CITY OF SANTA ROSA PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT STAFF REPORT FOR PLANNING COMMISSION September 26, 2019

PROJECT TITLE APPLICANT

Emerald Blooms Enrique Seitz

ADDRESS/LOCATION PROPERTY OWNER

112 Commercial Ct, Suite 2 and 3 Enrique Seitz

ASSESSOR'S PARCEL NUMBER FILE NUMBER

043-240-001 CUP18-065

<u>APPLICATION DATE</u> <u>APPLICATION COMPLETION DATE</u>

April 19, 2018 June 27, 2018

REQUESTED ENTITLEMENTS FURTHER ACTIONS REQUIRED

Conditional Use Permit (CUP) N/A

PROJECT SITE ZONING GENERAL PLAN DESIGNATION

CG (General Commercial) Retail & Business Services

PROJECT PLANNER RECOMMENDATION

Kristinae Toomians Approval

Agenda Item # 10.1

For Planning Commission Meeting of: September 26, 2019

CITY OF SANTA ROSA PLANNING COMMISSION

TO: CHAIR CISCO AND MEMBERS OF THE COMMISSION

FROM: KRISTINAE TOOMIANS, SENIOR PLANNER

PLANNING AND ECONOMIC DEVELOPMENT

SUBJECT: EMERALD BLOOMS ADULT AND MEDICINAL USE RETAIL

DISPENSARY & DELIVERY

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Planning and Economic Development Department recommends that the Planning Commission, by resolution, approve a Conditional Use Permit to allow a cannabis adult and medicinal use retail (dispensary) and delivery uses, located at 112 Commercial Ct, Suite 2 and 3.

EXECUTIVE SUMMARY

Emerald Blooms (Project) proposes to operate a cannabis retail dispensary with delivery service in a 2,216-square-foot portion of an existing commercial condominium building. The applicant proposes to operate the cannabis retail storefront and delivery activities between the hours of 9:00am and 9:00pm, 7 days a week. The applicant does not propose on-site cannabis consumption.

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. <u>Project Description</u>

The Project is located on the south side of Commercial Ct, between Santa Rosa Avenue and Highway 101, on a 1.52-acre site in the General Commercial (CG) Zoning District. The property is developed with three commercial condominium buildings, surrounded by shared parking. The applicant proposes to



Figure 1: Aerial photo depicting proposed location of suite within existing commercial condominium development in the northwest corner.

locate within a 2,216-square-foot condominium unit, located at the west end of Commercial Ct and immediately adjacent to Highway 101.

Retail Dispensary and Delivery

In compliance with Zoning Code Section 20-46.080(f)(4), the applicant proposes the dispensary and delivery services to operate from 9:00 a.m. to 9:00 p.m. seven days per week. The applicant does not propose on-site consumption.

Floor area will be allocated as follows:

Retail and Delivery: 903-square-feet;

Indoor employee parking: 538-square-feet

• Storage: 203-square-feet

• Employee and Administrative Office: 572-square-feet

Building Modifications

Exterior building improvements include the replacement of an existing roll-up door with new storefront glazing. Additional improvements will include security lighting and security cameras. Site improvements include ADA-compliant parking and paths of travel.

Any new signs will require sign permit approval.

State Requirements

The applicant will hold a Type 10 State license, which allows cannabis retail and delivery uses. 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. <u>Surrounding Land Uses</u>

The proposed site is located within a predominantly commercially developed area, and is surrounded on the north, south, and east by commercial land uses. The proposed site is adjacent to Highway 101 to the west.

There are no other cannabis retail uses within 600-feet of the Project, and the Project is not within 600-feet of a K-12 school.

3. Existing Land Use – Project Site

The Project is located on the south side of Commercial Ct, between Santa Rosa Avenue and Highway 101, on a 1.52-acre site in the General Commercial (CG) Zoning District. The property is developed with three commercial condominium buildings, surrounded by shared parking. The applicant proposes to locate within a 2,216-square-foot condominium unit, located at the west end of Commercial Ct and immediately adjacent to Highway 101.

4. Project History

- On April 19, 2018, the applicant submitted Conditional Use Permit application (CUP 18-065) for a cannabis retail facility
- On May 30, 2018, staff held Neighborhood Meeting.
- On June 27, 2018 the application was deemed complete.
- On November 14, 2018, the Cannabis Policy Subcommittee voided a direct competitor within 600-feet. As a result of this decision, Emerald Blooms was allowed to move forward with the Conditional Use Permit process.
- On April 11, 2019, the applicant submitted a traffic memo prepared by W-Trans.

PRIOR CITY COUNCIL REVIEW

Not applicable.

<u>ANALYSIS</u>

1. Santa Rosa General Plan 2035

The site is designated as Retail & Business Services on the General Plan Land Use Diagram. This classification is intended to accommodate retail and services enterprises, offices, and restaurants.

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.

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.

The Zoning Code specifically identifies the General Commercial District as a district appropriate for cannabis retail and delivery. Although cannabis uses are not explicitly addressed in the General Plan, the General Commercial (CG) Zoning District is intended for a variety of retail uses with operational patterns similar to the operational patterns (i.e. traffic, parking, hours of operation) of the proposed Project.

Staff determined that Cannabis Retail (Dispensary) and Delivery uses are consistent with the General Plan goals and policies of the Retail & Business Services land use designation. Specifically, the proposed cannabis retail facility 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 located within the General Commercial (CG) Zoning District and is surrounded by CG zoned properties, which provide a range of retail, general services, or lodging uses. The CG zone, which is consistent with the Retail & Business Services General Plan land use designation, which envisions a range of retail & services enterprises, offices, and restaurants.

Zoning Code Section <u>20-23.020(C)</u> describes the purposes of the General Commercial Zoning District as follows:

"The CG zoning district is applied to areas appropriate for a range of retail and service land uses that primarily serve residents and businesses throughout the City, including shops, personal and business services, and restaurants. Residential uses may also be accommodated as part of mixed use projects, and independent residential developments. The CG zoning district is consistent with the Retail and Business Services land use classification of the General Plan."

Cannabis retail (dispensary) and delivery are allowed uses in the CG Zoning District, subject to discretionary approval of a Conditional Use permit when set back no less than 600 feet from a school and from any other cannabis retail use within and permitted by the City of Santa Rosa. "School" as defined by Health and Safety Code Section 11362.768 applies to this section of the Zoning Code.

Zoning Code Chapter 20-46 provides operational requirements for commercial cannabis facilities. The applicant's building improvement plans and operational plans are in compliance with standards relating to requirements of the Zoning Code including security, lighting, odor control and noise. These requirements are summarized below.

Proximity to Schools

Both City and State regulations prohibit establishment and operation of a retail cannabis dispensary within 600 feet of a K-12 school as defined by Health and Safety Code Section 11362.768. Since there are no schools within 600-feet of the project location, it is consistent with the State and local regulations.

Concentration

The Zoning Code limits geographic concentration of cannabis retail facilities (dispensaries) by prohibiting dispensaries within 600 feet of each other. There are no other cannabis retail facilities within 600 feet of the subject site; therefore, the Project site is not located in an "over-concentration" area.

Employment

The project narrative, attached to this report, details hiring procedures for all new employees. The proposed employment procedures comply with Zoning Code Section 20-46.

Odor Control

Zoning Code Section 20-46.050(H) requires cannabis businesses to, "incorporate and maintain adequate odor control measures such that the odors of Cannabis cannot be detected from outside of the structure in which the Business operates." To achieve compliance with Zoning Code, and consistent with standard industry practices, the cannabis business uses an activated carbon filtration system. Administrative controls will be put in place to monitor and maintain the

effectiveness of the carbon filtration system. Details of the filtration system and administrative controls are provided in the Odor Control Plan dated March 28, 2018, and certified by Andrew Souza, Registered Professional Engineer of TEP Engineering, pursuant to City Code section 20-46.050(H). A copy of the certified plan is attached.

Lighting

As a part of the project, the applicant proposes to comply with the requirements of Zoning Code Sections 20-30.080 and 20-46.80. All outdoor areas of the premises will be illuminated, including all points of ingress and egress with stationary, fully shielded lights directed away from adjacent properties and from the public right-of-way.

The Zoning Code requires (at Section 20-30.080) that exterior lights be shielded and cast downward to avoid light or glare spilling onto neighboring properties. A recommended condition of approval is that the applicant's building permit submittal include a detailed lighting plan in compliance with the Zoning Code.

Noise

Other than delivery vehicles, all operations are proposed in the fully enclosed building located on the site in the General Commercial Zoning District. Interior operations are not anticipated to generate excessive noise.

Mechanical equipment will be required to comply with the Noise Ordinance, City Code Chapter 17-16 (attached).

Security Plan

Zoning Code Section 20-46.050(G) requires cannabis businesses to provide adequate security to ensure the public safety, and safety of persons in the facility to protect the business premises from theft. Cannabis business applications are required to provide a security plan that includes lighting and alarms, secure storage and waste, procedures for the safe transportation of products and currency, controlled building access and emergency access. A detailed Security Plan designed to prevent theft or diversion of any cannabis or currency, and to discourage loitering, crime, and illegal or nuisance activities was included with the Project application. Details of the plan are provided in the Project narrative which includes the following key features:

 Surveillance – High resolution video cameras will provide 24-hour surveillance and recordings will be retained for 90 days. Cameras will be placed in a location that allows the camera to clearly record activity occurring in all areas of the site where cannabis is stored, sold and transferred.

- Alarm A professionally monitored alarm system will be installed and maintained.
- Access Commercial grade security doors will be installed at all building entrances, and internally at restricted areas. In compliance with the Zoning Code, the front entrance is visible from the street. Persons under the age of 21 will not be allowed in the facility, unless they are a qualified medical patient over the age of 18.
- Security Personnel The premises will have a security guard onsite during open business hours, and the applicant will hire a security service to patrol the building and surrounding areas for off-business hours monitoring.
- Transportation of cannabis and cannabis products will be via secured vehicles with alarms.

Special Events

A request for special events is not included with the subject Project. However, if in the future, the applicant wishes to host a special event, approval of a Temporary Use Permit, per Section 20-52.040 (Temporary Use Permit) will be required.

Parking

There are nine parking spaces dedicated to the Project site, including five spaces in front of the building storefront, two spaces in the suite's garage for employees, and two dedicated spaces for employees in the parking lot. Nine parking spaces are required for the proposed Project.

Table 1 – Parking Requirements

Use	Square Feet	Code Requirement	Required Spaces
Proposed Cannabis Retail & Delivery (112 Commercial Ct)			
Retail & Delivery	2,216	1 space/250 SF	9
Total Spaces Provided			9

Existing parking on the site meets the number of parking spaces required for the proposed Project.

Required Findings (as shown on the draft resolution)

Decisions on conditional use permits are based on the six discretionary standards found in Zoning Code Section 20-.52.050(F). Applicable conditional use permit standards followed by a staff analysis of the project's compliance with the standards are as follows:

A. The proposed Project is allowed in the General Commercial (CG) Zoning

District and complies with all other applicable provisions of this Zoning Code and the City Code.

Zoning Code Table 2-6 lists allowable uses within the General Commercial Zoning District, which implements the Retail & Business Services General Plan land use designation, and allows cannabis retail and delivery with the approval of a major Conditional Use Permit.

B. The proposed Project is consistent with the General Plan land use designation of Retail & Business Services, which is applied to areas that are intended for retail uses.

On December 19, 2017, the City Council adopted Ordinance No. ORD-2017-025 finding cannabis retail (dispensaries) and delivery uses appropriate in areas designated as General Commercial.

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 is in an area zoned and predominately occupied by various commercial uses. Property to the north, east, and south are zoned General Commercial (CG), and the areas to the west, on the other side of Highway 101 is zoned residential.

The Project is supported by a well-designed, shared parking area; security measures including lighting, restricted access for employees, refuse disposal areas, on-site security personnel, surveillance cameras and security fencing and gates.

The entrance to the retail dispensary is visible from the street and the proposed project is compatible with the existing commercial uses located on properties to the north, south, and east of the project site. The design, location, size and operating characteristics of the Project will be compatible with existing and future land uses in the vicinity.

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.

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 zoned for general commercial uses.

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 applicant proposes to add new storefront glazing, and on-site security personnel will monitor the parking lot to prevent loitering, consumption of cannabis or other nuisance activities. In addition, with the proposed odor control measures, the proposed operational procedures, including site and building security, the lack of on-site consumption, storage and waste handling, inventory tracking, hours of operation, and age/medical restrictions, and compliance with all applicable state and local regulations, the proposed Project will not constitute a nuisance or be injurious or detrimental to the public interest, health, safety, or welfare, or materially injurious to persons, property or improvements in the vicinity.

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. <u>Design Guidelines</u>

Exterior modifications to the existing structure will require design review approval by the City.

5. Historic Preservation Review Standards

Not applicable.

6. Public Comments

On May 30, 2018, Planning staff held a neighborhood meeting to discuss the proposed project. Staff received email correspondence from the neighbor to the north concerned about the compatibility of a cannabis retail dispensary with the brand new hotel that is currently under construction.

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

ADA pathway from the public sidewalk to the existing path near the building entrance and two ADA-compliant parking stall will be included.

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 will require minor 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 infill exemption 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:
 - Traffic. Based on the traffic memo prepared by W-Trans, on April 11, 2019, the Project is expected to generate no new vehicle trips in the AM peak hour and 41 trips in the PM peak hours. Because the proposed Project would be expected to generate fewer than 50 trips during either the AM or the PM peak hours, a full traffic impact study is not required per the City's guidelines and there are no foreseeable significant adverse traffic impacts as a result of the project.
 - Biology. The Project site is covered by an existing building and paved parking areas and has no habitat value. No trees or other vegetation will be removed from the site as a part of the Project.
 - Noise The proposed Project will operate within an existing building, which will not result in excessive noise on the exterior of the building and will operate within hours established for Retail Cannabis in Zoning Code Section 20-46.080(4)
 - Air Quality/Odor The letter addressed to the City of Santa Rosa, dated March 28, 2018, and certified by Andrew Souza, Registered Professional Engineer of TEP Engineering, certifies that the Odor Mitigation Plan for the Project meets or exceeds the requirements of the City of Santa Rosa, pursuant to Zoning Code Section 20-46.
 - <u>Water</u> –No changes are proposed to storm water drainage from the Project site. In addition, the site has municipal water and wastewater service.
- 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.

<u>ATTACHMENTS</u>

Disclosure Form Attachment 1:

Attachment 2: Project Narrative and Supplemental Information

Attachment 3: **Project Plans**

Attachment 4: Focused Traffic Study

Conditional Use Permit Resolution:

CONTACT

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