

CITY OF SANTA ROSA
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
STAFF REPORT FOR PLANNING COMMISSION
NOVEMBER 29, 2018

PROJECT TITLE

Radiant Farm

ADDRESS/LOCATION

1821 Empire Industrial Court, Suite G

ASSESSOR'S PARCEL NUMBER

015-731-051

APPLICATION DATE

June 6, 2018

REQUESTED ENTITLEMENTS

Conditional Use Permit

PROJECT SITE ZONING

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

PROJECT PLANNER

Susie Murray

APPLICANT

Aaron Selverston

PROPERTY OWNER

Michael J. Smith Family

FILE NUMBER

CUP18-095

APPLICATION COMPLETION DATE

June 6, 2018

FURTHER ACTIONS REQUIRED

No further action required

GENERAL PLAN DESIGNATION

Light Industry

RECOMMENDATION

Approval

Agenda Item # 10.6
For Planning Commission Meeting of: November 29, 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: RADIANT FARM

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 to allow Cannabis Manufacturing, Level 1 (non-volatile), and Cannabis Manufacturing, Level 2 (volatile), located at 1821 Empire Industrial Drive, Suite G.

EXECUTIVE SUMMARY

The Radiant Farm project (Project) proposes to operate a manufacturing facility for Cannabis Manufacturing, Level 1 (non-volatile), and Cannabis Manufacturing, Level 2 (volatile), for medical- and adult-use products. The proposed hours of operation are from 9:00 a.m. to 7:00 p.m., seven days per week. The approximately 1,371-square foot suite from which the business would operate is located 1821 Empire Industrial Court, Suite G (southwest corner of the existing 14,280- square foot industrial building, adjacent to the Empire Industrial Court).

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.

The proposed manufacturing facility will occupy a 1,371-square foot area within an existing 14,280-square foot industrial building located at 1821 Empire Industrial Court, Suite G. The floor plan designates approximately 160 square feet for volatile manufacturing; approximately 375 square feet for non-volatile manufacturing; approximately 455 square feet of storage; and the balance of the area to a small machine room, walk-in freezer, bathrooms, entry/exit points, etc. Radiant Farm has already been granted a Zoning Clearance for Suite F, adjacent to the subject suite, for Cannabis Distribution, which is permitted by right in light industrial zoning districts.

The Project proposes the operation of a Cannabis Manufacturing facility for Level 1 (non-volatile) and Level 2 (volatile), for medical- and adult-use products. The applicant will hold two State-issued licenses, Type 7 allowing volatile manufacturing and Type 6 allowing non-volatile manufacturing. The Project may include, but not be limited to, the following activities:

- receiving raw bulk dried materials;
- light manufacturing and processing of bulk materials;
- packaging/re-packaging including but not limited to sorting, grading, quality control, labeling/re-labeling, inventory controls;
- internal testing for quality control;
- research and development;
- manufacturing of cannabis oils, products and compounds using nonvolatile and volatile extraction; post-processing and refining of cannabis oils;
- pesticide remediation;
- storage of raw materials and manufactured products; and
- production of value added products, such as, but not limited to, edibles, vape cartridges, topicals and tinctures.

Hours of operation are proposed from 9:00 a.m. to 7:00 p.m. seven days per week. Commercial deliveries will generally be done Monday the Friday. Neither suite will be open to the public.

Minor exterior modifications will be done including lighting, security equipment

and landscaping. Interior modifications will include fire sprinklers and security equipment. No on- or off-site improvements are required.

2. Surrounding Land Uses

North: Low Density Residential (2-8 units per acre)

South: Light Industry

East: Light Industry

West: Light Industry

The Project site is bordered to the north by residential development that was severely impacted by the October 2017 wildfires; 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 west, south and east by other light industrial uses. Previously approved and proposed cannabis-related uses in the immediate vicinity include:

- 1805 Empire Industrial Court – Approved cultivation facility;
- 1809 Empire Industrial Court – Approved non-volatile manufacturing and proposed cultivation; and
- 1825 Empire Industrial Court – Proposed Microbusiness comprised of adult use cannabis cultivation, distribution and retail.

3. Existing Land Use – Project Site

The site is constructed with a light industrial building. Other approved uses at the subject property include warehouse (wine, pet products, auto parts, etc.), distribution and office.

4. Project History

On June 6, 2018, the Conditional Use Permit application was submitted to Planning and Economic Development.

On August 20, 2018, a Neighborhood Meeting was held, and five members of the community attended. Comments are summarized in the Public Comments section of this report.

On August 23, 2018, a Notice of Application was mailed to property owners within 400 feet 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 manufacturing uses. Although cannabis uses are not explicitly addressed in the General Plan, the light industrial zoning districts are intended for many manufacturing uses that employ similar practices to

cannabis manufacturing.

Staff has determined that cannabis manufacturing is consistent with the General Plan goals and policies of the Light Industry land use designation. Specifically, the proposed cannabis manufacturing 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, a light industrial planned community that 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: PD-RC (Light Industrial Planned Development #0173, 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, Cannabis Manufacturing 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 facilities; Section 20-46.070 speaks directly to manufacturing uses. The project narrative demonstrates the applicant's understanding of development standards.

Employment

Pursuant to Zoning Code Section 20-46.050, which provides general operating requirements for cannabis uses, “All cannabis operators shall be required to diligently pursue and obtain a State cannabis license at such time as the State begins issuing such licenses, and shall comply at all times with all applicable State licensing requirements and conditions, including, but not limited to, operational standards such as, by way of illustration but not limitation, background checks, prior felony convictions, restrictions on multiple licenses and license types, and locational criteria.” The Project narrative, attached to this report, also expresses the applicant’s desire to hire locally. The Project has been conditioned to comply with Zoning Code Chapter 20-46, which requires complete background checks on all employees pursuant to State and City regulations.

Odor Control

Pursuant to Zoning Code Section 20-46.050(H), “Applications for Cannabis Businesses shall include an odor mitigation plan certified by a licensed professional engineer.” The applicant has provided an Odor Mitigation Plan, prepared by Jeff Warner, PE, Warner Mechanical Engineering, Inc., dated July 2, 2018 (attached), in compliance with the Zoning Code.

Lighting

As detailed in the Project narrative, stamped received on July 9, 2018 (attached), exterior lighting will provide sufficient illumination and clear visibility to all outdoor areas of the premises, including all points of ingress and egress. Exterior lighting will be shielded and downcast to avoid casting light onto the night sky or neighboring parcels...” The project has been conditioned to comply with lighting requirements pursuant to Zoning Code Section 20-46.030(D).

Noise

The subject site is located within the IL zoning district, is developed with a commercial/industrial building and is surrounded on three sides by other buildings designed for light industrial uses. Cannabis manufacturing will occur entirely within the building and will not generate excessive noise outside of the building. The Project has also been conditioned to comply with the Noise Ordinance, City Code Chapter 17-16, and will adhere to the more restrictive noise levels of residential zoning districts along the north property line, where the project site is directly adjacent to a residential zoning district.

Security Plan

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

- The alarm will be equipped with a failure notification feature that provides notification of surveillance interruption.
- Internal and external surveillance cameras will be installed. All surveillance equipment will be maintained in good working condition, and surveillance videos will be retained for a minimum of 60 days, pursuant to 20-46.050(G).
- Employees will be trained on protocols to ensure that cannabis and any related by-products are not visible or accessible to the public.
- The applicant will comply with all State tracking requirements. All materials, including waste products, must be accounted for. Storage of waste products will be within the building.
- All deliveries and pick-ups will be scheduled in advance, including product and waste materials, and facilitated through the previously approved cannabis distribution facility located next door in Suite F.
- Staff training will include a comprehensive coverage of the security system and protocols.

Use of Volatile Materials

Volatile Cannabis Manufacturing refers to the processing or manufacturing of medical or adult use cannabis products using “volatile solvents.” The State of California Health & Safety Code defines a “volatile solvent” as a solvent that is or produces a flammable gas or vapor that, when present in the open air in sufficient quantities, will create explosive or ignitable mixtures. Examples of volatile solvents include, but are not limited to, butane, hexane, and propane. The volatile cannabis manufacturing process requires the use of a closed-loop vacuum system. A closed-loop system is an oil extraction method used to create cannabis concentrates. During the process, no solvents are exposed to the open air and remain contained within the closed-loop system. The closed-loop extraction system is not unique to the cannabis manufacturing industry, in that it has been used for decades to produce perfume, food additives, and beauty products. The applicant proposes to use liquid butane within a closed-loop vacuum extraction system.

Per Zoning Code Section, 20-46.070(C), the City of Santa Rosa requires that the closed-loop system be listed or otherwise certified by an approved third-party testing agency or licensed professional engineer and approved for the intended use by the City’s Building Official and Fire Code Official. Per 20-46.070(D), the City also requires that a licensed professional engineer annually recertify the extraction equipment. The applicant will comply with inspection and certification requirements by State agencies, as well as the City's Building and Fire

Departments. Also, as required for State licensing, the applicant will prepare and implement standard operating procedures for all manufacturing processes and use of all equipment.

Per Section 20-46.050 (E), the project is subject to Building and Fire permits as described in Building and Fire Code Requirements for Cannabis Related Occupancies including general requirements and those specific to volatile manufacturing. Additionally, an annual Fire Department Operational Permit is required for cannabis manufacturing facilities.

The Project plans have been reviewed by City staff, including representatives of the Building Division and Fire Department. The Project as proposed and conditioned is consistent with the Zoning Code and adopted City policy.

Parking

The proposed Cannabis Manufacturing facility is not open to the public. Pursuant to Zoning Code Table 3-4 addressing parking requirements, four parking spaces are required. The Project will provide four dedicated parking spaces onsite to meet that requirement. In addition, the applicant will encourage employees to ride bikes, ride share, and use public transit to offset traffic impacts.

Hours of Operation, including Pick-up & Delivery

Zoning Code Chapter 20-46 provides operational standards for cannabis uses and puts no limits on the hours of operation for Cannabis Manufacturing. The applicant is proposing to operate 24 hours per day, seven days per week.

Pick-up and deliveries will be limited to Monday through Friday, 9:00 a.m. to 7:00 p.m. Vehicles will enter a secure distribution facility in the adjacent suite through a roll-up door (sally port). Once inside the building, and the roll-up door will be secured, and the vehicle will be loaded or unloaded.

Proximity to Schools

Zoning Code Section 20-46.040(B), explains that the City has asserted its right to establish setbacks of a cannabis business to another land use, that differ from that provided by [Business and Professions Code](#) Section 26054(b). As such, there are no restrictions for a cannabis manufacturing facility in terms of proximity to schools. Nearby schools include 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 1,500 feet away.

State Requirements

The applicant will hold a State License Type 6 allowing non-volatile manufacturing, and Type 7 allowing volatile manufacturing of cannabis projects. 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.

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. The required findings can be made, as follows:

- A. The proposed Cannabis Manufacturing facility 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 manufacturing with the approval of a Conditional Use Permit; and
- B. The proposed Cannabis Manufacturing 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 Cannabis Manufacturing 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, which will occur from the Suite F located in adjacent to the subject Suite G, 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. 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 the north property line after dark to minimize the possibility of headlight 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 the proposed Cannabis Manufacturing facility, 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

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 Cannabis Manufacturing facility is consistent with surrounding land uses. The property is located adjacent to a single-family residential neighborhood to the north, however, the suite proposed for this project is located at the south end of the existing industrial building. 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.

Application materials include an odor mitigation plan, prepared by Warner Mechanical Engineering, Inc., dated July 2, 2018, in compliance with Zoning Code regulations, and a security plan, including 24-hour video surveillance, in compliance with both City and State regulations.

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 headlight glare; and

- E. The proposed Cannabis Manufacturing facility 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

Not applicable.

5. Neighborhood Comments

During the Neighborhood Meeting, which was held on August 20, 2018, five

members of the public attended. The following comments/concerns were noted:

- Hours for deliveries and pickups – The hours of operation are proposed seven days per week, from 7:00 a.m. to 9:00 p.m. Deliveries and pick-ups will be limited to Monday through Friday during hours of operation.
- Hiring practices – Background checks will be conducted on all new employees pursuant to both City and State regulations.
- Safety concerns regarding the use of flammable/explosive materials – As discussed in the Zoning section of this report, the facility will use a closed loop system and will require annual inspections by the Fire Department to ensure the continued safe operation of the business.
- Odor control – Also previously discussed in the Zoning section of this report, the applicant has provided an Odor Mitigation Plan, prepared by a licensed mechanical engineer.

6. Public Improvements/On-Site Improvements

No public improvements are 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 qualifies for a Class 3 Categorical Exemption pursuant to CEQA Guidelines Section 15303 in that it involves a change of use, which may require minor, if any, exterior modifications to the structure/site.

The proposed project 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:

- The Project will result in a negligible increase in vehicle trips as it is a small manufacturing facility, not to the public, and will have fewer than ten employees accessing the site daily, including shift changes; and
- The proposed Cannabis Manufacturing operation will be conducted from with an existing industrial building, which will not result in excessive noise on the exterior of the building. The Project has also been conditioned to remain in compliance with the Noise Ordinance, City Code Chapter 17-24, including the more restrictive sound levels specified for Residential uses along the northern property line; and
- The Project site will be hooked up to City-provided water and wastewater service; and
- An Odor Mitigation Plan, prepared by Jeff Warner, PE, Warner Mechanical Engineering, dated July 2, 2018, was prepared in compliance with Zoning Code Chapter 20-46.

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

RADIANT FARM

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- Attachment 2: Location Map
- Attachment 3: Neighborhood Context Map
- Attachment 4: Project Narrative, stamped received on July 9, 2018, and supplemental information, prepared by Aaron Selverston, dated October 19, 2018
- Attachment 5: Project Plans, dated May 29, 2018
- Attachment 6: Odor Mitigation Plan, prepared by Warmer Mechanical Engineering, dated July 2, 2018
- Attachment 7: City Council Ordinance ORD-2017-025
- Attachment 8: Cannabis Applications Citywide, Accela Report dated October 1, 2018
- Attachment 9: Zoning Code Chapter 20-46
- Attachment 10: Planned Development Policy Statement
- Attachment 11: Noise Ordinance (City Code Chapter 17-16)
- Attachment 12: Extraction Equipment Specifications
- Attachment 13: Public Correspondence

Resolution: Conditional Use Permit

CONTACT

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