



Sonoma County Board of Zoning Adjustments  
STAFF REPORT

**FILE:** UPC17-0103  
**DATE:** March 14, 2019  
**TIME:** 1:35 PM  
**STAFF:** Scott Davidson

Appeal Period: 10 calendar days

**SUMMARY**

**Applicant:** The Oil Plant, Inc.  
c/o Mr. Stewart Smith, President  
575 Hwy 1, Suite 102, Bodega Bay, CA 94923

**Owner:** SBRI Standish, LLC  
c/o Mr. William Schellinger, Managing Member  
1270 Airport Boulevard, Santa Rosa, CA 95403

**Location:** 3416 Standish Ave., Suite 102, Santa Rosa

**APNs:** 134-102-093

**Supervisorial District No.:** District No. 5

**Subject:** Minor Conditional Use Permit for an Indoor nonvolatile cannabis manufacturing operation

**PROPOSAL:** Request for a Minor Conditional Use Permit for an indoor, Type 6, nonvolatile cannabis manufacturing operation on a 0.82-acre parcel.

**Environmental Determination:** Categorically Exempt under CEQA Section 15301 (Existing Facilities).

**General Plan:** General Industrial (GI).

**Specific/Area Plan:** South Santa Rosa Area Plan

**Land Use:** General Industrial (GI).

**Ord. Reference:** Zoning Code Section 26-88-250 (Commercial Cannabis Uses).



**Zoning:** Heavy Industrial District (M2); Valley Oak Habitat Combining District (VOH).

**Land Conservation**

**Contract:** N/A

**Application Complete**

**for Processing:** Yes

**RECOMMENDATION:** Staff recommends the Board of Zoning Adjustments approve the five-year limited term Use Permit for an indoor nonvolatile manufacturing, which corresponds with a Type 6 State cannabis license (extraction and refinement of cannabis oil using 'nonvolatile solvents' such as carbon dioxide and ethanol) in a 5,215 square foot tenant space (Suite 102) within an existing 16,240 square foot building located on a 0.82-acre parcel zoned M2 (Heavy Industrial District), VOH (Valley Oak Habitat Combining District).

**EXECUTIVE SUMMARY:** Staff is recommending approval of a five-year limited term Minor Use Permit for an indoor cannabis manufacturing operation, subject to conditions of approval because:

- Commercial cannabis manufacturing is an allowed use in the Heavy Industrial (M2) Zoning District and the General Industrial (GI) General Plan land use designation;
- The proposed project meets the development criteria of Sonoma County Cannabis Ordinance and will meet the operating standards of the Ordinance through compliance with recommended conditions of approval;
- The project is consistent with the South Santa Rosa Area Plan policies and standards;
- The design, location, size, and operating characteristics of the project and proposed addition are compatible with surrounding uses in the project vicinity.

Permit approval would remain in effect for a period of five years before requiring renewal by the applicant. Below is a summary of key considerations addressed.

**ANALYSIS**

**Background:**

In October 2015, the Governor signed three bills into law collectively known as the Medical Cannabis Regulation and Safety Act establishing the State's first licensing system for commercial medicinal cannabis activity. In November 2016, California voters approved Proposition 64, legalizing the adult use and possession of cannabis. In June 2017, the Governor signed SB 94 creating a single regulatory scheme for both medicinal and adult use cannabis businesses.

In response to these changes in the regulation of cannabis, the Sonoma County Board of Supervisors adopted a series of ordinances to establish a comprehensive local program to permit and regulate commercial cannabis businesses. These ordinances were created to preserve environmental resources, protect the health and safety of communities, and ensure the industry contributes positively to the economic vitality of the County.

On October 10, 2018, Permit Sonoma mailed notice to neighbors letting them know that a Cannabis Use Permit had been filed for this site. Separate notices were sent for other Use Permit applications in the project vicinity. Based on inquiries, three issues surfaced as areas of local concern.

- 1) Parking;
- 2) Proximity to schools; and
- 3) Concentration of uses / Security

These issues are addressed in the Discussion of Issues section below under Issue #5 – Neighborhood Compatibility.

#### **Project Description:**

The applicant is seeking a five-year Minor Use Permit for nonvolatile manufacturing (extraction and refinement of cannabis oil using 'nonvolatile solvents' such as carbon dioxide and ethanol) in a 5,215 square foot tenant space (Suite 102) within an existing 16,240 square foot building located on a 0.82-acre parcel zoned M2 (Heavy Industrial District), VOH (Valley Oak Habitat Combining District). Cannabis will be obtained from other off-site businesses and processed on site. No cultivation will be done at this facility. The manufacturing operation will employ two methods: cold ethanol extraction and warm oil (olive and coconut) infusion.

- 1) The cold ethanol extraction process involves: 1) grinding the raw cannabis material to soak in ethanol for up to 24 hours; 2) either straining the solution or spinning it dry; 3) distilling the cannaboid liquid; and 4) refining the product for edible use by cancer patients and people with other chronic diseases.
- 2) Warm oil infusions involve: 1) grinding raw cannabis into either olive oil or coconut oil and placing the concoction in a kettle to warm; 2) filtering the mix with gravity or vacuum filter; and 3) bottling, labeling, and testing prior to sale.

The 4,200 square foot first floor contains several enclosed rooms including: 4 offices totaling approximately 400 square feet, a lobby containing approximately 550 square feet, a restroom, a storage room of approximately 500 square feet, and approximately 2,000 square feet of warehouse space that will be used for manufacturing and will house two shipping containers to store raw and

finished product, and are independently climate controlled and secured. The 1,015 mezzanine contains storage, mechanical equipment and a restroom.

### Site Improvements

The site improvements will consist almost exclusively of tenant improvements involving permits for partitioning interior space, the introduction of independent storage units (vaults), and upgrades to electrical and plumbing systems to comply with Building and Fire Code requirements. Specifically, the project proposes no new structure, exterior lighting, signs or landscaping. All proposed activities are located indoors except for delivery and pick up. The delivery or transport vehicle will park close to the entrance and boxed materials will be moved into and out of the facility.

### Utilities and Services

Operations will be supported by utilities and infrastructure as described below:

- 1) The project site is connected to municipal water services supplied by Santa Rosa Water;
- 2) The facility is connected to the City of Santa Rosa sewer system.
- 3) The Applicant/Business Owner/Operator has opted into Sonoma Clean Power and selected the Evergreen option; electricity will be from 100% renewable sources.
- 4) The facility is in the Rincon Valley Fire Protection District and will be equipped with fire alarm systems and sprinklers. The Applicant/Business Owner/Operator has placed fire extinguishers throughout the facility.
- 5) Solid waste will include, garbage, recycling, and small amounts of hazardous materials. The facility has contracted with the local waste hauler to have garbage and recyclables picked up from the location on a weekly basis, garbage and recycled material containers will be stored indoors until the night prior to pick up. The operation will follow state and local requirements for disposal of any hazardous materials and cannabis products.

The project will operate 24 hours per day as needed and is closed to the public. Deliveries and shipping will be limited to the hours of 8:00 a.m. to 5:00 p.m. seven days a week. At peak operations there will be no more than 6 employees on-site.

The use is currently operating in compliance with the Penalty Relief Program.

**Site Characteristics:**

The 0.82-acre project site is a level parcel that is irregularly configured with approximately 40 feet of frontage along Standish Avenue and existing railroad spur tracks forming a curved southern boundary for the site. The site is developed with an existing 16,240 square foot structure containing multiple tenant spaces and includes 26 on-site parking spaces, three of which are accessible to people with disabilities. Due to the site configuration, the building is oriented so that tenant spaces face the site (southern) property line and railroad spur and existing mature vegetation. This orientation combined with the narrow street frontage and existing vegetation partially obstruct views of the tenant spaces from Standish Avenue.

**Surrounding Land Use and Zoning:**

The subject property and surrounding parcels are zoned for industrial uses and have been developed for that purpose. Roadways serving the site are sized to accommodate industrial related vehicle traffic, and all properties in the project vicinity are served by public water and sewer as well typical utility services (e.g. gas and electric, telephone, etc.). The project site is located approximately 2,000 feet North of Todd Road, 1,000 feet south of West Robles Avenue, and 1,500 feet West of Highway 101.

**DISCUSSION OF ISSUES****Issue #1:** General Plan Consistency

The Sonoma County 2020 General Plan classifies the project site as General Industrial. The purpose of this land use designation is to provide sites for industrial activities and employment that require urban services and that primarily serve an urban population. Structures are generally not expected to cover more than 50 percent of the site or exceed sixty-five feet in height. General Industrial lands should meet the following designation criteria:

- 1) Be located within an Urban Service Area;
- 2) Have adequate public services available to support the use; and
- 3) Be located with convenient access to an arterial or collector highway.

**Staff Comments:** The proposed project consists of nonvolatile manufacturing of cannabis products consistent with the general industrial uses contemplated by the General Plan. The project would occupy an existing structure, previously utilized for industrial uses without expanding the need for urban services. The existing building covers less than 45% of the site where 50% coverage is allowed and is less than 30 feet in height where 65 feet is allowed by the General Industrial land use designation. Consequently, the project is below the building intensity level anticipated for this

land use designation. More specifically, the project is consistent with General Industrial designation criteria because:

- 1) The site is located within the Urban Service area consistent with General Plan Policy LU-16a.
- 2) The site is served by public sewer and water, electrical services provided by Sonoma Clean Power, and other utilities (e.g. gas, telephone, etc.) are readily available within developed roadways consistent with General Plan Objective LU16.2.
- 3) The site is located less than one mile from the Todd Road Interchange at Highway 101 consistent with General Plan Designation Criteria 3.

**Issue #2:** South Santa Rosa Area Plan Consistency

General Plan Policy LU-1a establishes the South Santa Rosa Area Plan to provide an intermediate level of detail between the General Plan and site development plans. The Area Plan addresses industrial issues and affirms that that industrial land uses should be located where public sewer and water are available (Commercial and Industrial Land Use Policy 2).

The project is consistent with the South Santa Rosa Area Plan because: the General Industrial (GI) land use designation is intended to accommodate among other things, manufacturing and transportation/distribution uses; the site is in an area that is currently served by public water and sewer services; project conditions require on-site parking to be improved to support the proposed and future uses at the site; the project site is not located within a 100-year flood zone; and the project proposes no exterior modifications that would conflict with the scenic or historical resource objectives of the Area Plan, or interfere with the existing circulation network.

**Issue #3:** Zoning Consistency

***1) Heavy Industrial District (M2)***

Commercial cannabis distribution, transportation and nonvolatile manufacturing uses are allowed by Use Permit in the Heavy Industrial Zoning District pursuant to the Cannabis Land Use Ordinance (Sonoma County Code Sections 26-88-250 through 258), which was adopted on December 20, 2016 (Ordinance No. 6189) and amended on October 16, 2018 (Ordinance No. 6245). The applicant requests a Minor Conditional Use Permit for an indoor cannabis manufacturing operation. Pursuant to the development standards for the M2 zone, all structures used for indoor operations shall comply with the following limits.

- 1) Building Intensity (maximum building height limit times the maximum lot coverage):  
1,160,874 cubic feet
- 2) Height Limit: Sixty-five feet (65')
- 3) Minimum Lot Size: 20,000 square feet

- 4) Maximum Lot Coverage. Fifty percent (50%)
- 5) Front, Side and Rear Yards: None, except where the frontage of a block is partially in an R district, in which case the front yard shall be the same as required in such R district.
- 6) Parking Spaces. Parking shall be provided in accordance with the standards established in Sonoma County Code Article 86.
- 7) Design review approval is required in an M2 district for all uses.

**Staff Comment:** The project conforms to the building intensity and development criteria for the property as follows:

- 1) Building Intensity: The building intensity (16,240 square feet x 30-foot height) would be approximately 42% (487,200 Cubic Feet) of the allowed 1,160,874 cubic foot building intensity.
- 2) Height Limit: The existing building is less than 30 feet in height, well below the 65-foot limit.
- 3) Minimum Lot Size: With approximately 35,720 square feet (0.82 acres), the project site exceeds the 20,000 square foot minimum parcel size requirement.
- 4) Maximum Lot Coverage. The existing building covers approximately 16,240 square feet, which represents a lot coverage of 46% on the 0.82-acre lot, within the 50% maximum lot coverage allowed.
- 5) Yard Requirements. The property is not located on a block that contains residential zoning so there is no minimum setback from front side or rear property lines. The existing building maintains the following setbacks
  - a. North (side) property line: 0 feet
  - b. East (rear) property line 0 feet
  - c. South (side) property line: more than 40 feet
  - d. West (front) property line: more than 50 feet
- 6) Parking Spaces. Sonoma County Code Section 26-86-010 requires one on-site parking space for every employee to address employee demand as well as occasional delivery and pick-up activity. The project currently provides 26 parking spaces (including three accessible space) less than the estimated 29 spaces necessary for operation of all tenant spaces. Recommended conditions of approval require the applicant to re-stripe the parking lot to increase parking to 29 spaces. After re-striping the site, parking would comply with the County parking standard and is adequate for the demand generated by the maximum number of employees at the project site as well as periodic delivery functions.

- 7) Design Review: The project is consistent with Sonoma County Code Section 26.82 (Design Review) based on the following findings:
- a. The existing structure is compatible with the design and siting of other buildings in the project vicinity because it has existed in the area for decades and is part of the community fabric;
  - b. The project would not alter the appearance of the property because the application proposes no exterior modifications to the existing structure or signs; and
  - c. The location of the existing building and scale of development are compatible with neighboring properties because the existing structure complies with the development standards for the M-2 Zoning District that apply to the subject and adjoining properties.

Further, the project is consistent with the Valley Oak Habitat Combining District (Sonoma County Code sections 26-67-005 through 26-67-050) because the proposed project is located entirely within an existing structure and would not alter existing vegetation at the project site.

In conclusion, the proposed project is consistent with the building intensity and development criteria established by the Sonoma County Code Title 26 for a cannabis operation subject to Use Permit approval in the M2 Zoning District and is consistent with the purpose and objectives of the Valley Oak Habitat Combining District.

## ***II) Cannabis Ordinance– Commercial Cultivation and Manufacturing***

Commercial cannabis distribution, transportation and manufacturing are allowed uses in the Heavy Industrial Zoning District (M2) pursuant to the Cannabis Land Use Ordinance (Sonoma County Code Sections 26-88-250 through 258), which was adopted on December 20, 2016 (Ordinance No. 6189) and amended on October 16, 2018 (Ordinance No. 6245). Cannabis operations must comply with the development criteria and operating standards within Sections 26-88-250 through 26-88-254 of the Zoning Regulations including the following:

- 1) All structures used for cannabis operations shall comply with the setbacks for the base zone and any applicable combining zone.
- 2) Structures associated cannabis operations shall not be located in the front yard setback area and shall be screened from public view.
- 3) There shall be no exterior evidence of a cannabis operation either within or outside the structure.
- 4) Indoor distribution, transportation or manufacturing are not required to be set back from schools, parks, childcare centers, and drug rehabilitation facilities.

- 5) Commercial cannabis operations shall be subject to inspections by appropriate local and state agencies, including but not limited to the Departments of Health Services, Agriculture/Weights & Measures, and Permit and Resource Management. Cannabis operations will be inspected at random times for conformance with the county code and permit requirements;
- 6) Monitoring is required for each cannabis operation. The Applicant/Business Owner/Operator shall submit to Permit Sonoma a Department of Agriculture Monitoring Fee. In addition, the Applicant/Business Owner/Operator shall be responsible for payment of any additional monitoring fees that exceed the initial deposit (based upon hours of staff time worked);
- 7) A Waste Management Plan shall be submitted for review and approval by Permit Sonoma demonstrating that the storing, handling and disposing of all waste by-products will comply with the Best Management Practices issued by the Agricultural Commissioner; and
- 8) A waste water management plan shall be submitted for approval by Permit Sonoma demonstrating that operation complies with the Best Management Practices issued by the Agricultural Commissioner. The Applicant/Business Owner/Operator shall submit evidence verifying compliance with the Waste Discharge Requirements of the Regional Water Quality Control Board, or waiver thereof.

**Staff Comment:** The project would comply with Cannabis Ordinance Regulations as expressed in Sections 26-88-250 through 26-88-254 of the Sonoma County Code.

- 1) The 35,720 square foot parcel size complies with the 20,000 square foot minimum lot size of the M2 zone for parcels that are served by public sewer service. As discussed under issue #3 Section I) [Heavy Industrial District (M2)] above, the existing structure complies with the setback requirements for the Heavy Industrial District (M2). and the Valley Oak Habitat Combining District.
- 2) No front-yard setback is required in the M2 Zoning District, but the existing building is oriented to face the side yard and to be set back from the street. Consequently, the structure is not located within the front-yard of the property, and existing mature vegetation screens the structure from public vantage points.
- 3) The proposed project is located entirely within the existing structure that is surrounded by mature vegetation that effectively screens the building from off-site locations. The building has relatively few windows except at the primary entrance, a location that is used for office space, restroom and foyer. In combination, the building design and existing landscaping combine to ensure the cannabis operation is not evident from the building exterior.
- 4) Cannabis distribution, transportation and manufacturing uses are not required to be setback from schools, public parks, childcare centers, or alcohol or drug treatment facilities for indoor operations. Regardless, there are no parks, childcare centers, or alcohol or drug treatment facilities located within 1,000 feet of the project site. The site is located approximately 830 feet from the nearest school (New Directions School) as measured

from property line to property line. The existing building is located approximately 1,460 feet from the nearest school structure.

- 5) The project is consistent with the operating requirements of the Sonoma County Code because:
  - a) The project site is connected to municipal water services supplied by Santa Rosa Water;
  - b) The Applicant/Business Owner/Operator has opted into Sonoma Clean Power and selected the Evergreen option, and electricity will be from 100% renewable sources.
  - c) No volatile substances will be used in the manufacturing process. Prohibited substances include: (1) explosive gases, such as Butane, Propane, Xylene, Styrene, Gasoline, Kerosene, O<sub>2</sub> or H<sub>2</sub>; (2) dangerous poisons, toxins, or carcinogens, such as Methanol, Methylene Chloride, Acetone, Benzene, Toluene, and Tri-chloro-ethylene; and (3) other substances deemed to be volatile by the Fire Marshall.
  - d) The facility is in the Rincon Valley Fire Protection District and will be equipped with fire alarm systems and sprinklers. The Applicant/Business Owner/Operator has placed fire extinguishers throughout the facility.
- 6) Standard conditions of approval require the project to be constructed, maintained, and operated in conformance with applicable county and state statutes, ordinances, rules, and regulations, and require the Applicant/Business Owner/Operator to a fee to cover the cost of monitoring by Permit Sonoma and the Department of Agriculture.
- 7) Solid waste will include, garbage, recycling, and small amounts of hazardous materials that will be treated as follows:
  - a. The facility has contracted with the local waste hauler to have garbage and recyclables picked up from the location on a weekly basis;
  - b. Garbage and recycled material containers will be stored indoors until the night prior to pick up.
  - c. The operation will follow state and local requirements for disposal of any hazardous materials and cannabis products.
- 8) The applicant has submitted a waste water management plan demonstrating that operation will comply with the Best Management Practices. The facility is connected to the City of Santa Rosa sewer system.

#### **Issue #4:** Environmental Determination

The project is subject to the California Environmental Quality Act (CEQA).

**Staff Comments:** Staff has determined that the project is categorically exempt under CEQA Guidelines Section(s) 15301, Existing Facilities. *Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.*

The project proposes to operate a nonvolatile cannabis manufacturing operation within an existing industrial building. Consistent with CEQA Guidelines Section 15301(a), proposed physical improvements consist of alterations that are limited to interior partitioning as well as minor building and site improvements to satisfy operational and code requirements (e.g. e.g. restriping the parking lot). The premises is currently being used for nonvolatile cannabis manufacturing and thus the proposed project involves negligible or no expansion of the existing use.

This project would result in minor alteration of an existing private structure involving negligible expansion of uses allowed in the industrial (M2) zoning district. The project is consistent with the General Plan and Sonoma County Code requirements for the property, is located on an existing developed site, will not involve notable changes to the existing facilities, and provides adequate parking for proposed operations. Two other cannabis uses are proposed for the subject property and there are three other cannabis uses proposed in the project vicinity. Cannabis uses are allowed within the M2 Zoning District and none of these projects result in expansion of existing structures or require extension of public services, therefore the project would not result in cumulative or growth inducing impacts. For these reasons, there is no reasonable possibility that the project will have a significant effect on the environment due to unusual circumstances (15300.2).

**Issue #5:** Neighborhood Compatibility

***1) Parking***

In responses to a courtesy notice circulated to neighboring properties in October of 2018, three issues surfaced as areas of local concern:

- 1) Parking;
- 2) Proximity to schools; and
- 3) Concentration of uses / Security

The project site contains 26 parking spaces. At the time that this building was constructed, this amount of parking was found to be adequate for industrial uses (e.g. manufacturing, warehousing, etc.). While aspects of the proposed cannabis distribution and manufacturing uses are similar to allowed industrial uses, Permit Sonoma was concerned that the number of employees may result in an increase in parking demand over typical industrial uses. Sonoma County Code section 26-86-010 requires parking for medical cannabis dispensaries to include parking for patrons (varies by size of facility) plus 1 parking space for each employee on the maximum shift. The Code does not establish parking standards for other cannabis operations. Permit Sonoma staff has determined that cannabis distribution and manufacturing operations generate comparable employee demand for parking as a dispensary (one on-site parking space for each employee) but will not generate

additional parking demand from patrons because public access is not allowed for non-dispensary cannabis operations.

Using the standard of one on-site parking space for each employee, the existing parking is adequate to support the subject application as well as two other pending cannabis Use Permits. There is, however, an un-leased portion of the building that, if occupied by a tenant, could generate parking demand that could over burden existing parking facilities on-site.

**Staff Comments:** The application proposes 6 employees at maximum occupancy. The site currently contains 26 parking spaces (including three accessible space). As shown in **Table 1: Parking Demand**, pending cannabis projects would exhaust on-site parking and no space would be available for unleased tenant space. Proposed operations result in approximately 1 employee / 550 square feet. If the tenant space was to be leased for other cannabis use, a ratio of 1 employee / 550 square feet would result in 3 employees within the 1,780 square foot vacant space and would generate parking demand for 3 additional parking spaces. Non-cannabis industrial uses (e.g. manufacturing and warehousing) require one parking space for every 500 to 2,000 square feet. Based on these standards, manufacturing or warehouse use of the vacant tenant space would generate demand for 0.89 - 3.56 parking spaces. Consequently, staff is recommending conditions that require restriping of the parking lot to add three additional parking spaces to support additional cannabis or other industrial use at the site.

**Table 1: Parking Demand**

Standish Property	UPC17-0040	UPC17-0103	Vacant Space	UPC17-0100	Total
Suite #	100	102	104	106	4
Unit Size (SF)	3,645	5,215	1,780	5,600	16,240
Existing Parking	12	6	0	8	26
Estimated Parking Demand (1 space / Employee)	12	6	3	8	29
Surplus/(Deficit)	-	-	(3)	-	(3)

To accommodate anticipated future parking demand, the applicant evaluated the site plan and found that they could increase on-site parking to 29 spaces by incorporating compact spaces as allowed by Sonoma County Code. The applicant submitted a parking layout plan (see Exhibit I) showing how the site could be re-striped to provide 29 spaces as follows:

- 22 standard auto spaces (9' x 20');
- 4 compact auto spaces (8' x 16');
- 3 ADA auto spaces (12' x 20');
- 5 motorcycle spaces (4' x 6'); and
- Preserves aisle widths of 24'.

In order to accommodate parking need at the project site, staff is recommending conditions of approval that require the applicant to re-stripe the parking lot to increase parking to 29 spaces. As conditioned, parking would comply with the County parking standard and is adequate for the demand generated by the maximum number of employees at the project site as well as periodic delivery functions.

## ***II) Proximity to Schools***

The Sonoma County Office of Education has submitted a general letter (not specifically related to this project) indicating that they would object to any cannabis operation located within 1,000 feet of a school.

**Staff Comments:** The Sonoma County Code does not require indoor distribution, transportation, and manufacturing operations to maintain setbacks from schools, public parks, childcare centers, or alcohol or drug treatment facilities.

The Cannabis Ordinance originally required a 1,000-foot setback from outdoor and mixed-light cultivation operations and dispensaries to schools, public parks, childcare centers, and alcohol or drug treatment facilities, but not a setback requirement for other cannabis operations. When amending the Cannabis Ordinance in October of 2017, the Board of Supervisors reconsidered the setback requirements for cannabis operations, including input from the Office of Education requesting a 1,000-foot setback between all cannabis operations and schools. After considering all factors, the Board of Supervisors added a 600-foot setback requirement between schools and indoor cultivation operations in agricultural and resource zones but did not impose similar setback requirements on other indoor cannabis operations in industrial zones, after determining that such operations would be able to mitigate external impacts.

The New Directions School is the nearest school to the project site. As a non-public school, it is not operated by the Sonoma County Office of Education. The project site is located approximately 830 feet from the school as measured from property line to property line and approximately 1,460 feet as measured from structure to structure.

For the following reasons, staff finds the separation to schools to be adequate and is recommending approval of this Use Permit:

- 1) The project would be located within an existing industrial structure, would not expand or increase the existing footprint, and will not employ volatile solvents in its cannabis manufacturing operations;
- 2) There would be no external evidence of cannabis operations at the project site;

- 3) The project site is screened from surrounding schools by intervening structures and existing vegetation;
- 4) The project will operate in compliance with provisions of the Cannabis Ordinance designed to ensure site security (refer to IV. Concentration / Security below); and
- 5) Indoor manufacturing operations do not generate significant odor that would cause potential compatibility concerns with schools or other sensitive land uses.

### **III) Air Quality and Odors**

The nature of the operation (indoor, nonvolatile manufacturing) will limit the source of cannabis related odors on site. However, the applicant is proposing to employ an air filtration system to reduce potential odors by employing a negative pressure air filtration system to ensure odors do not escape the building. The air filtration system will be properly maintained to ensure air quality.

The air filtration system and management practices will reduce the potential for air quality and odor issues outside of the building. Conditions of approval require that there is no associated cannabis odor at the property line.

### **IV) Concentration / Security**

Neighboring business owners have expressed concern that the concentration of cannabis businesses in the Standish Avenue area could reduce safety and security. The primary concern is that the concentration of cash-based businesses would attract criminal interest and reduce security in the area.

In adopting the Cannabis Land Use Ordinance, the Board of Supervisors found that security issues could be addressed through compliance with the security and fencing requirements. The Cannabis Ordinance requires applicants to maintain all aspects of an approved site security plan (held confidentially at Permit Sonoma). The site security plan shall include, at a minimum, professionally monitored video surveillance, of which recordings will be kept for at least 30 days, locking doors, lighting, and alarms. Weapons and firearms are prohibited on site. Cash is not stored on-site and is limited to the minimum need for daily operations.

**Staff Comment:** The following six cannabis permits are located on or near Standish Avenue and are currently under review by Sonoma County. The three permits shown in **bold text** are located on the subject property.

**3414 Standish Avenue: UPC17-0040** (distribution and transportation),

**3418 Standish Avenue: UPC17-0100** (distribution and transportation),

**3416 Standish Avenue: UPC17-0103** (manufacturing),

3333 Standish Avenue: UPC18-0041 (cultivation, manufacturing, processing, distribution),

298 West Robles Avenue: UPC18-0012 (cultivation and propagation),  
3635 Standish Avenue: UPC18-0006 (manufacturing, distribution and transportation),

The application includes a Cannabis Security and Fencing Plan that outlines security measures for this project in compliance with the above requirements from the Cannabis Ordinance. There will be no external evidence of cannabis operations. The site is fully screened from public view due to mature vegetation surrounding the building. All operations will be fully contained within a structure that has locking doors that will remain locked. There are exterior and interior video surveillance systems. The surveillance system will be maintained in good working condition, and surveillance videos will be maintained for at least 30 days as required by Sonoma County Code, or longer as required by local or state law. Management practices will ensure that all deliveries and pickups are scheduled in advance and access will require site authorization for scheduled delivery. Employees will be trained on security and safety protocols. The Applicant's security plan is also designed to discourage loitering and other nuisance activities.

The concentration of cannabis uses also creates opportunities for operators to share resources in a way that increases security. For this particular project, staff is recommending conditions of approval that require the following supplemental security elements:

- 1) Require remote monitoring of surveillance cameras after hours;
- 2) Require each entrance to install intercom that allows for visitor screening before entry is allowed; and
- 3) Prohibit advertising, logos, or signs on delivery and transportation vehicles that indicate they are associated with cannabis uses.

In combination, the proposed security plans and the additional security measures required by conditions of approval will ensure that operations are secure.

#### **STAFF RECOMMENDATION**

Staff recommends the Board of Zoning Adjustments hold a public hearing and approve the Use Permit for a Five-Year Limited Term Indoor nonvolatile cannabis manufacturing operation subject to the attached Conditions of Approval.

#### **FINDINGS FOR RECOMMENDED ACTION**

1. General Plan Consistency: The proposal is consistent with the overall goals, objectives, policies, and programs of the General Industrial General Plan designation because:
  - a. A commercial cannabis indoor, nonvolatile manufacturing operation will help meet the service and employment needs of the County on property that has existing

- public services (e.g. sewer, water, gas and electric services) that are adequate to support the proposed operation;
- b. The project is consistent with the development intensity criteria (height and lot coverage) of the General Industrial land use designation; and
  - c. The project is located on land with convenient access to arterial roads, that is located near population concentrations, is not subject to flooding, or geologic hazards, and complies with the overall goals, objectives, policies, and programs of the General Industrial Land Use Designation.
2. South Santa Rosa Area Plan Consistency: The proposed project is consistent with the goals, policies and objectives of the South Santa Rosa Area Plan because it will not alter existing natural resources, would support industrial uses in an area that is not subject to flooding, does not require the expansion of urban services, and would not conflict with other industrial uses in the area.
3. Zoning Consistency: The proposal is consistent with the Heavy Industrial District (M2) Zoning Classification, because:
- a. The proposed cannabis operation is an allowed use in the Heavy Industrial Zoning District pursuant to the Sonoma County Code Sections 26-48-005 through 030 and 26-88-250 through 258;
  - b. The proposed project complies with the building intensity and development criteria established for the M2 Zone in Sonoma County Code Section 26-48-030; and
  - c. The proposed project will satisfy the Cannabis Ordinance operational requirements established by Sections 26-88-250 through 26-88-254 of the Sonoma County Code.
  - d. The establishment, maintenance or operation of the use for which application is made will not, under the circumstances of this particular case, be detrimental to the health, safety, peace, comfort and general welfare of persons residing or working in the neighborhood of such use, nor be detrimental or injurious to property and improvements in the neighborhood or the general welfare of the area. The design, location, size, and operating characteristics of the use is compatible with the existing and future land uses within an M2 Zoning District and on adjoining property that are zoned for industrial uses because:
    - i. Hours of operation for delivery and shipping activities shall be limited to 8:00 AM to 5:00 PM;
    - ii. The existing structure is screened from public view by existing mature vegetation;
    - iii. Security measures will be implemented to uphold the health, safety, peace, comfort, and general welfare of persons residing or working in the project area;
    - iv. No public access or retail sales are permitted;

- v. Hazardous materials (e.g. cleaning products) will be stored on site and disposed of in compliance with Fire Code requirements;
  - vi. All equipment shall comply with General Plan Noise Standards;
  - vii. All energy will come from Sonoma Clean Power and will be 100% renewable;
  - viii. The project includes an Odor Control Plan that establishes systems and management practices that will reduce the potential for air quality and odor issues outside of the building; and
  - ix. The project will operate in accordance with the Cannabis Ordinance and will not create a public nuisance or adversely affect the health or safety of the nearby residents or businesses by generating dust, light, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration, or be hazardous due to the use or storage of materials, processes, products, runoff or wastes.
- e. The project is consistent with Sonoma County Code Section 26.82 (Design Review) and qualifies for an administrative design review approval based on the following findings:
- i. The existing structure is compatible with the design and siting of other buildings in the project vicinity;
  - ii. The application proposes no exterior modifications to the existing structure or signs; and
  - iii. The existing structure complies with the development standards for the M-2 Zoning District.
4. Environmental Finding for Exemption: The physical impacts associated with permitting the proposed nonvolatile cannabis manufacturing operation which would legalize an existing operation within an existing facility would result in no, or negligible, expansion of the existing facility or intensity of the use, and result in only minor interior alterations which are exempt from environmental review pursuant to Section 15301, Existing Facilities, of the California Environmental Quality Act Guidelines. Specifically, CEQA Guideline section 15301 categorically exempts the proposed minor modifications (e.g. interior wall partitions, electrical and plumbing improvements). Further, the existing facility and use is consistent with the zoning designation and other uses in the area, and thus there is no reasonable possibility that the project will have a significant effect on the environment due to unusual circumstances.

#### **LIST OF ATTACHMENTS**

- EXHIBIT A: Draft Resolution and Conditions of Approval
- EXHIBIT B: Project Proposal Statements
- EXHIBIT C: Vicinity Map
- EXHIBIT D: General Plan Land Use Map
- EXHIBIT E: Zoning Map
- EXHIBIT F: Site Plan

EXHIBIT G: Floor Plans

EXHIBIT H: Proposed Parking Plan

EXHIBIT I: Site Photos

Supplemental Materials Provided by Applicant

---