, 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;

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, on April 24, 2019, the Planning Commission continued five (5) application for development agreement to a date certain, allowing the applicants to find new locations for the proposed Commercial Cannabis Business.

WHEREAS, to date, the Planning Commission has recommended twenty-three (23) applications for approval by the City Council; of which, all were approved by the City Council;

WHEREAS, the City has given public notice of its intention to adopt this Development Agreement and has conducted a public hearing thereon pursuant to California Government Code §65867;

WHEREAS, Sections 65864-65859.5 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 Owner has in the Site, as evidenced by the information within the Development Agreement, and attachments thereto; and

WHEREAS, pursuant to California Government Code Sections 65867 and 65090, the City of Commerce, on July 18, 2019, and July 19, 2019 published a legal notices in the Los Angeles Wave, and Los Angeles Times, respectively, 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 July 30, 2019 to consider recommending approval and adoption of six (6) development agreements to the City Council;

WHEREAS, the Planning Commission considered the provisions of the Development Agreement at a public hearing on July 30, 2019, and all interested parties were given an opportunity to be heard regarding the Development Agreement;

WHEREAS, after conducting a duly noticed hearing on July 30, 2019, 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 this Development Agreement 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 the Development Agreement as related to the proposed disposition of the Site for purposes of the Project:

Finding 1: The proposed Development Agreement is consistent with the goals and policies of the General Plan, its purposes and applicable Specific Plan(s).

Evidence: The proposed use is consistent with the objectives, policies, general, uses, and programs of the Commerce General Plan. The Commerce General Plan designates the project area as Industrial. The project site is currently developed with one industrial building measuring approximately 4,230 square foot. The building is currently vacant and is located on a lot measuring approximately 0.14 acres (6,245 square feet) located south of E. Washington Boulevard and north of E Pacific Way. The lot is generally flat in nature and is situated in the City's Heavy Manufacturing Zone District (M-2),

surrounded by industrial to the north, south, east and west. The proposed project includes 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, and non-storefront retail delivery. 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 a 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) zone. Through the Development Agreement, 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: The Development Agreement 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 series of complimentary uses. The proposed use is compatible with adjacent uses and combined with other uses in the M-2 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 the Development Agreement by adopting an uncoded ordinance to approve Development Agreement No. 19-____ [Also identified as Commercial Cannabis Permit I.D. No. 18-053] between the City of Commerce and RS Innovations, 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 ____ day of _____ 2019.

Chairperson

APPROVED AS TO FORM:

ATTEST:

City Attorney

City Clerk

**CITY OF COMMERCE
PLANNING COMMISSION
RESOLUTION NO. 19-**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF
COMMERCE RECOMMENDING CITY COUNCIL APPROVAL AND ADOPTION
OF FIRST AMENDMENT TO DEVELOPMENT AGREEMENT NO. 733 [ALSO
IDENTIFIED AS COMMERCIAL CANNABIS PERMIT I.D. NO. 18-023] BETWEEN
THE CITY OF COMMERCE AND A&E INVESTMENTS TO CHANGE THE
OWNERSHIP OF THE BUSINESS CURRENTLY APPROVED AT 4234 EAST
PACIFIC WAY, IN THE CITY OF COMMERCE; 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 Applicant, 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, Owners A&E Investments 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 "Owner" hereunder shall mean and refer to the Development Agreement applicant, 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, Owner currently holds a legal or equitable interest in real property considered in the Development Agreement, located at 4234 East Pacific Way, in the City of Commerce.

WHEREAS, Owner presently has a duly-approved and executed Development Agreement with the City, which allows for operation of a commercial cannabis business on the Site consistent with all applicable local and state laws, regulations and policies, (known as the "Project"). The project site is currently developed with one approximately 5,332 square foot industrial building, currently vacant, located south of East Pacific Way and measures approximately 0.22 acres (9,498 square feet). It is generally flat in nature and is situated in the City's Heavy Manufacturing Zoning District (M-2), surrounded by industrial warehouses to the north, railroad to the south, and industrial uses to the east and west. The proposed project includes 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 cultivation, manufacturing, and non-storefront retail delivery.

WHEREAS, in October 2019, a request was placed with CCP staff to change the ownership of A&E Investments 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, no other changes were requested and all required materials were submitted; 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, ultimately, 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;

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, inclusive of the First Amendment to the Development Agreement, 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 November 14, 2019, published a legal notice in the Wave 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 November 26, 2019 to consider recommending approval and adoption of seven (7) amendments to development agreements to the City Council;

WHEREAS, the City has given public notice of its intention to adopt this First Amendment to Development Agreement and has conducted a public hearing thereon pursuant to California Government Code §65867;

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, and Amendment thereof, 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 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; and

WHEREAS, after conducting a duly noticed hearing on November 26, 2019, 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 this First Amendment to Development Agreement 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 the Development Agreement as related to the proposed disposition of the Site for purposes of the Project:

Finding 1: The proposed First Amendment to the Development Agreement is consistent with the goals and policies of the General Plan, its purposes and applicable Specific Plan(s).

Evidence: The following finding originally made still applies as the only requested change is ownership, and no other aspect of the operation of the approved development agreement is being altered, modified or amended. The proposed use is consistent with the objectives, policies, general, uses, and programs of the Commerce General Plan. The Commerce General Plan designates the project area as Industrial. The project site is currently developed with one approximately 5,332 square foot industrial building, currently vacant, located south of East Pacific Way and measures approximately 0.22 acres (9,498 square feet). It is generally flat in nature and is situated in the City's Heavy Manufacturing Zoning District (M-2), surrounded by industrial warehouses to the north, railroad to the south, and industrial uses to the east and west. The proposed project includes 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 cultivation, manufacturing, and non-storefront retail delivery. 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 a 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) zone. Through the Development Agreement, 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: The First Amendment to the Development Agreement 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 series of complimentary uses. The proposed use is compatible with adjacent uses and combined with other uses in the M-2 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 the First Amendment to the Development Agreement by adopting an uncoded ordinance to approve the First Amendment to Development Agreement No. 733 [Also identified as Commercial Cannabis Permit I.D. No. 18-023] between the City of Commerce and A&E Investments attached hereto as Attachment "A."

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 26th day of November 2019.

Chairperson

ATTEST:

Secretary

ATTACHMENT “A”

[DRAFT] FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

**CITY OF COMMERCE
PLANNING COMMISSION
RESOLUTION NO. 19-**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF
COMMERCE RECOMMENDING CITY COUNCIL APPROVAL AND ADOPTION OF
FIRST AMENDMENT TO DEVELOPMENT AGREEMENT NO. 726 [ALSO
IDENTIFIED AS COMMERCIAL CANNABIS PERMIT I.D. NO. 18-026] BETWEEN
THE CITY OF COMMERCE AND VK LABS, LLC TO CHANGE THE OWNERSHIP
OF THE BUSINESS CURRENTLY APPROVED AT 5608 E. WASHINGTON
BOULEVARD, IN THE CITY OF COMMERCE; 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 Applicant, 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, Owner VK Labs, 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 "Owner" hereunder shall mean and refer to the Development Agreement applicant, 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, Owner currently holds a legal or equitable interest in real property considered in the Development Agreement, located at 5608 E. Washington Boulevard, City of Commerce, State of California (the "Site");

WHEREAS, Owner presently has a duly-approved and executed Development Agreement with the City, which allows for operation of a commercial cannabis business on the Site consistent with all applicable local and state laws, regulations and policies, (known as the "Project"). The Project Site is currently developed with one approximately 4,000 square foot commercial building, currently vacant, located south of E. Washington Boulevard and measures approximately 0.12 acres (5,103 square feet). It is generally flat in nature and is situated in the City's Commercial Manufacturing Zoning District (C/M-1), surrounded by commercial to the north, south, east and west. The proposed project includes 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 testing laboratory;

WHEREAS, in October 2019, a request was placed with CCP staff to change the ownership of VK Labs, 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, no other changes were requested and all required materials were submitted; 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, ultimately, 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;

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, inclusive of the First Amendment to the Development Agreement, 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 November 14, 2019, published a legal notice in the Wave 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 November 26, 2019 to consider recommending approval and adoption of seven (7) amendments to development agreements to the City Council;

WHEREAS, the City has given public notice of its intention to adopt this First Amendment to Development Agreement and has conducted a public hearing thereon pursuant to California Government Code §65867;

WHEREAS, Sections 65864-658659.5 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, and Amendment thereof, 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 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; and

WHEREAS, after conducting a duly noticed hearing on November 26, 2019, 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 this First Amendment to Development Agreement 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 the Development Agreement as related to the proposed disposition of the Site for purposes of the Project:

Finding 1: The proposed First Amendment to the Development Agreement Amendment is consistent with the goals and policies of the General Plan, its purposes and applicable Specific Plan(s).

Evidence: The following finding originally made still applies as the only requested change is ownership, and no other aspect of the operation of the approved development agreement is being altered, modified or amended. The proposed use is consistent with the objectives, policies, general, uses, and programs of the Commerce General Plan. The Commerce General Plan designates the project area as Commercial Manufacturing. The Project Site is currently developed with one approximately 4,000 square foot commercial building, currently vacant, located south of East Washington Boulevard and measures approximately 0.12 acres (5,103 square feet). It is generally flat in nature and is situated in the City's Commercial Manufacturing Zoning District (C/M-1), surrounded by commercial to the north, south, east and west. The proposed project includes 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 testing laboratory. 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 a 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 with the land uses within the Commercial-Manufacturing (C/M-1) zone pursuant to the Commerce Municipal Code (CMC) 19.11.A1. The proposal will allow for the establishment and operation of commercial cannabis business land use within the Commercial-Manufacturing (C/M-1) zone. Through the Development Agreement, 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 Commercial-Manufacturing (C/M-1) 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: The First Amendment to the Development Agreement 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 land uses within the zone and the general area in which the proposed use is to be located. The parcel is surrounded by series of complimentary uses. The proposed use is compatible with adjacent uses and combined with other uses in the C/M-1 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 the First Amendment to the Development Agreement by adopting an uncodified ordinance to approve the First Amendment to the Development Agreement No. 726 [Also identified as Commercial Cannabis Permit I.D. No. 18-026] between the City of Commerce and Golden Perspective attached hereto as Attachment "A."

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 26th day of November 2019.

Chairperson

ATTEST:

Secretary

**CITY OF COMMERCE
PLANNING COMMISSION
RESOLUTION NO. 19-**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF
COMMERCE RECOMMENDING CITY COUNCIL APPROVAL AND ADOPTION
OF FIRST AMENDMENT TO DEVELOPMENT AGREEMENT NO. 722 [ALSO
IDENTIFIED AS COMMERCIAL CANNABIS PERMIT I.D. NO. 18-052] BETWEEN
THE CITY OF COMMERCE AND DJCC FOR RELOCATION OF AN APPROVED
COMMERCIAL CANNABIS BUSINESS TO 5333 E. SLAUSON AVE, IN THE
CITY OF COMMERCE; 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 Applicant, 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, Owner DJCC 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 "Owner" hereunder shall mean and refer to the Development Agreement applicant, 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, Owner presently has a duly-approved Development Agreement with the City which allows for operation of a commercial cannabis business for Cultivation, Manufacturing and Distribution of Commercial Cannabis at 5350 E. Washington Blvd. consistent with all applicable local and state laws, regulations and policies;

WHEREAS, in October 2019, a request was placed with CCP staff for the City to consent and agree to make modification to the Development Agreement to change the location of the business from 5350 E. Washington Blvd. to 5333 E. Slauson Ave. in Commerce California;

WHEREAS, application materials, documents, information and applicable processing fees were submitted to CCP staff to request said modifications 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, Owner currently holds a legal or equitable interest in real property considered in the Development Agreement, located at 5333 E Slauson Ave, City of Commerce, State of California (the "Site");

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, Owner intends upon obtaining 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;

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 November 14, 2019, published a legal notice in the Wave 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 November 26, 2019 to consider recommending approval and adoption of seven (7) amendments to development agreements to the City Council;

WHEREAS, the City has given public notice of its intention to adopt this development agreement, with First Amendment thereof and has conducted a public hearing thereon pursuant to California Government Code §65867;

WHEREAS, the Planning Commission considered the provisions of the First Amendment of the Development Agreement at a public hearing on November 26, 2019, and all interested

parties were given an opportunity to be heard regarding First Amendment to the development agreement;

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 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; and

WHEREAS, after conducting a duly noticed hearing on November 26, 2019, in conjunction with the City's applicable ordinances and resolutions, the Planning Commission of the City of Commerce reviewed, considered and approved environmental clearance and recommended approval of the execution of this Development Agreement 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; 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;

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 the Development Agreement as related to the proposed disposition of the Site for purposes of the Project:

Finding 1: The proposed First Amendment to the Development Agreement is consistent with the goals and policies of the General Plan, its purposes and applicable Specific Plan(s).

Evidence: The project site is currently developed with one industrial building measuring approximately 49,558 square feet. The building is currently occupied by Indio Products - Wholesale and is located on a lot measuring approximately 4.30 acres (187,244 square feet) located north of E. Slauson Avenue and east of I-710. The lot is generally flat in nature and is situated in the City's Heavy Manufacturing Zone District (M-2), surrounded by the City of Bell to the North, I-710 Freeway to the west, and industrial to the south and east. The proposed project includes 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 cultivation, manufacturing,

and distribution. 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 a 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 with 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) zone. Through the Development Agreement, 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. 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: The First Amendment to the Development Agreement 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 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 the First Amendment to Development Agreement by adopting an uncodified ordinance to approve the First Amendment to Development Agreement No. 722 [Also identified as Commercial Cannabis Permit I.D. No. 18-052] between the City of Commerce and DJCC, attached hereto and incorporated herein by this reference 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 ____ day of _____ 2019.

Chairperson

APPROVED AS TO FORM:

ATTEST:

City Attorney

City Clerk

**CITY OF COMMERCE
PLANNING COMMISSION
RESOLUTION NO. 19-**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF
COMMERCE RECOMMENDING CITY COUNCIL APPROVAL AND ADOPTION
OF FIRST AMENDMENT TO DEVELOPMENT AGREEMENT NO. 717 [ALSO
IDENTIFIED AS COMMERCIAL CANNABIS PERMIT I.D. NO. 18-017]
BETWEEN THE CITY OF COMMERCE AND 2SBK INC. FOR RELOCATION OF
AN APPROVED COMMERCIAL CANNABIS BUSINESS TO 6445 BANDINI
BLVD., IN THE CITY OF COMMERCE; 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 Applicant, 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, Owners 2SBK, Inc. 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 "Owner" hereunder shall mean and refer to the Development Agreement applicant, 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, Owner presently has a duly-approved Development Agreement with the City which allows for operation of a commercial cannabis business for Cultivation, Manufacturing, Distribution and Non-Storefront Delivery of Commercial Cannabis at 5350 E. Washington Blvd consistent with all applicable local and state laws, regulations and policies.

WHEREAS, in October 2019, a request was placed with CCP staff for the City to consent and agree to make modification to the Development Agreement to change the location of the business from 5136 Triggs Ave. to 6445 Bandini Blvd. in Commerce California;

WHEREAS, application materials, documents, information and applicable processing fees were submitted to CCP staff to request said modifications 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, Owner currently holds a legal or equitable interest in real property considered in the Development Agreement, located at 6445 Bandini Blvd., in the City of Commerce.

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, 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;

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 Categorical 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 November 14, 2019, published a legal notice in the Wave 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 November 26, 2019 to consider recommending approval and adoption

WHEREAS, the City has given public notice of its intention to adopt this Development Agreement and has conducted a public hearing thereon pursuant to California Government Code §65867;

WHEREAS, the Planning Commission considered the provisions of the First Amendment of the Development Agreement at a public hearing on November 26, 2019, and all interested parties were given an opportunity to be heard regarding the Development Agreement;

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 Owner has in the Site, as evidenced by the information within the Development Agreement, and attachments thereto; and

WHEREAS, after conducting a duly noticed hearing on November 26, 2019, 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 this Development Agreement 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 the Development Agreement as related to the proposed disposition of the Site for purposes of the Project:

Finding 1: The proposed First Amendment to the Development Agreement is consistent with the goals and policies of the General Plan, its purposes and applicable Specific Plan(s).

Evidence: The proposed use is consistent with the objectives, policies, general, uses, and programs of the Commerce General Plan. The Commerce General Plan designates the project area as Industrial. The project site is currently developed with one industrial building measuring approximately 40,800 square feet. The building is currently occupied by Brooks Fabrics and Ribenks Corporation and is located on a lot measuring approximately 2.53 acres (110,248 square feet) located south of E. 26th Street and north of Bandini Boulevard. The lot is generally flat in nature and is situated in the City's Heavy Manufacturing Zone District (M-2), surrounded by industrial to the north, south, east and west. The proposed project includes 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 cultivation, manufacturing, distribution, and non-storefront retail delivery. 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 a 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 M2 (Heavy Manufacturing) zone. Through the Development Agreement, 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: The First Amendment to the Development Agreement 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 series of complimentary uses. The proposed use is compatible with adjacent uses and combined with other uses in the M-2 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 the First Amendment to the Development Agreement by adopting an uncoded ordinance to approve the First Amendment to Development Agreement No. 717 [Also identified as Commercial Cannabis Permit I.D. No. 18-017] between the City of Commerce and 2SBK, Inc. attached hereto and incorporated herein by this reference 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 ____ day of _____ 2019.

Chairperson

ATTEST:

**CITY OF COMMERCE
PLANNING COMMISSION
RESOLUTION NO. 19-**

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COMMERCE RECOMMENDING CITY COUNCIL APPROVAL AND ADOPTION OF FIRST AMENDMENT OF DEVELOPMENT AGREEMENT NO. 720 [ALSO IDENTIFIED AS COMMERCIAL CANNABIS PERMIT I.D. NO. 18-047] BETWEEN THE CITY OF COMMERCE AND SUMMIT MANUFACTURING, LLC TO ADD CULTIVATION AS A LICENSE TYPE TO A COMMERCIAL CANNABIS BUSINESS APPROVED TO OPERATE A CANNABIS MANUFACTURING AND DISTRIBUTION FACILITY, LOCATED AT 3019 VAIL AVENUE, IN THE CITY OF COMMERCE; 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 Applicant, 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, Owner Summit Manufacturing, 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 "Owner" hereunder shall mean and refer to the Development Agreement applicant, 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, Owner currently holds a legal or equitable interest in real property considered in the Development Agreement, located at 3019 Vail Avenue, City of Commerce, State of California (the "Site");

WHEREAS, in October 2019, a request was placed with CCP staff for the City to consent and agree to make modification to the Development Agreement to add Cultivation as a license type for Summit Manufacturing, LLC, that has an approved Development Agreement allowing for the Manufacturing and Distribution of Commercial Cannabis at 3019 Vail Ave, in Commerce California, 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, The proposed project site is currently developed with one industrial building measuring approximately 49,961 square feet. The building is currently occupied by Summit Manufacturing and is located on a lot measuring approximately 1.81 acres (79,030 square feet) located east of Yates Avenue. The lot is generally flat in nature and is situated in the City's Heavy Manufacturing Zone District (M-2), surrounded by industrial to the north, east and west and railroad to the south. The proposed project includes 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 cultivation, manufacturing, distribution, and non-storefront retail delivery.;

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, ultimately, Owner intends upon obtaining a permanent 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;

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 Categorical 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 November 14, 2019, published a legal notice in the Wave 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 November 26, 2019 to consider recommending approval and adoption of seven (7) amendments to development agreements to the City Council;

WHEREAS, the City has given public notice of its intention to adopt this Development Agreement and has conducted a public hearing thereon pursuant to California Government Code §65867;

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 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; and

WHEREAS, after conducting a duly noticed hearing on November 26, 2019, in conjunction with the City's applicable ordinances and resolutions, the Planning Commission of the City of Commerce reviewed, considered and approved environmental clearance and recommended approval of the execution of this Development Agreement 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;

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 the Development Agreement as related to the proposed disposition of the Site for purposes of the Project:

Finding 1: The proposed First Amendment of the Development Agreement is consistent with the goals and policies of the General Plan, its purposes and applicable Specific Plan(s).

Evidence: The proposed use is consistent with the objectives, policies, general, uses, and programs of the Commerce General Plan. The Commerce General Plan designates the project area as Industrial. The project site is currently developed with one approximately 20,070 square foot industrial building, located west of Vail Avenue and measures approximately 1.26 acres (54,754 square feet). It is generally flat in nature and is situated in the City's Heavy Industrial Zoning District (M-2), surrounded by railroad to the west and industrial warehouses to the north, south and east. The proposed project includes 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 and distribution. on. 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 a 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 M2 (Heavy Manufacturing) zone. Through the Development Agreement, 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: The First Amendment of the Development Agreement 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 series of complimentary uses. The proposed use is compatible with adjacent uses and combined with other uses in the M-2 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 the First Amendment Development Agreement by adopting an uncodified ordinance to approve Development Agreement No. 720 [Also identified as Commercial Cannabis Permit I.D. No. 18-047] between the City of Commerce and Summit Manufacturing, LLC attached hereto and incorporated herein by this reference as Attachment "A."

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 ____ day of _____ 2019.

Chairperson

ATTEST:

**CITY OF COMMERCE
PLANNING COMMISSION
RESOLUTION NO. 19-**

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COMMERCE RECOMMENDING CITY COUNCIL APPROVAL AND ADOPTION OF FIRST AMENDMENT TO DEVELOPMENT AGREEMENT NO. 715 [ALSO IDENTIFIED AS COMMERCIAL CANNABIS PERMIT I.D. NO. 18-059] BETWEEN THE CITY OF COMMERCE AND COMMERCE CONCENTRATES, LLC FOR CHANGE OF OWNERSHIP, ADDITION OF CULTIVATION AND NON-RETAIL STOREFRONT DELIVERY AS LICENSE TYPES AND RELOCATION OF AN APPROVED COMMERCIAL CANNABIS BUSINESS TO 2700 YATES AVE, IN THE CITY OF COMMERCE; 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 Applicant, 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, Owners Commerce Concentrates, 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 "Owner" hereunder shall mean and refer to the Development Agreement applicant, 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, Owner presently has a duly-approved and executed Development Agreement with the City which allows for operation of a commercial cannabis business for Manufacturing and Distribution of Commercial Cannabis at 6445 Bandini Blvd consistent with all applicable local and state laws, regulations and policies;

WHEREAS, in October 2019, a request was placed with CCP staff for the City to consent and agree to make modifications to the Development Agreement in the following form (1) to change the ownership and membership of Commerce Concentrates, LLC, (2) add Cultivation and Non-Retail Storefront Delivery as license types to the already approved manufacturing and distribution license types, and (3) change the location of the business from 6445 Bandini Boulevard to 2700 Yates Ave., in Commerce California;

WHEREAS, application materials, documents, information and applicable processing fees were submitted to CCP staff to request said modifications 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, Owner currently holds a legal or equitable interest in real property considered in the First Amendment to the Development Agreement, located at 2700 Yates Avenue, in the City of Commerce;

WHEREAS, the proposed project site is currently developed with one industrial building measuring approximately 49,961 square feet. The building is currently occupied by LA Vani Inc. and is located on a lot measuring approximately 1.81 acres (79,030 square feet) located east of Yates Avenue. The lot is generally flat in nature and is situated in the City's Heavy Manufacturing Zone District (M-2), surrounded by industrial to the north, east and west and railroad to the south. The proposed project includes 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 cultivation, manufacturing, distribution, and non-storefront retail delivery;

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, 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;

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 November 14, 2019, published a legal notice in the Wave 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 November 26, 2019 to consider recommending approval and adoption of seven (7) amendments to development agreements to the City Council;

WHEREAS, the City has given public notice of its intention to adopt this Development Agreement, with First Amendment thereof, and has conducted a public hearing thereon pursuant to California Government Code §65867;

WHEREAS, the Planning Commission considered the provisions of the First Amendment to the Development Agreement at a public hearing on November 26, 2019, and all interested parties were given an opportunity to be heard regarding the First Amendment to the Development Agreement;

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 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 November 26, 2019, 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 this First Amendment to Development Agreement 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 the Development Agreement as related to the proposed disposition of the Site for purposes of the Project:

Finding 1: The proposed First Amendment to the Development Agreement 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 industrial building measuring approximately 49,961 square feet. The building is currently occupied by LA Vani Inc. and is located on a lot measuring approximately 1.81 acres (79,030 square feet) located east of Yates Avenue. The lot is generally flat in nature and is situated in the City's Heavy Manufacturing Zone District (M-2), surrounded by industrial to the north, east and west and railroad to the south. The proposed project includes 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 cultivation, manufacturing, distribution, and non-storefront retail delivery. 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 a 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 the Development Agreement, 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: The First Amendment to the Development Agreement 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 series of complimentary uses. The proposed use is compatible with adjacent uses and combined with other uses in the M-2 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 the First Amendment to the Development Agreement by adopting an uncoded ordinance to approve First Amendment to Development Agreement No. 715 [Also identified as Commercial Cannabis Permit I.D. No. 18-059] between the City of Commerce and Commerce Concentration, LLC, attached hereto and incorporated herein by this reference, 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 ____ day of _____ 2019.

Chairperson

ATTEST:

Secretary