

GOOD ONWARD INC. CANNABIS PROCESSING

City of Santa Rosa

JAN 07 2020

Planning & Economic
Development Department**PROJECT DESCRIPTION**

The Applicant proposes to operate a commercial medical cannabis facility with onsite uses including Commercial Cannabis Manufacturing Level 1 (non volatile) and Level 2 (volatile), Commercial Cannabis Cultivation - 5001 square or greater, and Commercial Cannabis Distribution. The parcel is approximately 2.05 acres, zoned general industrial (IG) with a General Plan designation for General Industry. The project site is located at 3192 Juniper Avenue, south of Bellevue Ave., in the southwest Santa Rosa area. The Assessor's Parcel No. is 134-072-004.

The site includes five existing structures, totaling 4,989 square feet. Currently, the site serves as the storage and staging yard for Shannon Masonry Construction. All of the existing structures will be used for the various cannabis operations proposed. There is one small additional existing structure that houses the existing water pump. This small structure, totaling 96 square feet, will continue to house the existing water pump and will not be used for any cannabis activities. Within two years of the initial cannabis manufacturing operation, a second phase, consisting of a new 20,925 square foot warehouse building, will be constructed. This new structure will include 15,315 square feet for the first floor and 5,610 sq. ft. for the second floor. At total buildout (including phase one and two), the project will include 25,914 square feet.

The proposed project would operate 24 hours a day, with the majority of operations occurring between 8:00 AM and 6:00 PM, 7 days a week. The project will employ up to 10 employees across both phases, with rotating full and part-time shifts. Management staff will be on-call 24 hours a day, 7 days a week, to address any operational, safety and/or emergency issues that may arise. The Applicant will comply with the Sonoma County ordinance requiring permits and inspections for all edible products and manufacturing equipment. The Applicant will apply for the required state license types.

With the exception of new security cameras and additional lighting, no changes will be made to the exterior of the existing buildings. There would be full time 6 employees working. Site improvements include; new asphalt paving, bio-retention basins, new site landscaping, a new entry to provide access to the new warehouse building, and an upgraded lawn area for the use of employees. Once the new warehouse building at the southeast corner of the site is constructed, 4 additional employees will be added to the site's workforce.

ENTITLEMENTS REQUIRED**Conditional Use Permit (CUP)**

The proposed project is consistent with traditional light manufacturing and industrial uses in the General Industrial Zoning district. All proposed uses onsite are permissible by CUP under the Interpretation in industrial zones. The property for the proposed project is zoned IG and complies with all other applicable provisions of the Zoning Code. The proposed facility is separated by a roadway from a rural residential zone in Sonoma County to the west. It is surrounded by industrial zoned parcels to the north, east and south. Thus, the proposed project does not need General Plan Amendment or Rezoning entitlements to

move forward. However, pursuant to the City of Santa Rosa's "Comprehensive Regulations for Cannabis" (Ordinance No. ORD-2017-025), a Major Conditional Use Permit (MCUP) is required by the City for the proposed project to operate within city limits. As such, the MCUP will be reviewed by the City's Planning Commission.

Design Review (DR)

The addition of the new warehouse building to the project site will require Design Review of the entire project. Thus, building floor plans, elevations and materials for the new building will need to be reviewed and approved by the Design Review Board. Since the proposed project's new landscape areas totals approximately 15,000 square feet, the project is subject to the State of California's Model Water Efficient Landscape Ordinance (MWELo). Thus, the board will also review the project's landscape plans to ensure compliance with MWELo Guidelines as well as the City's Design Guidelines for landscaping on Industrial parcels.

Environmental Assessment (EA)

Within the State of California, any development project, large or small, is subject to review by the California Environmental Quality Act (CEQA) for review of any possible impact on the project's surrounding environmental. Each of the elements of the CEQA Guidelines has been reviewed by the projects' environmental team. Some of the CEQA elements are not applicable to this project. Those elements include:

Aesthetics,
Agriculture Resources,
Community Resources,
Land Use and Planning,
Mineral Resources, Popula-
tion and Housing, Public
Services, Recreation,
Utility and Services Systems and Manda-
tory Findings of Significance.

Some technical studies that would address one of the CEQA elements have been prepared previously. Our Environmental team has reviewed those studies and will provide new or supplements to the following CEQA technical studies:

Air Quality
Biological Resources Cul-
tural Resources Geology
and Soils
Hazards and Hazardous Materials
Hydrology and Water Quality
Noise
Transportation and Traffic

Summary

Since the proposed use of an existing industrial site is being re-purposed for a different

type of industrial use, the project is not expected to cause any new, major environmental impacts to the surrounding environment. Any potential environmental impacts would be minimal and can be easily addressed and mitigated.

For example, there is 0.016 acres of existing wetlands that will be removed due to proposed site improvements. However, the project proposes to off-set the loss of this wetland area with the creation of three new bio-retention basin totaling 0.59 acres (2,590 sf). This figure represents a mitigation replacement ratio of 3.68 to 1, more than enough to offset the loss of the 0.016 acres of existing wetlands. Similarly, the project will lose four existing trees in order to construct the new warehouse building. Even though none of these existing trees to be removed are California native trees (three Eucalyptus and one non-native Oak), the landscape plan proposes to replace them with five new low water use, flowering accent trees as replacements. The one existing California Live Oak, located along Juniper Avenue, is in conflict with proposed street improvements for Juniper Avenue. However, this existing oak will be transplanted to a new landscape area within the project in order to save it.

With respect to Transportation and Traffic, it is not expected that the new industrial use will radically increase traffic volumes along Juniper Avenue. However, the proposed project does include improvements to Juniper Ave. Those improvements include; widening of Juniper Avenue from an existing width of 15 feet to 20 feet from Bellevue Avenue to the site. Improvement also include the addition of a public sidewalk along the site frontage to bring this portion of Juniper Avenue up to the City standards for half street improvements for an industrial street. Further, a public water system with hydrants located at a maximum 300 feet on center will be installed in Juniper Avenue from the site to Bellevue Ave. The appropriate right-of-way, public utility easement and sidewalk easement have already been dedicated for this project. All of these improvements will help mitigate any traffic impacts generated by the change in type of industrial use and provide a benefit to the public.

An IMPROVEMENT VARIANCE APPLICATION has been submitted in order to retain an existing 8 foot high concrete masonry wall along the frontage of Juniper Avenue. The variance application seeks to reduce the required 8 foot planter strip to 5.5 feet in order to retain the existing wall. The Preliminary Landscape Plan shows that the required street trees can still be planted in the narrower planting strip.

Thus, when the technical studies are completed and reviewed, the findings should support the conclusion that a Mitigated Negative Declaration (MND) is the appropriate level of environmental review.

BUSINESS DESCRIPTION

I. Staffing

The proposed project anticipates hiring approximately 8 to 10 employees. Employee shifts will be from 8:00 AM to 6:00 PM, seven days per week. The General Manager will be on-call 24 hours a day, seven days a week to deal with any production issues or emergencies. All applicable labor and employment laws will be diligently followed.

All employees will receive training on medical cannabis, including safety awareness, emergency procedures, inventory control, cannabis strains and benefits, and any other job-specific requirements to ensure agents remain compliant with state and local regulations and have opportunities for ongoing professional success. Employees will also receive training

on all security and emergency procedures, compliance with state and local regulations, and address any training deficiencies or clarification needed.

II. Manufacturing

The proposed project will include all activities permitted by a commercial cannabis Manufacturing Level 2 (volatile) license, including but not limited to the following activities: receiving raw bulk dried materials; light manufacturing and processing of bulk materials; packaging/re-packaging including but not limited to sorting, grading, quality control, labeling/re-labeling, inventory controls; internal testing for quality control; research and development; manufacturing of cannabis oils, products and compounds using nonvolatile and volatile extraction; post-processing and refining of cannabis oils; pesticide remediation; storage of raw materials and manufactured products; production of value added products such as but not limited to edibles, vape cartridges, topicals and tinctures.

a. Volatile Extraction and Pesticide Remediation

This CUP application proposes to expand the types of extraction and to add pesticide remediation activities using volatile solvents. The Applicant seeks to utilize several types of volatile solvents, including but not limited to butane, pentane, and hexane.

As required by state law, all extraction equipment will be closed loop systems, and all extraction machines will satisfy state rules regarding engineering certification and inspections. For manufacturing equipment, the Applicant will comply with inspection and certification requirements by the state and City of Santa Rosa. As required for state licensing, the Applicant will prepare and implement standard operating procedures for all manufacturing processes and use of all equipment.

b. Extraction Lab

Inside the facility, the Applicant will install a state-of-the-art C1D1 extraction area and post-processing area, specifically engineered and designed for volatile extraction and manufacturing. This extraction will contain ventilation systems, a fixed extinguishing system and extension of the wet fire sprinkler system, and explosion proof fixtures to provide maximum safety for volatile manufacturing activities.

c. Added Value Products

In addition to extraction, post-processing and pesticide remediation, the Applicant will produce various added value products, including tinctures, topicals, vape cartridges, capsules and edibles. All products will be produced in accordance with applicable rules and best practices for sanitation and quality control. For edible production, the Applicant does not initially anticipate producing edibles. Prior to commencing edible production, the Applicant will obtain the necessary City Building permits, Sonoma County Health permits, and food handler certification.

III. Distribution and Transportation

The Applicant anticipates needing approximately two to three vehicles for distribution operations. Up to two employees will be hired for distribution activities, working normal business hours from 8:00 AM to 6:00 PM. As required by state law, all potential employees must pass an electronic background check.

IV. Indoor Cultivation & Nursery

The Applicant proposes onsite indoor cultivation of greater than 5,001 square feet. The

cultivation activities will include mature flowering plants as well as propagation and vegetation of immature plants. Space in the proposed facility will also be used for drying, curing and trimming of the plants.

V. Security Plans

The Applicant's security plan is intended to prevent theft and diversion of any cannabis or currency, as well as to discourage loitering, crime, and illegal or nuisance activities. The site security plan is comprised of several layers of systems and protocols, which are listed below. All the security systems will be capable of remaining fully operational during a power outage. No weapons or firearms will be permitted on the property. All security measures are designed to ensure emergency access is available in compliance with California Fire Code and Santa Rosa Fire Department standards.

1. Surveillance

An exterior and interior video surveillance system was installed to record site activities 24 hours a day, seven days a week. Motion-censored security cameras will record in all areas where cannabis activities are conducted throughout the site. Surveillance videos will be maintained as required by state and local rules. The Applicant will always maintain the surveillance system in good working condition. All recordings will be easily accessed for viewing, and the Applicant will cooperate with all law enforcement investigations, providing video footage upon request.

2. Alarm System

A professionally monitored alarm system, which provides the Applicant with instant notification of any triggering event has been installed. The alarm system is equipped with a failure notification feature that provides prompt notification of any prolonged surveillance interruption or system failure.

3. Access Controls

Project entrances will be locked and secured at all time with commercial grade, nonresidential locks. Access to the facility will be restricted to authorized personnel, approved visitors and scheduled deliveries. Locked doors will prevent access to various manufacturing and storage areas. Authorized personnel will be provided with key fobs that limit access to permitted areas required for completing job duties. Guests and inspectors will be required to sign into the facility and provide valid identification. During visits, authorized guests and inspectors will be accompanied by authorized personnel at all times.

4. Inventory Controls

The Applicant will comply with and participate in the state's track and trace system and auditing requirements. In the event of any inventory discrepancies, the Applicant will immediately notify regulators and law enforcement within the required time periods.

5. Storage and waste

All cannabis products and any cannabis waste will be stored in a secure area that is not visible to the public. All vendors will be pre-scheduled in advance and must present valid identification. Vendors will only be granted access to the areas required for removal of waste. All waste removal vendors will be required to document and track all waste materials removed from the site.

6. Training and Records

Management will require that employees follow necessary procedures to ensure that cannabis and any related by-products from the project site are not visible or

accessible to the public. Every employee will be required to participate in training to learn the Applicant's security and safety protocols required for continuous employment. All employees will be well versed in all security procedures.

As required by state rules, the Applicant will maintain up-to-date and current records related to the cannabis operation will be stored in a secure manner onsite and will include surveillance vendor contracts with schematics of the security zones, name of vendors and monitoring company, and a list of all current authorized employees with access to the surveillance and/or alarm systems. All surveillance equipment, records and recordings will be stored in a secure area. The Applicant will update the security plan to comply with any new local or state laws and regulations for cannabis licensing.

VI. Fire and Safety Controls

The proposed project will comply with all state and local fire codes as well as applicable National Fire Protection Association (NFPA) codes. The facility has been designed with sophisticated fire suppression and ventilations systems. Fire and safety controls will include engineering controls, safe work practices, administrative controls and OSHA hazardous prevention and controls.

Fire sprinklers and a fire alarm system will be installed and routinely inspected and maintained in good working order. A fixed extinguishing system and extension of the wet fire sprinkler system has been installed in all extraction lab spaces. Battery backup for emergency lighting was installed to illuminate the exits during a power outage. Fire extinguishers, placed throughout the facility, will be regularly maintained and inspected. Chemical storage cabinets will be used for storage of all solvents and hazardous materials. The Applicant will utilize spill management systems and will install emergency exit route maps. All employees will receive training on fire and safety systems and procedures. The Applicant has installed air quality and ventilation systems. Finally, the Applicant will install a Fire Department lock box for keys to gates and doors.