

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: ANDREW TRIPPEL, ACTING SUPERVISING PLANNER
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
SUBJECT: FALL 2020 GENERAL PLAN AMENDMENT PACKAGE – T&L
MICRO CANNABIS FACILITY

AGENDA ACTION: ONE RESOLUTION AND ONE ORDINANCE INTRODUCTION

RECOMMENDATION

It is recommended by the Planning Commission and the Planning and Economic Development Department that the Council, by resolution approve a General Plan amendment changing the General Plan land use designation from Retail & Business Services to Light Industry, and introduce a Rezoning ordinance to rezone parcels from CG (General Commercial) to IL (Light Industrial), for two parcels located at 3515 and 0 Industrial Drive, which are also identified as Assessor's Parcel Numbers 148-050-027 and 148-041-049.

EXECUTIVE SUMMARY

T&L Micro Cannabis Facility (Project) proposes a General Plan Land Use Diagram Amendment from Retail & Business Services to Light Industry and a Zoning Map Amendment rezoning from CG (General Commercial) to IL (Light Industrial) for two contiguous parcels, in order to allow operation of a commercial cannabis facility consisting of Cannabis Cultivation (10,202 SF) with Manufacturing (non-volatile) (3,282 SF), and Distribution (6,016 SF) land uses, in an existing 2-story 19,500 SF building.

The Council is being asked to consider two actions:

1. Approval of a General Plan Land Use Diagram amendment changing subject parcel land use designations from Retail & Business Services to Light Industry; and
2. Introduction of a Zoning Map Amendment rezoning subject parcels from CG (General Commercial) to IL (Light Industrial).

BACKGROUND

The T&L Micro Cannabis Facility (the Project) application has been submitted in accordance with the following policies and regulations of the City of Santa Rosa:

- City of Santa Rosa [General Plan 2035](#), Section 1-7 Changing the General Plan, allows amendment of the General Plan Land Use Diagram three times per year (p. 1-11). City Council shall conduct hearings after consideration by Planning Commission. T&L Micro Cannabis Facility is being brought forward for review as part of the Fall 2020 General Plan Amendment package.
- Zoning Code [Chapter 20-64 Amendments](#) allows and regulates application, processing, noticing, and review of proposed General Plan and Zoning Map amendments.

1. Project Description

The Project requests a General Plan Land Use Diagram Amendment from Retail & Business Services to Light Industry and a Zoning Map Amendment from CG (General Commercial) to IL (Light Industrial) for two contiguous parcels to allow operation of a proposed commercial cannabis facility consisting of Cannabis Cultivation (10,202 SF), Manufacturing (non-volatile) (3,282 SF), and Distribution (6,016 SF) land uses. Additionally, the project proposes minor exterior alterations to an existing building, which would be subject to Director-level design review (see Attachments 3-5).

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, indoor commercial recreational facilities and occupied and unoccupied retail spaces to the east, and public self-storage and a blood donation/collection center to the west.

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 19,500 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 it sets 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 Kincadee Fire resulted in the project area being under mandatory evacuation though no damage to the project area occurred.

The current use of the building is a commercial furniture retail warehouse store. The project area is surrounded by commercial and light industrial uses. Nearest residential uses occur approximately one-quarter mile to the west and northwest. There is a mobile home park approximately the same distance to the south.

4. Project History

September 30, 2019	Project applications – General Plan, Rezoning and Major Conditional Use Permit – submitted
October 18, 2020	Native American tribes with known interest in the area were notified of the proposed project in accordance with SB 18 requirements for General Plan amendments
January 30, 2020	Native American tribes were notified as required by AB 52
June 22, 2020	The T&L Commercial Microbusiness Facility, 3515 Industrial Drive, PRJ19-039, Initial Study/Mitigated Negative Declaration was published for 30-day public review in accordance with CEQA regulations. Planning staff mailed a Notice of Intent to Adopt a Mitigated Negative Declaration for the T & L Micro project to neighboring property owners and interested parties. A copy of the proposed mitigated negative declaration was made available for review at https://srcity.org/425/Plans-Studies-EIRs . The review period ended July 22, 2020.
November 12, 2020	Planning Commission public hearing was held during which time resolutions adopting the project MND, making recommendations to City Council for approval of the requested General Plan amendment and Rezoning, and approving a Major Conditional Use Permit, subject to City Council action on the General Plan amendment and Rezoning, were approved.

- 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.
- No Notice of Application was distributed as required by [Section 20-50.050\(E\)](#). Section 20-66.020(A)(3) states that “A defect (failure) in the notice procedure shall not affect the jurisdiction or authority of a review authority to take action on a matter.” Property owners and occupants within 600 feet of the proposed project received a mailed Notice of Intent to Adopt a Mitigated Negative Declaration for the T & L Micro project, mailed Planning Commission public notices, and would have access to onsite noticing for the public hearing.

PRIOR CITY COUNCIL REVIEW

N/A

ANALYSIS

1. Request for General Plan Amendment

The project site is designated as Retail & Business Services on the General Plan Land Use Diagram. This designation allows retail and service enterprises, offices, and restaurants. The implementing zoning district is CG (General Commercial). While this zoning allows Cannabis Retail/Dispensary uses, it does not accommodate other Cannabis Cultivation, Manufacturing, Distribution, or Testing land uses. These other Cannabis land uses are allowed in IL (Light Industrial) zoning districts.

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 of this land use designation is IL.

The applicant requests a General Plan Land Use Diagram Amendment from Retail & Business Services to Light Industry, which would allow for adoption of a Zoning Map Amendment to IL, thus allowing all commercial Cannabis land uses.

General Plan Amendment Required Findings

A. The proposed amendment ensures and maintains internal consistency with the goals and policies of all elements of the General Plan.

The following General Plan goals are applicable to the project:

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-C-2	Establish and inventory of ready-to-go non-residential sites complete with zoning, infrastructure, and environmental clearances.
EV-D	Goal – Maintain the economic vitality of the downtown, business parks, offices and industrial areas.

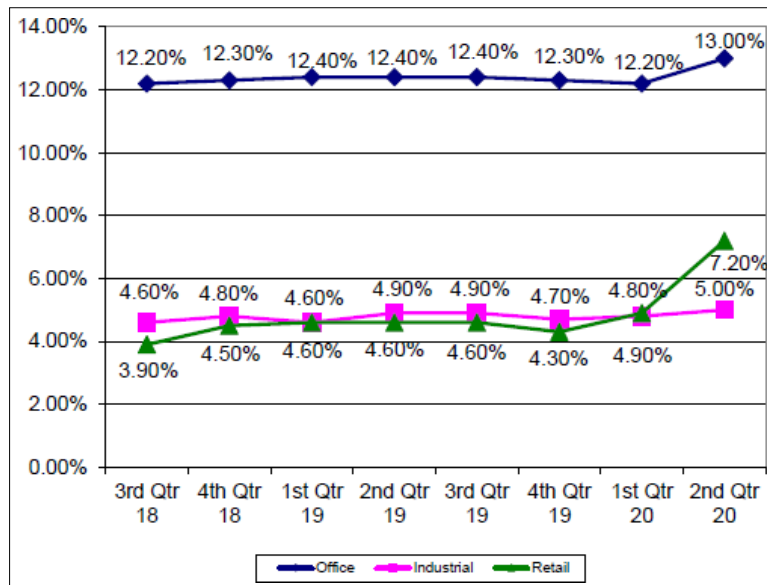
The General Plan seeks to protect the industrial land supply and ensure compatibility between industrial development and surrounding neighborhoods. Conversion of existing developed land in response to market demand would ensure that the industrial land supply continues to meet economic needs. Rather than promoting development of vacant, greenfield sites, conversion would foster a compact development pattern that reduces travel, energy, land, and materials consumption while promoting greenhouse gas emission reductions citywide.

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. Professional real estate industrial markets demand studies show 5% or less vacancy in industrial spaces in Santa Rosa over the past eight quarters, with just over 500,000 square feet of available industrial space in the 2nd Quarter 2020 (see Attachment 6).

A higher vacancy rate would facilitate negotiating power of lessees, as well as to encourage a variety of uses, sizes of operations, and market mix. Amending the General Plan for this property would provide approximately 20,000 additional square feet of industrially-zoned space.

Image 3: Eight-Quarter Vacancy Chart, 3rd Quarter 2018 to 2nd Quarter 2020



Source: Keegan & Coppin Company, Inc. analysis provided by applicant.

B. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

Following the 2017 Tubbs fire, the area surrounding the subject parcel has suffered a precipitous loss of productive properties. The Kmart property once provided an economic anchor for the neighborhood, but, following its destruction, the neighboring businesses have suffered tremendously. It is not anticipated that a major retail anchor will redevelop the former Kmart property. Additionally, walk-in retail is a less profitable enterprise. Amending the General Plan and rezoning to allow for industrial uses aligns the property with its neighbors, as well as the actual current intensity of use of the building.

Given the property’s recent use as a retail warehouse facility, the change to a closed, secured facility that is not open to the public would reduce traffic impacts to surrounding properties. Rezoning and amending the General Plan for light industrial uses would not foreseeably increase the intensity of the property’s use nor have any foreseeable effect on the public’s health, safety, convenience, or welfare. Making the highest and best use of the property, as well as the most valuable in terms of production, tax revenue, and jobs created is in the best interests of the City.

C. The site is physically suitable (including absence of physical constraints, access, compatibility with adjoining land uses, and provision of utilities) for the requested/anticipated land use

developments.

The project site is adjacent to a large parcel to the west designated Light Industry on the General Plan Land Use Diagram that is a gateway parcel to a large swath of industrial properties. The surrounding uses are a wide mix of commercial and light industrial uses. Because the property is already adjacent to an industrial district, amending the General Plan and rezoning the property will render the property more compatible with its neighbors. Additionally, the intended manufacturing uses are “light” in nature, which would be compatible with the overall zoning of the area and neighborhood.

The property is currently developed with a two-story commercial/industrial building, which could accommodate a wide variety of light industrial uses, while maintaining compatibility with neighboring properties. A change to the General Plan and this property’s designation is necessary to better utilize the space. Industrial designations better reflect the property’s current occupancy as a furniture warehouse, the changed character of the overall neighborhood, and the property’s adjacency to one of the City’s largest industrial zones.

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

Please refer to the Environmental Impact section of this staff report.

2. Zoning

The applicant requests a Zoning Map amendment for the subject parcels from CG (General Commercial) to IL (Light Industrial) and has submitted a Rezoning application in accordance with Zoning Code [Section 20-64.020](#).

Zoning Map Amendment Required Findings

A. The proposed amendment is consistent with the goals and policies of all elements of the General Plan, and any applicable specific plan.

In accordance with [Section 20-24.020\(B\)](#), the IL zoning district is applied to areas appropriate for some light industrial uses, as well as commercial service uses and activities that may be incompatible with residential, retail, and/or office uses. The IL zoning district is consistent with the Light Industry land use classification of the General Plan and implements this land use designation ([Section 20-20.020](#)). General Plan Section 1-2 requires that the General Plan be internally consistent; therefore, a proposed amendment to a zoning district that is consistent with a General Plan land use designation and implements that land use designation would be consistent with the goals and policies of all elements of the General Plan.

The proposed project site is not subject to a specific plan.

B. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

The proposed zoning would be consistent with the Light Industry General Plan land use designation. Rezoning would allow for industrial uses that would align the property with its neighbors, as well as the actual current intensity of use of the building. Given the property's recent use as a retail facility, the change to a closed, secured facility that is not open to the public would reduce traffic impacts to surrounding properties. Rezoning and amending the General Plan for light industrial uses would not foreseeably increase the intensity of the property's use nor have any foreseeable effect on the public's health, safety, convenience, or welfare.

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

Please refer to the Environmental Impact section of this staff report.

D. The proposed amendment is internally consistent with other applicable provisions of this Zoning Code.

The Project, as proposed and conditioned, meets all required development standards for the IL zoning district.

E. The site is physically suitable (including absence of physical constraints, access, compatibility with adjoining land uses, and provision of utilities) for the requested zoning designations and anticipated land uses/developments.

The project site is adjacent to a large swath of industrially-zone parcels, and surrounding it are a wide array of commercial and light industrial uses. Because the property is already adjacent to an industrial district, rezoning the property will render it more compatible with its neighbors. Additionally, the intended manufacturing uses are "light" in nature, which would be compatible with the overall zoning of the area and neighborhood.

The property is currently developed with a two-story commercial/industrial building, which could accommodate a wide variety of light industrial uses, while maintaining compatibility with neighboring properties. A change to this property's zoning is necessary to better utilize the space. Industrial designations better reflect the property's current occupancy as a furniture warehouse, the changed character of the overall neighborhood, and the property's adjacency to one of the City's largest industrial zones.

3. Neighborhood Comments

No public comments were received in response to any public noticing. In the early part of the project's Planning review, Planning staff asked the applicant to consider contacting the abutting property owner to the west to gauge the neighbor's interest in participating in the General Plan Amendment. The applicant reported that the neighbors were engaged in evaluation of their long-term property ownership; thus, a change to the property's General Plan designation was not timely.

No additional public comments have been received at the time that this Staff Report was prepared.

4. 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

An Initial Study/Mitigated Negative Declaration was prepared in compliance with the California Environmental Quality Act (CEQA) (see Attachment 7). The proposed 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 prepared for the 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.

A Notice of Intent to adopt a Mitigated Negative Declaration was posted with the California State Clearinghouse (SCH Number 2020060495) and the Sonoma County Clerk's Office, initiating a thirty-day public comment period beginning June 22, 2020, and ending July 22, 2020. No comments were received by the City during the public comment period. On November 12, 2020, Planning Commission adopted the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the T&L Micro Cannabis Facility.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

On November 12, 2020, Planning Commission:

- By a vote of 7-0 in favor of the action, adopted a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the T&L Micro Cannabis Facility (Attachment 8: PC Resolution No. 12039);
- By a vote of 7-0 in favor of the action, approved a resolution recommending to City Council approval of a General Plan Land Use Diagram amendment changing subject parcel land use designations to Light Industry (Attachment 9: PC Resolution No. 12040)
- By a vote of 7-0 in favor of the action, approved a resolution recommending to City Council adoption of a Zoning Map Amendment ordinance rezoning subject parcels to IL (Light Industrial) (Attachment 10: PC Resolution No. 12041); and
- By a vote of 7-0 in favor of the action, approved, subject to City Council approval of a General Plan Land Use Diagram Amendment resolution and adoption of a Zoning Map Amendment ordinance, a Major Conditional Use Permit for cannabis Cultivation (10,202 sq.ft.) with Manufacturing (non-volatile) (3,282 sq.ft.), and Distribution (6,016 sq.ft.) land uses (Attachment 11: PC Resolution No. 12042).

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 General Plan and Zoning Map
- Attachment 4 Revised Project Description dated received October 26, 2020
- Attachment 5 Project Plan Set dated received September 30, 2019
- Attachment 6 2019-2020 Industrial Space analysis prepared by Keegan &

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- Attachment 7 Coppin Company, Inc. dated received by the City on October 18, 2020
T&L Commercial Microbusiness Facility Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program dated June 19, 2020
- Attachment 8 Planning Commission Resolution No. 12039 dated November 12, 2020
- Attachment 9 Planning Commission Resolution No. 12040 dated November 12, 2020
- Attachment 10 Planning Commission Resolution No. 12041 dated November 12, 2020
- Attachment 11 Planning Commission Resolution No. 12042 dated November 12, 2020
- Resolution General Plan Amendment
- Ordinance Rezoning

CONTACT

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