



Staff Report

City Council

Item No. {{section.number}}.{{item.number}}

Meeting Date: May 14, 2025

From: Andrew Firestine, AICP, Director of Community and Economic Development

Title: Revocation of Conditional Use Permit No. 17-015 for Kieley Rd

RECOMMENDATION:

To adopt a resolution revoking Conditional Use Permit (CUP) No. 17-015 for the property located at 68342 Kieley Road due to repeated and significant violations of the Cathedral City Municipal Code and California Fire Code, as well as ongoing threats to public health and safety.

BACKGROUND:

The property addressed as 68342 Kieley Road was granted approval of a CUP for a 4,000 square foot cannabis cultivation and manufacturing facility in an existing commercial building by the Cathedral City Planning Commission on December 6, 2017. The CUP was approved with conditions of approval requiring compliance with the Cathedral City Municipal Code, including the operating requirements of Chapter 5.88, the California Building Standards Code, and the California Fire Code. A Temporary Certificate of Occupancy (TCO) was issued to Kieley Growth Management in furtherance of the CUP on December 10, 2018. The building permits expired, and a Certificate of Occupancy was never issued. The property owner informed the city that the business operating on the property, Kieley Growth Management, was evicted on October 18, 2022. Subsequently, the property was leased to another cannabis licensee (3 in 1 Investment LLC) with a non-operating license which expired on October 19, 2024, and the state license expired on September 16, 2024.

The property at 68342 Kieley Road has been the subject of three major code compliance cases over the last five years. These investigations have revealed ongoing and serious violations involving the improper storage and disposal of hazardous materials, unsafe electrical practices, illegal cannabis operations, and failure to adhere to the conditions set forth in the original CUP. Despite multiple opportunities to come into full compliance, the property owners continue to allow an ongoing risk to the safety of the nearby businesses, employees and customers of those businesses, the mobile home residents located nearby, and the community at large.

DISCUSSION:

The authority for revocation of a Conditional Use Permit (CUP) is granted under Cathedral City Municipal Code Section 9.72.130, which allows for the City Council to act as the final body to all revocation proceedings.

Municipal Code Section 9.72.130(B) requires a revocation hearing be conducted as a Public Hearing in compliance with Government Code Section 65091. Under these provisions proper and timely notice has been:

- Mailed to the property owner and project applicant on 05/06/2025
- Delivered to affected local agencies on 05/06/2025
- Sent to all owners within 300 feet of the subject property on 05/06/2025
- Posted on-site in accordance with the Cathedral City Municipal Code on 05/06/2025

Under Municipal Code Section 9.72.130(C), a CUP may be revoked for any of the following reasons:

1. That the use is detrimental to the public health or safety or is a nuisance.
2. That the conditional use permit was obtained by misrepresentation or nonstatement of facts.
3. That the use for which the permit was granted is not being exercised.
4. That the use for which the permit was granted has ceased; or been suspended for one year or more.
5. That the condition of the improvements, if any, on a property for which a nonconforming conditional use permit is operative is such, that they can be used or altered so as to be used in conformity with the uses permitted in the zone in which such property is located without impairing the constitutional rights of any person.
6. That the applicant has failed to comply with the development approval and/or conditions of approval.

Based on the investigations, multiple findings apply to the subject property, including that the use is detrimental to the public health and safety and is a nuisance; that the applicant has failed to comply with the conditions of approval; and that the use is not being exercised and has been suspended.

Notably, the investigations have found the site has been found to contain flammable liquids that are stored improperly, cannabis waste, and other unsecured hazardous substances. In February 2025, an illegal cannabis extraction lab was discovered, which lead to a special response from the Cathedral City Fire Department and the County of Riverside Narcotics Task Force, resulting in two arrests and an open criminal investigation. These conditions demonstrate a serious and ongoing threat to public health and safety and the continued code cases prove the property is a nuisance to the community.

The property has continually violated operational requirements set forth in the Cathedral City Municipal Code 5.88.065 covering Cannabis Business Operational Requirements. While the most recent cannabis license expired in 2024, the 2024 and 2025 code compliance cases reveal the property has continued to operate without local or state licenses, in direct violation of the code. These investigations have also revealed repeated fire code violations include

lack of required operational permits for equipment, unsafe electrical connections or improvements, illegal storage and quantities of hazardous materials which constitute a heightened fire or explosion risk. Not only has the property continued to operate without licenses, but it is also being used for unlicensed and unpermitted cannabis-related activities with no evidence of a lawful, ongoing business connection that would be consistent with the CUP.

Case 1 – CC#2020-0665

Date Opened: June 3, 2020

Summary: Improper storage of hazardous materials in a tanker truck on site.

Violations:

- 2019 CFC 5704.2.2: Use of tank vehicles as storage tanks
- 2019 CFC 5704.4.2.2: Fire road access to storage
- 2019 CFC 5704.4.2.4: Storage adjacent to buildings
- 2019 CFC 5705.2.4: Storage of Class 1, 2, and 3 liquids

Outcome: Corrective actions were taken and the case was closed as compliant on June 8, 2020.

Case 2 – CC#2024-0061

Date Opened: January 24, 2024

Summary: Complaint regarding illegal cannabis cultivation. Follow-up inspections found violations of hazardous waste storage and safety hazards.

Violations:

- Cathedral City Municipal Code §§ 13.80.095, 13.80.135, 13.80.240, 5.88.065
- International Fire Code §§ 3901.1, 5903.1

Outcome: A Notice and Order was issued; corrections were made by March 22, 2024, and the case was closed as compliant. However, this compliance was temporary.

Case 3 – CC#2025-0078

Date Opened: February 4, 2025

Summary: Smoke reported from premises triggered a multi-agency response. Discovery of an illegal extraction lab and hazardous conditions. Two individuals were arrested, and specialized units were called to dismantle illegal equipment.

Violations:

- Cathedral City Municipal Code §§ 13.80.095, 13.80.135, 13.80.240, 5.88.065
- Cathedral City Fire Code §§ 105.6, 5704.3.4, 911.1, 604.5
- Previously cited violations from CC#2024-0061 reoccurred, showing a pattern of noncompliance.

Outcome: A Notice and Order was posted, but there has been no response or engagement from the business or property owners to date.

Summary of Violations:

- Hazardous waste improperly stored outdoors
- Illegal cannabis extraction and storage
- Unsafe electrical wiring and obstructed egress
- No valid cannabis business or state licenses
- Repeat violations over a multi-year period
- Ongoing failure to maintain basic safety standards
- No contact or cooperation from business/property owners

Findings:

Staff find that the business at 68342 Kieley Road has demonstrated a pattern of willful noncompliance, disregard for health and safety standards, and inability or unwillingness to uphold the conditions of the CUP. The recurrence of similar violations, along with criminal investigations tied to the property, strongly supports revocation of CUP No. 17-015 as a necessary action to protect the community and uphold City regulations.

FISCAL IMPACT:

There is no direct fiscal impact from revocation; however, allowing the business to continue poses substantial risk of future enforcement costs, public safety response, and liability.

ATTACHMENTS:

1. Resolution No. 2025-XX
2. CUP 17-015 Conditions of Approval
3. Presentation: CUP Revocation – 68342 Kieley Road