

CITY OF SANTA ROSA
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
STAFF REPORT FOR PLANNING COMMISSION
August 27, 2020

PROJECT TITLE

Northern Standard

APPLICANT

Montem Pharmed LLC (d.b.a. Northern Standard)

ADDRESS/LOCATION

2220 Mercury Way

PROPERTY OWNER

David Washenfelter

ASSESSOR'S PARCEL NUMBER

035-490-023

FILE NUMBER

PRJ19-035

APPLICATION DATE

September 9, 2019

APPLICATION COMPLETION DATE

July 1, 2020

REQUESTED ENTITLEMENTS

Conditional Use Permit (CUP)

FURTHER ACTIONS REQUIRED

Minor Design Review

PROJECT SITE ZONING

BP (Business Park)

GENERAL PLAN DESIGNATION

Business Park

PROJECT PLANNER

Kristinae Toomians

RECOMMENDATION

Approval

Agenda Item # 10.1
For Planning Commission Meeting of: August 27, 2020

CITY OF SANTA ROSA
PLANNING COMMISSION

TO: CHAIR CISCO AND MEMBERS OF THE COMMISSION

FROM: KRISTINAE TOOMIANS, SENIOR PLANNER
PLANNING AND ECONOMIC DEVELOPMENT

SUBJECT: NORTHERN STANDARD CANNABIS RETAIL WITH DELIVERY,
DISTRIBUTION, AND NON-VOLATILE MANUFACTURING (TYPE
1) FACILITY

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Planning and Economic Development Department recommends that the Planning Commission, by resolution, approve a Conditional Use Permit to allow a cannabis retail facility with delivery, distribution, and non-volatile manufacturing (Type 1) uses located at 2220 Mercury Way.

EXECUTIVE SUMMARY

Northern Standard (Project) proposes to operate a cannabis retail facility with delivery, distribution, and non-volatile manufacturing (Type 1) within a new 9,994-square-foot building. The applicant proposes to operate the facility, including retail and delivery activities, between the hours of 9:00am and 9:00pm, 7 days a week. The applicant proposes delivery service. The applicant does not propose on-site consumption.

BACKGROUND

On December 19, 2017, the City Council enacted comprehensive regulations for cannabis (ORD-2017-025), which occurred after the State of California approved the sale of cannabis for adult use.

1. Project Description

The Project is located on a vacant lot, on the south side of Mercury Way, within an established business park setting. The applicant proposes to construct a new 9,994-square-foot building and associated parking lot and landscaped areas.

Floor area will be allocated as follows:

- retail sales and delivery: 781-square-feet;
- distribution area: 4,964-square-feet consisting of: storage of cannabis goods, storage of batches of cannabis for testing, packaging, re-packaging, labeling, re-labeling for retail sale.
- Non-volatile manufacturing: 4,249-square-feet

Cannabis Retail and Delivery

In compliance with Zoning Code Section 20-46.080(f)(4), the applicant proposes to operate the cannabis retail dispensary within 781-square-feet of the proposed new building, with operating hours from 9:00 a.m. to 9:00 p.m. seven days per week. The storefront entrance is in a visible location that provides an unobstructed view from Mercury Way. The applicant proposes retail delivery service to customers, in accordance with the Bureau of Cannabis Control Regulations. The applicant does not propose on-site consumption.

Non-volatile Manufacturing

Non-volatile manufacturing is proposed within 4,249-square-feet of the proposed new building. The applicant's primary manufacturing will involve packaging or repackaging manufactured cannabis products or labeling/relabeling the manufactured product containers. The applicant proposes non-volatile cannabis extraction, using carbon dioxide and ethanol extraction. City Code requires that extraction equipment be listed or otherwise certified by an approved third-party testing agency or licensed professional engineer and approved for the intended use by the City's Building Official and Fire Code Official.

Distribution

Distribution activities will be conducted within 4,964-square-feet of the proposed new building. The distribution area is made up of multiple rooms and has elevator access. The distribution area is large enough that a vehicle can pull into the facility through a roll-up door at the south-east corner of the facility, which will allow for secure loading and unloading of cannabis and cannabis products in the "Gated Loading" area. Under this use, the applicant will arrange for testing by a licensed testing facility, check for appropriate packaging and labeling, collect taxes, transport cannabis and cannabis products, and may act as a wholesaler, all in accordance MAUCRSA, the Bureau of Cannabis Control Regulations, and local law. All transportation will be conducted by facility employees.

2. Surrounding Land Uses

The proposed site is currently vacant and is located within an established business park. The project site is adjacent to medical offices to the west, and various industrial offices to the north, and east. The parcels to the south are currently vacant.

There are no other cannabis retail uses within 600-feet of the Project, and the Project is not within 600-feet of a K-12 school.

3. Existing Land Use – Project Site

The Project is located on the south side of Mercury Way, within an established business park, on a 0.53-acre site in the Business Park (BP) zoning district. The property is currently a vacant, grassy lot. The applicant proposes to construct a new 9,994-square-foot, two-story building, parking lot, and perimeter landscaping. The new building is oriented towards Mercury Way, with the proposed parking lot wrapping around the east and south side of the building. The new building is subject to Minor Design Review and will be reviewed by the Zoning Administrator on September 3, 2020.

4. Project History

- On May 3, 2018, the Zoning Administrator approved plans for an approximately 3,200-square-foot craft spirits distillery. The project never moved forward.
- On September 25, 2018, the City Council approved a summary vacation of a 1,700-square-foot public service easement, located along the west property line.
- On September 9, 2019, the applicant submitted Major Conditional Use Permit and Minor Design Review application.
- On June 1, 2020 the application was deemed complete.

PRIOR CITY COUNCIL REVIEW

Not applicable.

ANALYSIS

1. Santa Rosa General Plan 2035

The site is designated Business Park on the General Plan Land Use Diagram. This classification is described as a planned, visually attractive center for businesses which do not generate nuisances. This classification is intended to accommodate campus-like environments for corporate headquarters, research and development facilities, offices, light manufacturing and assembly, industrial

processing, general service, incubator-research facilities, testing, repairing, packaging, publishing and printing, and research and development facilities. Warehousing and distribution facilities, retail, hotels, and residential uses are permissible on an ancillary basis ([General Plan p. 2-12](#)). Restaurants and other related services (retail) are permitted as accessory uses.

The following General Plan goals and policies are applicable to the Project:

LAND USE AND LIVABILITY

LUL-I-1 Provide a range of commercial services that are easily accessible and attractive, that satisfies the needs of people who live and work in Santa Rosa and that also attracts a regional clientele.

ECONOMIC VITALITY

EV-A-1 Continue to promote Santa Rosa as the North Bay's premier location for technology, clean/green technologies, and entrepreneurial businesses, which create new products and business models that will attract national and international markets.

EV-A-5 Maintain diversity in the types of jobs available in Santa Rosa to lessen the impact of economic cycles.

EV-D Maintain the economic vitality of the downtown, business parks, offices and industrial areas.

The Zoning Code specifically identifies the Business Park Zoning District as a district appropriate for cannabis distribution, manufacturing, and retail (dispensary). Although cannabis uses are not explicitly addressed in the General Plan, the Business Park Zoning District is intended for manufacturing, distribution, and retail uses with operational patterns similar to the operational patterns (i.e. traffic, parking, hours of operation) of the proposed Project, including restaurants, bars, and neighborhood centers.

Staff has determined that Cannabis Cultivation, Manufacturing, Distribution and Retail (Dispensary) and Delivery uses are consistent with the General Plan goals and policies of the Light Industry land use designation. Specifically, the proposed Microbusiness use would assist in maintaining the economic viability of the area; broaden the available positions for both full and part time employment within the City; and provide a viable commercial service, while ensuring compatibility with the surrounding neighborhoods through proposed operational and security measures.

2. Other Applicable Plans

Not applicable.

3. Zoning

The project site is located within a BP – Business Park Zoning District and is surrounded by BP zoned properties supporting various medical, office, or light industrial uses. The BP zone, which is consistent with the Business Park General Plan land use designation, is applied to areas appropriate for campus-like environments for corporate headquarters, research and development facilities, offices, light manufacturing and assembly, industrial processing, general service, incubator-research facilities, testing, repairing, packaging, and printing and publishing. Warehousing and distribution, retail, hotels, and residential uses are permitted on an ancillary basis. Restaurants and other related services are permitted as accessory uses.

Cannabis manufacturing is a permitted use, while cannabis distribution requires a Minor Use Permit, and retail (dispensary) and delivery require a Major Conditional Use permit when setback no less than 600 feet from a school and from any other cannabis retail use within and permitted by the City of Santa Rosa.

Zoning Code Chapter 20-46 provides operational requirements for commercial cannabis facilities. The applicant's building improvement plans and operational plans are in compliance with standards relating to requirements of the Zoning Code including security, lighting, odor control and noise. These requirements are summarized below.

Proximity to Schools

Both City and State regulations prohibit establishment and operation of a retail cannabis dispensary within 600 feet of a K-12 school as defined by Health and Safety Code Section 11362.768. There are no schools within 600 feet of the subject property. The project is consistent with the State and local regulations.

Concentration

The Zoning Code limits geographic concentration of cannabis retail facilities (dispensaries) by prohibiting dispensaries within 600 feet of each other. There are no other cannabis retail facilities within 600 feet of the subject site; therefore, the Project site is not located in an "over-concentration" area.

Employment

The project narrative, attached to this report, details hiring procedures, including background checks for all new employees. The proposed employment procedures comply with Zoning Code Section 20-46.

Odor Control

Zoning Code Section 20-46.050(H) require cannabis businesses to “incorporate and maintain adequate odor control measures such that the odors of Cannabis cannot be detected from outside of the structure in which the Business operates.” To achieve compliance with Zoning Code and consistent with standard industry practices, the cannabis business will be negatively pressurizing in relation to the outside and an activated carbon filtration system will be installed. Administrative controls will be put in place to monitor and maintain the effectiveness of the carbon filtration system. Details of the filtration system and administrative controls are provided in the Odor Control Plan dated June 21, 2018 and certified by Andrew Souza, Registered Professional Engineer of TEP Engineering, pursuant to City Code section 20-46.050(H). A copy of the certified plan is attached.

Lighting

As a part of the project, the applicant proposes to comply with the requirements of Zoning Code Sections 20-30.080 and 20-46.80. All outdoor areas of the premises will be illuminated, including all points of ingress and egress with stationary, fully shielded lights directed away from adjacent properties and from the public right-of-way.

The Zoning Code requires (at Section 20-30.080) that exterior lights be shielded and cast downward to avoid light or glare spilling onto neighboring properties. A recommended condition of approval is that the applicant’s building permit submittal include a detailed lighting plan in compliance with the Zoning Code.

Noise

Other than delivery vehicles, all operations are proposed in the fully enclosed building located on the site in the Business Park Zoning District. Interior operations are not anticipated to generate excessive noise.

Mechanical equipment will be required to comply with the Noise Ordinance, City Code Chapter 17-16 (attached).

Security Plan

Zoning Code Section 20-46.050(G) requires cannabis businesses to provide adequate security to ensure the public safety, and safety of persons in the facility to protect the business premises from theft. Cannabis business applications are required to provide a security plan that includes lighting and alarms, secure storage and waste, procedures for the safe transportation of products and currency, controlled building access and emergency access. A detailed Security Plan designed to prevent theft or diversion of any cannabis or currency, and to

discourage loitering, crime, and illegal or nuisance activities was included with the Project application. Details of the plan are provided in the Project narrative which includes the following key features:

- Surveillance – High resolution video cameras will provide 24-hour surveillance and recordings will be retained for 90 days. Cameras will be placed in a location that allows the camera to clearly record activity occurring in all areas of the site where cannabis is stored, sold and transferred.
- Alarm – A professionally monitored alarm system will be installed and maintained.
- Access – Commercial grade security doors will be installed at all building entrances, and internally at restricted areas. In compliance with the Zoning Code, the front entrance is visible from the street. Persons under the age of 21 will not be allowed in the facility, unless they are a qualified medical patient over the age of 18.
- Security Personnel – The premises will have a security guard onsite during open business hours, and the applicant will hire a security service to patrol the building and surrounding areas for off-business hours monitoring.
- Delivery and pickups will be scheduled in advance and pre-approval given by management for deliveries at specified delivery times.
- Transportation of cannabis and cannabis products will be via secured vehicles with alarms.

Special Events

A request for special events is not included with the subject Project. However, if in the future, the applicant wishes to host a special event, approval of a Temporary Use Permit, per Section 20-52.040 (Temporary Use Permit) will be required.

Parking

The applicant will construct 20 new parking spaces to accommodate the new building. The number of parking spaces required for the various proposed uses is 20. The project has a sufficient number of parking spaces.

Table 1 – Parking Requirements

Use	Square Feet	Code Requirement	Required Spaces
Retail & Delivery	781	1 space/250 SF	3
Distribution	4,964	1 space/1,000 SF	5
Manufacturing	4,249	1 space/350 SF	12
<u>Subtotal</u>	9,994		20

Required Findings (as shown on the draft resolution)

Decisions on conditional use permits are based on the six discretionary standards found in Zoning Code Section 20-.52.050(F). Applicable conditional use permit standards followed by a staff analysis of the project's compliance with the standards is as follows:

A. The proposed Project is allowed in the BP- Business Park Zoning District and complies with all other applicable provisions of this Zoning Code and the City Code.

Zoning Code Table 2-10 lists allowable uses within the Business Park Zoning District, which implements the Business Park General Plan land use designation. Cannabis manufacturing is a permitted use, while cannabis distribution requires a Minor Use Permit, and retail (dispensary) and delivery require a Major Conditional Use permit when setback no less than 600 feet from a school and from any other cannabis retail use within and permitted by the City of Santa Rosa.

B. The proposed Project is consistent with the General Plan land use designation of Business park, which is applied to areas that are intended for distribution, manufacturing, and retail uses.

On December 19, 2017, the City Council adopted Ordinance No. ORD-2017-025 finding cannabis distribution, retail (dispensaries), and delivery uses appropriate in areas designated as Business Park on the land use diagram.

C. 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 site is in area zoned and, while currently vacant, is predominately surrounded by business park uses. Property to the north, south, east, and west are zoned BP – Business Park.

The Project is supported by a well-designed, shared parking area; security measures including lighting, restricted access for employees, refuse disposal areas, on-site security personnel, surveillance cameras and security fencing and gates. The entrance to the retail dispensary is visible from the street and the proposed project is compatible with the existing business park. Therefore, the design, location, size and operating characteristics of the Project will be compatible with existing and future land uses in the vicinity.

D. 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 Project plans demonstrate compliance with all operational standards as specified in Zoning Code Chapter 20-46, and the subject site is within a fully developed area zoned for business park uses.

E. 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 new building will have on-site security personnel that will monitor the parking lot to prevent loitering, consumption of cannabis or other nuisance activities. In addition, with the proposed odor control measures, the proposed operational procedures, including site and building security, the lack of on-site consumption, storage and waste handling, inventory tracking, hours of operation, and age/medical restrictions, and compliance with all applicable state and local regulations, the proposed Project will not constitute a nuisance or be injurious or detrimental to the public interest, health, safety, or welfare, or materially injurious to persons, property or improvements in the vicinity.

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

Refer to the Environmental Review section of this report for further discussion.

4. Design Guidelines

Exterior modifications to the existing structure will require design review approval by the Zoning Administrator.

5. Historic Preservation Review Standards

Not applicable.

6. Public Comments

No comments received to date.

7. Public Improvements/On-Site Improvements

ADA pathway from the public sidewalk to the existing path near the building entrance and two ADA-compliant parking stalls will be included.

FISCAL IMPACT

Not applicable.

ENVIRONMENTAL IMPACT

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

- The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA) and qualifies for a Class 3 Categorical Exemption under Section 15303 in that it involves the construction of a small structure in an urban environment. In urbanized areas, the exemption applies to buildings not exceeding 10,000 square feet in floor area on sites zoned for such use if not involving the use of significant amounts of hazardous substances where all necessary public services and facilities are available, and the surrounding area is not environmentally sensitive.
- The Project qualifies for a Class 32 exemption under California Government Code Section 15332 (In-fill Development Projects) of the State CEQA Guidelines in that:
 - The Project is consistent with Santa Rosa General Plan 2035 and the current City of Santa Rosa Zoning Code;
 - 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;
 - 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;
 - The Project will not result in any significant effects relating to traffic, noise, air quality, or water quality; and
 - 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 conditions the project appropriately.
- The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA) and qualifies for an exemption under California Government Code Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning) of the State CEQA Guidelines. CEQA Guidelines §15183 mandates that projects which are consistent with the existing zoning and general plan policies for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. There are no new significant effects peculiar to the Project or its site, no new significant effects, no new significant off-site or cumulative

impacts, and no more severe adverse impacts than previously identified in the Santa Rosa General Plan 2035 EIR. The Santa Rosa General Plan 2035 EIR mitigation measures are applicable to and adequate for the Project. The proposed Northern Standard Project is within the scope of the Santa Rosa General Plan 2035 EIR, and no further CEQA documentation is required.

- 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.).

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, 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:	Project Plans
Attachment 5:	Odor Control Plan
Attachment 6:	Traffic Memo

Resolution

Exhibit A

CONTACT

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