

CITY OF SANTA ROSA  
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT  
STAFF REPORT FOR PLANNING COMMISSION

**MARCH 10, 2022**

**PROJECT TITLE**

JQ Gold, LLC Cannabis Facility

**APPLICANT**

Erin Carlstrom, representing JQ Gold, LLC

**ADDRESS/LOCATION**

3515 Industrial Drive

0 Industrial Drive

**PROPERTY OWNER**

Andrew and Thao Nguyen

**ASSESSOR'S PARCEL NUMBER**

148-041-049

148-050-027

**FILE NUMBER**

CUP21-068

**APPLICATION DATE**

August 2, 2021

**APPLICATION COMPLETION DATE**

December 13, 2021

**REQUESTED ENTITLEMENTS**

Major Conditional Use Permit

**FURTHER ACTIONS REQUIRED**

N/A

**PROJECT SITE ZONING**

Light Industrial, Resilient City Combining  
District (IL-RC)

**GENERAL PLAN DESIGNATION**

Light Industry

**PROJECT PLANNER**

Conor McKay

**RECOMMENDATION**

Approve Major Conditional Use Permit

Agenda Item #8.1  
For Planning Commission Meeting of: March 10, 2022

CITY OF SANTA ROSA  
PLANNING COMMISSION

TO: CHAIR WEEKS AND MEMBERS OF THE COMMISSION  
FROM: CONOR MCKAY, CITY PLANNER  
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

SUBJECT: JQ GOLD, LLC CANNABIS FACILITY

AGENDA ACTION: APPROVE RESOLUTION

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RECOMMENDATION

The Planning and Economic Development Department recommends that the Planning Commission, by resolution, approve a Major Conditional Use Permit to change the operator name and make modifications to an approved cannabis cultivation use for the T&L Micro Cannabis Facility, increasing the cannabis cultivation land use to 12,439 square feet and the cannabis distribution land use to 7,255 square feet within an existing building located at 3515 and 0 Industrial Drive.

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EXECUTIVE SUMMARY

JQ Gold, LLC Cannabis Facility is a proposed project that includes a request to change the operator name and modify the approved T&L Micro Cannabis Facility to operate Cannabis – Cultivation (12,439 SF) and Cannabis – Distribution (7,255 SF) land uses, via approval of a Major Conditional Use Permit as required by Zoning Code [Section 20-24.030 Industrial district land uses and permit requirements](#).

BACKGROUND

The JQ Gold, LLC Cannabis Facility project application has been submitted in accordance with the following policies and regulations of the City of Santa Rosa:

- Zoning Code [Chapter 20-46 Cannabis](#) allows and regulates commercial Cannabis land uses in the City of Santa Rosa.

1. Project Description

The project requests approval of a Major Conditional Use Permit to allow the

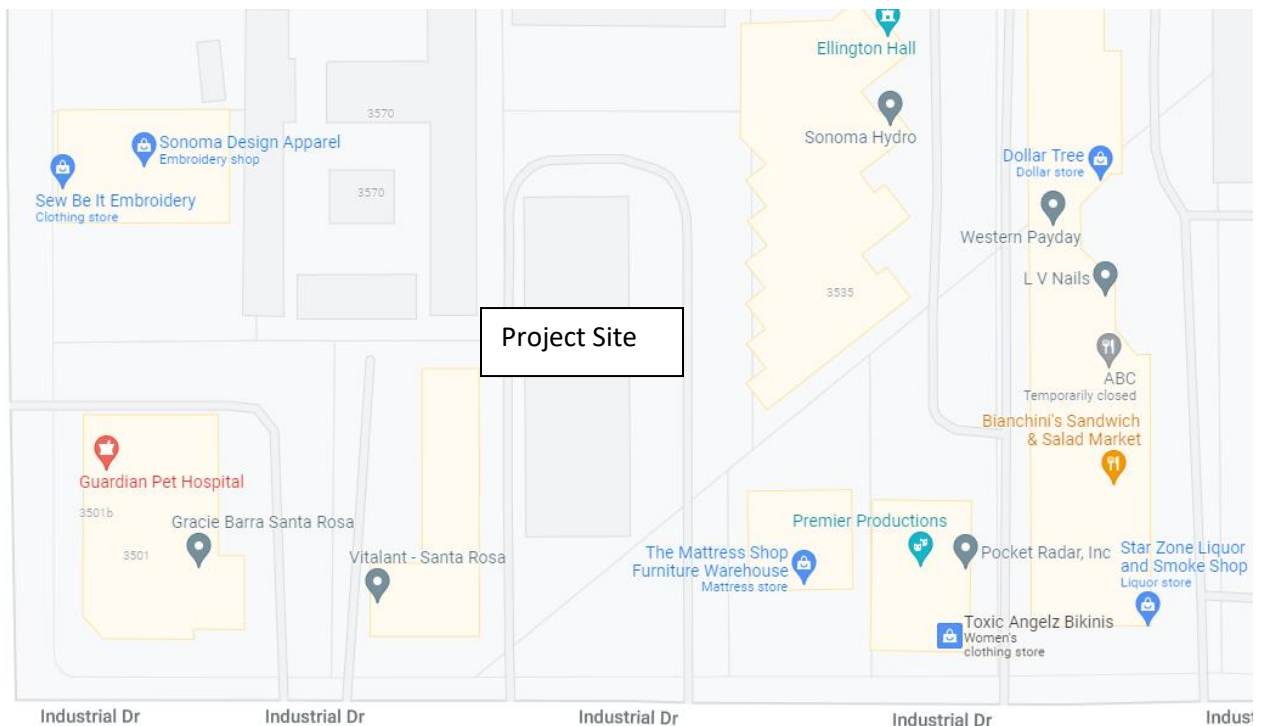
operation of JQ Gold, LLC Cannabis Facility, a proposed commercial cannabis facility consisting of Cannabis Cultivation (12,439 SF), and Distribution (7,255 SF) land uses as required by Zoning Code [Section 20-24.030 Industrial district land uses and permit requirements](#). This proposal modifies the approved T&L Micro Cannabis Facility project, which consists of Cannabis Cultivation (10,202 SF), Manufacturing (non-volatile) (3,282 SF), and Distribution (6,016 SF). The JQ Gold, LLC Cannabis Facility Project increases Cultivation and Distribution land uses, and removes the Manufacturing (non-volatile) land use.

2. Surrounding Land Uses

North	Light Industry, Retail and Business Services
South	Light Industry, Retail and Business Services
East	Retail and Business Services
West	Light Industry, Retail and Business Services

The project site is surrounded by a variety of commercial and light industrial uses including public self-storage facilities to the north, commercial retail, health facilities, and wholesale merchants to the south, occupied and unoccupied retail spaces to the east, and public self-storage and a blood donation/collection center to the west.

**Image 1: Area Land Uses**



Source: Google Maps, February 2022

3. Existing Land Use – Project Site

The project site is located on the north side of Industrial Drive, east of its intersection with Airway Drive at 3515 Industrial Drive (APN 148-050-027 @ 0.24 acres and 148-041-049 @ 0.99 acres), in northwest Santa Rosa (see Attachment 2). The approximately 1.23-acre project site was developed in 2004. The 0.24-acre parcel fronts Industrial Drive and is developed with public improvements, site circulation areas, and surface parking, while the 0.99-acre parcel is developed with a 2-story, 19,500 square-foot commercial/industrial building.

The building's exterior footprint is approximately 13,650 square-feet but includes about 20,000 square-feet of internal space on ground floor and mezzanine levels. The building is oriented towards Industrial Drive, with the parking lot along the south, east, and north side, and is set back at least 25 feet from all property lines and adjacent development. The loading area is located on the west side of the building. The site currently provides 54 parking spaces, three of which are ADA compliant. The project site is currently provided with water and wastewater service by the City, including fire flows.

**Image 2: Existing Developed Site**



*Source: City of Santa Rosa, GIS Aerial Data, March 2020*

The October 2017 Tubbs Fire burned the project area to the north, northwest and east, including the former Kmart building and residential development to the west and northwest. Rebuilding has been on-going in the project area since. The 2019 Kincade Fire resulted in the project area being under mandatory evacuation though no damage to the project area occurred.

The most recent use of the building was a commercial furniture store and is now currently vacant. The project area is surrounded by commercial and light industrial uses. The nearest residential uses occur approximately one-quarter mile to the west and northwest and there is a mobile home park approximately the same distance to the south.

4. Project History

November 12, 2020	The Planning Commission adopted a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program and approved a Conditional Use Permit for the T&L Micro Cannabis Facility, and recommended that the City Council approve a General Plan Amendment and Rezoning.
December 8, 2020	The City Council approved an amendment to the General Plan land use designation from Retail & Business Services to Light Industry and a request to rezone the submit parcels from General Commercial (CG) zoning district to the Light Industrial (IL) zoning district.
August 2, 2021	JQ Gold, LLC Cannabis Facility application submitted.
March 1, 2022	Planning Commission public hearing was noticed.

- In accordance with Zoning Code [Section 20-50.050\(A\)\(4\)](#), the required Neighborhood Meeting was waived by the Director because no residential neighborhood would be impacted by the proposed project.

PRIOR CITY COUNCIL REVIEW

N/A

ANALYSIS

1. General Plan

The project site is designated as Light Industry on the General Plan Land Use Diagram. The Light Industry General Plan designation accommodates light industrial, warehousing and heavy commercial uses. Uses appropriate to this

land use category include auto repair, bulk or warehoused goods, general warehousing, manufacturing/assembly with minor nuisances, home improvement retail, landscape materials retail, freight or bus terminals, research oriented industrial, accessory offices, and employee-serving commercial uses, and services with large space needs, such as health clubs. The implementing zoning district is *Light Industrial* (IL).

The following General Plan goals are applicable to the project:

<b>LAND USE AND LIVABILITY</b>	
<b>LUL-A</b>	<b>Goal</b> – Foster a compact rather than a scattered development pattern in order to reduce travel, energy, land, and materials consumption while promoting greenhouse gas emission reductions citywide.
<b>LUL-K</b>	<b>Goal</b> – Protect industrial land supply and ensure compatibility between industrial development and surrounding neighborhoods.
<b>ECONOMIC VITALITY</b>	
<b>EV-B</b>	<b>Goal</b> – Facilitate the retention and expansion of existing businesses and provide sufficient land for business expansion and attraction of new employers that utilize the area’s existing labor pool.
<b>EV-B-7</b>	<b>Policy</b> – Focus business attraction efforts on filling vacancies in commercial and industrial structures. With the Redevelopment Agency and Economic Development and Housing Department, develop incentives for those efforts such as low-cost loans for tenant improvements, façade improvements, and new business incubation.
<b>EV-C-2</b>	<b>Policy</b> – Establish and inventory of ready-to-go non-residential sites complete with zoning, infrastructure, and environmental clearances.
<b>EV-D</b>	<b>Goal</b> – Maintain the economic vitality of the downtown, business parks, offices and industrial areas.

Beginning in 2015, the City of Santa Rosa began to implement a robust set of regulations governing the legal cannabis industry. City Council adopted cannabis regulations and industry development as one of its highest priorities and as a Council goal. Since then, implementing City’s 2017 Comprehensive Cannabis Ordinance and developing the industry, and the economic subsector it represents, has been a continuing Council goal and policy.

The City’s focus on implementing a successful cannabis industry and the related jobs and economic bases, and the City’s adoption of its cannabis ordinance, which allows for all cannabis uses to locate in industrially-zoned

parcels, has resulted in strong market demand for properties zoned/eligible for cannabis land uses. This demand has outweighed supply in recent years.

2. Zoning

The project requests approval of a Major Conditional Use Permit to allow operation of a proposed commercial cannabis facility consisting of Cannabis Cultivation (12,439 SF) and Distribution (7,255 SF) land uses. [Section 20-24.030 Industrial district land uses and permit requirements](#), Table 2-10, requires a Major Conditional Use Permit for Cannabis Cultivation greater than 5,000 square-feet in size. Distribution (7,255 SF) land uses are permitted uses subject to specific use regulations contained in [Chapter 20-46 Cannabis](#). Because the project site features existing development and no changes are proposed to the site or building exterior, the proposed uses will be analyzed for compliance with Section 20-36.040 Parking and with specific use regulations contained in Chapter 20-46 Cannabis.

**Section 20-36.040 Parking**

Below, parking for proposed Cannabis land uses is analyzed for compliance with minimum parking requirements contained in the City's Parking Ordinance.

Proposed Use	Sq. Ft.	Parking Ratio	Required Spaces
Cannabis—Commercial cultivation—5,001 sq ft or greater	12,439	1:1000	12
Cannabis—Distribution	7,255	1:1000	7
Total Parking Spaces Required			19
Total Parking Spaces Available			54
Net +/-			+34

**Section 20-46.050 General operating requirements (Cannabis)**

- A. **Dual licensing.** The applicant is required to demonstrate local authorization prior to obtaining a State Cannabis Operator license. Approval of this application for a Conditional Use Permit to operate Cannabis Cultivation greater than 5,000 square-feet is a necessary step in order to comply with the dual licensing requirement. The application reflects a thorough understanding of required compliance with local and state regulations.
- B. **Minors.** Operations conducted under an approved Conditional Use Permit would not be open to the public. Operators would be required to comply with State regulations governing the employment of minors.
- C. **Inventory and tracking.** The applicant has provided policies and procedures for the inventory and tracking of Cannabis and Cannabis products, as well as maintenance of associated records. Planned security procedures and access

protocols will additionally help to prevent diversion of Cannabis and Cannabis products.

- D. **Multiple permits per site.** The applicant has indicated that it will pursue licensure as a Cannabis operator in compliance with State law.
- E. **Building and fire permits.** The project application has been reviewed by Building and Fire departments, and it has been conditioned as necessary by those departments. The applicant demonstrates a clear understanding of what is required to comply with Building and Fire requirements, including to provide access with a Fire Department lock box for keys to gates and doors, and has indicated that it will comply with all Building and Fire code regulations.
- G. **Security.** The applicant has provided a security plan that includes the following security enhancements:
  - 1. Security Personnel as required by the Bureau of Cannabis Control Regulations and a Security Surveillance System with video footage retention and descriptions of the number and location of motion-sensor cameras throughout the facility;
  - 2. Access Controls on external and internal doors and windows with 2-level verification (key and code) required on some doors. Alarm systems will be monitored and appropriate permits obtained for installation and ongoing use.
  - 3. Secure waste and storage areas, including securing an existing outdoor non-Cannabis waste receptacle, are addressed and protocols for disposing for Cannabis and Cannabis product waste are provided.
  - 4. Transportation and delivery procedures for Distribution and Retail Delivery activities, and currency are provided in detail.
  - 5. Emergency response and emergency access protocols are provided.
- H. **Odor Control.** Section 20-46.050(H) requires cannabis businesses to “incorporate and maintain adequate odor control measures such that the odors of Cannabis cannot be detected from outside the structure in which the business operates.” The applicant has provided a certified Odor Mitigation Plan, which includes an operational and maintenance plan, describing activities undertaken to ensure the odor mitigation system remains functional, staff training procedures, and engineering controls, which include the installation of activated carbon filters on recirculating air systems serving spaces at risk for emitting cannabis odors. The Odor Mitigation Plan has been certified by Burke Mechanical Engineering, a registered professional engineering firm, verifying that the proposed odor control and mitigation plan complies with Zoning Code Chapter 20-46.



- I. **Lighting.** The applicant has indicated that all external lighting will be installed and operated in accordance with the City of Santa Rosa's Outdoor Lighting Ordinance, as well as other applicable regulations, to offer safety to customers and employees, while minimizing the impact on surrounding businesses. All exterior lighting systems will be provided for security purposes in a manner sufficient to provide illumination and clear visibility to all outdoor areas of the premises, including all points of ingress and egress, in accordance with Section 20-46.050(I).
- J. **Noise.** The applicant does not propose any outdoor mechanical equipment other than standard HVAC systems that would be typical for light industrial and commercial retail uses. Any ground- or roof-mounted HVAC equipment must be screened from public view, which also helps to contain nuisance noise on-site. The application notes that the facility will be heavily insulated reducing any potential nuisance noise from the interior of the building. Windows and doors will remain closed at all hours. Applicant proposes commercial deliveries during the hours of 9:00 a.m. – 5:00 p.m. Monday-Friday, and the project approval will be conditioned accordingly.

The applicant recognizes that according to the Santa Rosa Municipal Code (Chapter 17-16) it is unlawful for any person to willfully make or continue, or cause to be made or continued, any loud, unnecessary, or unusual noise which disturbs the peace or quiet of any neighborhood or which causes discomfort or annoyance to any reasonable person of normal sensitiveness residing in the area.

The applicant is required to comply with all regulations governing operation of Cannabis Cultivation and Distribution facilities contained in Sections [20-46.060](#) and [20-46.070](#), including the requirement to obtain all required permits from local, County, and State agencies.

### **Major Conditional Use Permit Required Findings**

In granting the Conditional Use Permit, the Planning Commission first must make all of the following required findings set forth in Section 20-52.050 (Conditional Use Permits). Each finding is accompanied by a staff response.

1. **The proposed use is allowed within the applicable zoning district and complies with all other applicable provisions of this Zoning Code and the City Code.**

The JQ Gold, LLC Cannabis Facility project is proposed to be located within the Light Industrial zoning district, which permits the use subject to Planning Commission approval of a Conditional Use Permit.

2. **The proposed use is consistent with the General Plan and any applicable specific plan.**

In enacting cannabis commercial cultivation regulations, the City identified specific General Plan land use designation areas, including Light Industry, which is the designation for the subject site, as appropriate districts for the proposed land use to occur. Staff has identified several General Plan goals and policies that would be advanced through approval of the proposed project.

**3. The design, location, size, and operating characteristics of the proposed activity would be compatible with the existing and future land uses in the vicinity.**

The proposed project would re-tenant a previously occupied commercial building within a commercial-industrial area that includes a mix of retail, manufacturing, warehousing, distribution, and indoor recreational uses. As such, the area is well-suited for the proposed operation. There are no existing or planned residential uses in the immediate vicinity of the project site and the use has been conditioned to minimize impacts to adjacent properties.

**4. The site is physically suitable for the type, density, and intensity of use being proposed, including access, utilities, and the absence of physical constraints.**

The proposed use, including all growing, harvesting, packaging and shipping functions, would be located wholly within an existing industrial building. The building will be fully accessible pursuant to ADA standards, though no public access will be permitted due to the nature of the proposed use and for security purposes. All necessary utilities are available at the project site, including water, wastewater, storm drainage and PG&E services.

**5. Granting the permit would not constitute a nuisance or be injurious or detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zoning district in which the property is located.**

The proposed development would be consistent with surrounding land uses as identified in the General Plan. Additionally, proposed conditions of approval address the requirement to minimize potential odors, light pollution, and noise, as well as a requirement for a detailed security plan that includes background checks for employees, 24-hour monitoring, use of surveillance cameras, secure entry gates to the project site, and similar measures.

**6. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).**

An Initial Study and Mitigated Negative Declaration, dated June 19, 2020, was prepared in compliance with the California Environmental Quality Act (CEQA) that analyzed the impacts of the approved T&L Micro Cannabis Facility Project. It was determined that the proposed T&L Micro Cannabis Facility Project would result in potentially significant impacts in: Air Quality, Greenhouse Gases, and Transportation. The project impacts would be mitigated to a less-than-significant level through implementation of

recommended mitigation measures contained the Mitigation Monitoring and Reporting Program (MMRP) prepared for the T&L Micro Cannabis Facility project, which identifies the timing of, and the agency or agencies responsible for, enforcement and monitoring of each mitigation measure to be implemented to reduce potentially significant impacts to less than significant levels, or through compliance with existing Municipal Code requirements or City standards.

On November 12, 2020, the Planning Commission adopted the Mitigated Negative Declaration and MMRP. The JQ Gold, LLC Cannabis Facility project does not introduce significant changes that would necessitate subsequent environmental review pursuant to CEQA Guidelines Section 15162 (Subsequent EIRs or Negative Declarations) and is required to incorporate all mitigation measures contained in the MMRP prepared for the T&L Micro Cannabis Facility Project.

3. Design Guidelines

No major site or exterior building alterations are proposed. Construction would be limited to interior reconfiguration and would include the construction of interior walls, lighting, HVAC equipment and ADA improvements. All work would be subject to City building permit requirements and meet current codes. Because the building is intended to be repurposed, construction activities and equipment would be limited, would not involve grading or utility installation and would not result in additional traffic to the project area. Any required minor alterations would receive Director-level design review at the time of building permit submittal.

4. Neighborhood Comments

No public comments have been received regarding the proposed project.

5. Public Improvements/On-Site Improvements

The project site is currently improved to City standards. No public improvements are required for implementation and operation of the proposed land uses.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

See the response to the required CEQA finding noted above.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

### NOTIFICATION

The project was noticed as a public hearing per the requirements of Chapter 20-66 of the City Code. Notification of this public hearing was provided by posting an on-site sign, publishing notice in a newspaper of general circulation, mailed notice to surrounding property owners and occupants, electronic notice to parties that had expressed interest in projects taking place in this geographic area of Santa Rosa, and bulletin board postings at City Hall and on the City website. Pursuant to Government Code Section 65091, where necessary, the City has incorporated notice procedures to the blind, aged, and disabled communities. These procedures include audio amplifier/assistive listening device support at public meetings, closed captioning, and optical character recognition conversion of electronic notices.

### ISSUES

There are no unresolved issues.

### ATTACHMENTS

- Attachment 1 Disclosure Form
- Attachment 2 Neighborhood Location Map
- Attachment 3 Project Description
- Attachment 4 Traffic Memo
- Attachment 5 Certified Odor Control
- Attachment 6 Security Plan
- Attachment 7 Site Plan
- Attachment 8 Adopted IS-MND with MMRP for T&L Micro
- Attachment 9 Planning Commission Resolution 12039 – MND
- Attachment 10 Planning Commission Resolution 12042 – CUP

- Resolution 1 Conditional Use Permit

### CONTACT

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