



STAFF REPORT

PLANNING COMMISSION MEETING

August 09, 2017

TO: Honorable Chair and Commissioners

FROM: David Loya, Director of Community Development

PREPARER: Saskia Burnett, Planner

DATE: July 24, 2017

TITLE: **Approve a Medical Commercial Cannabis Manufacturing Facility Use Permit and a Design Review Permit for Humboldt Harvest Wellness: 280 Aldergrove Road; File No. 167-038-UP2-DR.**

RECOMMENDATION:

Staff recommends that the Planning Commission approve a Use Permit and Design Review Permit for the development and operation of a medical cannabis manufacturing business at the subject property by adopting: 1) the Planning Commission Action, including the Findings of Approval, and Conditions of Approval (Attachment A); and 2) a California Environmental Quality Act Categorical Exemption, per Section 15301 Existing Facilities, Class 1.

INTRODUCTION:

The applicant, Humboldt Harvest Wellness, seeks a Use Permit to develop and operate a multi-tenanted, medical cannabis manufacturing facility at an existing, developed industrial property located in Area 2 of the Medical Marijuana Innovation Zone (MMIZ). The project proposes to remodel the existing 4,000 square foot building to provide kitchen and extraction space for the applicant's business and well as space for rent by other medical cannabis businesses. There will be no cannabis cultivation on-site. Design Review is required for minor site improvements such as mechanical equipment, bicycle parking, landscaping, and accessory structures.

DISCUSSION:

The proposed business will occupy an industrial property in the Aldergrove Industrial Park that is fully developed with an industrial building, parking, and landscaping. This development was approved with a Design Review Permit in 1994, and the site layout includes an easement for shared maneuvering area for the parking area with the adjacent parcel to the east that is also developed with an industrial building. Landscaping and signage were also approved for the property.

The project was submitted December 28, 2016, and is the sixth medical cannabis Use Permit application received for Area 2 of the MMIZ combining zone. Commission review of the application has been deferred until Code amendments were in effect that allow up to 20 medical cannabis Use Permits to be approved in Area 2.

The proposed medical cannabis business meets Arcata Land Use Code Industrial Limited and Medical Marijuana Innovation Zone Combining Zone development standards. Referral department and agencies recommended approval. Their comments are included in draft conditions of approval. Project application materials and compliance with City standards are included for Commission review in Attachments B and C, respectively.

The applicant's business operation involves receiving cannabis from local growers that will be processed and manufactured in commercial kitchens and extraction areas to produce cannabis infused products. This will be one of many extraction and reprocessing businesses that may operate in the facility. The facility may run with permanent or temporary tenants as a commercial lease kitchen. The exact operations, methods and businesses that will operate from the facility are not known at this time. All businesses that operate in the facility will be required to obtain a Commercial Cannabis Activity Permit and a state license when available to begin operations.

Final floor plans and specific uses are not solidified at this time. The permit has been written to authorize solvent-based or solventless extraction, processing, and manufacturing of value-added products using site processed or pre-processed cannabis and then ancillary storage and shipping necessary to facilitate seven kitchens operating multiple tenants/businesses. No cultivation is authorized under this permit.

The facility would operate between 8:00 am and 8:00 pm, five to seven days per week. Given the proposed floor plan and the applicant's estimate of 1-2 employees working at a time for their business, there could be between 7-14 people working at the facility at one time. The business plan states that rotation of businesses would be coordinated to minimize parking impacts. Existing parking, proposed bicycle parking, and proximity to a bus stop on West End Road is expected to meet employee parking and transportation needs.

ENVIRONMENTAL REVIEW (CEQA):

The project qualifies for a California Environmental Quality Act (CEQA) Categorical Exemption based on Section 15301, Existing Facilities. This CEQA finding is based on the proposed medical cannabis use at the subject property (280 Aldergrove Road, APN 507-461-059) meeting the approved plans and conditions, plans of operation for the business, Arcata Land Use Code standards, City standards and regulations, and the City's Commercial Cannabis Activity Permit regulations.

California Environmental Quality Act (CEQA) Findings are included in Attachment A – Findings of Approval.

ATTACHMENTS:

- A. Action, Findings, Conditions (PDF)
- B1. Site, Floor Plans, Photos (PDF)
- B2. Business, Operational Plans (PDF)
- C. Compliance Table, Property Report (PDF)