CITY OF SANTA ROSA PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT STAFF REPORT FOR PLANNING COMMISSION <u>MAY 10, 2018</u>

PROJECT TITLE

Middle Relief Partners Cultivation Facility

ADDRESS/LOCATION

1805 Empire Industrial Court

ASSESSOR'S PARCEL NUMBER

015-731-002

APPLICATION DATE

May 24, 2017

REQUESTED ENTITLEMENTS

Conditional Use Permit

PROJECT SITE ZONING

PD (Planned Development)

PROJECT PLANNER

Susie Murray

APPLICANT

Middle Relief Partners, Inc.

PROPERTY OWNER

Sonoma Link Holdings

FILE NUMBER

CUP17-057

APPLICATION COMPLETION DATE

February 22, 2018

FURTHER ACTIONS REQUIRED

Building Permit

GENERAL PLAN DESIGNATION

Light Industry

RECOMMENDATION

Approval

Agenda Item #10.3 For Planning Commission Meeting of: May 10, 2018

CITY OF SANTA ROSA PLANNING COMMISSION

TO:CHAIR EDMONDSON AND MEMBERS OF THE COMMISSIONFROM:SUSIE MURRAY, CITY PLANNERPLANNING AND ECONOMIC DEVELOPMENT

SUBJECT: MIDDLE RELIEF PARTNERS CULTIVATION FACILITY

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 Middle Relief Partners Cultivation Facility, to operate a commercial medical/adult use cannabis cultivation facility for the property located at 1805 Empire Industrial Court.

EXECUTIVE SUMMARY

The Middle Relief Partners Cultivation Facility project (Project) involves a major Conditional Use Permit (CUP) to operate an indoor, medical/adult use cannabis cultivation facility, within an existing industrial building. The 0.44-acre Project site is located within an industrial planned development area in northeast Santa Rosa. There are no other cannabis-related uses associated with this CUP.

BACKGROUND

1. <u>Project Description</u>

The Project proposes indoor cannabis cultivation. On-site activities will include planting, harvesting, drying, trimming, packaging and storing of cannabis. The plants will be grown in above-ground pots and watered through drip irrigation.

The Project involves use of an existing 8,825 square foot industrial building located at 1805 Empire Industrial Court. To facilitate this use, the following improvements are proposed:

• Relocate one window, which is the only visible change to the exterior of

the structure. This change will require Design Review.

- Demolish the existing internal 1,357 square foot second floor/mezzanine and reconstruct with a 2,005-square foot second floor, which will provide 9,473 square feet of usable space.
- Reconfigure the existing parking lot to meet the Americans with Disabilities Act (ADA) requirements. The new configuration will include 13 parking spaces, with one van accessible parking space, one motorcycle space and four bicycle parking spaces.
- Create a new ADA-compliant path of travel to the public Right-of-way.
- Create a new exterior employee break area at the front of the building, which may require removal of one tree and some existing landscaping, and will require Design Review.
- Add an 8-foot tall black metal fence around the property, with a rolling security gate at the entrance, which will require Design Review.

Floor Plans

The floor plan for the structure depicts four separate cultivation rooms on the first floor. The areas range in size from a 1,541-square foot flower grow room to a 433-square foot nursery grow room. The first floor also houses a shipping room, a workroom and a break room.

The floor plan for the 2,005-square foot second floor depicts five smaller rooms. Two grow rooms at approximately 500 square feet each, two work rooms both at less than 200 square feet each, and a 133-square foot storage room.

Both floors have additional area devoted to utilities, circulation and rest rooms.

GENERAL OPERATING REQUIREMENTS

The project has been conditioned to comply with all applicable operational provisions of Zoning Code Chapter 20-46. Those provisions include, but are not limited to:

<u>Traffic/Parking Impact</u> – the facility will operate seven days a week from 7:00 a.m. to 7:00 p.m. It will employ ten full-time staff members during those hours, and one security guard will be on location during off-business hours, generally from 7:00 p.m. to 7:00 a.m.

The Project will provide 13 parking spaces, which exceeds the required parking pursuant to Zoning Code Table 3-4. The site plan shows one ADA-compliant

space.

Deliveries to and from the facility will occur once or twice per week, and be made to the loading area behind the roll-up door. Van sized vehicles and occasionally a freight truck will be used. A Traffic Study, prepared by W-Trans, dated April 14, 2017, concluded that the Project would result in a net decrease of 34 daily trips on average, with three less trips occurring in the morning peak hour and four less trips occurring during the evening peak hour when compared to the previous use.

<u>Security</u> - As previously mentioned, there will be a security guard on-site during non-business hours. The site will also have a security system, which will include cameras, a silent alarm panic button, and an electrical back up system in the event of power loss. The system will be installed and monitored by an outside agency, and capable of both on-site and remote access for surveillance activities.

<u>Odor, Water Use, Trash & Lighting</u> - The facility will be equipped with a carbon filtration system, which purifies incoming and outgoing air through charcoal filters. A reverse osmosis water filtration system will limit contaminants from being introduced into the City sewer system; trash will be kept in an enclosed structure; and exterior lighting will be shielded and directed away from adjacent properties.

- 2. Surrounding Land Uses
 - North: Single Family Residential
 - South: Light Industrial Use
 - East: Light Industrial Use
 - West: Light Industrial Use

The Project site is bordered to the north by a residential neighborhood. It is bordered to the south, east and west by other light industrial uses, which are predominantly auto-oriented.

The residential area does not share a through street with Empire Industrial Court and there is no direct access between the residential and industrial uses. The closest school is North Valley School, which is over 1,100 feet away.

3. Existing Land Use - Project Site

The site is currently constructed with a light industrial building. It was previously occupied by Econoline Sign Company, a sign manufacturing facility.

4. Project History

• On April 4, 2017, a pre-application meeting was held to offer the applicant an interdepartmental staff review of the Project.

MIDDLE RELIEF PARTNERS CULTIVATION FACILITY PAGE 5 OF 10

- On May 23, 2017, the Conditional Use Permit application was submitted to Planning and Economic Development.
- On June 27, 2017, a Neighborhood Meeting was held. Several neighbors attended, and comments are summarized in the Public Comments section of this report.
- On December 1, 2017, revised drawings were submitted, followed by a revised project description on January 23, 2018, to include "adult use".

<u>ANALYSIS</u>

1. Santa Rosa General Plan 2035

The site is designated as Light Industrial on the General Plan Land Use Diagram. This classification is intended to accommodate light industrial, warehousing and heavy commercial 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.
- LUL-J Maintain the economic vitality of business parks and office, and Santa Rosa's role as a regional employment center.
- LUL-K Protect industrial land supply and ensure compatibility between industrial development and surrounding neighborhoods.

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-B-6 Work with business, labor, and community oriented groups to encourage businesses to use the area labor force to reduce commuting impacts on city roadways.

MIDDLE RELIEF PARTNERS CULTIVATION FACILITY PAGE 6 OF 10

- EV-D Maintain the economic vitality of the downtown, business parks, offices and industrial areas.
- EV-D-2 Maintain space in business parks for distribution and research uses. Attract a wide range of industries which serve local and regional needs and contribute to the community's economic vitality, and at the same time protect the local environment and quality of life.

Uses appropriate to this land use category include auto repair, bulk or warehoused goods, general warehousing, manufacturing/assembly. Being a new land use in Santa Rosa, cannabis-related uses are not specifically mentioned in the General Plan. Cultivation is allowed within the IL (Light Industrial) zoning district, which implements the Light Industry land use designation.

Staff has determined that medical/adult cannabis cultivation is consistent with the General Plan goals and policies of the Light Industry land use designation. Specifically, the proposed 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. Santa Rosa Climate Action Plan

The City of Santa Rosa adopted a Climate Action Plan in 2012 to implement environmental programs and proactively work to reduce greenhouse gas (GHG) emissions. The following Santa Rosa Climate Action Plan goals and policies will be implemented by the proposed use.

Goal 2: Renewable Energy - Support the installation of small-scale renewable energy systems including solar photovoltaic, solar thermal, wind, and others.

Measure 2.1: Small-Scale Renewable Energy Installations.

Goal 7: Water and Wastewater - Improve the efficiency of wastewater and water operations in Santa Rosa.

Measure 7.1: Water Conservation - Continue to require and incentivize water conservation.

The proposal includes the installation of solar panels on the roof to offset some of the energy use associated with indoor growing. Water associated with the proposed use will be re-circulated on-site for irrigation of the property and for use in the growing operation.

Staff has determined that the proposed cannabis cultivation use is consistent

with the Climate Action Plan goals and policies. Specifically, the proposed use would limit greenhouse gas (GHG) emissions by installing solar panels on the roof and would improve the efficiency of wastewater and water operations by recycling water for irrigating the property and for use in the growing operation.

3. Zoning

The Project site is within the PD (Planned Development, #0173) zoning district, which is consistent with the General Plan land use designation. Surrounding zoning districts include:

- North: PD-RC (Planned Development #0100, within the Resilient City combining district)
- South: PD-RC (Planned Development #0173, within the Resilient City combining district)
- East: PD-RC (Planned Development #0173, within the Resilient City combining district)
- West: PD-RC (Planned Development #0173, within the Resilient City combining district)

As mentioned previously in this report, the Project site is bordered to the north by a residential planned development. The properties to the south, east and west are within the same industrial planned development as the Project site. The Policy Statement for this planned development generally speaks to development standards. The Policy Statement is clear, however, that the site is intended for light industrial uses. Pursuant to Zoning Code Section 20-26.060(C), "where a policy statement does not include a list of allowable land uses, the most similar standard zoning district and its list of allowable land uses shall apply." The IL zoning district implements the Light Industry General Plan land use designation. Pursuant to Zoning Code Chapter 20-24, cannabis cultivation is allowed within the IL zoning district with the approval of a Conditional Use Permit.

Zoning Code Chapter 20-46 provides land use regulations for commercial cannabis cultivation facilities, which is defined as any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of medical or adult use cannabis, including cannabis nurseries. The project narrative demonstrates the applicant's understanding of development standards relating to security, lighting, odor control, evidence of which will be required prior to building permit issuance.

Pursuant to Table 2-10, the Project requires a major CUP because it will utilize an area larger than 5,000 square feet. There are several minor exterior modifications that are proposed including the removal of one window, the addition of an outside employee break area, and the construction of an 8-foot tall

MIDDLE RELIEF PARTNERS CULTIVATION FACILITY PAGE 8 OF 10

fence around the property. Pursuant to 20-52.030, Design Review will be required prior to installation.

Table 3-4 addresses parking requirements. The Project is required to provide one space per 1,000 square feet. The Project will provide 13 parking spaces, where nine spaces are required. The Project will also provide extra bicycle parking as shown on the site plan.

Pursuant to Zoning Code Section 20-.52.050(F), the Planning Commission must make six findings before approving the CUP. Staff's analysis has concluded these findings can be met, as shown on the draft resolution. Commercial cannabis cultivation operators must also obtain a State license.

4. Design Guidelines

Not applicable.

5. <u>Neighborhood Comments</u>

Several individuals attended the Neighborhood Meeting held on June 27, 2017. Concerns pertaining to the Project included the following:

- Potential for attracting homeless living behind the new project fence;
- The future addition of a dispensary and/or expansion of use;
- Operating characteristics (odors and noise);
- Impact on property values;
- Safety vs. privacy (fear of surveillance cameras);
- Groundwater contamination (use of chemicals and pesticides); and
- Distribution vehicles.

The project narrative includes a detailed security plan. The security plan explains building access controls, security surveillance system, electronic security system, security personnel, emergency procedures and access, storage of product and waste materials, and employee background checks.

The addition of a dispensary or expansion of approved use would require an amendment to the CUP, pursuant to Zoning Code Table 2-10.

MIDDLE RELIEF PARTNERS CULTIVATION FACILITY PAGE 9 OF 10

As discussed in the Zoning Section of this report, the Project has been conditioned to comply with all operational provisions pursuant to Zoning Code Chapter 20-46.

6. <u>Public Improvements/On-Site Improvements</u>

Public and on-site improvements for the proposed project include sewer, water lateral, sample box and meter installation. A comprehensive list of improvements is included in the Engineering and Development Services Exhibit A, which is attached to the draft resolution.

FISCAL IMPACT

Not applicable.

ENVIRONMENTAL IMPACT

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

- Pursuant to CEQA Guidelines Section 15183, the project is consistent with the General Plan and zoning, for which an Environment Impact Report (EIR) was certified. No further environmental review is necessary 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 has been reviewed in compliance with the California Environmental Quality Act (CEQA) and qualifies for a Class 3 Categorical Exemption pursuant to CEQA Guidelines Section 15303 in that it involves a change of use, which will require minor exterior modifications to the structure. The City has further determined that 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.)
- The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA) and 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 City has further determined that 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.)

MIDDLE RELIEF PARTNERS CULTIVATION FACILITY PAGE 10 OF 10

 Pursuant to CEQA Guidelines Section 15332, the project qualifies for a categorical exemption as in-fill development as it is located 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

Pursuant to Zoning Code Chapter 20-66, all required public noticing was done, including the installation of a public hearing sign at the Project site, a mailed Notice of Public Hearing to property owners within 400 feet of the Project site, and a Notice of Public Hearing published in the Press Democrat.

ISSUES

There are no unresolved issues remaining with the project.

ATTACHMENTS

- Attachment 1: Disclosure Form
- Attachment 2: Location Map
- Attachment 3: Neighborhood Context Map
- Attachment 4: Project Narrative and Plans, prepared by Henderson Architect, dated April 30, 2018
- Attachment 5: Traffic Study, prepared by W-Trans, dated April 14, 2017
- Attachment 6: Zoning Code Chapter 20-46
- Attachment 7: Policy Statement (PD 0173)
- Attachment 8: Public Correspondence
- Resolution: Conditional Use Permit (with Exhibit A)

CONTACT

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