

CITY OF SANTA ROSA
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
STAFF REPORT FOR PLANNING COMMISSION
June 23, 2022

PROJECT TITLE

California Organica Inc.

APPLICANT

Zaid Ziadeh

ADDRESS/LOCATION

1825 Ferdinand Ct. Santa Rosa, CA 95404

PROPERTY OWNER

Douglas Bowman

ASSESSOR'S PARCEL NUMBER

044-011-087

FILE NUMBER

CUP21-091

APPLICATION DATE

October 26, 2021

APPLICATION COMPLETION DATE

December 9, 2021

REQUESTED ENTITLEMENTS

Conditional Use Permit

FURTHER ACTIONS REQUIRED

None

PROJECT SITE ZONING

IL

GENERAL PLAN DESIGNATION

Light Industrial

PROJECT PLANNER

Conor McKay

RECOMMENDATION

Approval

CITY OF SANTA ROSA
PLANNING COMMISSION

TO: CHAIR WEEKS AND MEMBERS OF THE COMMISSION
FROM: CONOR MCKAY, SENIOR PLANNER
PLANNING & ECONOMIC DEVELOPMENT
SUBJECT: CALIFORNIA ORGANICA INC. CANNABIS FACILITY

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Planning Commission, by resolution, approve a Conditional Use Permit for a new cannabis facility with onsite cannabis uses including *Manufacturing Level 1 (non-volatile)*, *Distribution*, and *Cultivation - 5,001 square feet or greater*.

EXECUTIVE SUMMARY

California Organica Inc. is a proposed project that includes the retrofit of an existing industrial building for operation as a cannabis facility with onsite cannabis uses including *Cannabis Manufacturing Level 1 (non-volatile)* (2,545 SF), *Distribution* (3,481 SF), and *Cultivation - 5,001 sq ft or greater* (8,033 SF). An additional 1,572 SF of administrative office space would support the operation of the *Cannabis – Distribution* land use.

BACKGROUND

The California Organica Inc. 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.
- Zoning Code Section 20-50 Permit Application Filing and Processing: provides procedures and requirements for the preparation, filing, and initial processing of the land use permit applications required by the Zoning Code.

1. Project Description

The project requests Conditional Use Permit approval to allow the operation of a cannabis facility with onsite cannabis uses including *Cannabis Manufacturing Level 1 (non-volatile)* (2,545 SF), *Distribution* (5,053 SF), and *Cultivation - 5,001 sq ft or greater* (8,033 SF). An additional 1,572 SF of administrative office space would support the operation of the *Cannabis – Distribution* land use. The proposed cannabis facility would be entirely located within an existing industrial building located at 1825 Ferdinand Court.

The operation of a *Cannabis – Cultivation – 5,001 sq ft or greater* land use requires the approval of a Major Conditional Use Permit in the Light Industrial (IL) zoning district. The operation of *Cannabis – Manufacturing level 1 (non-volatile)* and *Cannabis Distribution* require the approval of a Minor Conditional Use permit when the uses abut a residential zoning district or parcel with a residential use.

All proposed structures to be occupied by the proposed cannabis facility are existing, and all existing utilities would be sufficient to accommodate the proposed cannabis uses. Minor alterations to the building are proposed and would be limited to improvements to lighting and security in order to comply with the cannabis operational standards established by Zoning Code Chapter 20-46.

2. Surrounding Land Uses

North	Warehouse / Industrial
South	Kawana Springs Creek
East	Single-family residential, undeveloped multi-family residential zoning district
West	Warehouse / Industrial

3. Existing Land Use

The existing building was constructed in 2006. It is currently under-utilized. The proposed use is consistent with the existing approvals and land use designations.

4. Project History

10/26/21	Conditional Use Permit Application Submitted
12/09/21	Application Deemed Complete
12/15/21	Notice of Application distributed to neighbors and owners within 600' of the project site
6/10/22	Planning Commission Hearing noticed

Two written responses were received as a result of the distributed Notice of Application. One expressed concern over traffic from retail operations. Upon receiving clarification that no retail was being contemplated by this application, no further comment was received. The second expressed concern over odors from cannabis operations. Upon receiving general information about the City of Santa Rosa's policies and regulations as well as project specific odor mitigation information, no further comment was received.

PRIOR CITY COUNCIL REVIEW

N/A

ANALYSIS

1. General Plan

The project site is designated as General Industry on the General Plan Land Use Diagram. This designation provides areas for manufacturing and distribution activities:

LAND USE AND LIVABILITY	
LUL-A	Goal – 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.
LUL-K	Goal – Protect industrial land supply and ensure compatibility between industrial development and surrounding neighborhoods.
ECONOMIC VITALITY	
EV-B	Goal – 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.
EV-B-7	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.
EV-D	Goal – 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 the City’s 2017 Comprehensive Cannabis Ordinance and developing the industry and the economic sub-sector it represents has been a continuing Council goal and policy. The project proposes to operate within a currently underutilized industrial building that would result in no additional construction of buildings or extension of utilities. The proposed project maintains the vitality of the industrial area in that it would bring economic activity to an area that is currently not maximizing its established potential, while complying with all regulations applicable to the proposed cannabis uses.

Zoning

The project site is located within the General Industrial zoning district, which is the implementing zoning district for the General Industry General Plan Land Use Designation. The proposed cannabis facility has been reviewed in compliance with the operational standards established by Zoning Code Chapter 20-46 as described in greater detail below. The proposed uses have also been analyzed for compliance with Section 20-36.040 Parking and City Code Section 17-16 (Noise).

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. The project provides 44 parking spaces where 23 parking spaces are required by the Code, which results in a parking surplus of 21 spaces.

Proposed Use	Sq. Ft.	Parking Ratio	Required Spaces
Cannabis – Manufacturing	2,545	1:350	8
Cannabis – Cultivation/Distribution	14,975	1:1000	15
Total Parking Spaces Required			23
Total Parking Spaces Proposed			44
Net +/-			21

Section 20-46.050 General operating requirements (Cannabis)

- A. Dual Licensing. 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 the proposed cannabis uses 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. Proposed project operations 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. 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. Applicant is seeking State of California Cannabis licenses through a separate but parallel process.
- 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.
- F. 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 two-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 are addressed and protocols for disposing for Cannabis and Cannabis product waste are provided.
 - 4. Transportation and delivery procedures for Distribution activities, and currency are provided in detail.
 - 5. Emergency response and emergency access protocols are provided.

- G. 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 describes operational processes and maintenance plan, including 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 TEP Engineering, a registered professional engineering firm, verifying that the proposed odor control and mitigation plan complies with Zoning Code Chapter 20-46.
- H. 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 (Zoning Code Section 20-30.080), 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).
- I. 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 distribution hours of operation from 8:00 a.m. - 6:00 p.m. Monday – Friday. The applicant recognizes that according to the Santa Rosa City 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 and as such will be required to comply with this standard.

The applicant is required to comply with all regulations governing operation of Cannabis Cultivation and Manufacturing 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.

Conditional Use Permit Required Findings

In granting the Conditional Use Permit, the Planning Commission must first 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 in that the California Organica Inc. Cannabis Facility project is proposed to be located within the General Industrial zoning district, which permits the proposed uses subject to Planning Commission approval of a Conditional Use Permit. The project has been reviewed to be in compliance with all applicable Zoning Code

sections, including Zoning Code Chapter 20-46 (Cannabis), Zoning Code Section 20-30.080 (Outdoor lighting), and City Code Chapter 17-16 (Noise).

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 General Industry, 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 vicinity. The proposed project is within an existing, underutilized building. The project would comply with all operational standards related to noise and odor, which require that no excessive noise is generated, and all odors to be contained within the building. The submitted Certified Odor Mitigation plan demonstrates the technologies and processes that would achieve compliance with the odor standards established by City Code Chapter 17-16. The existing and future residential uses to the east of the project site are not anticipated to be affected by additional traffic that would result from the proposed project due to an insignificant number of new trips being generated and the location of site access via Colgan Avenue to Ferdinand Court.
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 in that the proposed cannabis uses would be located in an existing industrial building, fully accessible pursuant to ADA standards, though no public access will be permitted for security purposes. All necessary utilities are available at the project site, including water, wastewater, storm drainage, and PG&E services. Finally, the project includes parking spaces that exceed the requirement established by Zoning Code Chapter 20-36 (Parking and Loading Standards).
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 in that the proposed development would be consistent with allowed land uses as designated by the General Plan. As discussed above, cannabis operating standards and other applicable Zoning Code requirements account for and reduce potential conflicts with nearby residential uses including noise, odor, and lighting/glare. The Focused Traffic Study also concludes that an insignificant amount of traffic would be generated as a result of the proposed project, and that the additional traffic would not interfere with nearby uses' reasonable enjoyment of their property.
6. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA) and staff has determined that the project qualifies for:
 - i. Class 1 Categorical Exemption under CEQA Guidelines Section 15301 in that the project is located within an existing structure involving a

negligible expansion of an existing use that will not result in significant impact(s).

- ii. Class 3 Categorical Exemption under CEQA Guidelines Section 15303 in that the project involves a change of use, which will require only minor exterior modifications to the structure/site.
- iii. Class 32 Categorical Exemption under CEQA Section 15332 (In-fill Development Projects) of the State CEQA Guidelines in that:
 1. The Project is consistent with Santa Rosa General Plan 2035 and the current City of Santa Rosa Zoning Code;
 2. The Project is located within City of Santa Rosa jurisdiction, on a project site of no more than five acres substantially surrounded by urban uses;
 3. The Project site has been previously developed and has no value as habitat for endangered, rare or threatened species. While within the Santa Rosa Plain Conservation Strategy boundaries, the Project site was previously filled and is encircled by constructed roadways;
 4. The Project will not result in any significant effects relating to traffic, noise, air quality, or water quality. The Project will not result in any significant effects relating to traffic, noise, air quality, or water quality. Based on the project description the trips generated by this project are negligible and the City's Traffic Division has reviewed the proposal and requested no additional Traffic Study. The proposed project will occupy an existing building and all the work will take place inside of the building and mechanical equipment will be required to meet the City noise ordinance. Based on the certified Odor Control Plan the project will not emit any cannabis related odors. Any wastewater will be treated by the City Sewer Treatment facility; and
 5. The Project site is located in a developed area where it can be adequately served by all required utilities and public services. City staff has reviewed the plans and conditioned the project appropriately.
- iv. The City has further determined that no exceptions to the exemptions apply and there is no reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances (CEQA Guidelines Section 15300.2.)

FISCAL IMPACT

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

ENVIRONMENTAL IMPACT

The project has been reviewed to be in compliance with CEQA in that the project qualifies for Class 1 (15301), Class 3 (15303), and Class 32 (15332) exemptions as described in CUP Finding #6 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 – Location Map

Attachment 3 – Project Description

Attachment 4 – Site Plan

Attachment 5 – Focused Traffic Study prepared by W-Trans, dated April 12, 2022

Attachment 6 – Certified Odor Control plan prepared by TEP Engineering dated December 8, 2021

Attachment 7 – Public Correspondence

Resolution – Conditional Use Permit

CONTACT

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