

CITY OF SANTA ROSA
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
STAFF REPORT FOR PLANNING COMMISSION
December 14, 2017

PROJECT TITLE

3320 Industrial

ADDRESS/LOCATION

3320 Industrial Drive

ASSESSOR'S PARCEL NUMBER

015-650-024

APPLICATION DATE

July 13, 2017

REQUESTED ENTITLEMENTS

Conditional Use Permit

PROJECT SITE ZONING

IL (Light Industrial)

PROJECT PLANNER

Cheryl Whitfield

APPLICANT

Indyone, LLC

PROPERTY OWNER

CLIFF II, LLC

FILE NUMBER

CUP17-078

APPLICATION COMPLETION DATE

October 16, 2017

FURTHER ACTIONS REQUIRED

Building Permits

GENERAL PLAN DESIGNATION

Light Industry

RECOMMENDATION

Approval

Agenda Item # 8.1
For Planning Commission Meeting of: December 14, 2017

CITY OF SANTA ROSA
PLANNING COMMISSION

TO: CHAIR CISCO AND MEMBERS OF THE COMMISSION
FROM: CHERYL WHITFIELD, SENIOR PLANNER
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

SUBJECT: 3320 INDUSTRIAL

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 Indylene, LLC, for the operation of an indoor medical cannabis commercial cultivation facility within an existing 20,000 square-foot building located in a Light Industrial zoning district in northwest Santa Rosa.

EXECUTIVE SUMMARY

Indylene LLC proposes to operate an indoor medical cannabis cultivation facility within an existing approximately 20,000 square foot industrial building located at 3320 Industrial Drive. The proposal consists of a medical cannabis indoor cultivation area of 10,866 square feet, a process/drying area of approximately 778 square feet, support/office area of 1,182 square feet, and a delivery area of 1,080 square feet. No exterior elevation changes to the building are proposed. There is no retail/dispensary component associated with this facility. A carbon filtration ventilation system and a security system will be installed. Exterior improvements include new Americans with Disabilities Act (ADA) compliant parking and walkway, and a replacement chain link fence. New exterior security lighting and cameras will be mounted on the building. During peak operations, the facility will have a full time staff of 10 employees, with an additional 10 employees on a twice weekly basis for specific trimming production purposes. The site was previously used as a food bank, and currently being used as a textile storage facility without employees. The facility will operate from 7am to 7pm, seven days a week.

BACKGROUND

1. Medical Cannabis Commercial Cultivation and Manufacturing in Santa Rosa

On October 9, 2015, Governor Brown signed into law the Medical Marijuana Regulation and Safety Act (MMRSA), which went into effect on January 1, 2016. MMRSA established a comprehensive State licensing and regulatory framework for the cultivation, manufacture, transportation, testing, storage, distribution and sale of medical cannabis through Assembly Bills 243 and 266, and Senate Bill 643.

The 2016 City Council Goal Setting Workshop established five priorities to better focus staff efforts towards achieving established City Council Goals. One of the Tier 1 priorities (projects that are underway or receiving the highest attention) identified is to “pursue current opportunities for medical marijuana, cannabis cultivation, lab and employment development. Prepare for impacts of legalized recreational marijuana.”

In accordance with City Council goals, and in response to the State’s adoption of the MMRSA, the Council asserted its interest in retaining local authority over medical cannabis operations.

On January 19, 2016, the City Council initiated a comprehensive policy effort to regulate medical cannabis operations, and reconvened the Medical Cannabis Policy Subcommittee. This subcommittee meets monthly and continues to work towards creation of a new, comprehensive regulatory framework to address medical cannabis land use within the City, with a targeted completion date for the Draft Land Use Policy proposal by the end of 2016. The Subcommittee’s progress and meeting content can be tracked through the City’s website (www.srcity.org/cannabis).

On February 23, 2016, the City Council adopted an interim zoning ordinance allowing commercial cultivation of medical cannabis with a Minor Use Permit or Conditional Use Permit, depending on the size of the proposed facility, in the Light Industrial (IL), and the General Industrial (IG) zoning districts (City Code Chapter 20-46). City staff anticipates that the comprehensive medical cannabis ordinance will go into effect by January 1, 2018. To date, seven medical cannabis commercial cultivation facilities and eleven support (manufacturing, distribution, testing) facilities have been approved.

2. Project Description

The applicant, Indylene, LLC, proposes a Conditional Use Permit for a project entitled “3320 Industrial.” The project is located at 3320 Industrial Drive. The request is to establish a medical cannabis commercial indoor cultivation of 10,866 square feet, a process/drying area of 778 square feet, a support/office

area of 1,182 square feet, and a delivery area of 1,080 square feet. All activities are contained within an approximately 20,000 square foot industrial building. The interior floor plan of the building will be refurbished for the proposed use. There are no changes proposed to the exterior of the building. A carbon filtration ventilation system, and an extensive lighting and security system will be installed.

There are currently two driveways serving the property. The northerly driveway provides access to the front parking area that includes one parking space designed for Americans with Disability Act (ADA) parking connected to a ramp access to the front entry of the building. This northerly driveway also provides access to the north side and rear of the building which contains gated/fenced staff parking area and a loading zone. The southerly driveway provides access to two parking spaces in the front of the building, as well as providing access to the rollup door facing the street. Exterior security lighting and cameras are proposed to be mounted on the building.

The applicant provided drawings as part of the application that include the following: Vicinity Map, Location Map, Neighborhood Context Map, Site Plan Floor Plan, Building Elevations, Photos of the Existing Elevations, and Photos from Overhead. The applicant also provided a project narrative to accompany the application.

The applicant proposes modifications to the interior of the building to accommodate the proposed uses. In addition, the rear (east) side of the lot will be redesigned to contain employee parking and a loading area. This rear area of the property is proposed to be fully gated and fenced for security purposes and to be used for the distribution of sensitive product; while the roll-up door at the front of the building will not be used for sensitive product delivery.

Parking

The Zoning Code does not include specific parking requirements for medical cannabis cultivation facilities. Staff has found that cannabis facilities that do not include a retail component would be feasibly consistent in parking requirements as warehousing and wholesale distribution operations. The Planning Commission has found consistency with this approach in prior cannabis cultivation facilities approvals. In addition, the Planning Commission has the authority to increase or decrease the amount of required on-site parking through the Conditional Use Permit process.

Per Zoning Code Section 20-36.040 TABLE 3-4, warehousing and wholesale distribution operations require 1 parking space for every 1000 square feet of gross floor area. As the building is approximately 20,000 square feet, this would require 20 parking spaces. The Zoning Code further requires bicycle spaces at 1 space for every 7,000 square feet or as determined by the Conditional Use Permit. Accordingly, 3 bicycle parking spaces are required.

The applicant proposes to reconfigure the existing parking lot to accommodate a total of 25 parking spaces, and 1 American with Disabilities Act (ADA) accessible space in the front entry area. The site plan does not depict the required 3 bicycle spaces, therefore a condition has been added to the project to include this requirement.

The project narrative anticipates staffing of up to ten full time employees from 7 am to 7 pm, seven days a week. Two times a week, an additional ten employees will work on-site to perform trimming, as necessary. All deliveries of sensitive plant material will be conducted to the rear of the building within the fenced loading area. All deliveries containing sensitive product will be conducted by unmarked vehicles.

Security Measures

The rear (east side) loading and employee parking area of the property is enclosed on all four sides by a swing gate and chain link fence.

The applicant proposes to contract with First Security Services to provide full-time, 24/hour staffed security at the facility, stationed at the front of the building. Security lighting and exterior-mounted cameras are proposed throughout the site.

The applicant provided Attachment 5, a detailed narrative that describes the various design and operations elements of the project, including the proposed cultivation process description, odor mitigation and air quality measures, wastewater production and treatment, exterior lighting, and site security measures.

The Project Narrative addresses the following security measures:

- Access to Building
- 24/7 Security Guards
- Monitored Alarm System
- Access Controls
- Duress Alarms
- Monitored Security Cameras
- Exterior Lighting
- Product Security

School and Residential Use Proximities

The site is located over 470 feet west from a residential area, and located over 937 feet away from the nearest school, Schaefer Elementary. The project therefore meets the State of California and the City of Santa Rosa requirements for setback from schools.

Noise

Activities will be conducted within an entirely enclosed building, and serviced by an HVAC equipment system on the roof. The City Noise Ordinance section 17-16.030 that states that noise levels may not exceed 70 decibels at the property line in industrial areas. The selected HVAC equipment system will comply with this City Ordinance.

Odor Control

The facility will use both a CAN carbon filtration system that will purify all incoming/outgoing air. Also in use will be a HEPA , aka, High Efficiency Particulate Arrestance, filter system. The cultivation rooms will have various layers of carbon filtration.

3. Surrounding Land Uses

North: Light Industry/Automotive Parts Manufacturing

South: Light Industry/vacant, former tile warehouse

East: Light Industry/Building supply

West: Light Industry/UPS facility

The site is zoned IL (Light Industrial), and located within a Light Industry General Plan designation area. The building was previously a food bank, followed by its current use serving as a textile warehouse storage facility with no employees, for many years. The surrounding properties are industrial and commercial in use.

4. Existing Land Uses – Project Site

The site is on a 0.89 acre industrially-zoned lot. It contains an approximately 20,000 square foot building, formerly in use as a food bank, and now occupied as a textile storage warehouse without employees. The site frontage along Industrial

Drive is improved with a contiguous sidewalk, and a travel lane. The frontage of the building has two separate driveways. The south driveway services the front roll-up door entry, while the north driveway serves as access to the gated rear employee parking and loading area of the building.

Project History

On June 30, 2017, an application for a Conditional Use Permit to operate a medical cannabis cultivation facility was submitted to the Planning and Economic Development Division.

On August 15, 2017, a Notice of Application was sent to neighbors and interested parties to introduce the project and gather feedback. No public comments were submitted to staff.

October 16, 2017, the application was deemed complete with the remaining submission of requested traffic data.

PRIOR CITY COUNCIL REVIEW

Not applicable.

ANALYSIS

1. General Plan

The Santa Rosa General Plan envisions Light Industry land use on the project parcel. This classification is intended to accommodate light industrial, warehousing, and heavy commercial uses. A medical cannabis commercial cultivation and manufacturing use, while not specifically addressed in the Santa Rosa General Plan, would be allowed under the project site's Light Industrial zoning designation, pursuant to Zoning Code Chapter 20-46, subject to Planning Commission approval of a use permit.

The following General Plan goals and policies are applicable to the proposed medical cannabis cultivation and manufacturing use:

- | | |
|---------|---|
| 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. |
| LUL-J-1 | Maintain an adequate supply of employment centers in a variety of locations and settings to ensure the city's continued economic vitality. |

LUL-K	Protect industrial land supply and ensure compatibility between industrial development and surrounding neighborhoods.
LUL-K-2	Require that outdoor storage areas be screened from any public right-of-way.
UD-F-4	Provide visual interest in building, site, and landscape design that avoid the sense of a monotonous tract development.
EV-A	Maintain a positive business climate in the community.
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.
NS-B-5	Pursue measures to reduce noise impacts primarily through site planning. Engineering solutions for noise mitigation, such as sound walls, are the least desirable alternative.

In enacting the medical cannabis commercial cultivation regulations, the City specifically identified the IL (Light Industrial) and General Industrial (IG) zoning districts as locations appropriate for this type of land use. The proposed project has the potential to create full-and-part time jobs on an infill site with access to public transit.

Staff finds that the proposed use is consistent with applicable General Plan goals and policies and the associated Light Industry General Plan land use designations.

2. Zoning

The project site is zoned IL (Light Industrial) and surrounded by other light industrial uses. The Zoning Code applies the IL (Light Industrial) district to areas appropriate for light industrial uses, as well as commercial service uses and activities that may be incompatible with residential, retail, and/or office uses.

Medical Cannabis Cultivation and Support Uses

Commercial cultivation of medical cannabis is addressed in Zoning Code chapter 20-46, which was added to the Zoning Code in March of 2016. The intent of enacting these regulations was to retain local (City) control over the commercial

cultivation of cannabis, pending further legislative action by the State and pending a comprehensive effort by the City to prepare local regulations.

The Zoning Code defined Commercial Cultivation of Medical Cannabis as “any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis for medical use, including nurseries, that is intended to be transported, processed, manufactured, distributed, dispensed, delivered, or sold in accordance with the Medical Cannabis Regulation and Safety Act (MCRSA) for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.”

Medical cannabis commercial cultivation is allowed to occur with a Conditional Use Permit or Minor Use Permit, depending on the size of the operation, in an IL (Light Industrial) zoning district.

In granting the use permit, the Planning Commission first must 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.

Findings

- a. The proposed use is allowed within the applicable zoning district and complies with all other applicable provision of this Zoning Code and the City Code.

Staff response: The project will be located in a IL (Light Industrial) district. This IL (Light Industrial) district allows cultivation of cannabis through the Conditional Use Permit process.

- b. The proposed use is consistent with the General Plan and any applicable Specific Plan.

Staff response: In the process of developing and later enacting a medical cannabis ordinance, the City identified suitable and compatible General Plan land uses for such an industry. The Light Industrial General Plan Land Use designation areas were identified as compatible for cannabis cultivation facilities.

- 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.

Staff response: The proposed project would occupy a warehouse building that is currently being used as a textile storage facility without employees. The use is compatible with the immediate surrounding neighborhood,

consisting of an industrial district that includes a mix of manufacturing, warehousing, distribution, indoor recreational, and automotive related uses. Therefore, the area is well-suited for the proposed operation of a cannabis cultivation facility. In addition, there are no existing or planned residential uses in the immediate vicinity of the project site.

- 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.

Staff response: The site is fully serviced by existing public infrastructure and utilities, including PG&E service, storm drainage, wastewater, and water services. The proposed use of cannabis cultivation, manufacturing, and packaging will take place completely inside an industrial building within an industrial district thus no adverse externalities are anticipated due to operations of this facility.

- 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.

Staff response: The proposed development would be consistent with surrounding land uses as identified in the General Plan. Additionally, the project has met the requirements of the Cannabis ordinance by providing its operations plan that identifies the proposed means to minimize odors, light pollution, and noise. The project has also met the code requirements for security by submitting a security operations plan that includes background checks for employees, 24-hour monitoring, use of surveillance cameras, secure entry gates to the project site, and similar measures.

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

Staff response: The proposed project is categorically exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15301, applicable to existing facilities involving no expansion of the facility. Additionally, the project qualifies for a Class 32 exemption, per Section 15332, as it involves an infill development of a site less than five acres within City limits, substantially surrounded by urban uses, with no value as habitat for endangered, rare or threatened species, adequately served by necessary utilities and public services, and the project has no foreseeable significant adverse impacts.

The Zoning Code also stipulates that medical cannabis commercial cultivation operators issued a Conditional Use Permit shall be required to comply with additional operational conditions or performance measures adopted by subsequent ordinance(s) of the City to comprehensively regulate medical cannabis. The City anticipates that the comprehensive Code update focusing on commercial medical marijuana cultivation will be considered by the Council for adoption later this year. Additionally, cannabis operators must obtain appropriate State licenses and must comply with any applicable State licensing requirements, such as operational standards and locational criteria.

3. Design Guidelines

The applicant does not propose modification to the exterior elevations of the building.

4. Neighborhood Comments

No comments have been received by the public in regard to this application.

5. Public Improvements/On-site Improvements

Site upgrades will include employee parking restriping to the rear of the building, and lighting and security camera placement.

ENVIRONMENTAL IMPACT

The proposed project is categorically exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15301, applicable to existing facilities involving no expansion of the facility.

The project qualifies for a Class 32 exemption, per Section 15332, as it involves an infill development on a site of less than five acres, within City limits, substantially surrounded by urban uses, with no value as habitat for endangered, rare or threatened species, adequately served by necessary utilities and public services, and the project has no foreseeable significant adverse impacts.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

The project was noticed as a public hearing pursuant to 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 bulletin board postings at City Hall and on the City website.

ISSUES

There are no outstanding issues on this project.

ATTACHMENTS

Attachment 1 - Disclosure Form

Attachment 2 - Location Map

Attachment 3 - Neighborhood Context Map

Attachment 4 - General Plan/Zoning Map

Attachment 5 - Project Narrative, received July 13, 2017

Attachment 6 - Project Plan Set, received July 13, 2017

Attachment 7 - Project Plan: Floor Plan, received Nov 2, 2017\

Attachment 8 - Traffic Memo dated October 5, 2017

Attachment 9 - Public Correspondence

Draft Resolution / Exhibit A dated September 13, 2017

CONTACT

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