



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Arturo Vela, Interim City Manager

PREPARED BY: David Newell, Community Development Director
Mark Staples, Planning Manager; Ted Lopez, Senior Planner

MEETING DATE: October 14, 2025

SUBJECT: PUBLIC HEARING CONTINUED FROM SEPTEMBER 23, 2025 MEETING - Consideration of Resolution 2025-135 Approving a Cannabis Conditional Use Permit (CUP) Application, Case No. PLN 24-0107, by Flower Dept, LLC to Allow for the Commercial Cultivation of Cannabis (Project) within an Existing 8,041-square-foot Industrial Building at 200 John Street, in the Industrial (I) Zoning District (APN 541-220-006)

RECOMMENDATION:

Adopt Resolution 2025-135.

BACKGROUND:

On September 23, 2025, the City Council conducted a public hearing to consider the subject Cannabis CUP application submitted by Flower Dept, LLC. At the public hearing, City Council considered public comments on the Project and voted to continue the application to its regular meeting on October 14, 2025, with direction to staff and the Applicant to provide additional information on fire access, odor containment, water usage, and prior violations at the site. Additional information is provided below. (NOTE: The September 23, 2025 City Council Staff Report providing additional project background and discussion is attached below.)

Fire Access and Safety

There was City Council discussion regarding fire access to the Project. In particular, a Councilmember questioned if adequate turnaround space would be provided with the proposed hammerhead in the parking area to maneuver fire truck and fire apparatus to the building.

The Fire Marshal revisited the location and determined that the Project does meet the Riverside County (RivCo) Fire Guidelines for fire truck access, fire apparatus, and fire personnel. It should be noted that there are two fire hydrants near the Project location. The estimated "fire hose pull distance" from the existing John Street hydrant to the Project is 180 feet, and "fire hose pull distance" from the existing Galleher Way hydrant is 280 feet.

The Applicant has agreed to install a fire sprinkler system to the interior Project building. The Fire Marshall has also specified fire protection measures in the Project Conditions of Approval to enhance and protect the Project building and adjacent properties from fire hazards and fire emergencies.

Odor Containment

Project odor and containment was a major concern commented on by community members and Planning Commissioners. The Project Owners have provided double wall-enclosures and scrubbers and

odor control units to prevent cannabis odors from escaping the Project building. Each cannabis cultivating grow room will feature a carbon exhaust filter system, dehumidifier, in-take exhaust fan, exhaust vent and HVACs.

Water Usage

The Project Applicant has estimated approximately 700 gallons of water a day is used on a project cultivating cannabis. The estimation is based on similar size from a project cultivating cannabis.

Prior Site Violations

Prior to the submittal of this application, the property owner was cited for an illegal grow of cannabis. Community Development staff conducted additional investigation and determined no affiliation by the Project Principals are, or ever have been, involved with the building and illegal grow of cannabis at the project site. The Business Owners, Antonio Simeone and Kenneth R. Brymer, have been vetted by the Banning Police Department and found no prior or history of cannabis violations. Therefore, the Business Owners have received a "Cannabis Cultivation Regulatory Permit" to legally operate a cannabis business in the City of Banning, as required by Chapter 5.35 of the Banning Municipal Code.

Revised Conditions:

Based on the foregoing information and the discussion by the City Council at the prior public hearing on September 23, 2025, the following conditions have been included in the draft conditions of approval attached to this report (new text is underlined and removed text is ~~strikethrough~~):

Planning Division:

26. The facility shall install and maintain a ventilation and filtration system compliant with the California Building Code and approved by the City Building Official that prevents odors from exiting the building (BMC 17.53.150). The Project Principals shall install industry-standard carbon filters including double filtration measures to mitigate odor leaks and ensure odor containment. Prior to occupancy, the Applicant shall seal all gaps, holes and penetrations in the exterior walls to the satisfaction of the Building Official or designee. New interior walls and ceilings shall be constructed for each of the rooms where odor control is necessary, including but not limited to cultivation, drying and trimming rooms. The new walls and ceilings shall provide a continuous air barrier around these spaces so as to contain odors, in addition to the required filtration systems.

35. The main entrance shall be maintained clear of barriers, landscaping, and other obstructions. Inside of the main entrance, there shall be a lobby to receive persons into the site and to verify whether they are allowed on the premises. All commercial cannabis activity shall be separated from the main entrance and lobby, and cannabis and cannabis products shall be secured by a lock accessible only to managers and staff of the permittee (BMC 17.53.080(H-I)). The canopy area shall be a minimum of 10,000 square feet (but not more than 22,000 square feet) and may include stacked canopy systems to comply with BMC 5.35.050.

Fire Division:

55. Fire Sprinkler System ~~-All new commercial buildings and structures 3,600 square feet or larger will be required to install a fire sprinkler system.~~ The commercial building shall be required to install a fire sprinkler system prior to occupancy. Reference CFC as amended

JUSTIFICATION:

In order to approve the Cannabis – Conditional Use Permit application, Case PLN 24-0107, the City Council is required to make findings pursuant to Chapter 17.52 of the BMC Zoning Ordinance, and Chapter 17.53 of the BMC Zoning Ordinance, Section 17.53.060. Procedures and Findings for Approval of Cannabis Conditional Use Permit. The Planning Commission recommended approval of the Cannabis – Conditional Use Permit application for Case PLN 24-0107 pursuant to the findings in Planning Commission Resolution 2025-06. The findings are included in the draft resolution attached to this report.

Finding A: The proposed use is consistent with the General Plan.

Finding of Fact: The proposed Project cannabis cultivation is consistent with the General Plan's designation for industrial development in the area, which supports cannabis cultivation, warehousing and office uses. Further, Conditional Use Permit 24-0107 is consistent with General Plan Economic Development Policy, which states: "The City shall take a proactive role in the retention of existing businesses and the recruitment of new businesses, particularly those that generate and broaden employment opportunities, increase discretionary incomes, and contribute to City General Fund revenues." Approval of proposed Cannabis - Conditional Use Permit Case No. 24-0107 would allow the applicant to promote business diversity, while providing an economic benefit to the City.

Finding B: The proposed use is conditionally permitted with the Industrial zoning district and complies with all of the provisions of BMC Chapter 17 of the BMC..

Finding of Fact: The proposed project complies with the applicable requirements of the Industrial (I) zoning district as outlined in BMC Chapters 17.12 and 17.53. The project meets or exceeds all applicable development standards, including lot size, setbacks, building height, and parking requirements, ensuring conformance with the zoning ordinance for industrial uses. Table 17.12.020 ("Permitted, Conditional and Prohibited Commercial and Industrial Uses") of Section 17.12.020 of Chapter 17.12 of Title 17 of the Banning Municipal Code provides that "Cannabis Commercial Indoor Cultivation", is a conditionally permitted use in the Industrial zoning district. The proposed Cannabis Cultivator complies with all other applicable provisions of Title 17 of the Banning Municipal Code, including the standards set forth in Section 17.12.050.V. applicable to Cannabis Cultivator (Use Specific Development Standards). Lastly, the proposed project complies with the provisions of Chapter 17.53, including standards regarding the premises, personnel, security, cannabis tracking and tracing, signage, waste management, sanitary requirements, and odor control.

Finding C: The proposed use would not impair the integrity and character of the land use district in which it is to be located.

Finding of Fact: The proposed use is located on the former right-of-way of John Street, located in the northern end of Galleher Way. Adjacent properties consist of other industrial uses, including cannabis cultivation, towing yards, plumbing supply, and energy management. Access ingress/egress to the Project is via an access easement at the north end of the Galleher Way. It is anticipated that the area would contain indoor commercial cannabis cultivation which is conditionally permitted within the City under Banning Municipal Code Chapter 17.53 Cannabis Conditional Use Permits.

Finding D: The subject site is physically suitable for the type and intensity of land use being proposed.

Finding of Fact: The subject site currently consists of an existing industrial warehouse building and the applicant is proposing interior changes to the building to create the growing room setting needed for cannabis cultivation. Furthermore, the project site will utilize existing paved areas for adequate parking, access, and lighting. The building is of adequate size and design to accommodate cannabis cultivation.

Finding E: There are adequate provisions for water, sanitation, and public utilities and services to ensure that the proposed use would not be detrimental to public health and safety.

Finding of Fact: The existing project site and structure are currently tied to the local water, sewer, and Banning Electric Utility public utility system.

Finding F: There will not be significant harmful effects upon environmental quality; natural resources; or neighborhood characteristics.

Finding of Fact: The proposed Cannabis – Conditional Use Permit is exempt from the requirements per Section 15301 of the CEQA Guidelines as the proposed project is utilizing an existing structure with no proposed expansion of the structure or use.

Finding G: The proposed location, size, design, and operating characteristics of the proposed use will not be detrimental to the public interests, health, safety, convenience, or welfare of the City of Banning.

Finding of Fact: The proposed location, design, and operating characteristics of the proposed cannabis cultivation facility will not be detrimental to the public interests, health, safety, convenience, or welfare of the City of Banning and will complement existing cannabis and industrial businesses located on Galleher Way. Cannabis related activities are regulated by the State of California, Bureau of Cannabis Control (BCC). The applicant must maintain a valid BCC license to be compliant with the Banning Municipal Code and BCC. If determined for good cause that the continuance of such license would be contrary to the public safety and welfare, the City of Banning and the BCC are authorized to suspend or revoke any license.

ENVIRONMENTAL DETERMINATION:

Planning staff has determined that the project qualifies for a Class 1 Categorical Exemption under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15301 – Existing Facilities. This exemption applies when a project involves interior or exterior tenant improvements, maintenance, permitting, or licensing of an existing structure where there is negligible or no expansion of use or capacity.

This project involves converting an existing 8,041-square foot vacant industrial building into a cannabis cultivation facility through tenant improvements only, such as partitioning, HVAC, electrical upgrades, and plumbing, with no change to the exterior footprint, height, or building coverage. The site is fully developed and served by existing utilities, and it is not located on environmentally sensitive lands or hazardous sites. There is no evidence of cumulative impacts or unusual circumstances that would affect scenic or historic resources, as similarly concluded for prior cultivation projects in the City. The proposed project and cultivation business is subject to the submission of quarterly reports that outline their operations and cataloguing nuisance odors and other community complaints.

Based on these considerations, the project meets the criteria for a Class 1 exemption. A Notice of Exemption will be filed with the Riverside County Clerk following the City Council’s approval.

FISCAL IMPACT:

The Project Applicants anticipate 6-10 full-time employment positions created by the Project. The Project Applicant has committed to hiring locally, supporting community engagement, and generating local tax revenue.

Per BMC 3.17.030(B) a cannabis cultivation facility shall pay to the City an annual cannabis business tax in an amount that is equal to \$15 per square foot of canopy space. Since the prior public hearing, the Applicant has indicated a double-stacked canopy area would equate to roughly 10,404 square feet of grow area. The annual cannabis business tax would equate to approximately \$156,060 per year.

ALTERNATIVES:

Provide alternative responses to the required findings and direct staff to return with resolution specifying a different decision on the Conditional Use Permit application.

BUDGETED?:

Yes

CONTRACT/AGREEMENT:

No

ATTACHMENTS:

1. [CC Staff Report 9-23-25 PLN 24-0107](#)
2. [Draft CC Resolution 2025-135](#)
3. [Draft CC Conditions of Approval](#)
4. [Project Plans - dated 2025-10-06](#)

5. [Map Exhibits 09-23-2025](#)
6. [PC Minutes 08-06-2025](#)
7. [PC Minutes 07-09-2025](#)
8. [Applicant Response to Council Questions - 10-08-2025](#)
9. [Flower Dept LLC Application](#)
10. [CEQA Notice of Exemption](#)