

CITY OF SANTA ROSA
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
STAFF REPORT FOR PLANNING COMMISSION
August 23, 2018

PROJECT TITLE

Sonoma Patient Group CUP Modification

APPLICANT

John Sugg Jr. – Applicant

ADDRESS/LOCATION

2425 Cleveland Avenue, 175

Santa Rosa, CA 95401

PROPERTY OWNER

Jean B. Souvercaze

Catherine S. Souvercaze

ASSESSOR'S PARCEL NUMBER

015-481-026

FILE NUMBER

CUP18-086

APPLICATION DATE

May 8, 2018

APPLICATION COMPLETION DATE

July 16, 2018

REQUESTED ENTITLEMENTS

CUP Modification

FURTHER ACTIONS REQUIRED

None

PROJECT SITE ZONING

CO-SA (Office Commercial-Station Area)

GENERAL PLAN DESIGNATION

Office

PROJECT PLANNER

Adam Ross

RECOMMENDATION

Approval

Agenda Item # 10.1
For Planning Commission Meeting of: August 23, 2018

CITY OF SANTA ROSA
PLANNING COMMISSION

TO: CHAIR EDMONDSON AND MEMBERS OF THE COMMISSION
FROM: ADAM ROSS, CITY PLANNER
SUBJECT: PLANNING AND ECONOMIC DEVELOPMENT
SONOMA PATIENT GROUP CUP MODIFICATION

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Department of Planning and Economic Development recommends that the Planning Commission, by resolution, approve a Major Conditional Use Permit to allow extended weekend hours of operation and to allow delivery services for an approved Medical and Adult Use Cannabis Retail dispensary at 2425 Cleveland Avenue as follows:

- Current weekend hours of operation are 10:00 a.m. to 5:00 p.m.
- Proposed weekend hours of operation are 10:00 a.m. to 7:00 p.m.
- Current weekday hours of operation are 10:00 a.m. to 7:00 p.m. and are not proposed to change.

EXECUTIVE SUMMARY

The proposed project seeks to modify the existing Permit (File No. ZC18-0008) to: (1) add delivery services to their business operations; and, (2) expand the permitted weekend operating hours from 10:00 am – 5:00 pm to 10:00 am – 7:00 pm for a Medical and Adult Use Cannabis Retail Dispensary. Delivery services will occur during permitted business hours of operation only (10 am to 7 pm seven days per week), and would be made only by designated employees using their personal vehicles with a valid driver's license, valid auto insurance, and GPS tracking. The approval of this Major Conditional Use Permit will bring the existing Adult Use and Medical Cannabis Retail Dispensary into compliance with current zoning requirements established by City Council ORD-2017-025.

BACKGROUND

The City of Santa Rosa previously allowed Medical Cannabis Dispensaries to be permitted under Medical Cannabis Dispensary Permits (MCD). The MCD permits were

initially processed through the City Manager's Office and subsequently were processed through the Planning and Economic Development Department by issuance of a Zoning Clearance.

On March 12, 2008, Sonoma Patient Group (SPG) was granted a medical cannabis dispensary permit (File No. MCD07-003) which was subsequently renewed through permits MCD08-002, MCD09-003, MCD10-004, and MCD11-001.

On December 19, 2017, the City of Santa Rosa passed a comprehensive Cannabis Ordinance to allow Adult Use Cannabis Retail businesses within the City after the State of California approved Adult Use Cannabis Retail. Zoning Code Section 20-46.050 allows existing medical Cannabis Businesses in "good standing" to incorporate Adult Use into their daily operations so long as they are actively pursuing all required state and regional licensing. Section 20-46.050(A)(3) states that, "The Zoning Clearance to incorporate adult use in addition to or in place of medical use shall not authorize any physical or operational expansion of the facility."

On December 22, 2017, the City approved Zoning Clearance Permit No. ZC17-0339, as an amendment to dispensary permit MCD09-003 to provide medical use cannabis. Under ZC17-0339 the Sonoma Patient Group had 10 months from the date the State begins to issue licenses to achieve compliance with state law and the City's Zoning Code Chapter 20-46 (Cannabis).

On January 19, 2018, the City issued Zoning Clearance Permit No. ZC18-0008, under the City's current Cannabis Ordinance No. ORD-017-025, to allow Adult Use Cannabis Retail services in addition to the previously approved medical cannabis retail services.

SPG has requested extended hours of operation and delivery services at the permitted medical and adult use retail facility. Staff has determined that the applicant's requests for extended weekend hours of operation and delivery services constitute an expansion in use, therefore a Major Conditional Use Permit is required. Issuance of a Major Conditional Use Permit also requires compliance with the current Cannabis Ordinance.

1. Project Description

The applicant currently occupies 1,170 square feet of a 9,822 square foot building located at 2425 Cleveland Ave. The remaining square footage is occupied by other tenants not associated with the applicant. The current zoning is CO-SA - Office Commercial–Station Area. The General Plan designation is Office, which anticipates uses, such as administrative, financial, business, professional, medical, and public offices. This project does not propose any changes to the occupied space, nor does it add any square footage to the existing Medical and Adult Use Cannabis Retail use. This project will allow the Medical and Adult Use Cannabis Retail use to continue with the addition of extended weekend hours of operation (request to change hours from 10:00 a.m. - 5:00 p.m. to 10:00 a.m. - 7:00 p.m.) and delivery services Monday through Sunday, 10:00 a.m. to 7:00 p.m.

There is no manufacturing or cultivation on site.

The current business has been in operation at 2425 Cleveland Avenue since 2007. The project site is not within 600 feet of a school, and is not within 600 feet of another Medical and or Adult Use Cannabis Retailer. SPG has filed for another Conditional Use Permit (CUP18-046) to move to a new location at 2265 Cleveland Avenue. The applicant plans to relocate the existing business at 2425 Cleveland Avenue to 2265 Cleveland Avenue, in the event they obtain approval from the City.

SPG is required to adhere to all State Bureau of Cannabis Control licensing and operating procedures, as well as City ORD-2017-025. The applicant will prominently display copies of all State Licenses as well as all County and City permits.

Employment

SPG completes background checks on all current and prospective employees.

Odor Control

As required by Zoning Code Section 20-46.050(H), the applicant has provided an Odor Mitigation Plan, signed by a licensed professional engineer.

The Sonoma Patient Group currently has an air cleaning system to control odor. Odor control systems include a closed system in the primary central air system and a negative pressure system that vents cleaned air out of the side of the dispensary suite's exterior wall.

In June 2016, the City opened a Code Enforcement Case in response to a complaint regarding odor. No violation was observed by the Code Enforcement Officer. The case was closed on October 6, 2018.

Outdoor Lighting

The site plan shows the existing lighting on site, which illuminates the building and the surrounding walkway areas. The light fixtures are fully shielded to confine light and glare to the property.

Noise

The project is located within an insulated building, which provides adequate sound dampening for a retail business. Planning staff found no Code Enforcement complaints or violations in regard to noise from this location in the 11 years that it has been in operation. There are no existing or proposed generators on the premises.

Accessory Uses

SPG currently occupies roughly seven-square-feet of retail space dedicated to cannabis related paraphernalia. SPG proposes 150-square-feet of retail space dedicated to cannabis related paraphernalia.

Security Plan

Video Surveillance: The applicant will install 25 security cameras to monitor the interior and exterior of the building.

Alarm System: An internal alarm system is currently installed and is continually monitored by third party company. Glass break detectors are installed in three locations alerting the interior alarm system.

Secure Storage and Waste: Expired, opened, or otherwise unsellable cannabis products will be disposed of in secure waste containers. SPG will contract with permitted disposal transportation services when cannabis goods need to be removed from the licensed.

Secure Entrance: The door to the dispensary property is locked at all times. All members must show identification at the reception area before entry is granted. A steel security gate is installed inside the sliding glass entry door, which is closed and locked at night.

Security Personnel: The existing dispensary will continue to employ a third-party security guard all operating hours, as well as a patrol unit during non-operating hours

Additional Security Measures: The exterior windows of the dispensary are reinforced with a layer of smash-resistant glass. The doors to the interior hallway have been replaced with steel, kick-resistant doors.

Staff reviewed the applicant's Security Plan (confidential) and determined that the plan is adequate for this site and meets all requirements set forth in Section 20-46.050(G).

Delivery Procedure

SPG will only sell and deliver cannabis goods that were received from a licensed distributor and are properly packaged and labeled by the manufacturer prior to sale.

Cannabis goods will be delivered by SPG employees. The delivery employee will park near the limited-access entrance located on the inside of the building. The limited-access entrance is only accessible by SPG employees. The driver will carry

out the products through the limited-access door for ingress and egress. All products will be kept in their original packaging, placed in opaque child-proof bags, and then placed inside a lockable bag or tote, and carried to the delivery vehicle. SPG will use GPS tracking for all delivery vehicles.

SPG will adhere to all delivery requirements established by City Council ORD-2017-025 Section 20-46.080(B) and Title 16 CCR Section 5415.

On-Site Consumption

SPG does not propose on-site consumption of cannabis. The entrance to the facility shall be clearly and legibly posted with a notice indicating that smoking and vaping of cannabis is prohibited on site.

Special Events

SPG will not host any events requiring a cannabis permit at this location. If SPG requests approval to host a cannabis event permit at this location in the future, the applicant would be required to obtain a Temporary Use Permit, pursuant to Section 20-52.040 (Temporary Use Permit).

Storefront, Signage, and Window Treatments

There is one freestanding sign near the entrance of the parking lot that lists all of the business tenants operating within the building. SPG has installed security window film to ensure products are not readily visible to the public.

2. Surrounding Land Uses

North: CO-SA (Office Commercial-Station Area)
South: CO-SA (Office Commercial-Station Area)
East: CG-SA (General Commercial-Station Area)
West: PD-0414-SA (R-3-30-PD Base Zone) Medium Density Residential

Multi-family uses are located west of the existing site, with office and retail located to the north and south of the site. Across Cleveland Avenue, to the east of the existing site, is a large commercial development that includes Orchard Supply Hardware, TJ-Max, and Staples.

3. Existing Land Use – Project Site

The proposed project is located within CO-SA (Office Commercial - Station Area) Zoning District, and the Office General Plan land use designation. Cannabis Retail Dispensary uses are allowed under Zoning Code Section 20-23.030 Table 2-6, with approval of a Conditional Use Permit.

SPG has been operating at the current location for over 10 years as a Medical Cannabis Dispensary, and eight (8) months as Medical and Adult Use Cannabis Dispensary.

Project History

May 08, 2018	The CUP application was submitted to the Planning and Economic Development Department
May 18, 2018	The CUP application package was referred to applicable City Departments and Native American Tribes
May 18, 2018	Notice of Application was sent out to all property owners within a 400 foot buffer around the property
June 05, 2018	Notice of Application was sent out to all property owners within a 400 foot buffer around the property (Second notice was sent because the first notice did not include Delivery Services)
June 20, 2018	Notification of Incomplete Application was sent to the applicant (Project Narrative was incomplete and Odor Mitigation Plan was not included)
June 21, 2018	Updated Project Description and Narrative were received by Staff
July 10, 2018	Certified Odor Mitigation Plan was received by Staff
July 16, 2018	Application was deemed complete by Staff

PRIOR CITY COUNCIL REVIEW

Not Applicable

ANALYSIS

The project proposes the continued use of a Medical and Adult Use Cannabis Retail Dispensary in an Office Commercial Zoning District. Adult Use and Medical Cannabis Retail Dispensaries with delivery services are an allowed use with the approval of a Conditional Use Permit.

Per Section 20-46.080(F)(4) of the Zoning Code a "Cannabis Retail may operate between the hours of 9:00 a.m. to 9:00 p.m. up to seven days per week unless the review authority imposes more restrictive hours due to the particular circumstances of the application." SPG is currently operating within the generally permitted hours of operation during

weekdays from 10:00 a.m. to 7:00 p.m., and Saturday and Sunday from 10:00 a.m. to 5:00 p.m. The applicant requests to extend weekend hours of operation from 10:00 a.m. to 5:00 p.m. to 10:00 a.m. to 7:00 p.m., which is still within the generally permitted hours of operation allowed by City Code.

1. General Plan

The project site is designated Office on the Santa Rosa General Plan 2035 land use diagram. This classification is intended to accommodate administrative, financial, business, professional, medical, and public offices uses.

The following General Plan goals and policies are applicable to the proposed Medical and Adult Use Cannabis Retail Dispensary Uses:

- 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 offices, and Santa Rosa's role as a regional employment center.
- 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.
- EV-A-1** Encourage unique local retail and service businesses to locate within the Plan area.
- 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.
- EV-D-1** Continue to promote Santa Rosa's role as a regional center.
- 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.

The Zoning Code specifically identifies the Office Commercial (CO) Zoning Districts where Retail Cannabis Dispensary use would be appropriate. Although Cannabis uses are not explicitly addressed in the General Plan, the CO Zoning District is intended for many uses similar to Medical and Adult Use Cannabis Retail Dispensaries.

Staff has determined that the proposed Medical and Adult Use Cannabis Retail Dispensary use is consistent with the applicable aforementioned General Plan Goals and Policies, and the associated Office General Plan land use designation. The continued use would assist in maintaining the economic viability of the area, maintain the diverse types of employment opportunities available in the City, while continuing compatibility with the surrounding businesses and neighborhoods through proposed operations and security measures.

2. Other Applicable Plans – North Santa Rosa Station Area Specific Plan

Not Applicable as this is an existing use in an existing building. The proposal includes no physical changes to the site.

3. Zoning

The project site is located within an Office Commercial (CO) zoning district and is surrounded by Office Commercial (CO), General Commercial (CG), and a multi-family Planned Development (PD-0414) Zoning District (McBride Lane Apartments). The surrounding zoning districts support Retail, Office, and Business Services and the Multi-Family Development. The McBride Lane Apartments adjacent on the west side of the project is separated by solid, six-foot wall, and the buildings are approximately 115-feet of apart. The McBride Lane Apartments can only be accessed from McBride Lane and any residents of the apartment complex must travel approximately 1,953 feet to the project site by street. There are no connecting walkways to the site.

City Council amended Zoning Code Section 20-24.030 to include Cannabis – Retail (dispensary) and delivery uses, subject to an approved Major Conditional Use Permit, regardless of the size of the proposed use.

Zoning Code Section 20-46.050 provides General Operating Requirements applicable to all Cannabis Businesses and Section 20-46.080 specifies additional operating requirements for Cannabis Retail (Dispensary) and Delivery. The applicant has demonstrated compliance with all General Operating Requirements and those specific to Cannabis Retail (Dispensary) and Delivery.

4. Design Guidelines

Not Applicable, the project is located within an existing facility and no building permits are being requested.

5. Historic Preservation Review Standards

Not Applicable

6. Neighborhood Comments

Two Notice of Applications were sent out for this project and staff received four (4) public comments in opposition for this project. Concerns included trespassing and property damage to the neighboring office buildings by SPG patrons and homeless.

The applicant has provided a security plan that includes security cameras, an alarm system, and an onsite security patrol. During business hours a security guard will be on site to monitor property. Outside of business operating hours the site is monitored by nightly security patrols.

7. Public Improvements/On-Site Improvements

Not Applicable, existing site and no building permits are being requested.

8. Parking

The site provides adequate parking. Per Section 20-36.040 of the Zoning Code, the North Station Parking requirement is 2.5 spaces per 1,000 square feet. The gross floor area of the building is 9,822 square feet. 25 spaces are required for the building (2.5 per 1,000 SF @ $9,822/1000 \times 2.5 = 25$), and there are 30 existing parking spaces on site to serve all of the tenants. There is sufficient parking for the proposed use and other tenants.

Findings Required for Conditional Use Permit

The Planning Commission must make all of the following findings as required in Zoning Code Section 20-52.050 (Conditional Use Permits), to grant the Major Conditional Use Permit. Each finding is followed by a staff response.

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

Staff Response: The proposed Medical and Adult Use Cannabis Retail Dispensary with Delivery uses will continue occupy 1,170 square feet of an

existing 9,822 square foot building in the CO - Commercial Office Zoning District, which is allowed subject to Planning Commission approval of a Major Conditional Use Permit.

The proposed use is consistent with the General Plan and any applicable specific plan.

Staff Response: The proposed Medical and Adult Use Cannabis Retail Dispensary and Delivery uses are consistent with the applicable underlying General Plan goals and policies related to industry, economic vitality, and the associated Office General Plan land use designation.

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 existing Medical and Adult Use Cannabis Retail Dispensary and Delivery are an allowed use under Section 20-33.030 Table 2-6 with approval of a Conditional Use Permit. The expansion of use to allow delivery services and hours of operation between 10:00 a.m. and 7:00 p.m. Monday through Sunday requires a Conditional Use Permit. Further, the extended hours of the current site are within the generally allowable hours of operation between 9:00 a.m. and 9:00 p.m. The existing site is located within the CO - Commercial Office Zoning District. As such, the area is well-suited for the continued operation and for the expanded use to include delivery services and extended weekend hours of operation. The project site is developed for Office and Retail uses, and parking is adequate for the staffing and operations associated with the expansion of the existing use. The project complies with the General Operating Requirements for Cannabis Businesses and those operating requirements specific to Medical and Adult Use Cannabis Retail Dispensary.

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 proposed use will be located entirely within a 1,170 square foot tenant space of a 9,822 square foot office building. Vehicular access to the site is provided via Cleveland Avenue, and the building will remain fully accessible pursuant to American's with Disabilities Act (ADA) standards. All necessary utilities are available at the project site, including water, wastewater, storm drainage, gas and electric services.

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 project will be consistent with the surrounding land uses to the north, east, and south, which are within the CO- Commercial Office and CG Commercial General Zoning Districts, and comprise a wide variety of commercial, office retail, and business uses. The Odor Mitigation Plan has been certified by a licensed engineer ensuring that all mitigation controls are sufficient to effectively mitigate odors from all sources (see Attachment 7 – Certified Odor Mitigation Plan dated received July 10, 2018). The project Security Plan seeks to effectively prevent theft or diversion of any cannabis or currency, as well as to discourage loitering, crime, and illegal or nuisance activities, by having an existing interior and exterior camera surveillance system, a professionally monitored alarm system, access controls, and secure storage and waste areas, as well as implementing inventory controls, employee safety and security operational procedures, delivery service operation standards and procedures, and training on such procedures. The parking area specifically allocated to this proposed business will be monitored by a security guard during normal business hours, and a nightly patrol. The existing building is set back approximately 116-feet from the residential neighborhood to the west, and is separated by a 6-foot tall, brick wall. Per Zoning Code Section 20-46.050 (E), the project is subject to Building and Fire permits. Additionally, an annual Fire Department Operational Permit is required, as well as Health and Safety Code for this business.

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

Staff Response: The project qualifies for Class 1 exemption under CEQA Guidelines Section 15301 in that project is the use of an existing private structure involving negligible expansion of use. The project is a continued use and no expansion or alteration to the site is proposed. City Staff has reviewed the application and determined that the proposed project will not result in any significant environmental impacts.

The proposed project does not propose an expansion of the structure's total square footage. There are no proposed interior and exterior alterations, and will not result in any significant impact(s).

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.)

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund

ENVIRONMENTAL IMPACT

The project qualifies for Class 1 exemption under CEQA Guidelines Section 15301 in that it is the permitting of an existing private structure involving negligible expansion of use beyond that the project is a continued use and no expansion or alteration to the site is proposed. City Staff has reviewed the application and determined that the proposed project has a negligible impact, including but not limited to negligible impacts to traffic generated from the extended weekend hours of operation and delivery services.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable

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, 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 remaining with the project.

ATTACHMENTS

Attachment 1 - Disclosure Form

Attachment 2 - Vicinity Map

Attachment 3 - Neighborhood Context Map

Attachment 4 – Updated Project Description dated received June 21, 2018

Attachment 5 – Project Plans dated received May 8, 2018

Attachment 6 – Certified Odor Mitigation Plan dated received July 10, 2018

Attachment 7 – Public Correspondence

Resolution – Conditional Use Permit

CONTACT

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