

CITY OF SANTA ROSA  
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT  
STAFF REPORT FOR PLANNING COMMISSION  
**OCTOBER 25, 2018**

**PROJECT TITLE**

Flora Terra

**APPLICANT**

Alicia & David Wingard,  
Sonoma CHO, LLC

**ADDRESS/LOCATION**

1825 Empire Industrial Court,  
Suites A, B & C

**PROPERTY OWNER**

Ramona Crinella

**ASSESSOR'S PARCEL NUMBER**

015-731-008

**FILE NUMBER**

CUP18-051

**APPLICATION DATE**

April 19, 2018

**APPLICATION COMPLETION DATE**

June 27, 2018

**REQUESTED ENTITLEMENTS**

Conditional Use Permit (CUP)

**FURTHER ACTIONS REQUIRED**

Design Review

**PROJECT SITE ZONING**

PD 0173-RC (Planned Development,  
within the Resilient City combining district)

**GENERAL PLAN DESIGNATION**

Light Industry

**PROJECT PLANNER**

Susie Murray

**RECOMMENDATION**

Approval

Agenda Item # \_\_\_\_\_  
For Planning Commission Meeting of: October 25, 2018

CITY OF SANTA ROSA  
PLANNING COMMISSION

TO: CHAIR EDMONDSON AND MEMBERS OF THE COMMISSION

FROM: SUSIE MURRAY, SENIOR PLANNER  
PLANNING AND ECONOMIC DEVELOPMENT

SUBJECT: FLORA TERRA

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Planning Commission, by resolution, approve a Conditional Use Permit to allow a Microbusiness, a single-license type, for adult use cannabis cultivation, distribution and retail (dispensary).

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EXECUTIVE SUMMARY

The Flora Terra project (Project) proposes to operate a Microbusiness, which allows cannabis cultivation, distribution and retail for adult use. The business will occupy approximately 10,400 square feet of an existing 17,650-square foot light industrial building, which is located within an industrial planned development in northeast Santa Rosa. The Planning Commission is being asked to act on the Conditional Use Permit.

BACKGROUND

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

1. Project Description

The Project site is located within a PD (Planned Development) zoning district in the northwest quadrant of Santa Rosa, within an area impacted by the Tubbs Fire in October 2017. The Project site experienced little damage from the October wildfires, however several nearby and neighboring properties were destroyed.

Microbusiness is defined by the Zoning Code as “a medical or adult use cannabis cultivation business of less than 10,000 square feet in combination with cannabis distribution, cannabis manufacturing – level 1, and/or cannabis retail (dispensary) and delivery, combined within one State license.” The Project will occupy approximately 10,400 square feet, of the existing 17,650-square foot light industrial building, Suites A, B & C, located in the front of the building adjacent to Empire Industrial Court. Approximately 8,978 square feet will be used for cultivation, 421 square feet for distribution, and the remaining 1,000 square feet for the retail dispensary with delivery services.

#### Dispensary

Pursuant to Zoning Code Section 20-46.080(f), the dispensary will be open to the public from 9:00 a.m. to 9:00 p.m. seven days per week. The dispensary will also provide delivery service during those hours. In addition to cannabis products (edibles, smokables, topicals, etc.), the store will offer gift (paraphernalia) items including, but not limited to, a variety of pipes, pens and battery packs, t-shirts, hats, hoodies, etc.

#### Cultivation

Cultivation activities will also occur seven days per week, from 7:00 a.m to 10:00 p.m. As shown on the floor plan (attached), cultivation activities will occur behind the retail floor space and will not be accessible to the public.

#### Distribution

Distribution activities will be conducted from within the building utilizing a sally port located on the west side of the structure. Distribution activities will include:

- Providing samples to labs for quality control;
- Collection of taxes;
- Transporting cannabis to and from other vendors; and
- Transporting product to and from cannabis manufacturing companies.

Note: Distribution is permitted by right in light industrial zoning districts.

#### Building Modifications

Minor exterior modifications will be made to the building, including fencing along the northern property line and fence repairs along the western property line; exterior mounted equipment and appropriate screening on the west side of the

building; installation of security equipment around the structure; and landscaping at the front of the building. In addition to reconfiguring the interior walls, interior modifications will include fire sprinklers and security equipment. No on or offsite improvements are required.

### State Requirements

The applicant will hold a Type 12 State license, which allows a “microbusiness” comprised, in this case, of cultivation, distribution and retail. The Project will be required to adhere to State Bureau of Cannabis Control licensing and operating procedures in addition to operational provisions of Zoning Code Chapter 20-46.

## 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 west and north by residential development. Both neighborhoods were severely impacted by the October 2017 wildfires and many of the homes were destroyed. The residential areas do not share a through street with Empire Industrial Court and there is no direct access between the residential and industrial uses.

The property is bordered to the south and east by other light industrial uses. Previously approved and proposed cannabis-related uses in the vicinity include:

- 1805 Empire Industrial Court – Approved cultivation facility;
- 1809 Empire Industrial Court – Approved non-volatile manufacturing and proposed cultivation; and
- 1821 Empire Industrial Court – Approved distribution facility and a proposed manufacturing facility for both volatile and non-volatile manufacturing.

## 3. Existing Land Use – Project Site

The site is developed with an industrial building. Previously permitted uses on the site include light manufacturing (signs & filtration supplies) and office uses. The entire building is currently vacant.

4. Project History

- On April 9, 2018, a Neighborhood Meeting was held and three neighbors attended. Comments are summarized in the Public Comments section of this report.
- On April 19, 2018, the Conditional Use Permit application was submitted to Planning and Economic Development.
- On June 27, 2018, the Project application was deemed complete.
- On October 1, 2018, a Notice of Application was mailed to property owners within 400 of the subject site.

PRIOR CITY COUNCIL REVIEW

Not applicable.

ANALYSIS

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

The Zoning Code specifically identifies the IL (Light Industrial) zoning districts as locations appropriate for cannabis retail, distribution and retail uses. Although Cannabis uses are not explicitly addressed in the General Plan, the IL zoning district is intended for many uses similar to cannabis retail, cultivation and distribution related uses.

Staff has determined that adult cannabis cultivation, distribution and retail are consistent with the General Plan goals and policies of the Light Industry land use designation. Specifically, the proposed Microbusiness 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. Other Applicable Plans

Not applicable.

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 (Residential Planned Development #0100, within the Resilient City combining district)

South: PD-RC (Light Industrial Planned Development #0173, within the Resilient City combining district)

East: PD-RC (Light Industrial Planned Development #0173, within the Resilient City combining district)

West: MH-RC (Mobile Home, within the Resilient City combining district)

The Policy Statement for PD #0173 speaks primarily 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 (Light Industrial) zoning district implements the Light Industry General Plan land use designation. Pursuant to Zoning Code Chapter 20-24, Table 2-10, Microbusiness for Cannabis, including cultivation, distribution and retail, are allowed within the IL zoning district with the approval of a Conditional Use Permit.

Zoning Code Chapter 20-46 provides operational requirements for commercial cannabis facilities. The project narrative demonstrates the applicant’s compliance with development standards relating to security, lighting, odor control and noise.

### **Proximity to Schools**

Pursuant to both City and State regulations, a retail dispensary may not operate within 600 feet of a school. The closest schools are Schaefer Charter School, located at 3420 Coffey Lane, which is over 1,200 feet away from the Project site, and North Valley School, located at 3164 Condo Court, which is over 1,600 feet away. The project is consistent with the Zoning Code.

### **Concentration**

The Zoning Code limits concentration for cannabis retail facilities (dispensaries) prohibiting dispensaries within 600 feet of each other. The Project site is not located in an “over-concentration” area.

No other cannabis uses are restricted in terms of concentration.

### **Employment**

Flora Terra will complete background checks on all employees pursuant to State and City regulations. The project narrative, attached to this report, details hiring procedures, including background checks for all new employees, which have been found in compliance with Zoning Code Section 20-46.

### **Odor Control**

Flora Terra will have a professionally installed carbon filtration system using carbon filter canisters on their exhaust and recirculation systems. Carbon filtration works by using activated carbon to remove contaminants and impurities from the air through chemical absorption. The plan, explained in detail by VanderVeen Engineering Consultants, Inc. in a memo dated June 15, 2018 (attached), states that these filters are designed to control odors from volatile organic compounds and are the gold standard in the cannabis industry for odor control.

## **Lighting**

As detailed in the Project narrative, stamped received on October 1, 2018 (attached), the Project will install exterior lighting as part of the site security system. Exterior lighting will be designed to provide adequate visibility for site surveillance. Pursuant to Zoning Code Section 20-30.080, exterior lights will be shielded and cast downward to avoid light or glare spilling onto neighboring properties. The Project had been conditioned to include a detailed lighting plan in compliance with the Zoning Code with plan sets submitted for building permits.

The applicant is also working with property owners to the north to design a fence to separate the residential properties from the subject site, which will provide additional protection from light sources, which is reflected in the conditions of approval.

## **Noise**

The subject site is located within the IL zoning district and is developed with an industrial building. The interior operations (cultivation, distribution and retail) will not generate excessive noise. The Project proposes to mount exterior HVAC and condensing equipment within a new enclosure along the west side of the building, adjacent to the railroad tracks. A noise assessment, prepared by Hammett & Edison, Inc., received on September 18, 2018, concluded that the Project will comply with the City's requirements limiting acoustic noise emission levels. The Project has also been conditioned to comply with the Noise Ordinance, City Code Chapter 17-16 (attached), and an updated acoustic study is required at time of building permit submittal. The enclosure will require Design Review.

## **Security Plan**

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. The Project Narrative discusses the Project's security plan in detail. To summarize:

- There is one designated customer entrance where Flora Terra staff will be available to verify the age of customers. Because this is an adult-use facility, no persons under the age of 21 may enter the premises.
- Dedicated employee access, which will remain locked at all times.
- Trained Flora Terra security personnel will be present during business hours.
- Deliveries and pick-ups will be made from a secure sally port area located



at the southwest corner of the building

- High definition cameras will be mounted inside and out in 35 locations. Cameras will record 24 hours per day, seven days per week. Recordings will be retained for a minimum of 90 days.
- The applicant has contracted with First Alarm to install an alarm system and monitor the site during off-business hours.

### **Delivery Services**

Flora Terra will provide delivery service. Deliveries will be made to locations within Sonoma County to the extent each local jurisdiction allows. The following procedures will apply:

- Deliveries will be made using company-owned vehicles equipped with GPS service.
- Delivery vehicles will also be equipped with LoJack for theft recovery, dash-mounted video cameras, and vehicle alarm system.
- Drivers will be at least 21-years of age.
- Drivers will not carry goods in excess of \$3,000 at any time.
- Customers will be required to provide valid identification and sign for all deliveries.

### **Pick-up & Delivery**

Vehicles will enter the 421-square foot area designated for distribution activities. Once inside the building, and the roll-up door is secured, the vehicle will be loaded or unloaded.

### **Special Events**

If, in the future, Flora Terra requests approval to host a special event, the applicant would be required to obtain a Temporary Use Permit, pursuant to Section 20-52.040 (Temporary Use Permit).

### **Parking**

The building has 47 parking spaces. Flora Terra will occupy roughly 2/3 of the currently vacant building and, pursuant to Zoning Code Table 3-4, is required to

provide 14 parking spaces, leaving potentially 33 spaces for any new use proposed in the northern most third of the building.

**Required Findings** (as shown on the draft resolution)

Pursuant to Zoning Code Section 20-.52.050(F), the Planning Commission must make six findings before approving the CUP, as follows:

- A. The proposed Microbusiness facility, which is comprised of cannabis cultivation, distribution and retail, is allowed within the PD (Planned Development, #0173) zoning district and complies with all other applicable provisions of this Zoning Code and the City Code. The Policy Statement for Planned Development #0173 is silent in terms of allowable 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. Zoning Code Table 2-10 lists allowable uses within the IL Zoning District, which implements the Light Industry General Plan land use designation, and allows cannabis cultivation and dispensary with the approval of a major Conditional Use Permit and Cannabis Distribution is permitted by right; and
- B. The proposed Microbusiness facility is consistent with the General Plan land use designation of Light Industry, which is applied to areas that are intended for light industrial, warehousing and heavy commercial uses. On December 19, 2017, the City Council adopted Ordinance No. ORD-2017-025 finding Microbusiness uses appropriate in areas designated as Light Industry on the land use diagram. The project site is located within a fully developed industrial park; and
- 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. The site will provide adequate security, the floor plan identifies a sally port to be used for distribution purposes, and the Project is required to comply with operational standards pursuant to Zoning Code Chapter 20-46.

The property is located adjacent to a single-family residential neighborhood to the north and abuts a mobile home park separated by the railroad tracks and a sound wall to the west. Proximity of these Light Industrial and Residential land uses is within the scope of the General Plan 2035 Environmental Impact Report, which was certified by the Council in 2009.

Additional conditions of approval have been added to address potential impacts unique to this Project: 1) The Project is required to comply with the more restrictive sound levels permitted at residential property lines, pursuant to City Code Chapter 17-16, and 2) no parking is allowed along north property line after dark to minimize the possibility of head light glare.

The plans have been reviewed by City staff and the Project has been conditioned appropriately; and

- 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 in that the Project plans demonstrate compliance with all operational standards as specified in Zoning Code Chapter 20-46, and the subject site is within a fully developed area designated for light industrial uses; and
- 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. The proposed adult-use Microbusiness is consistent with surrounding land uses. The property is located adjacent to a single-family residential neighborhood to the north and abuts a mobile home park separated by the railroad tracks and a sound-wall to the west. The proximity of the Light Industrial and Residential land uses was within the scope of the General Plan 2035 Environmental Impact Report certified by the Council in 2009.

Additional conditions of approval have been added to address potential impacts unique to the Project. 1) The Project is required to comply with the more restrictive sound levels permitted at residential property lines, pursuant to City Code Chapter 17-16, and 2) no parking is allowed along north property line after dark to minimize the possibility of head light glare.

A Focused Traffic Study, prepared by W-Trans, dated April 20, 2018, provided that the Project would result in 17 (an increase of 11 over the previous use) trips during peak morning hour and 28 (and increase of 21 over the previous use) trips during the evening peak hour. The study concluded that, "Based on the minimal number of new peak hour trips expected to be generated by the proposed project, it is reasonable to conclude that the change in land use would have a less-than-significant impact on traffic operation per the City's Standard Guidance for the Preparation of Traffic Impact Analysis"; and

- F. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA). Refer to the Environmental Review section of this report for further discussion.

#### 4. Design Guidelines

The project will require Design Review for modifications to the existing trash enclosure at the northwest corner of the building; addition of two new enclosures for outdoor, ground-mounted equipment along the west elevation; and new landscaping. It may also require Design Review for the addition of a new fence along the northern property line, depending on the design chosen (residential or commercial).

5. Neighborhood Comments

Three neighbors attended a Neighborhood Meeting held on April 9, 2018. The following concerns were raised:

- Loitering and on-site consumption – No on-site consumption is permitted. As such, customers will likely leave as soon as their business is complete. If someone is loitering, they will be asked to leave.
- Security – The applicant has contracted with a security company to monitor the security system and do periodic site inspections during the nighttime hours when no employees are on-site.
- Noise associated with vehicles racing on Empire Industrial Court – this is an existing condition that will likely cease with the presence of surveillance cameras and the nighttime site inspections mentioned above.

Written and verbal comments received:

- Sonoma-Marín Area Rapid Transit (SMART) inquired about signage for the dispensary. Staff advised that any signage will require a separate sign permit.
- Concentration of cannabis uses – Pursuant to Zoning Code Chapter 20-46, cannabis retail uses may not be located within 600 feet of each other. The Zoning Code does not regulate concentration of any other cannabis uses.

6. Public Improvements/On-Site Improvements

None required.

FISCAL IMPACT

Not applicable.

ENVIRONMENTAL IMPACT

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

- 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/site.

- 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.
- Pursuant to CEQA Guidelines Section 15332, the project qualifies for a categorical exemption as infill 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 to traffic, noise, air quality or water quality:
  - A Focused Traffic Study, prepared by W-Trans, dated April 20, 2018, provided that the Project would result in 17 (an increase of 11 over the previous use) trips during peak morning hour and 28 (and increase of 21 over the previous use) trips during the evening peak hour. The study concluded that, “Based on the minimal number of new peak hour trips expected to be generated by the proposed project, it is reasonable to conclude that the change in land use would have a less-than-significant impact on traffic operation [per the City’s Standard Guidance for the Preparation of Traffic Impact Analysis;
  - A noise evaluation was prepared by Hammett & Edison, Inc., dated September 14, 2018, concluded that the Project will comply with the City’s Noise Ordinance. The project has been further conditioned to provide an updated noise evaluation in response to the final design of the equipment enclosure, which is required with plan sets submitted for building permits.
  - The Project site will be hooked up to City-provided water and wastewater service; and
  - In a letter addressed to the City of Santa Rosa, dated June 15, 2018, Jason Vander Veen, Mechanical Engineer, discusses in detail the design of the carbon filtration system that will be installed, pursuant to Zoning Code Section 20-46, at the Project site.
- 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

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.

## ATTACHMENTS

- Attachment 1: Disclosure Form
- Attachment 2: Location Map
- Attachment 3: Neighborhood Context Map
- Attachment 4: Project Narrative, dated October 1, 2018
- Attachment 5: Project Plans, prepared by Jeffrey Rome Associates, dated September 15, 2018
- Attachment 6: Sound analysis, prepared by Hammett & Edison, Inc., stamped received on September 18, 2018
- Attachment 7: Focused Traffic Study, prepared by W-Trans, dated April 20, 2018
- Attachment 8: City Council Ordinance ORD-2017-025
- Attachment 9: Cannabis Applications Citywide, Accela Report dated October 1, 2018
- Attachment 10: Zoning Code Chapter 20-46
- Attachment 11: Distance to Schools Exhibit
- Attachment 12: Odor Plan, prepared by VandervVeen Engineering Consultants, Inc., dated June 15, 2018
- Attachment 13: Planned Development Policy Statement
- Attachment 14: Noise Ordinance (City Code Chapter 17-16)
- Attachment 15: Public Correspondence

Resolution 1: Conditional Use Permit

## CONTACT

Susie Murray, Senior Planner  
707-543-4348

