



DATE: February 3, 2020

TO: Council Economic Development Committee

FROM: Deputy City Manager

SUBJECT: Conceptual Review of a Conditional Use Permit Application from Jiva Life for a Proposed Commercial Cannabis Retail Dispensary at 22701 Foothill Boulevard and 1055 “C” Street in Downtown Hayward

RECOMMENDATION

That the Council Economic Development Committee reviews the report and provides feedback on the proposed project to the applicant and City staff.

SUMMARY

Jiva Life, LLC (“Jiva Life”) has submitted a Conditional Use Permit (CUP) application to operate a commercial cannabis retail and delivery business on two parcels located at 22701 Foothill Boulevard and 1055 “C” Street. The proposed retail dispensary would provide cannabis and cannabis-related products to members of the public that are of legal age (21 years and older) for medical and adult recreational use. Rajiv Pottabathni, principal and managing director of Jiva Life, will be present to discuss the proposal and answer questions from the committee.

BACKGROUND

On December 20, 2018, Jiva Life submitted a CUP application to operate a commercial cannabis retail and delivery business at 1223 “A” Street, also known as the Reptile Room building. Following the change of the overconcentration and buffer requirements from 1,000-feet to 500-feet in the Hayward Municipal Code, the applicant reconsidered the proposed location of their business. On September 27, 2019, the applicant formally withdrew their initial application from consideration with the Planning Division for their location at 1223 “A” Street. On September 30, 2019, Jiva Life submitted a new application to relocate their proposed location to the former Hayward Fishery/Art’s Crab Shack located at the above-referenced site.

On October 8th, an initial Notice of Application Receipt for the project application was sent to 98 addresses including property owners, residents, and businesses within a 300-foot radius of the project site. As of date, Planning Division staff received correspondence from a business owner and resident with concerns and opposition to the project.

DISCUSSION

General Plan and Zoning Ordinance. The 0.45-acre project site is within the Downtown Main Street (DT-MS) zoning district within the Downtown Hayward Specific Plan with a corresponding land use designation of City Center – Retail and Office Commercial (CC-ROC) in the Hayward 2040 General Plan. Commercial cannabis retail dispensaries require the review and approval of a CUP in the DT-MS zoning district. Pursuant to the City's Cannabis Land Use Ordinance, commercial retail dispensaries are required to be buffered a minimum of 500-feet from other commercial cannabis retail establishments and a minimum of 600-feet from sensitive land uses

The project site is located at the corner of "C" Street and Foothill Boulevard, where it will retain access from existing driveways to the site's parking lot. Surrounding land uses and development include the Municipal Lot #3 parking structure to the north, Portuguese Centennial Park to the east across the street, and miscellaneous commercial uses to the south and west of the project site.

Furthermore, the project site is also located 0.3 miles from All Saints Catholic Church (22870 2nd Street) and Bret Harte Middle School (1047 E Street), 0.2 miles from High Scores Arcade (1051 B Street) and Team Brewer Karate Fitness (22683 Main Street), and 0.1 miles from Kumon Math and Reading Center (22628 Foothill Boulevard) based on the existing road network. Parcels with sensitive land uses within 600-feet of the project site include the Kumon Center, High Scores Arcade, Team Brewer Karate, and Children's Park at Giuliani Plaza.

Pursuant to the HMC, the buffer may be reduced as part of a CUP approval if it is found that the public convenience and necessity will be served by an alternate distance requirement and that alternative measures to assure public health and safety are in place with respect to the proposed commercial cannabis business.

Project Description. The proposed commercial cannabis retail storefront and delivery operation will occupy the existing two-story, 4,500 square-foot structure that was constructed in 1910 and was formerly occupied by the Hayward Fishery and Art's Crab Shack. The project will primarily include the retail storefront operation, which will sell pre-packaged, pre-processed child-resistant cannabis and cannabis related products such as edibles, tinctures, flower, vaporizers, and CBD products. No on-site consumption of cannabis products is proposed. Proposed business hours for the retail storefront and delivery services are seven days a week, from 8 a.m. to 10 p.m. The establishment will be required to implement a security plan that includes the installation of a video surveillance and alarm system, secured storage and waste, secure entrances and exits, exterior lighting, hiring of security personnel, etc. The applicant anticipates hiring approximately 15 employees for the operation and that the dispensary will generate an estimated 301 transactions daily.

The applicant is proposing an interior tenant improvement within the building to create a customer art gallery, retail floor area, loading zone, and product storage area on the ground-floor; and storage rooms, a conference room, employee lounge area, and offices on the second floor. No exterior renovations beyond paint and signage are proposed. In

addition, the applicant is proposing to create 22 parking spaces. Project plans are included in this report as Attachment II.

Policy Direction. Staff is requesting that the CEDC provide policy feedback to City staff and the applicant on whether the proposed site is an appropriate location given its high visibility and prominence along an arterial street through Downtown Hayward (Foothill Boulevard) and its proximity to the sensitive land uses stated above. Based on the City's Economic Development Strategic Plan, the project site is within the Downtown Area key retail area; however, the site is not an identified catalyst site. The building has remained vacant since the closure of the Hayward Fishery in 2015. The CEDC may also share comments on the proposed operations, design, and other elements of the project to the applicant and staff. Staff believes that the proposed project should include significant exterior enhancements and investment into the facades of the two buildings on the site for a cohesive design and to create a pedestrian friendly, walkable environment for pedestrians and patrons alike.

NEXT STEPS

At this time, the CUP application has been deemed "incomplete" and pending additional revisions from the project proponent. Following this meeting, the applicant will take into consideration any comments and feedback from the CEDC into their proposal prior to resubmitting their project plans and business proposal for review. At the point the project is deemed "complete," the application will be scheduled for public hearings with Planning Commission and City Council for review and disposition.

Prepared by: Marcus Martinez, Associate Planner

Recommended by: Jennifer Ott, Deputy City Manager

Approved by:



Kelly McAdoo, City Manager