

CITY OF SANTA ROSA
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
STAFF REPORT FOR PLANNING COMMISSION
OCTOBER 10, 2019

PROJECT TITLE

Justice Grown Dispensary

ADDRESS/LOCATION

1111 Petaluma Hill Road

ASSESSOR'S PARCEL NUMBER

038-112-028

APPLICATION DATE

April 20, 2018

REQUESTED ENTITLEMENTS

Conditional Use Permit

PROJECT SITE ZONING

CG (General Commercial)

PROJECT PLANNER

Susie Murray

APPLICANT

Matanzas Alliance, LLC

PROPERTY OWNER

Richard Schultze TR ET AL

FILE NUMBER

PRJ18-058

APPLICATION COMPLETION DATE

June 26, 2018

FURTHER ACTIONS REQUIRED

Design Review

GENERAL PLAN DESIGNATION

Retail & Business Services

RECOMMENDATION

Approval

Agenda Item #10.1
For Planning Commission Meeting of: October 10, 2019

CITY OF SANTA ROSA
PLANNING COMMISSION

TO: CHAIR CISCO AND MEMBERS OF THE COMMISSION

FROM: SUSIE MURRAY, SENIOR PLANNER
PLANNING AND ECONOMIC DEVELOPMENT

SUBJECT: JUSTICE GROWN DISPENSARY

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Planning Commission (Commission), by resolution, approve a Conditional Use Permit (CUP) for Cannabis Retail (dispensary) and Parking Reduction located at 1111 Petaluma Hill Road, Suite A.

EXECUTIVE SUMMARY

The project proposes to operate a 7,128-square foot dispensary, including delivery service, from an existing commercial building located at 1111 Petaluma Hill Road, Suite A, including minor exterior changes to the building. The Planning Commission is being asked to act on a CUP to allow the dispensary and the parking reduction.

BACKGROUND

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

1. Project Description

The subject site is located at the southwest corner of the intersection of Barham Avenue and Petaluma Hill Road, in the southeast quadrant of Santa Rosa. The proposed dispensary will occupy approximately 7,128 square feet of an existing 9,927-square foot commercial building.

During the application process, the applicant proposed to operate a Community Impact Area (CIA), where counseling services would be provided to victims of

violence. The remainder of the building will be used for a program implementing that use for which a Zoning Clearance has been issued. The use falls under the heading of Office – Professional in the Zoning Code land use tables and is defined as office-type facilities occupied by businesses that provide professional services and/or engaged in the production of intellectual property. Examples provided include counseling services.

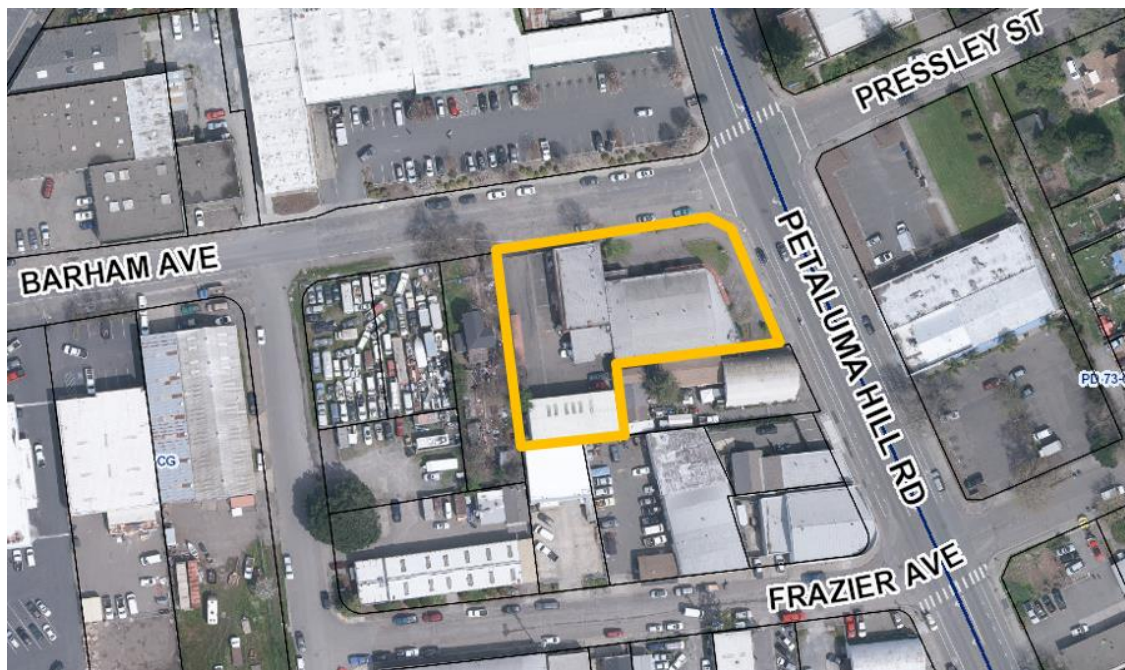
2. Surrounding Land Uses

North: Retail and Business Services; currently developed with commercial uses.

South: Retail and Business Services; currently developed with mixed uses (commercial and residential).

East: Retail and Business Services; currently developed with commercial uses and vacant property.

West: Retail and Business Services; currently developed with a legal non-conforming residential use and commercial uses.



3. Existing Land Use – Project Site

The site is fully developed with a commercial building, which was originally constructed in 1955.

4. Project History

On April 20, 2018, the CUP application was submitted to Planning and Economic Development (PED).

On May 7, 2018, a neighborhood meeting was held. Comments from the meeting are discussed in the Public Comment Section of this report.

On September 26, 2018, the companion Design Review application was submitted to PED.

PRIOR CITY COUNCIL REVIEW

Not applicable.

ANALYSIS

1. General Plan

The General Plan land use designation is Retail and Business Services, which is intended for retail and service enterprises, offices and restaurants.

The Project implements the following goals from [General Plan 2035](#):

LAND USE AND LIVABILITY

LUL-I Maintain vibrant, convenient and attractive commercial centers.

LUL-J Maintain the economic vitality of business parks and offices, and Santa Rosa's role as a regional employment center.

ECONOMIC VITALITY

EV-A Maintain a positive business climate in the community.

EV-C Promote new retail and higher density uses along the city's regional/arterial corridors.

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

The Project will contribute to a broad range of commercial services and employment opportunities available in the area; it will occupy a currently vacant commercial space along Petaluma Hill Road, which is identified as an arterial street on the General Plan Land Use Diagram; and will attract regional clientele.

2. Other Applicable Plans

The subject site is located within the Santa Rosa Avenue Corridor Priority Development Area.

3. Zoning

The following development standards, regulated by [Zoning Code Chapter 20-46](#), have been met:

Hours of Operation

Permissible hours of operation for a cannabis dispensary are from 9:00 a.m. to 9:00 p.m. seven days per week. The proposed hours of operation for Justice Grown Dispensary are from 9:00 a.m. to 9:00 p.m. seven days per week, with delivery service available during those hours.

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, all of which are more than 2,700 feet from the subject site, are Kawana Springs Elementary School, Roseland Collegiate Prep School and Burbank Elementary School. There are no schools within 600 feet of the subject site.

Concentration

The Zoning Code limits concentration for dispensaries by prohibiting dispensaries within 600 feet of each other. The closest dispensary is R&B Dispensary, located approximately 900 feet from the site.

Employment

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 Chapter 20-46. To summarize:

- All employees must be 21 years of age or older;
- Background checks will be conducted for all new hires;
- Recruitment will focus on local resources; and
- A Labor Peace Agreement will be established, which allows employees the right to unionize.

Odor Control

Justice Grown Dispensary will have a professionally installed carbon filtration system to prevent odors from escaping the building. A memo, prepared by Matthew Torre, Registered Professional Engineer, dated April 5, 2018, found that the odor mitigation plan “meets, or exceeds, the requirements of the city of Santa Rosa for cannabis odor mitigation.”

Lighting

Minor exterior changes will be made to the building, including the addition of light fixtures, which will require Design Review. The Project has been conditioned to comply with Zoning Code Section 20-30.080 for exterior lighting.

Noise

The subject site is located within the CG zoning district bordered to the north by Barham Avenue and commercial uses; to the east by Petaluma Hill Road, commercial uses and undeveloped property; to the south by commercial uses and mixed-use development; and to the west by a legal non-conforming residential use. Allowable noise levels range from 45-60 dBA depending on the time of day and adjacent use. The dispensary is not anticipated to generate excessive noise, however, the Project has been conditioned to comply with the City's Noise Ordinance, Chapter 17-16 of the [City Code](#).

Security Plan

The project Security Plan seeks to ensure safety and to effectively prevent theft or diversion of any cannabis or currency, as well as to discourage loitering, crime, and illegal or nuisance activities. A comprehensive discussion of the security plan is included in the attached project narrative. Following is a summary of security measures:

- There is one designated customer entrance. Because the facility provides both medical and adult use products, the following customers are allowed to enter the facility:

Minors that have been issued a medical cannabis card and are accompanied by an adult/guardian;

Young adults between the ages of 18-21 years of age that have been issued a medical cannabis card; and

Adults 21 years of age and older.

- Interior and exterior video cameras will be installed and monitored by a Stanley Security.
- Weinstein Securities will provide onsite security during periods when the business is closed.
- A secure alarm system to monitor after-hours entry onto the property and into the building will be installed.

- Secured areas will be accessible to authorized personnel only. Access will be permitted through the use of key FOBs (Frequency Operated Button).
- Extensive employee training will be provided.

Delivery Services

The following delivery procedures will apply to all deliveries, to and from Justice Grown:

- Deliveries and pick-ups will be made from a secure (gated) area, with limited access, located in the back of the building.
- Deliveries will be made using company-owned vehicles.
- Drivers will be at least 21-years of age and employed by Justice Grown.
- Customers will be required to provide valid identification prior to scheduling the delivery, which will be confirmed when delivery is made.

Parking

The building is 9,927 square feet, of which 7,128 square feet will be used for the dispensary and the remaining 2,799 will be used for the CIA where counseling services will be provided. Pursuant to [Zoning Code Chapter 20-36](#) one parking space is required for every 250 square feet of retail or office use, in this case 40 spaces. The site plan provides 29 parking spaces, a deficit of 11. As such, the project also requires approval of a parking reduction. Pursuant to Zoning Code Section 20-36.050(C)(1)(a), the Planning Commission must make two findings prior to granting a parking reduction:

1. Due to special circumstances associated with the operation of the use at its location, the proposed use will generate a parking demand different from the standards specified in Zoning Code Table 3-4. Typical hours of operation for the CIA are during the morning and evening, which generally do not compete with the peak-period parking needs of the dispensary. The project proposes to operate from an existing commercial building and has 29 onsite parking spaces, a deficit of 11. W-Trans conducted surveys in the immediate area, which were addressed in the Traffic Study, dated August 17, 2019. Because the CIA could potentially operate any time between 8:00 am and 8:00 pm, counts were taken weekdays in the morning, afternoon and evening. The survey concluded that there is sufficient on-street parking available on Barham Avenue, Petaluma Hill Road and Pressley Street to support a parking reduction.
2. The number of parking spaces approved will be sufficient for its safe,

convenient, and efficient operation of the use. The project has been conditioned to install a Rectangular Rapid Flashing Beacon (RRFB), to provide safe access to pedestrians crossing from the east side of Petaluma Hill Road.

CUP Required Findings

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

- The proposed dispensary is allowed within the CG (General Commercial) zoning district and complies with all other applicable provisions of this Zoning Code and the City Code; and
- The proposed dispensary is consistent with the General Plan land use designation of Retail and Business Services which is intended for retail and service enterprises, offices and restaurants. On December 19, 2017, the City Council adopted Ordinance No. ORD-2017-025 finding Cannabis Retail uses appropriate in areas designated as Retail and Business Services on the land use diagram; and
- The design, location, size, and operating characteristics of the proposed dispensary would be compatible with the existing and future land uses in the vicinity. The dispensary will occupy approximately 7,128 square feet of an existing 9,927-square foot commercial building; a Zoning Clearance for the CIA (an Office - Professional use) has been issued for Suite B, the remainder of the building. Pursuant to Zoning Code Table 3-4, the two uses would require 40 parking spaces (29 for the dispensary and 11 for the CIA).

Typical hours of operation for the CIA are during the morning and evening, which generally do not compete with the peak-period parking needs of the dispensary. The project proposes to operate from an existing commercial building that has 29 onsite parking spaces, a deficit of 11. W-Trans conducted surveys in the immediate area, which were addressed in the Traffic Study, dated August 17, 2019. Because the CIA could potentially operate any time between 8:00 am and 8:00 pm, counts were taken weekdays in the morning, afternoon and evening. The survey concluded that there is sufficient on-street parking available on Barham Avenue, Petaluma Hill Road and Pressley Street to support a parking reduction.

The project has further been conditioned to install a Rectangular Rapid Flashing Beacon (RRFB), to provide safe access to pedestrians crossing Petaluma Hill Road; and

- The plans have been reviewed by City staff and the project has also been conditioned to comply with operational standards pursuant to Zoning Code Chapter 20-46; and

- 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 commercial 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 site is surrounded to the north, east and south with similar commercial uses, and to the west by a legal non-conforming residential use. The residential use is separated from the proposed dispensary by the community outreach facility located at 1111 Petaluma Hill Road, Suite B. The general nature of commercial uses was included in the scope of review in the General Plan 2035 Environmental Impact Report certified by the Council in 2009. On December 19, 2017, the City Council adopted Ordinance No. ORD-2017-025 finding Cannabis Retail uses appropriate in areas designated as Retail and Business Services on the land use diagram; and
- The Cannabis Retail facility has been found in compliance with the California Environmental Quality Act (CEQA). Refer to the Environmental Impact section of this report for details.

3. Design Guidelines

The project applications include a minor Design Review for modifications to the exterior of the building.

4. Neighborhood Comments

During the Neighborhood Meeting held on May 7, 2018, the following concerns were raised:

Will the dispensary have 24-hour security?

Response: Yes, as discussed in the Zoning section of this report.

Will there be enough parking?

Response: The applicant is seeking a parking reduction, which analysis has warranted. Refer to the discussion in the Zoning section of this report.

Will traffic levels increase?

Response: A Traffic Study, prepared by W-Trans, dated August 17, 2019, concluded that traffic impacts would be less than significant. The project has also been conditioned to install a Rectangular Rapid Flashing Beacon (RRFB), which will provide safe access to and from the east side of Petaluma Hill Road.

The hours of operation are too long.

Response: The proposed hours of operation are from 9:00 a.m. to 9:00 p.m. pursuant to Zoning Code Chapter 20-46. The site is generally surrounded by other commercial uses; no parking spaces are directed at neighboring sites; and the primary entrance to the dispensary faces the intersection, which will minimize noise of customers entering and exiting the building to a level that is less than significant. The project has also been conditioned to comply with the City's Noise Ordinance, Chapter 17-16 of the City Code.



5. Public Improvements/On-Site Improvements

The project is required to install an RRFB, including ramps on both sides of Petaluma Hill Road in compliance with the Americans with Disabilities Act (ADA). A comprehensive list of improvements can be reviewed in the Engineering Development Services Exhibit A, attached to the draft resolution.

FISCAL IMPACT

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

ENVIRONMENTAL IMPACT

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

Pursuant to CEQA Guidelines Section 15183, the project is consistent with the General Plan for which an Environment Impact Report (EIR) was certified by Council in 2009. In December 2017, Council enacted comprehensive regulations for cannabis. Analysis concluded that cannabis-related uses were similar in terms of environmental impacts to other allowable uses in the CG zoning district. No further environmental review is necessary for the Project as analysis has confirmed that there are no new environmental effects, or environmental effects of greater severity, peculiar to the parcel or the project that were not analyzed and addressed in a prior EIR.

- The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA) and qualifies for a Class 3 Categorical Exemption pursuant to CEQA Guidelines Section 15303 in that it involves a change

of use, which will require minor exterior modifications to the structure/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 and is substantially surrounded by urban uses; it has no value as habitat for endangered, rare or threatened species because the property is already developed; the property is already receiving all necessary utilities and public services; and the project has no foreseeable significant adverse impacts to traffic, noise, air quality or water quality:

A Traffic Study, prepared by W-Trans, dated August 17, 2019, concluded that "Under existing conditions, the study intersections are operating acceptably at LOS C or better overall and on all side-street approaches. With project generated traffic added to existing volumes, the study intersections would continue operating acceptably at LOS C or better.

Justice Grown Dispensary will have a professionally installed carbon filtration system to prevent odors from escaping the building. A memo, prepared by Matthew Torre, Registered Professional Engineer, dated April 5, 2018, found that the odor mitigation plan "meets, or exceeds, the requirements of the city of Santa Rosa for cannabis odor mitigation."

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

On October 31, 2018, a Notice of Application was sent to property owners within 400 feet of the subject property.

In September 2019, the project was noticed as a public hearing pursuant to Zoning Code Chapter. 20-66. Two public hearing signs were posted on site, a Public Hearing Notice was published in the Press Democrat, a Public Hearing Notice was mailed to property owners and occupants within 600 feet of the property; and bulletin board postings were provided 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: Project Narrative, dated April 20, 2018

Attachment 4: Floor Plan & Site Plans, prepared by Schwartz Architecture, dated September 17, 2019

Attachment 5: Traffic Impact Study, prepared by W-Trans, dated April 17, 2019

Attachment 6: Odor Plan, reviewed by Matthew Torre, dated April 5, 2018

Attachment 7: Renderings, prepared by Perimeter Architects

Attachment 8: Public Correspondence

Resolution: Conditional Use Permit w/Exhibit A, prepared by Jesus McKeag, dated September 12, 2019

CONTACT

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