

**CITY OF SANTA ROSA**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**STAFF REPORT FOR PLANNING COMMISSION**  
**DECEMBER 12, 2019**

<b><u>PROJECT TITLE</u></b>	<b><u>APPLICANT</u></b>
Green Qi, LLC	Henry Huang
<b><u>ADDRESS/LOCATION</u></b>	<b><u>PROPERTY OWNER</u></b>
925 Piner Road	Purple Cloud, LLC
<b><u>ASSESSOR'S PARCEL NUMBER</u></b>	<b><u>FILE NUMBER</u></b>
015-680-024	CUP18-056
<b><u>APPLICATION DATE</u></b>	<b><u>APPLICATION COMPLETION DATE</u></b>
April 17, 2018	June 27, 2018
<b><u>REQUESTED ENTITLEMENTS</u></b>	<b><u>FURTHER ACTIONS REQUIRED</u></b>
Conditional Use Permit	No further actions are required
<b><u>PROJECT SITE ZONING</u></b>	<b><u>GENERAL PLAN DESIGNATION</u></b>
IL (Light Industrial)	Light Industry
<b><u>PROJECT PLANNER</u></b>	<b><u>RECOMMENDATION</u></b>
Susie Murray	Approval

Agenda Item #10.1  
For Planning Commission Meeting of: December 12, 2019

CITY OF SANTA ROSA  
PLANNING COMMISSION

TO: CHAIR CISCO AND MEMBERS OF THE COMMISSION

FROM: SUSIE MURRAY, SENIOR PLANNER  
PLANNING AND ECONOMIC DEVELOPMENT

SUBJECT: GREEN QI, LLC

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Planning Commission (Commission), by resolution, approve a Conditional Use Permit (CUP) for Green Qi, LLC, a Cannabis Microbusiness, at 925 Piner Road.

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EXECUTIVE SUMMARY

The project proposes to operate a Cannabis Microbusiness, including Cannabis Retail (dispensary) selling both medical and adult use products, with delivery service and onsite consumption; Cannabis Manufacturing Level 1 (non-volatile) for which a Zoning Clearance has already been issued; and Cannabis Distribution. The business will operate from an existing 4,185-square foot commercial building located at 925 Piner Road. The Planning Commission is being asked to act on a CUP to allow the use.

BACKGROUND

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

1. Surrounding Land Uses

The subject site is located on the north side of Piner Road slightly east of Airway Drive, in the northwest quadrant of Santa Rosa. General Plan land use designations for the surrounding areas are shown below:

North: Light Industry; currently developed with commercial and light industrial uses.

South: Light Industry; currently developed with commercial and light industrial uses.

East: Light Industry; currently developed with commercial uses.

West: Light Industry; currently developed with commercial uses.



## 2. Existing Land Use – Project Site

The property is developed with a 4,185-square foot commercial building, constructed in 1967, currently occupied by a music studio.

## 3. Project History

On April 17, 2018, the subject CUP application was submitted to Planning and Economic Development.

On June 27, 2018, the subject application was deemed complete.

On October 25, 2018, the Cannabis Policy Subcommittee selected Green Qi to move forward through the process.

On September 3, 2019, staff received an email from Henry Huang, applicant, requesting a modification to the project scope to include onsite consumption.

### PRIOR CITY COUNCIL REVIEW

Not applicable.

### ANALYSIS

#### 1. General Plan

The General Plan land use designation is Light Industry, which is intended for uses similar to 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.

The Project implements the following goals from the [General Plan](#):

#### **LAND USE AND LIVABILITY**

LUL-J Maintain the economic vitality of business parks and offices, and Santa Rosa's role as a regional employment center.

#### **ECONOMIC VITALITY**

EV-A Maintain a positive business climate in the community.

EV-C Promote new retail and higher density uses along the city's regional/arterial corridors.

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

The Project will contribute to a broad range of commercial services and employment opportunities available in the area; it will occupy an existing commercial building along Piner Road, which is identified as an arterial street on the General Plan Land Use Diagram; and will attract regional clientele.

#### 2. Other Applicable Plans

Not applicable.

#### 3. Zoning

The following operating standards, regulated by [Zoning Code Chapter 20-46](#) (attached), have been met:

### **Hours of Operation**

Permissible hours of operation for a cannabis dispensary are from 9:00 a.m. to 9:00 p.m. seven days per week. There are no restrictions for distribution or manufacturing. The proposed hours of operation for Green Qi are from 9:00 a.m. to 9:00 p.m. seven days per week, with delivery service available during those hours.

### **Proximity to Schools**

Pursuant to both City and State regulations, a retail dispensary may not operate within 600 feet of a school. There are no restrictions for distribution or manufacturing. Lattice Educational Service is the closest school and is over 700 feet away. All other public and private schools are over 2,000 feet away.

### **Concentration**

The Zoning Code limits concentration for dispensaries by prohibiting dispensaries within 600 feet of each other. The closest approved dispensary, Expanding Roots, is located at 3499 Industrial Drive, which is approximately 1,500 feet from the subject site. Distribution and manufacturing are not restricted in terms of concentration.

### **Employment**

The project narrative, attached to this report, details hiring procedures that have been found in compliance with Zoning Code Chapter 20-46. To summarize:

- All employees must be 21 years of age or older;
- Background checks will be conducted for all new hires;
- Recruitment will focus on local resources; and
- A Labor Peace Agreement will be established, which allows employees the right to unionize.

### **Odor Control**

A memo, prepared by Andrew Souza, P.E., TEP Engineering, dated May 8, 2018 (attached), sets forth an odor mitigation plan, which will include a carbon filtration system and inline filters on the exhaust system to contain odors within the building in compliance with Zoning Code Section 20-46.050(H).

### **Lighting**

Minor exterior changes will be made to the building, including the addition of light fixtures, which will require Design Review. The Project has also been conditioned to comply with the City's exterior lighting standards set forth in

Zoning Code Section 20-30.080.

### **Noise**

The subject site is located within the IL (Light Industrial) zoning district surrounded on all sides by similar commercial and light industrial uses. In a letter prepared by TEP Engineering, dated May 8, 2018, Andrew Souza, P.E. states that “the HVAC equipment shall comply with the City of Santa Rosa’s [City Code] Chapter 17-16 (Noise) requirements.” The Microbusiness is not anticipated to generate excessive noise, however, the Project has also been conditioned to comply with the City’s Noise Ordinance, Chapter 17-16 of the [City Code](#).

### **Security Plan**

The project Security Plan seeks to ensure safety and to effectively prevent theft or diversion of any cannabis or currency, as well as to discourage loitering, crime, and illegal or nuisance activities. A discussion of the security plan is included in the attached project narrative. Following is a summary of security measures:

- Because the facility provides both medical and adult use products, the following customers are allowed to enter the facility:
  - Minors that have been issued a medical cannabis card and are accompanied by an adult/guardian;
  - Young adults between the ages of 18-21 years of age that have been issued a medical cannabis card; and
  - Adults 21 years of age and older.
- Areas designated for onsite consumption will be monitored by security guards.
- Interior and exterior video cameras will be installed and monitored by trained Green Qi staff.
- The business operator will contract with an independent security company to monitor the premises during off business hours.
- A secure alarm system to monitor after-hours entry into the building will be installed.
- Secured areas will be accessible to authorized personnel only through the use of proximity cards or key pads.

- Extensive employee training will be provided, including special training to identify signs of intoxication.

### **Delivery Services**

The following delivery procedures will apply to all deliveries, to and from Green Qi:

- Deliveries and pick-ups will be made from inside a sally port area.
- Deliveries will be made using company-owned vehicles.
- Drivers will be at least 21-years of age and employed by Green Qi.
- Customers will be required to provide valid identification prior to scheduling the delivery, which will be confirmed when delivery is made.

### **Onsite Consumption**

Zoning Code Section 20-46.080(F) discusses onsite consumption of cannabis products. The Green Qi site plan identifies two areas dedicated for onsite consumption. As described in an email sent by Henry Hueng, applicant, dated September 3, 2019 (attached), customers will be allowed to consume products that contain THC. In compliance with the City's Smoking Ordinance, City Code Chapter 9-20, no smoking will be allowed.

### **Parking**

Pursuant to Zoning Code Table 3-4, the Microbusiness is required to provide 14 onsite parking spaces as shown below. Zoning Code Section 20-36.040(C)(2) states that when a building's use changes to a new use, without enlarging the space in which the use is located, there shall be no additional parking required for the new use, provided that any deficiency in parking is no more than 10 spaces, or a 25 percent overall reduction from standard parking requirements. The project site plan provides 11 onsite parking spaces, which is within the allowable reduction range, and is in compliance with the Zoning Code.

Cannabis Use	Square footage (based on project site plan)	Required parking ratio (space/square foot)	Spaces required (rounded to nearest whole number)
Distribution	763	1:1,000	1.00
Manufacturing	291	1:350	1.00
Retail	3111	1:250	12.00
Number of spaces required			14.00
25% Allowance			-3.5
Required Parking			11.00

## **CUP Required Findings**

Pursuant to Zoning Code Section 20-52.050(F), the Planning Commission must make six findings before approving the CUP. As shown on the draft resolution attached to this report, all findings can be met.

### **4. Design Guidelines**

Exterior changes will require Design Review.

### **5. Neighborhood Comments**

Pursuant to Zoning Code Section 20-50.050, Neighborhood meetings are not required for nonresidential development proposals that are surrounded by nonresidential zoning districts and General Plan land use categories, unless there is an effect on a residential neighborhood, regardless of whether or not a public hearing is required. As such, no Neighborhood Meeting was required because the site is fully surrounded by similar commercial and light industrial uses.

### **6. Public Improvements/On-Site Improvements**

A comprehensive list of required improvements and dedications are included on the Engineering Development Services Exhibit A, prepared by Carol Dugas, dated September 18, 2019, attached to the draft resolution. To summarize:

- Piner Road will be dedicated along the project frontage for the future installation of a Boulevard, City Standard 200 I;
- The project frontage will be improved with new driveway apron the sidewalk shall be made compliant with the Americans with Disabilities Act, and street trees will be planted;
- New services (electrical, telephone, cable or conduit) shall be installed underground; and
- The building is required to be protected by a fire sprinkler system.

## **FISCAL IMPACT**

Not applicable.

## **ENVIRONMENTAL IMPACT**

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

- Pursuant to CEQA Guidelines Section 15183, the project is consistent with the General Plan for which an Environment Impact Report (EIR) was certified by Council in 2009. In December 2017, Council enacted comprehensive regulations for cannabis. Analysis concluded that cannabis-related uses were similar in terms of environmental impacts to other allowable uses in the IL zoning district. No further environmental review is necessary for the Project as analysis has confirmed that there are no new environmental effects, or environmental effects of greater severity, peculiar to the parcel or the project that were not analyzed and addressed in a prior EIR.
- The proposed project also qualifies for a Class 3 Categorical Exemption pursuant to CEQA Guidelines Section 15303 in that it involves a change of use, which will require only minor exterior modifications to the structure/site.
- The proposed project also qualifies for a Class 1 Categorical Exemption pursuant to CEQA Guidelines Section 15301 in that it involves minor modifications to an existing facility, with no expansion of use.
- The proposed project also qualifies for a Class 32 Categorical Exemption as infill development as it is located on a site of less than five acres within City limits and is substantially surrounded by urban uses; it has no value as habitat for endangered, rare or threatened species because the property is already developed; the property is already receiving all necessary utilities and public services; and the project has no foreseeable significant adverse impacts to traffic, noise, air quality or water quality:

A Focused Traffic Study, prepared by W-Trans, dated September 19, 2019, attached to this report, concluded that the project would result in less than 50 new peak hour trips and does not trigger the additional operational analysis per the City's Standard Guidance for the Preparation of Traffic Impact Analysis.

A letter, prepared by Andrew Souza, P.E., TEP Engineering, dated May 8, 2018, attached to this report, states that the "industry accepted method to remove cannabis odors for exhaust airstreams is carbon filtration. Green Qi LLC will install activated carbon inline filters on their recirculating air systems serviced spaces at risk for emitting cannabis odors."

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

In November/December 2019, the project was noticed as a public hearing pursuant to Zoning Code Chapter. 20-66. A 24-square foot public hearing sign was posted onsite; a Public Hearing Notice was published in the Press Democrat; a Public Hearing Notice was mailed to property owners and occupants within 600 feet of the property; and bulletin board postings were provided 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.

The subject application was submitted to Planning and Economic Development on April 19, 2018. On April 9, 2019, the Council adopted Ordinance No. CC-ORD-2019-003, effective May 10, 2019, requiring staff to send a Notice of Application (NOA) for new discretionary applications. Because this application had been in the review process for over a year, no NOA was mailed.

## ISSUES

There are no unresolved issues.

## ATTACHMENTS

Attachment 1: Disclosure Form

Attachment 2: Location and Neighborhood Context Maps

Attachment 3: Project Narrative, stamped August 29, 2019, and supplement email, prepared by Henry Huang, dated September 3, 2019

Attachment 4: Project Rendering, prepared by Nutraceutical, dated June 18, 20108, and Project Plans, prepared by WIX Architecture, dated August 15, 2019

Attachment 5: Traffic Impact Study, prepared by W-Trans, dated September 19, 2019

Attachment 6: Odor, Noise and Storage Review Letter, prepared by Andrew Souza, P.E., TEP Engineering, dated May 8, 2018

Attachment 8: Public Correspondence

Resolution: Conditional Use Permit w/Exhibit A, prepared by Jesus McKeag, dated September 12, 2019

## CONTACT

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