



COUNTY OF LAKE
COMMUNITY DEVELOPMENT DEPARTMENT
255 N. Forbes Street – 3rd Floor
Lakeport, California 95453
Planning • Building • Code Enforcement
Phone: (707) 263-2221 • Fax: (707) 263-2225

Item 6b
9:20 AM
July 9, 2026

TO: Planning Commission

FROM: Mireya G. Turner, Community Development Department
Pablo Guerrero, Assistant Planner

DATE: July 09, 2026

SUBJECT: Consideration of proposed Major Use Permit Amendment PL-25-243 (UP 24-20) East Side Farms, Inc./ Ross Cunningham proposes a maximum of up to 50,560 square feet of outdoor commercial cannabis canopy and appurtenant facilities located at 23071, 23179, 23131, 23083, 23143, and 23119 Jerusalem Grade, Middletown (APNs 013-015-36, 013-015-38, 013-015-39, 013-015-40, 013-015-43, and 013-015-57).

EXECUTIVE SUMMARY

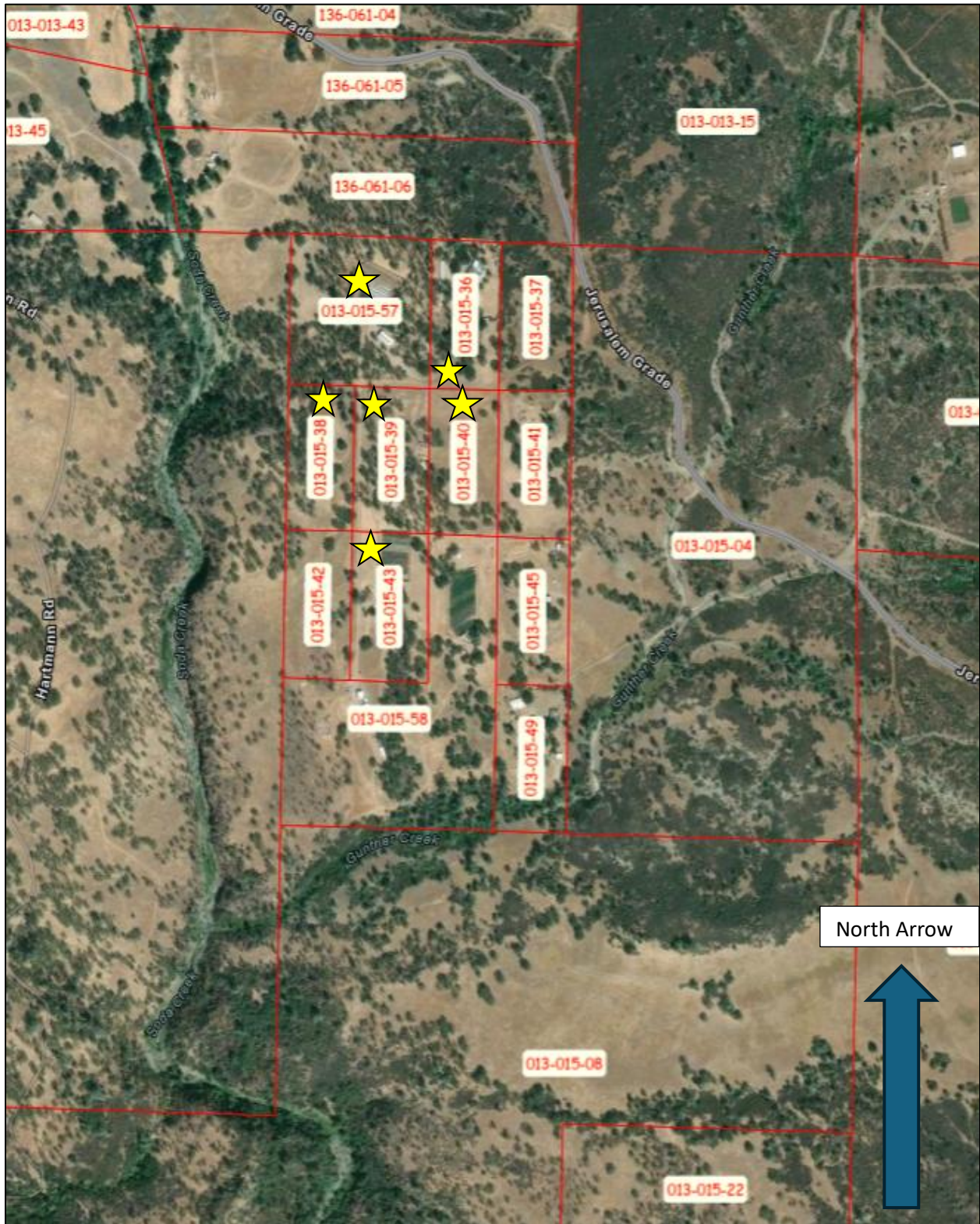
Requested Action:

The Planning Commission will consider the approval of Major Use Permit amendment PL-25-243 and the associated Mitigated Negative Declaration to expand an existing commercial cannabis cultivation operation located at 23071, 23179, 23131, 23083, 23143, and 23119 Jerusalem Grade, Middletown (APNs 013-015-36, 013-015-38, 013-015-39, 013-015-40, 013-015-43, and 013-015-57).

Project Overview:

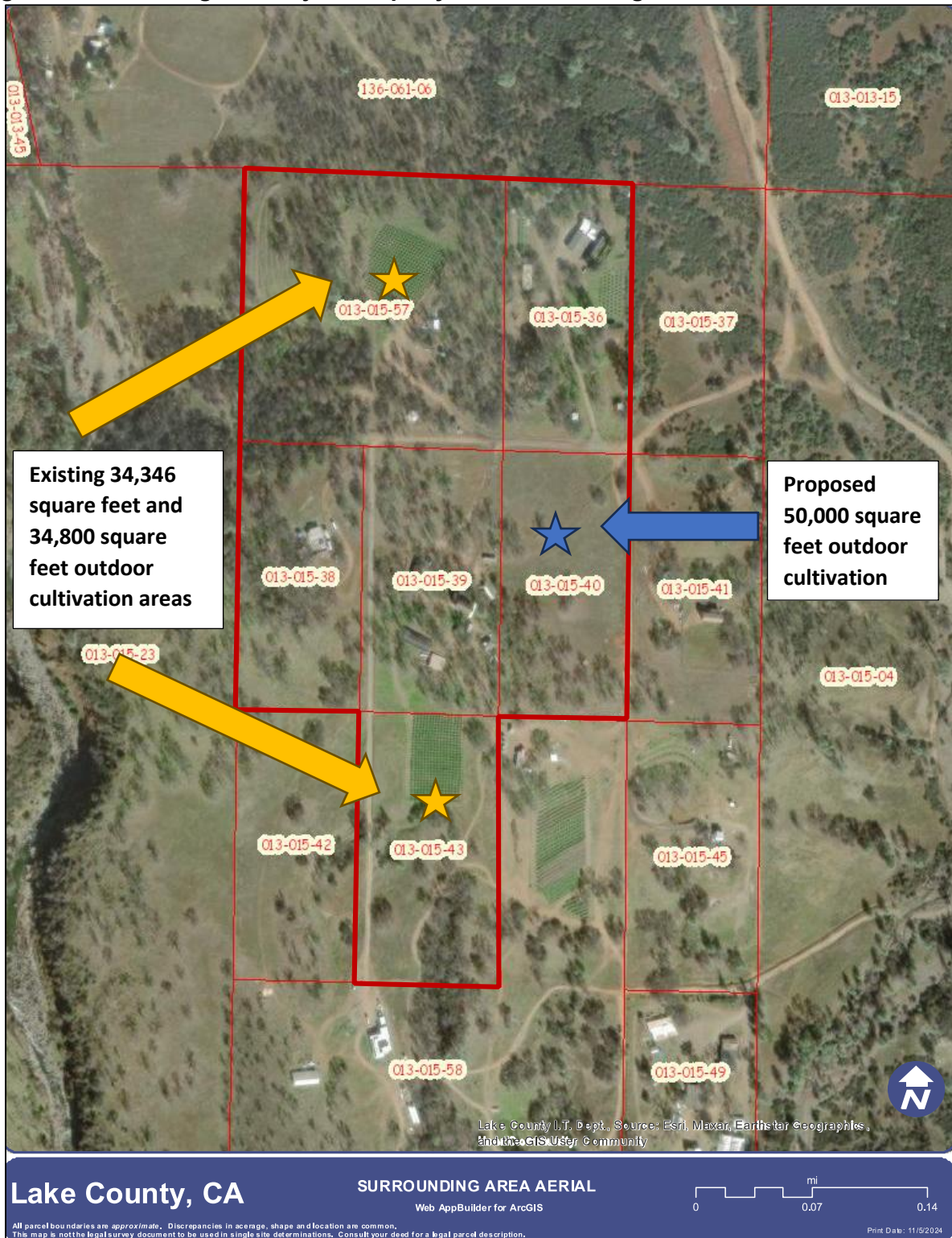
East Side Farms, Inc. proposes to expand an existing commercial cannabis cultivation operation on the Project Parcels located at 23071, 23179, 23131, 23083, 23143, and 23119 Jerusalem Grade, Middletown (APNs 013-015-36, 013-015-38, 013-015-39, 013-015-40, 013-015-43, and 013-015-57). The applicant currently operates an A-Type 3 "Medium Outdoor" Cultivation under Major Use Permit (UP 19-43). The proposed expansion would utilize the parcels: 013-015-36, 013-015-38, 013-015-39, 013-015-40, 013-015-43, and 013-015-57 (totaling 35 acres). Adding three A-Type 1C License Types to the existing A-Type 3, with a total combined aggregate cannabis canopy of 50,560 square feet within outdoor cultivation area totaling 119,146 square feet. Appurtenant facilities for cultivation uses are a total of 8,320 square feet combined.

Figure 1 – Vicinity Map



Source: Lake County ArcGIS, 2026

Figure 2: Aerial Image Of Project Property and Surrounding Area



Source: Lake County Parcel Viewer, 2025

PROJECT SUMMARY

The Applicant currently operates an A-Type 3 “Medium Outdoor” cultivation operation on the Project property under Major Use Permit (UP 19-43) commercial cannabis of up to 28,960 square feet of canopy.

The Project property has been improved with the following:

- A primary residence
- Residential accessory structures
- Garden 1: 14,880 sq. ft. of cannabis canopy (existing)
- Garden 2: 14,080 sq. ft. of cannabis canopy (existing)
- Interior access road improvements and dirt and gravel driveways
- Two onsite groundwater wells
- A 30,000-gallon metal fire water storage tank and hydrant
- 8’ X 8’ (64 sq. ft.) Pesticides & Agricultural Chemicals Storage Shed (existing)
- Ground and roof-mounted solar arrays
- Five 2,500-gallon water storage tanks for irrigation
- 30’ x 70’ (2,100 sq. ft.) metal building
- 28’ X 40’ (1,120 sq. ft.) wooden barn

The proposed improvements include:

- Garden 3: 21,600 sq. ft. of cannabis canopy (proposed)
- 30’ X 70’ (2,100 sq. ft.) greenhouse for immature plant cultivation
- 30’ X 100’ (3,000 sq. ft.) metal building for cannabis processing
- Two 2,500-gallon water storage tanks for irrigation
- The existing metal building, 2,100 sq. ft., and wooden barn, 1,120 sq. ft, are being proposed to be utilized for cannabis processing and harvest storage

Construction Details:

Development of the proposed Project would involve the construction of the proposed immature plants greenhouse, 3,000 sq. ft. metal processing building, and fencing around the proposed 50,000 sq. ft. outdoor cultivation area (Garden 3). The applicant proposes to modify the use of the existing barn and metal building for processing cannabis materials. The following equipment is expected to be used to construct the Project facilities:

- Backhoe Loader
- Cement Truck
- Skid steer

- Compactor / Roller
- Scissor Lift / Boom Lift
- Trucks and trailers
- Auger
- Hand tools

Construction activities are expected to occur over a six-to-eight-week period. All construction activities, including engine warm-up, shall be limited to Monday through Friday, between the hours of 7:00 a.m. and 7:00 p.m., and Saturdays between 12:00 noon and 5:00 p.m. Total construction-related vehicle trips are estimated to range between 120 and 160, including delivery of construction materials. Materials and equipment would be staged on existing roads, parking spaces and work areas. Grading less than 500 cubic yards would occur to create level pads on which the proposed processing building and immature plant area/greenhouse are to be constructed. The project would displace approximately 100 cubic yards for the development proposed and proposes to clear approximately 60,000 square feet of vegetation (Attachment 5). Additionally, approximately 185 cubic yards of gravel would be imported to widen and armor an existing access road of the Project property, which would be used to access the proposed Processing Building. Grading activities shall adhere to Chapter 30 of the Lake County Zoning Ordinance.

Operation

Operations would occur up to seven days per week between March through November, with outdoor cultivation occurring between May through October. Hours of Operation would be Monday through Sunday during daylight hours from approximately 6:00 a.m. to 10:00 p.m. The Lake County Zoning Ordinance restricts deliveries and pickups from 9:00 a.m. to 7:00 p.m., Monday through Saturday, and Sunday from 12 noon to 5:00 p.m. Once operational, the proposed project would staff approximately two full-time employees and two seasonal employees for planting and harvesting. Daily traffic commutes would be approximately four trips during regular operations, and up to eight commutes during the peak harvest and processing periods. Weekly truck deliveries of various project-related materials would occur throughout the year.

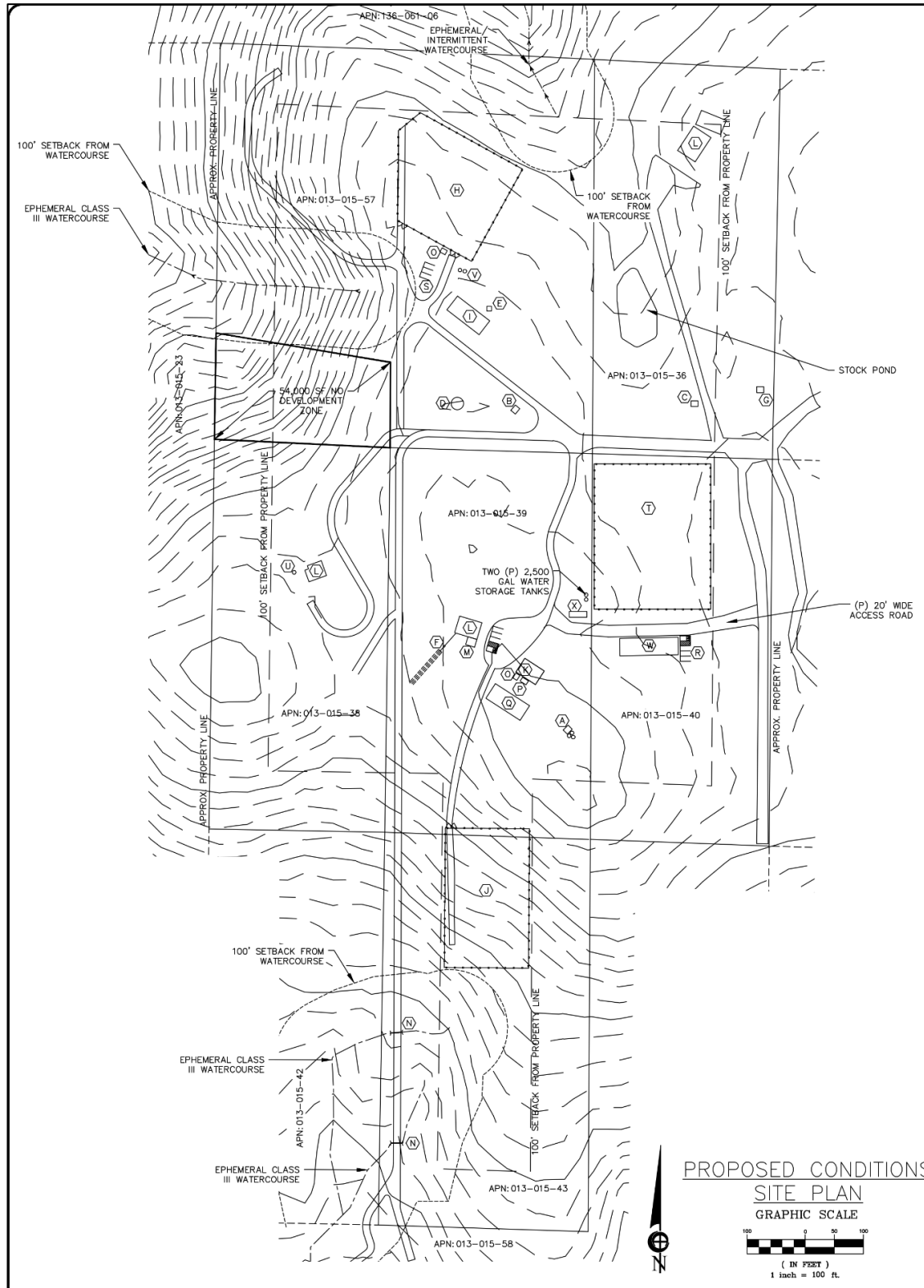
The growing medium of the existing and proposed outdoor cultivation areas would be an amended native soil mixture at or below grade, with drip irrigation systems. The growing medium of the proposed immature plants greenhouse would be an imported soilless growing medium in nursery pots that are hand watered. Serpentine soil is present within the proposed cultivation area. Development in areas with serpentine soils present require an asbestos mitigation plan to be approved by the Lake County Air Quality Management

District. Consistent with proposed conditions of approval (Attachment 2). All agricultural chemicals (fertilizers, amendments, pesticides, and petroleum products) would be stored within the existing pesticides & agricultural chemicals storage shed. According to the applicant's Property Management Plan, only pesticides approved by the California Department of Pesticide Regulation and/or the California Department of Food and Agriculture for use on cannabis would be used.

Table 1: Technical Studies Submitted

| APN | Study | Date |
|---------------------------------|---|-------------------|
| 013-015-39 & 57 | Protocol-level Special-status Plant Surveys | May 24, 2019 |
| 013-015-57 | Protocol-level Special-status Plant Surveys | April 6, 2021 |
| 013-015-36, 39, 43, & 57 | Protocol-level Special-status Plant Surveys | April 23, 2024 |
| 013-015-36, 38, 39, 40, 43 & 57 | Protocol-level Special-status Plant Surveys | June 11, 2024 |
| 013-015-38, 39, 40, 43 & 57 | Protocol-level Special-status Plant Surveys | March 9, 2026 |
| 013-015-36, 38, 39, 40, 43 & 57 | Hydrological Assessment, Hurvitz Environmental Services (HES) | June 6, 2025 |
| 013-015-36, 38, 39, 40, 43 & 57 | Cultural Resource Assessment, John W. Parker, Wolf Creek Archeology | November 19, 2024 |

Figure 3 – Site Plans (Attachment 1)



Source: Realm Engineering Site Plans, 2024

SITE CONTEXT

| | |
|----------------------|--|
| Location | 23071, 23179, 23131, 23083, 23143, and 23119 Jerusalem Grade, Middletown |
| General Plan | Rural Lands |
| Zoning District | “RL”– Rural Lands |
| Parcel Size | Combined \pm 35 acres |
| Flood Zone | Zone “D “Areas in which flood hazards are undetermined, but possible |
| Fire District | South Lake County Fire Protection District |
| Access | Jerusalem Grade |
| Supervisory District | District 1 |

The property currently operates as an active commercial cannabis farm includes a primary residence, barn, metal agricultural building, featuring multiple existing structures and infrastructure improvements, both residential and commercial. The site includes two fenced outdoor cultivation areas, onsite groundwater wells, water storage facilities, solar arrays, and various accessory outbuildings.

The property is predominantly flat. No tree clearing is proposed, and site work includes building pad preparation for the proposed structures that would be included in a building permit. The field designated for the proposed canopy areas has already been fully fenced. The surrounding area consists of rural residential land and active commercial cannabis operations.

The project observes all required waterway setbacks, as documented in the Site Plans (Attachment 1). The nearest off-site residence is located approximately 300 feet from the cultivation area, satisfying the 200-foot minimum setback requirement established under Article 27.11, Chapter 21 of the Lake County Zoning Ordinance. The property contains no wetlands. The project site is enrolled in the State Water Resources Control Board's Cannabis General Order (Order No. WQ 2019-001-DWQ)

Figure 4 – Site Photo



Source: Staff Site Visit, August 2025

WATER SUPPLY & USE

- Source: Two existing on-site groundwater wells.
- Pump tests were performed of the Project wells in June of 2023. The pump tests indicate that the Project wells have a combined yield of at least 33 gallons per minute, which could produce the maximum estimated daily demand for water of the proposed cultivation operation in less than three and one half hours.
- Annual Demand: ~1,307,349 gallons (4.01 acre-feet) per year.
- The recharge rate for the aquifer is 20,828,640 gallons per year or 63.4 acre-feet per year.
- Hydrology Conclusion: According to the Hydrology Report (Attachment 6), even during drought years, the onsite groundwater well has the capacity to handle the water needs of the proposed Project and would not cause overdraft conditions.
- Finding: Adequate groundwater supply exists to support operations.

- The applicant's Drought Management Plan (Attachment 7) identifies water conservation and reduction measures. The applicant proposes to reduce water usage by 10 percent when drought emergencies are declared for the region by limiting to 5,056 sq. ft. of the proposed canopy area.
-

ENVIRONMENTAL REVIEW (CEQA)

An Initial Study was prepared pursuant to CEQA Guidelines §15063 and was circulated from May 12, 2026, to June 15, 2026.

The Initial Study determined that the project could result in potentially significant impacts in the following areas:

- Aesthetics
- Air Quality
- Biological Resources
- Cultural Resources
- Geology & Soils
- Hazards & Hazardous Materials
- Hydrology & Water Quality
- Noise
- Tribal Cultural Resources
- Wildfire
- Mandatory Findings of Significance

Mitigation measures are incorporated by reference from the IS/MND (Attachment 4) into the Conditions of Approval (Attachment 2). All impacts would be reduced to a less-than significant level through incorporation of mitigation measures and compliance with existing regulations.

No significant and unavoidable impacts were identified. Therefore, preparation of an Environmental Impact Report is not required pursuant to CEQA Guidelines §15070.

GENERAL PLAN & ZONING CONSISTENCY

The project is an allowable agricultural use, maintains required setbacks, and incorporates fire safety, water management, and environmental protection measures. As demonstrated below, the project is consistent with the General Plan, Middletown Planning Area, and the Lake County Zoning Ordinance.

| Policy Area | Conclusion |
|-----------------------------------|---|
| General Plan – Rural Lands | Staff finds the project consistent with the General Plan designation, thereby satisfying the policy requirements of Chapter 3 Land Use; Chapter 7 Health and Safety; Chapter 8 Noise; Chapter 11 Water Resources. |
| Middletown Area Plan | <p>Objective 3.2.1: Maintain and ensure there are adequate water resources for sustainable long-term beneficial uses within the Middletown Planning Area.</p> <ul style="list-style-type: none"> • Policy 3.2.1a: New development should be designed to conserve water through the use of drought resistant vegetation, low flow plumbing fixtures. • Policy 3.2.1b: Encourage groundwater monitoring within the Middletown Planning Area. <p>- The proposed project incorporates sustainable water use measures, including drought-measures, consistent with long-term water conservation goals.</p> <p>Objective 3.4.1: Encourage agricultural development in the Middletown area by supporting programs that help reduce agricultural costs and preclude intrusion of incompatible development into prime agricultural areas.</p> <ul style="list-style-type: none"> • Policy 3.4.1c: Adequate building setback lines or buffer areas shall be encouraged in land divisions in any areas contiguous to agricultural operations where dust, noise, spray drift or other nuisance conditions could result in conflicts due to normal farming practices. <p>- The proposed project is consistent with surrounding land uses and is not anticipated to generate dust, noise, spray drift, or other nuisance conditions that would conflict with adjacent agricultural operations. Adequate setbacks and buffer areas will be incorporated as required through the land division process.</p> <p>Objective 4.4.1: Minimize air pollution emissions and maintain clear visibility for the area’s viewsheds.</p> |

| Policy Area | Conclusion |
|-------------|--|
| | <ul style="list-style-type: none"> • Policy 4.4.1d: Reduce air quality impacts related to release of asbestos related materials during disturbance of serpentine soil areas. <p>- An asbestos dust mitigation plan shall be reviewed and approved by the Lake County Air Quality Management District (LCAQMD) prior to any ground disturbance occurring within areas underlain by serpentine soils, consistent with the requirement to reduce air quality impacts associated with naturally occurring asbestos.</p> <p>Objective 5.1.1: Encourage comprehensive economic development that includes a high level of community participation to the long range benefit of the Planning Area with a balanced and diverse mix of commercial, manufacturing, residential, tourism and agriculture.</p> <ul style="list-style-type: none"> • Policy 5.1.1a: Economic development proposals should involve a high level of community participation. <p>- The proposed project has been developed with opportunity for community participation through the public review and permitting process, consistent with the goal of encouraging comprehensive economic development with broad community involvement.</p> <p>Objective 5.1.5: Encourage comprehensive economic development efforts for the long-term benefit of the Planning Area aimed at increasing local employment opportunities.</p> <ul style="list-style-type: none"> • Policy 5.1.5b: "Priority should be given to providing service and employment opportunities locally." • Policy 5.1.5c: "Increase local employment opportunities in order to provide an adequate number of jobs to support the local population." <p>- The proposed cannabis project would generate local employment opportunities within the Middletown Planning Area, providing service and operational positions that support the local workforce and contribute to the area's long-term economic development goals.</p> |

| Policy Area | Conclusion |
|--|---|
| Zoning: Article 7 – “RL”; Article 27.11(at) – Cannabis Uses | Permitted under Article 7.5 with a Major Use Permit. Under Article 27.11(at), cannabis cultivation with Major Use Permit in “RL” zoning is allowable. |
| Setbacks & Canopy Limits | <ul style="list-style-type: none"> • The total acreage combined is ±35 acres. • The cultivation site is set back a minimum of 100 feet from the nearest property line. • The nearest off-site residence is approximately 300 feet from the Project site meeting the 200-foot minimum. • No cannabis cultivation activities nor agricultural chemicals storage is proposed within 100 feet of the unnamed ephemeral watercourses or seasonal stock pond of the Project property. • The total combined proposed canopy areas would be approximately 50,560 square feet of outdoor commercial cannabis canopy area. |
| Lake County Code | There are no violations of Chapter 5, 17, 21, 23, or 26 |
| Background Checks | Lake County Sheriff’s Office affirmed qualification of the applicant. |

CANNABIS PROJECTS PROXIMITY TO SITES:

There are two pending and five approved projects within a 1-mile radius.

Five Approved Projects Canopy Sizes:

| Project | Size |
|----------------|---------------------------|
| MUP 18-14 | 10,000 sf (0.229568 acre) |
| MUP 19-07 | 348,480 sf (8 acres) |
| UP 20-09 | 43,560 sf (1 acre) |
| UP 20-13 | 43,560 sf (1 acre) |
| UP 20-32 | 43,560 sf (1 acre) |

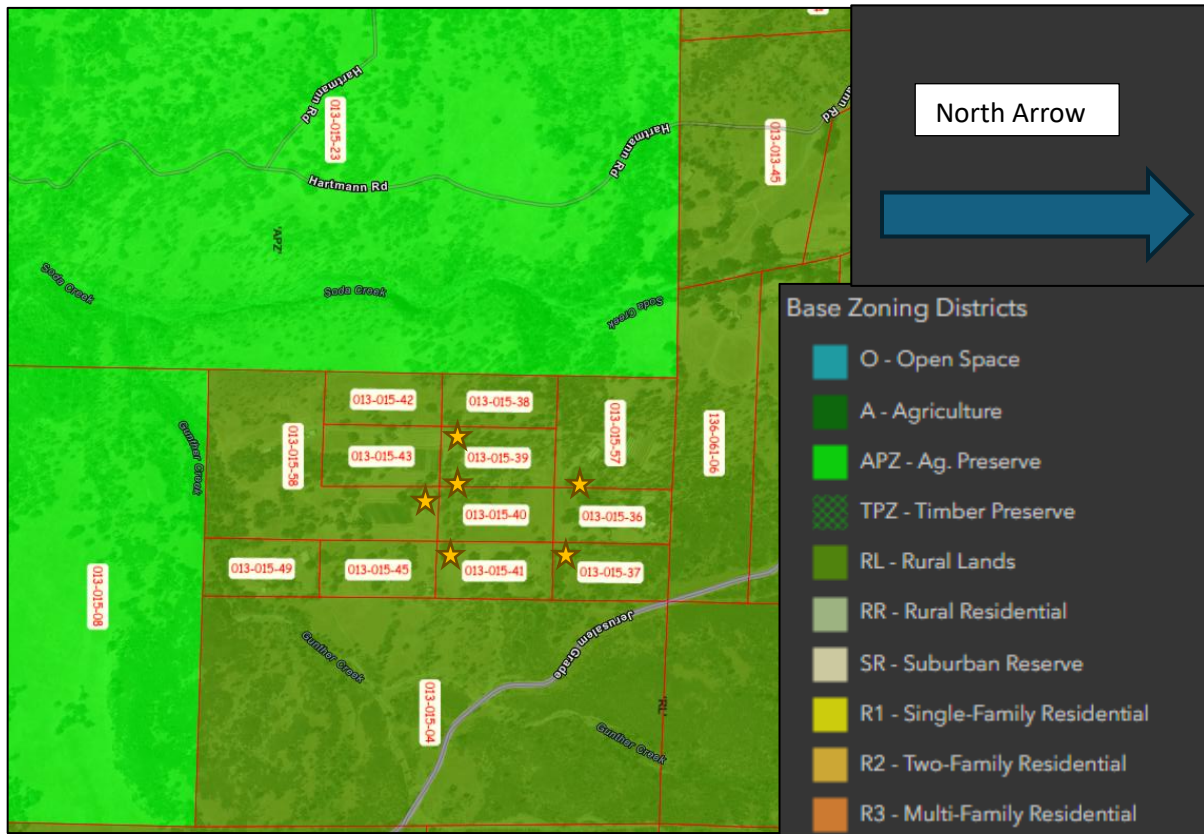
There are seven pending and eleven approved projects within a 3-mile radius.

Three Approved Project Canopy Sizes:

| Project | Size |
|---------|----------------------------|
| UP 18 | 43,560 sf (1 acre) |
| UP 18 | 43,560 sf (1 acre) |
| UP 19 | 42,080 sf (0.966024 acre) |
| UP 19 | 100,000 sf (2.295684 acre) |
| UP 20 | 48,464 sf (1.112580 acres) |
| UP 24 | 43,560 sf (1 acre) |

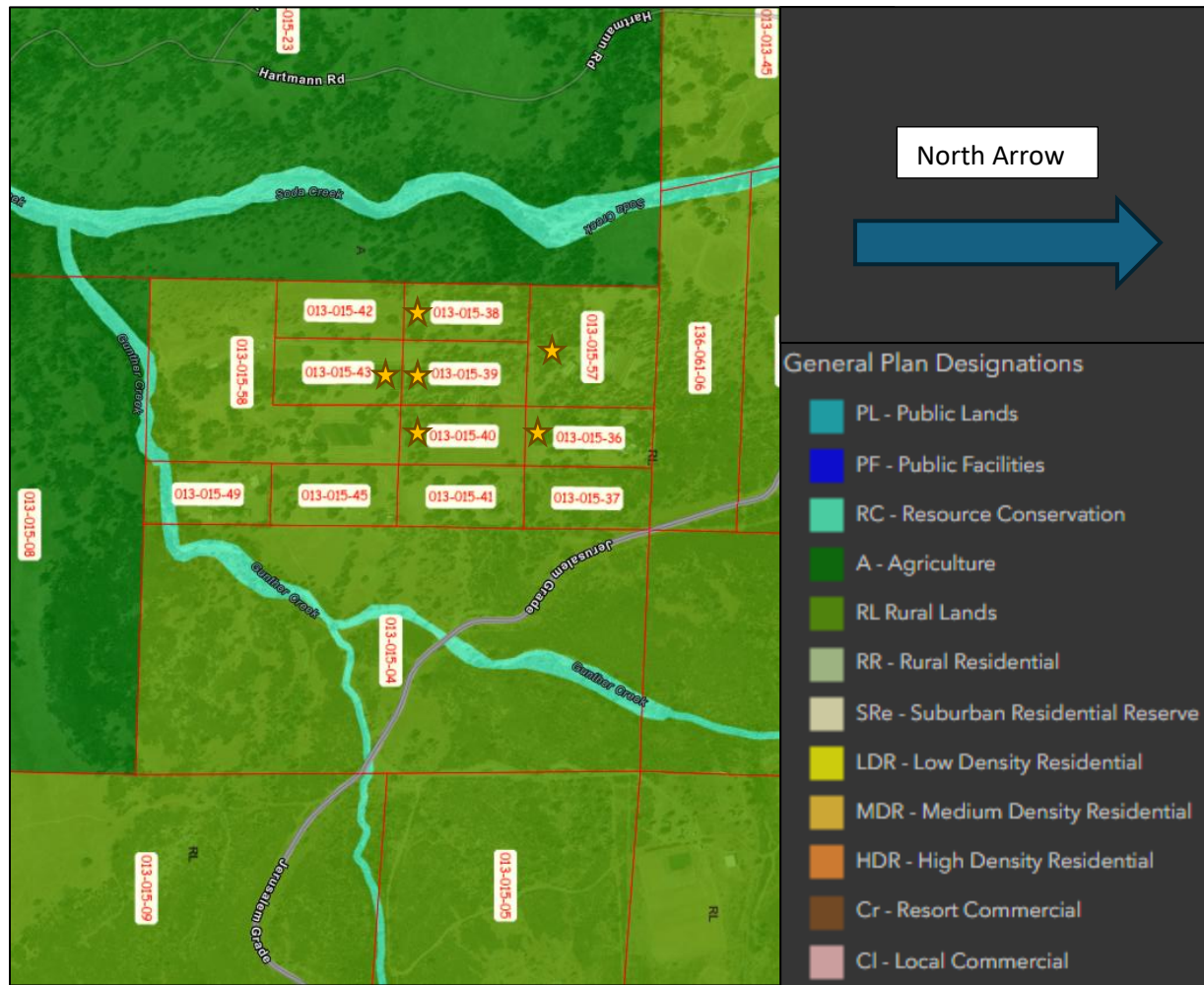
Please note, that the Project’s properties currently operate an approved cannabis project, known as UP 19-43, East Side Farms.

Figure 5 - Zoning Map



Source: Lake County ArcGIS, 2025

Figure 6 - General Plan Designation



Source: Lake County ArcGIS, 2025

AGENCY REVIEW & TRIBAL CONSULTATION

Agency comments (Attachment 10) were received and addressed through Conditions of Approval (Attachment 2).

The County of Lake Community Development Department initiated the Assembly Bill 52 Tribal notification process on October 08, 2025, contacting eleven Lake County-based Tribes and informing them of the proposed project. Of the notified Tribes, Middletown Rancheria Tribal Historic Preservation Department requested consultation on October 08, 2025. The Community Development Department held an AB 52 Tribal Consultation on October 27, 2025. Tribal Consultation was concluded on March 16, 2026. Mitigation Measures have been incorporated into the IS/MND (Attachment 4) and the Conditions of Approval (Attachment 2).

**REQUIRED FINDINGS (Article 51.4 – Major Use Permit and Article 27.11(at) Uses
Generally Permitted under the Lake County Zoning Ordinance)**

Based on the whole of the record, including the Initial Study/Mitigated Negative Declaration and supporting technical reports, staff finds the Project:

1. That the establishment, maintenance, or operation of the use applied for will not under the circumstances of the particular case, be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use, or be detrimental to property and improvements in the neighborhood or the general welfare of the County.
2. That the site for the project is adequate in size, shape, location, and physical characteristics to accommodate the type of use and level of development proposed.
3. That the streets, highways and pedestrian facilities are reasonably adequate to safely accommodate the specific proposed use.
4. There are adequate public or private services, including but not limited to fire protection, water supply, sewage disposal, and police protection to serve the project. Is consistent with the General Plan, Area Plan, and Zoning Ordinance.
5. That the project is in conformance with the applicable provisions and policies of this Code, the General Plan and any approved zoning or land use plan. Meets all cannabis development standards.
6. That no violation of Chapters 5, 17, 21, 23 or 26 of the Lake County Code currently exists on the property, unless the purpose of the permit is to correct the violation, or the permit relates to a portion of the property which is sufficiently separate and apart from the portion of the property in violation so as not to be affected by the violation from a public health, safety or general welfare basis.
7. Applicant is qualified to apply for the Use Permit.
8. The Project was adequately analyzed under CEQA, and all impacts associated with the project can be mitigated to a less than significant level.

Please see the preceding sections of this Staff Report establishing these findings.

RECOMMENDATION

Staff recommends the Planning Commission:

A. I move that the Planning Commission find that potential impacts associated with the Major Use Permit amendment applied for by East Side Farms Inc./ Ross Cunningham can be mitigated to less than significant through the implementation of the Mitigated Negative Declaration for the property located at 23071, 23179, 23131, 23083, 23143, and 23119 Jerusalem Grade, Middletown (APNs 013-015-36, 013-015-38, 013-015-39, 013-015-40, 013-015-43, and 013-015-57) will not have a significant effect on the environment, and that the Planning Commission adopt Initial Study PL-25-243 with the findings listed in the Staff Report dated July 09, 2026.

B. I move that the Planning Commission find that the Major Use Permit PL-25-243 applied for by East Side Farms Inc./ Ross Cunningham for the property located at 23071, 23179, 23131, 23083, 23143, and 23119 Jerusalem Grade, Middletown (APNs 013-015-36, 013-015-38, 013-015-39, 013-015-40, 013-015-43, and 013-015-57) does meet the requirements of the Lake County Zoning Ordinance Article 27 and Article 51.4 and that the Major Use Permit be granted based on the findings listed in the Staff Report and subject to Conditions of Approval dated July 09, 2026.

NOTE: The applicant or any interested person is reminded that the Zoning Ordinance provides for a seven (7) calendar day appeal period. If there is a disagreement with the Planning Commission, an appeal to the Board of Supervisors may be filed. The appropriate forms and applicable fee must be submitted prior to 5:00 p.m. on or before the seventh day following the Planning Commission's decision on this matter.

ATTACHMENTS (BY REFERENCE)

1. Site Plans
2. Draft Conditions of Approval
3. Property Management Plan
4. Initial Study / Mitigated Negative Declaration
5. Grading Questionnaire
6. Hydrological Report
7. Drought Management Plan
8. Biological Report, July 10, 2024
9. Biological Report, March 19, 2026
10. Agency Comments
11. Tribal Comments
12. Public Comments