



COUNTY OF LAKE
COMMUNITY DEVELOPMENT DEPARTMENT
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Item #6a
9:05 AM
March 28, 2024

STAFF REPORT

TO: Planning Commission

FROM: Mireya G. Turner, Director
Michelle Irace, Principal Planner
Prepared by Mary Claybon, Assistant Planner II

DATE: March 28, 2024

SUBJECT: Consideration of proposed Major Use Permit (UP 22-23) Canna Factory, Avetis Manjikian/MAVS Group and Mitigated Negative Declaration (IS 22-42) for approval of 40,500 sf outdoor commercial cannabis cultivation located at 17900 Cantwell Ranch Road, Lower Lake (APN: 049-290-01).

ATTACHMENTS:

1. Project Site Plans (1/23/2022)
2. Draft Conditions of Approval
3. Project Description (6/2023)
4. Property Management Plan (6/2023)
5. Draft Initial Study/Mitigated Negative Declaration
6. Hydrology Report (May 27, 2022)
7. Drought Management Plan (5/2022)
8. Agency Comments
9. Tribal Comments
10. Public Comment
11. Lake County Resolution 2019-124 and Ordinance 3132

EXECUTIVE SUMMARY

The applicant, Avetis Manjikian and MAVS Group are requesting discretionary approval from the County of Lake for a Major Use Permit (UP 22-23), for commercial cannabis cultivation at 17900 Cantwell Ranch Road, Lower Lake (APN: 049-290-01). The application, as proposed, would include cultivation of 40,500 sf outdoor cannabis canopy area with one (1) A-Type 3 outdoor cultivation and one (1) A-Type 13 Self-distribution License. The zoning is SPLIT" A-RL" Agriculture / Rural Lands. The parcel is ±56.36 acres.

PROJECT DESCRIPTION

<u>Project Title:</u>	Canna Factory
<u>Permit Numbers:</u>	UP 22-23; IS 22-42
<u>Lead Agency:</u>	County of Lake Community Development Department Courthouse, 3 rd Floor, 255 North Forbes Street Lakeport, CA 95453
<u>Applicant Name & Address:</u>	Avetis Manjikian and MAVS Group 6651 Black Oak Drive Ukiah, CA 95457
<u>Property Owner:</u>	Marat Kapukchyan
<u>Project Location:</u>	17900 Cantwell Ranch Road, Lower Lake
<u>Parcel Number(s) (APN):</u>	049-290-01
<u>Parcel Size:</u>	±56.36 acres
<u>General Plan Designation:</u>	A/RL - Agriculture / Rural Lands
<u>Zoning District(s):</u>	SPLIT A/RL – Agriculture / Rural Lands
<u>Flood Zone:</u>	“D”: Areas of undetermined flood hazard

Existing features:

- 68'x74' (5,032 sf) barn proposed for Administrative Hold and harvest storage
- PG&E service
- Residence
- Residential accessory structures
- Residential well
- Agricultural well
- (2) Permitted septic systems
- Interior graveled roadways with turnaround for emergency equipment
- Security gate

Proposed features:

- 40,500 sf of outdoor canopy area within an 85,000 sf cultivation area
- Fifteen (15) 30'x100' greenhouses for light-deprivation cannabis cultivation with approximately 3-foot of aiseways (Note no supplemental lighting is proposed)
- Ten (10) 5,000-gallon water tanks (one dedicated to fire suppression)
- 6ft. security fence around the perimeter of the cultivation area, constructed of heavy gauge wire fence with a steel gate and padlocks
- Drip irrigation system using water storage tank, valves and filters, polyvinyl chloride (PVC) piping, black poly tubing and drip emitters
- One (1) 1,000 sf shed for storage of cultivation materials (fertilizers, pesticides, bulk amendments, hand tools, etc.)
- A 25' x 28' compost area (700 sf)

- Portable restrooms with hand washing stations, and trash enclosures will be provided within or adjacent to the fenced cultivation area
- 10 parking spaces (including one ADA compliant space)

The cultivation site is accessed by a private road off Cantwell Ranch Road, a gravel road maintained by the County of Lake. An onsite gravel private driveway averaging 15 feet in width provides access to the cultivation site from Cantwell Ranch Road.

Cultivation would occur within above-ground raised garden beds or containers (e.g., smart pots) within greenhouses. No supplemental lighting would be used; only light-deprivation techniques to produce two (2) to three (3) cycles of flowering cannabis per year. Drying and any further processing of cultivated cannabis would occur offsite. Operations will occur up to seven days per week from February through November, with growing periods typically occurring between February through November (depending on weather conditions). The operation hours will be Monday through Sunday during daylight hours from approximately 6:00 a.m. to 8:00 p.m. The Lake County Zoning Ordinance restricts deliveries and pickups to 9:00 a.m. to 7 p.m., Monday through Saturday, and Sunday from 12 noon to 5:00 p.m.

Construction is anticipated to take approximately 3 to 6 months, beginning shortly after permit approval (weather-permitting). During construction, approximately three (3) to five (5) employees would be needed for construction, totaling approximately 10 daily trips from employees. Approximately (1) average delivery trip would occur per day. Therefore, average daily trips from construction would total approximately eleven (11) per day.

No grading or tree removal is proposed for the development of the project. The area proposed for cultivation development is an existing disturbed yard/field with slopes of 0% to 5% (Figure 5). All greenhouses will be placed on the existing grade. Minor scraping and digging of t-post holes would be required to prepare the site for greenhouse construction.

POINTS OF INTEREST

Use of Light Deprivation for Outdoor Cultivation

According to the applicant's submitted Project Description (Attachment 3), the Proposed Project includes the development of facilities appurtenant to cultivation, including fifteen (15) 3,000 sf light-deprivation (no use of artificial light) greenhouses within an 85,000 sf cultivation area. Outdoor cultivation may incorporate light deprivation techniques with no artificial light utilized. The Department of Cannabis Control (DCC) recognizes full-sun canopy with hoops and similar structures utilizing light deprivation and no artificial light as outdoor canopy.

On May 17, 2023, the Board of Supervisors passed Ordinance 3132 (Attachment 11) to align the use of outdoor cultivation utilizing light-deprivation techniques with the Department of Cannabis Control regulations. On January 19, 2024, a request for more information (i.e. clarifying comment) was requested from Planning staff to the DCC. On February 12, 2024, a response was received from the DCC (Attachment 8) which stated the following:

“The use of structures for Outdoor licenses is allowed (1) for practical reasons due to the need to have something holding up the light dep tarps and (2) because the regulations, while noting that Mixed-light cultivation takes place in a structure, do not prohibit structures for Outdoor licenses. Because the regulations don't address the use of structures in

Outdoor cultivation, we don't distinguish at this time between permanent or non-permanent structures when determining license type – as long as they're not using artificial lighting in the canopy area, they would be considered Outdoors..."

Water Courses

According to the applicant's submitted project Materials, one Class II (seasonal) creek is located onsite, west of the cultivation area. Approximately four (4) ephemeral watercourses drain into this Class II stream in the northern, vegetated area of the property, and approximately three (3) ephemeral drainages flow southerly toward a stream crossing located near the property entrance gate.

The proposed Project is located on a flat area. No springs, lakes, delineated wetlands, or vernal pools are located onsite. The cultivation area is located greater than 150 feet from the Class II seasonal creek to the west, and greater than 100 feet from any Class III ephemeral watercourses (Figure 1). All areas proposed for cultivation use or development (e.g., existing barn) are located outside of applicable stream setbacks as described in Article 27.11 (at) subsection 2.

A Notification was submitted to the North Central Region of the California Department of Fish and Wildlife (CDFW) on May 20th, 2021, to notify the agency of proposed cannabis cultivation activities on the parcel and onsite jurisdictional items. The CDFW did not respond within their required timeframes, and an Operation of Law Letter was issued on November 30, 2021 (EPIMS Notification No. LAK-16261-R2). The Operation of Law Letter included three stream crossing upgrades: Replacement of an existing 24"-diameter culvert with a 27"-inch culvert on grade with the stream channel (STX-2), retrofitting of an existing stream crossing to remedy the shotgun culvert and armor the discharge to prevent erosion of the channel (STX-3) and installation of an 18"-diameter culvert at a stream crossing that previously obstructed the stream channel creating an impoundment (STX-4). The applicant will coordinate with CDFW for the three culvert upgrades.

Water Analysis

According to the applicant's submitted the Hydrology Report dated May 27, 2022, by NorthPoint Consulting Group, Inc. (Attachment 6), water for the cultivation activities will be supplied from an existing groundwater well (latitude/longitude 38.88231, -122.58029). The well is approximately 214 feet in depth with a yield of approximately seven (7) gallons per minute (gpm) and was drilled in January 2022. The well has a solar pump and PG&E powered pump with a maximum output of 4.5 gpm. A 6-hour well drawdown test was conducted on February 3, 2022, and the static water level was 16-feet with a drawdown of 143-feet during the test. The well recharged up to 93% within 40 minutes and is expected to recharge 100% within an hour after pumping, per the well drawdown test results.

The irrigation system for the cultivation operations will use water supplied by the existing well and pump. Well water will be pumped into ten (10) 5,000-gallon water storage tanks using polyvinyl chloride (PVC) piping and transferred to the cultivation site. A mixing tank will be used to add liquid fertilizers and other amendments to the irrigation water periodically. The water will be delivered to the cultivation area using a drip irrigation technique. A second well onsite is for residential purposes and is not proposed for use in the cannabis operation. The second well is located at approximately 38.886461°, -122.578897°.

According to the Water Use section of the applicant's Property Management Plan (Attachment 4) and the Hydrology Report (Attachment 6), the daily water consumption for the 0.93 acres of canopy would be approximately 4,800 gallons per day. The annual irrigation demand, assuming an approximately 300-day growing period between February and November, will be approximately 1,438,700 gallons or 4.4 acre-feet annually.

Access

The site is accessed from a gravel interior driveway from Cantwell Ranch Road. An onsite gravel private driveway averaging 15 feet in width provides access to the cultivation site from Cantwell Ranch Road. A security gate is seen in FIGURE 3 with the project driveway shown on the left.

Once operational, the proposed Project would staff approximately three (3) full-time employees and up to two (2) additional seasonal employees for planting and harvesting, for a total of up to five (5) employees during peak seasonal events.

Daily traffic commutes during regular operations would be approximately six (6) trips during regular operations and up to ten (10) commutes during the peak cultivation season. Semi-weekly truck deliveries of various project-related materials would occur throughout the cultivation season (estimated approximately twice weekly). Distribution activities are expected to create two (2) trips per week. Taking a conservative approach, including an overestimation of up to one (1) daily delivery truck trip (from deliveries or distribution activities), the Project would result in up to eleven (11) trips per day from employees and truck trips during peak season.

FIGURE 3 - ACCESS



Site visit- November 17, 2023

Public Resource Codes (PRC) 4290 and 4291

The County of Lake Board of Supervisors Resolution 2019-124 (Attachment 11) adopted recommendations to address fire safe regulations applicable to outdoor cannabis cultivation; deeming cultivation of outdoor cannabis an agricultural activity in the application of Public Resource Code and is subject to agricultural requirements. While the applicant is applying for a major use permit for outdoor commercial cannabis cultivation activities, Public Resource Codes (PRC) 4290 and 4291 Road Standards shall be applied to this project due to the proposed permanent structures in which cultivation activities will occur. Internal gates and roadways are designed to meet CALFIRE requirements for vehicle access, including adequate width requirements road standards for fire equipment access, and a turnaround for emergency vehicles as seen in Attachment 1 and FIGURE 4.

FIGURE 4 – Emergency Vehicle Turnaround

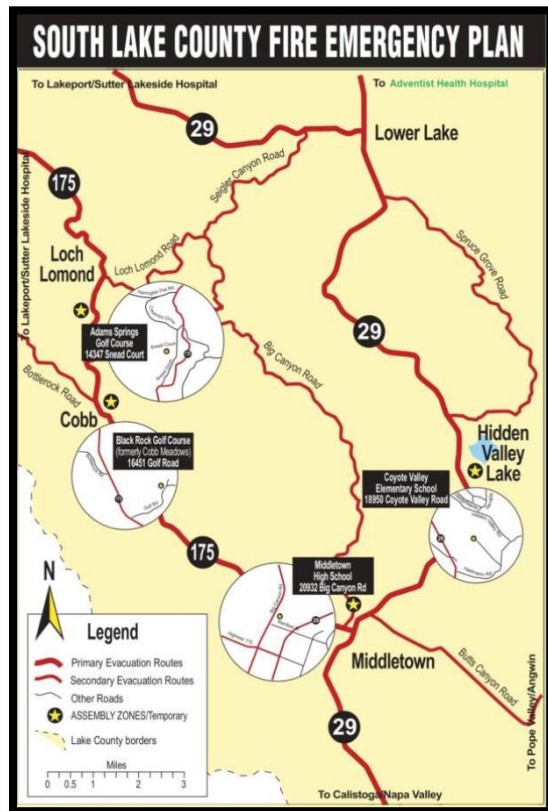


Site visit- November 17, 2023

Emergency Evacuation Route

Lake County Fire Safe Council has implemented a Fire Emergency Plan that includes Spruce Grove Road, the access road to Cantwell Ranch Road, as a designated secondary evacuation route as seen in FIGURE 5. The Project would employ up to five (5) people during peak seasonal events, which is unlikely to significantly affect a safe evacuation during an emergency on Spruce Grove Road. The proposed Project is not likely to inhibit the ability of local roadways to continue to accommodate emergency response and evacuation activities along the secondary evacuation route as seen in FIGURE 5.

FIGURE 5- Spruce Grove Road Evacuation Route



South Lake County Emergency Fire Plan (Source: Lake County Fire Safe Council, 2023)

Energy Use

According to the Property Management Plan, electricity for the Project will be provided by existing on-grid power (PG&E) and solar power. PG&E will power the activities (fans and automatic black-out covers), security lights, and water pumps. Water pumps will be operated using small solar pumps. No supplemental lighting is proposed; cannabis will be cultivated utilizing light-deprivation techniques. The use of a generator is proposed for emergency use only.

PROJECT SETTING

Surrounding Zoning and Uses

North: Rural Land, residential

Northeast: Rural Residential, undeveloped

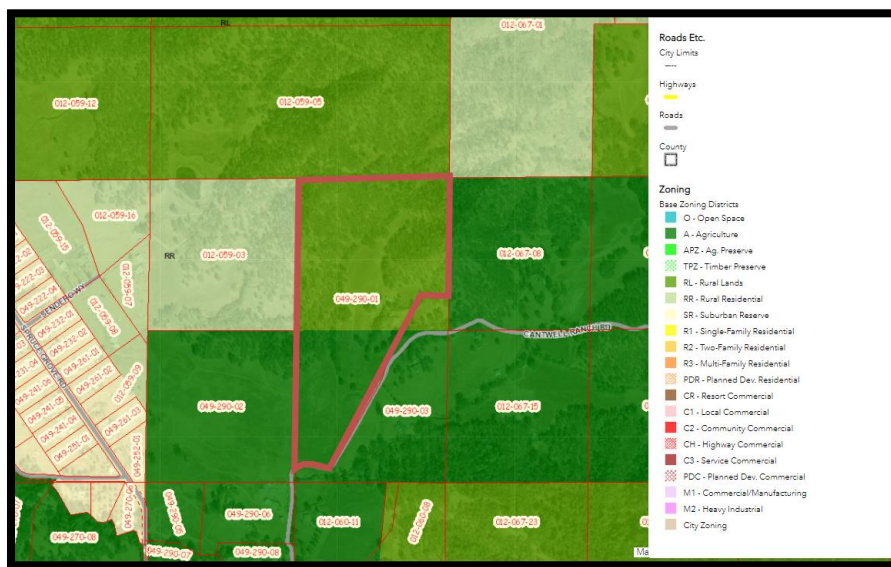
East: Agriculture, residential

South: Agriculture and Rural Lands, residential

Southwest: Agriculture, undeveloped

West: Rural Residential, undeveloped

FIGURE 3 – ZONING MAP



PROJECT ANALYSIS

General Plan Conformity

The General Plan designation for the subject site is Rural Land. In reference to the Lake County General Plan (2008), Chapter 3 – *Land Use*, rural lands provide for rural development in areas that are primarily in their natural state, although some agricultural production, especially vineyards, can occur on these lands. This category is appropriate for areas that are remote or characterized by steep topography, fire hazards, and limited access. The following policies from the General Plan can be applied to the proposed project:

Water Resources

Goal WR-1: Provide for the current and long-range water needs of the County and for the protection of the quality and quantity of groundwater resources.

- **Policy WR-1.2:** Sustainable Groundwater Withdrawal. The County shall manage groundwater resources within its jurisdiction through ordinances, project approvals, and

agreements to ensure an adequate, safe, sustainable, and economically viable groundwater supply for existing and future use within the County, to maintain and enhance the natural environment, protect existing groundwater users, the overall economy of the County, and groundwater and surface water quality and quantity in a manner consistent with existing law and with a doctrine of safe yield within the groundwater basins of the County.

The applicant has provided a comprehensive Hydrology Report (Attachment 6) that evaluates various aspects of adequacy of water for the site and surrounding area. The applicant has also submitted a Drought Management Plan (Attachment 7) listing water conservation methods during a declared drought.

Land Use

Goal LU-1: Encourage the overall economic and social growth of the County while maintaining its quality-of-life standards.

- Policy LU-1.3: Prevent Incompatible Uses. The County shall prevent the intrusion of new incompatible land uses into existing community areas.

Pursuant to Article 27, Sec. 21-27.10, Sec. 27.11 Table B of the Lake County Zoning Ordinance, the cultivation of cannabis is an allowable use within the “RL” Rural Lands upon securing a Minor/Major Use Permit; therefore, the proposed project would not be an intrusion of a new incompatible land use within the existing zoning and general plan designation of this area as it is an allowable use. The Project Parcel is surrounded by large parcels with limited development and agricultural uses. The nearest Community Growth Boundary is approximately 1.4 miles Northwest of the Project parcel, so the project would not impact primary residential areas.

Economic Development

Goal LU-6: “To maintain a healthy and diverse local economy that meets the present and future employment, shopping, recreational, and service needs of Lake County residents”.

- Policy LU 6.1: “The County shall actively promote the development of a diversified economic base by continuing to promote agriculture, recreation services and commerce and by expanding its efforts to encourage industrial and non-industrial corporate developments, and the developments of geothermal resources”.

The proposed commercial cannabis operation would create diversity within the local economy and create future employment opportunities for residents. According to the applicant’s application there are a total of five employees proposed at peak shift. The development of this project would continue to promote agricultural uses.

Lower Lake Area Plan Conformity

The subject site is within the Lower Lake Area Plan’s boundary. The Plan contains several objectives that are subject to consistency review as follows:

- 5.3: Balanced development shall be encouraged which coordinates improvements in public service capabilities to maximize community and economic development within Lower Lake.
- 5.5: Comprehensive economic development efforts to the benefit of the community of Lower Lake shall be encouraged. Such efforts should involve a high level of community participation and input.

This applicant would have five employees, at peak operations during harvest. These employees spend money on local commodities and rent, which will benefit the greater Lower Lake area's economy. The major use permit application for commercial cannabis cultivation is discretionary and is determined by a hearing body at public hearing. All public hearings are noticed in the local newspaper and also to owners of surrounding parcels within 725 feet of the project site, providing an opportunity for community participation and input.

Zoning Ordinance Conformity

Article 7 – Rural Lands (“RL”)

Article 7 allows agricultural uses; Article 27.11(at) and Table B list commercial cannabis cultivation as a conditionally permitted use in the “RL” zoning district subject to approval of a minor or major use permit.

Article 27 - Use Permits

The purpose of Article 27 is for those uses possessing characteristics of unique and special form as to make their use acceptable in one or more districts upon issuance of a zoning permit, minor or major use permit in addition to any required building, grading and/or health permits.

Pursuant to Article 27 of the Lake County Zoning Ordinance, mixed-light and outdoor commercial cannabis cultivation is permitted in the Rural Lands zoning district with the issuance of a Major Use Permit. To qualify for a Major Use Permit the project must demonstrate that all regulations within Articles 7, 27.13(at), 41 and 51.4 are met and any adverse environmental impacts are adequately mitigated. While the entire parcel is zoned SPLIT- Agriculture and Rural Lands, the proposed cultivation site is located within the “RL” Rural Lands zoning district.

Development & Performance Standards

This application meets the following Development Standards, General Requirements and Restrictions as specified within Article 27, subsection (at) of the Lake County Zoning Ordinance, including:

- Minimum Lot Size (20 acres per A-Type C): Complies, the total acreage is ±56.36 acres
- Setback from Property Line (100 feet): Complies, the cultivation site is set back a minimum of 100 feet from the nearest property line.
- Setback from Off-Site Residence (200 feet): Complies; the closest off-site residence is 745 feet from the cultivation site.
- Minimum Fence Height of Six (6) Feet: Complies; the proposed security fence will be at least six feet tall.
- Maximum Canopy Area for an A – Type C (43,560 sf): Complies; the proposed canopy areas would be approximately 40,500 for one (1) A-Type C outdoor license. The total acreage for the parcel for this project is approximately ±56.36 acres

General Requirements

There are several general requirements for cannabis cultivation listed in Section 27.11(at) of the Lake County Zoning Ordinance. These include, but are not limited to, obtaining a State License, completion of background checks, obtaining property owner approval, complying with hours of operations and deliveries, access requirements, etc.

The applicant will be required to meet the General Requirements outlined in Section 27.11(at) of Chapter 21 Lake County Zoning Ordinance and Conditions of Approval (Attachment 2) are proposed to ensure compliance with the Zoning Ordinance.

The applicant has submitted a Property Management Plan (Attachment 4), outlining compliance with all regulations pertaining to cannabis operations including the following: air quality, project grounds, grading and erosion control BMP's, security, stormwater, water use, etc. In addition, the Project complies with the restrictions pertaining to the prohibited activities listed in Article 27, including water use that is illegally diverted.

AGENCY COMMENTS

Agency Review was requested on February 23, 2023. Comments were received from the agencies listed below (Attachment 8) and have been incorporated into conditions of approval (Attachment 2), as appropriate.

- Lake County Agricultural Commissioner
- Lake County Building Safety Division
- Northwest Information Center (NWIC at Sonoma State University)
- Lake County Special Districts
- California Historical Resources Information System (CHRIS)
- PG&E
- California Water Boards
- CA Dept. of Cannabis Cultivation

TRIBAL COMMENTS

Notification of the Project was sent to Big Valley Rancheria, Cortina Rancheria, Elem Colony, Koi Nation, Mishewal-Wappo, Middletown Rancheria, Redwood Valley Rancheria, Robinson Rancheria, Scotts Valley Band of Pomo Indians, Habematolel Pomo of Upper Lake Tribe, and Yocha Dehe Wintun Nation on February 23, 2023. Tribal consultation was not requested. Comments received are included (Attachment 9).

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) requires agencies to evaluate the environmental implications of land use actions. An Initial Study and Mitigated Negative Declaration (Attachment 5) was prepared and circulated for public review in compliance with CEQA from June 22, 2023, to July 21, 2023. Minor modifications to the Mitigated Negative Declaration were made by staff for clarification and in order to strengthen existing analysis and mitigation measures. These changes do not trigger recirculation of the Initial Study because they are minor in nature and do not result in new impacts or mitigation measures that were not previously analyzed (in accordance with CEQA

Guidelines 15073.5). Comments were received from the Department of Cannabis Control and the Central Valley Regional Water Quality Control Board (Attachment 8).

The Initial Study found that the project could cause potentially significant impacts:

- Aesthetics
- Air Quality
- Biological Resources
- Cultural Resources
- Geology/Soils
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Noise
- Tribal Cultural Resources
- Wildfire

Aesthetics Impacts relating to Aesthetics have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measure AES 1-4:

AES-1: All greenhouses shall incorporate blackout screening so that no light is visible from outside each greenhouse. Blackout covers shall in place a half an hour prior to sunset and a half an hour after sunrise.

AES-2: All outdoor lighting shall be directed downward onto the Project site and not onto adjacent properties. All lighting equipment shall comply with the recommendations of www.darksky.org and provisions of Section 21.48 of the Lake County Zoning Ordinance

AES-3: All indoor lighting shall be fully contained within structures or otherwise shielded to fully contain any light or glare.

AES-4: Security lighting shall be motion activated and all outdoor lighting shall be shielded and downcast or otherwise positioned in a manner that will not shine light or allow light glare to exceed the boundaries of the lot of record upon which they are placed.

Air Quality Impacts relating to (AQ) have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measure AQ 1-7:

AQ-1: Prior to obtaining the necessary permits and/or approvals for any phase, applicant shall contact the Lake County Air Quality Management District (LCAQMD) and obtain an Authority to Construct (A/C) permit for all operations and for any diesel-powered equipment and/or other equipment with potential for air emissions. Or provide proof that a permit is not needed.

AQ-2: All mobile diesel equipment used must be in compliance with state registration requirements. Portable and stationary diesel-powered equipment must meet all federal, state, and local requirements, including the requirements of the State Air Toxic Control Measures for compression ignition engines. Additionally, all engines must notify LCAQMD prior to beginning construction activities and prior to engine use.

AQ-3: The applicant shall maintain records of all hazardous or toxic materials used, including a Material Safety Data Sheet (MSDS) for all volatile organic compounds utilized, including cleaning materials. Said information shall be made available upon request and/or the ability to provide the LCAQMD such information to complete an updated Air Toxic emission Inventory.

AQ-4: All vegetation during site development shall be chipped and spread for ground cover and/or erosion control. The burning of vegetation, construction debris, including waste material is prohibited.

AQ-5: The applicant shall have the primary access and parking areas surfaced with chip seal, asphalt, or an equivalent all weather surfacing to reduce fugitive dust generation. The use of white rock as a road base or surface material for travel routes and/or parking areas is prohibited.

AQ-6: All areas subject to infrequent use of driveways, overflow parking, etc., shall be surfaced with gravel, chip seal, asphalt, or an equivalent all weather surfacing. Applicant shall regularly use and/or maintain graveled area to reduce fugitive dust generations.

AQ-7: The cultivation area will be surrounded by a fence during the application of pesticides in order to prevent off-site drift.

Biological Resources Impacts relating to (BIO) have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measure BIO 1-2:

BIO-1: A late spring or summer floristic botanical survey shall be conducted in the area proposed for development prior to the start of construction. The survey shall be conducted by a qualified botanist familiar with floristic survey protocols and plant identification to ensure that no sensitive plant species are present within the proposed cultivation area. If any listed species or special-status species are detected, construction shall be delayed, and the California Department of Fish and Wildlife shall be consulted, and Project impacts and mitigation shall be reassessed.

BIO-2: If construction activities, including replacement of culverts, are within watercourses, pre-construction surveys for sensitive species shall be completed following CDFW protocols as described in the BA. The surveys shall be conducted by a qualified biologist. If sensitive species are found, the California Department of Fish and Wildlife or the US Fish and Wildlife Service shall be consulted to develop measures to avoid a “take” of active nests prior to the initiation of any construction activities.

Cultural Resources Impacts relating to (CUL) have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measure CUL 1-2:

CUL-1: Should any archaeological, paleontological, or cultural materials be discovered during site development, all activity shall be halted within 100' of the find(s). A professional Archaeologist certified by the Registry of Professional Archaeologists (RPA) shall be notified to evaluate the find(s) and recommend mitigation procedures, if necessary, subject to the approval of the Community Development Director.

Should any human remains be encountered, the applicant shall notify the Sheriff's Department, the culturally affiliated Tribe(s), and a qualified Archaeologist for proper interment and Tribal rituals per Public Resources Code Section 5097.98 and Health and Safety Code 7050.5.

CUL-2: Prior to ground disturbing activities, the Permittee shall submit a Cultural Resources Plan, identifying methods of sensitivity training for site workers, procedures in the event of an accidental discovery, and documentation and reporting procedures. Prior to ground disturbing activities, the Permittee shall submit verification that all site workers have reviewed the Cultural Resources Plan and received sensitivity training.

Geology and Soils

Impacts relating to (GEO) have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measure GEO 1-8:

GEO-1: Prior to any ground disturbance for building construction, the permittee shall submit erosion control and sediment plans to the Water Resource Department and the Community Development Department for review and approval. Said erosion control and sediment plans shall protect the local watershed from runoff pollution through the implementation of appropriate Best Management Practices (BMPs) in accordance with the Grading Ordinance. Typical BMPs include the placement of straw, mulch, seeding, straw wattles, silt fencing, and the planting of native vegetation on all disturbed areas. No silt, sediment, or other materials exceeding natural background levels shall be allowed to flow from the project area. The natural background level is the level of erosion that currently occurs from the area in a natural, undisturbed state. Vegetative cover and water bars shall be used as permanent erosion control after project installation.

GEO-2: Excavation, filling, vegetation clearing, or other disturbance of the soil shall not occur between October 15 and April 15 unless authorized by the Community Development Department Director. The actual dates of this defined grading period may be adjusted according to weather and soil conditions at the discretion of the Community Development Director.

GEO-3: The permit holder shall monitor the site during the rainy season (October 15 – May 15), including post-installation, application of BMPs, erosion control maintenance, and other improvements as needed.

GEO-4: If greater than fifty (50) cubic yards of soils are moved, a Grading Permit shall be required as part of this project. The project design shall incorporate Best Management Practices (BMPs) to the maximum extent practicable to prevent or reduce the discharge of all construction or post-construction pollutants into the County storm drainage system. BMPs typically include scheduling of activities, erosion and sediment control, operation and maintenance procedures, and other measures in accordance with Chapters 29 and 30 of the Lake County Code.

GEO- 5: All work shall incorporate erosion control measures consistent with the State Water Resources Control Board Order No. WQ 2019-001-DWQ.

GEO-6: Prior to operation, all buildings, accessible compliant parking areas, routes of travel, building access, and/or bathrooms shall meet all California Building Code Requirements.

GEO-7: Prior to operation, all structure(s) used for commercial cultivation shall meet accessibility and CALFIRE standard. Please contact the Lake County Community Development Department's Building Division for more information.

GEO-8: If paleontological resources are encountered during implementation of the Project, ground disturbing activities will be temporarily redirected from the vicinity of the find. A qualified

paleontologist shall be retained by the developer to make an evaluation of the find. If a significant paleontological resource(s) is discovered on the property, the qualified paleontologist / archaeologist shall develop a plan of mitigation which shall include salvage excavation and removal of the find, removal of sediment from around the specimen (in the laboratory), research to identify and categorize the find, curation in the find a local qualified repository, and preparation of a report summarizing the find.

Hazards and Hazardous Materials Impacts relating to (HAZ) have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measure HAZ 1-7:

HAZ-1: All equipment will be maintained and operated to minimize spillage or leakage of hazardous materials. All equipment will be refueled in locations more than 100 feet from surface water bodies. Servicing of equipment will occur on an impermeable surface. In the event of a spill or leak, the contaminated soil will be stored, transported, and disposed of consistent with applicable local, state, and federal regulations.

HAZ-2: With the storage of hazardous materials equal to or greater than fifty-five (55) gallons of a liquid, 500 pounds of a solid, or 200 cubic feet of compressed gas, a Hazardous Materials Inventory Disclosure Statement and Business Plan shall be submitted and maintained in compliance with requirements of Lake County Environmental Health Division. Industrial waste shall not be disposed of on site without review or permit from Lake County Environmental Health Division or the California Regional Water Quality Control Board. The permit holder shall comply with petroleum fuel storage tank regulations if fuel is to be stored on site.

HAZ-3: Prior to operation, the applicant shall schedule an inspection with the Lake County Code Enforcement Division within the Community Development Department to verify adherence to all requirements of Chapter 13 of the Lake County Code, including but not limited to adherence with the Hazardous Vegetation requirements.

HAZ-4: Prior to operation, all employees shall have access to restrooms and hand-wash stations. The restrooms and hand wash stations shall meet all accessibility requirements.

HAZ-5: The proper storage of equipment, removal of litter and waste, and cutting of weeds or grass shall not constitute an attractant, breeding place, or harborage for pests.

HAZ-6: All food scraps, wrappers, food containers, cans, bottles, and other trash from the project area should be deposited in trash containers with an adequate lid or cover to contain trash. All food waste should be placed in a securely covered bin and removed from the site weekly to avoid attracting animals.

HAZ-7: The applicant shall maintain records of all hazardous or toxic materials used, including a Material Safety Data Sheet (MSDS) for all volatile organic compounds utilized, including cleaning materials. Said information shall be made available upon request and/or the ability to provide the Lake County Air Quality Management District with such information to complete an updated Air Toxic Emission Inventory.

Hydrology and Water Quality Impacts relating to (HYD) have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measure HYD 1 and HYD- 2:

HYD-1: A Water Monitoring Program, including seasonal static water level monitoring and water level monitoring during extraction, shall be followed as described in the Hydrology Report

prepared by NorthPoint Consulting Group, Inc., in April of 2023. The applicant shall maintain a record of all data collected and shall provide a report of the data collected to the County annually and/or upon made upon request.

HYD-2: The applicant will adhere to the measures described in the Drought Management Plan during periods of a declared drought emergency.

Noise Impacts relating to (NOI) have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measure NOI 1-2:

NOI-1: All construction activities including engine warm-up shall be limited Monday Through Friday, between the hours of 7:00 a.m. and 7:00 p.m., and Saturdays from 12:00 noon to 5:00 p.m. to minimize noise impacts on nearby residents. Back-up beepers shall be adjusted to the lowest allowable levels. This mitigation does not apply to night work.

NOI-2: Maximum non-construction related sounds levels shall not exceed levels of 55 dBA between the hours of 7:00 a.m. to 10:00 p.m. and 45 dBA between the hours of 10:00 p.m. to 7:00 a.m. within residential areas as specified within Zoning Ordinance Section 21-41.11 (Table 11.1) at the property lines.

Tribal Cultural Resources Impacts relating to (TCR) have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measures CUL-1 and CUL-2 and TCR-1 through TCR-2

TCR-1: All on-site personnel of the project shall receive tribal cultural resource sensitivity training prior to initiation of ground disturbance activities on the project. The training must be according to the standards of the NAHC or the culturally affiliated Tribe(s). Training will address the potential for exposing subsurface resources and procedures if a potential resource is identified. The training will also provide a process for notification of discoveries to culturally affiliated Tribes, protection, treatment, care and handling of tribal cultural resources discovered or disturbed during ground disturbance activities of the Project. Tribal monitors will be required to participate in any necessary environmental and/or safety awareness training prior to engaging in any tribal monitoring activities for the project.

TCR-2: If previously unidentified tribal cultural resources are encountered during the project altering the materials and their stratigraphic context shall be avoided and work shall halt immediately. Project personnel shall not collect, move, or disturb cultural resources. A representative from a locally affiliated Tribe(s) shall be contacted to evaluate the resource and prepare a Tribal Cultural Resources plan to allow for identification and further evaluation in determining the tribal cultural resource significance and appropriate treatment or disposition.

Wildfire Impacts relating to (WDF) have been reduced to Less than Significant with mitigation incorporated as described by Mitigation Measure WDF 1-2:

WDF-1: Construction activities will not take place during a red flag warning (per the local fire department and/or national weather service) and wind, temperature and relative humidity will be monitored to minimize the risk of wildfire. Scraping will not occur on windy days that could increase the risk of wildfire spread should the equipment create a spark.

WDF-2: Any vegetation removal or manipulation will take place in the early morning hours before relative humidity drops below 30 percent.

Mandatory Findings of Significance

The discussion within this section is incorporated to mitigate any potential impacts from the implementation of the project. In addition to the mitigation measures above, the applicant will apply for permits from various agencies including the Department of Cannabis Control, the State Water Resources Control Board, and the California Department of Fish and Wildlife, and any other applicable agencies to operate a commercial cannabis cultivation operation. The various agencies include complying with state regulatory setback requirements and restrictions that would then further minimize potential impacts to the environments that address natural resources.

Potentially significant impacts have been identified related to Aesthetics, Air Quality, Biological Resources, Cultural Resources, Hazards & Hazardous Materials, Hydrology, Noise, Tribal Cultural Resources, and Wildfire. These impacts in combination with the impacts of other past, present, and reasonably foreseeable future projects could cumulatively contribute to significant effects on the environment. Implementation of, and compliance, with mitigation measures identified in each section as project conditions of approval would avoid or reduce potential impacts to less than significant levels and would not result in any cumulatively significant environmental impacts.

CUMULATIVE IMPACTS

Within one mile of the project, there are two approved projects and no pending projects. Within three miles of the project, there are eleven approved projects, and four pending projects.

FIGURE 4- PROJECTS WITHIN 1 MILE

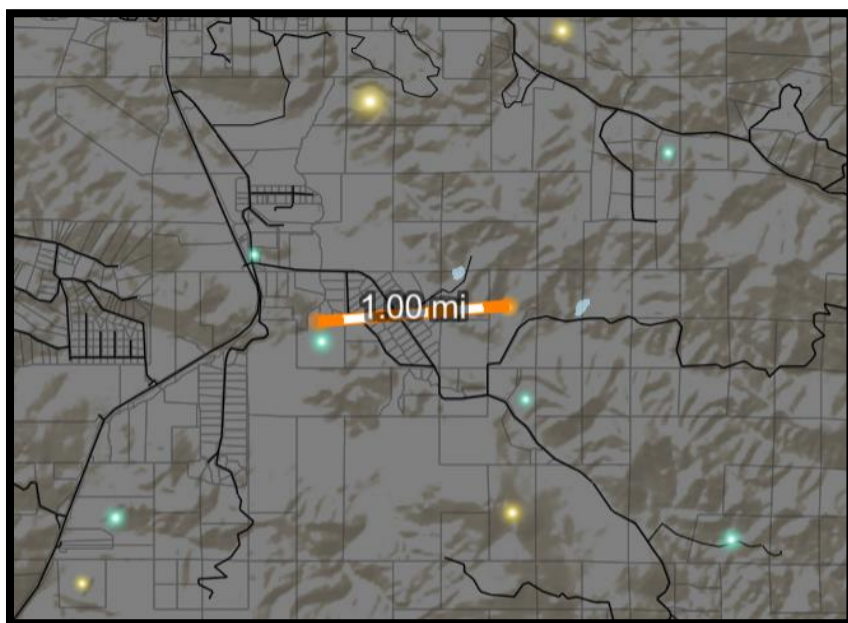
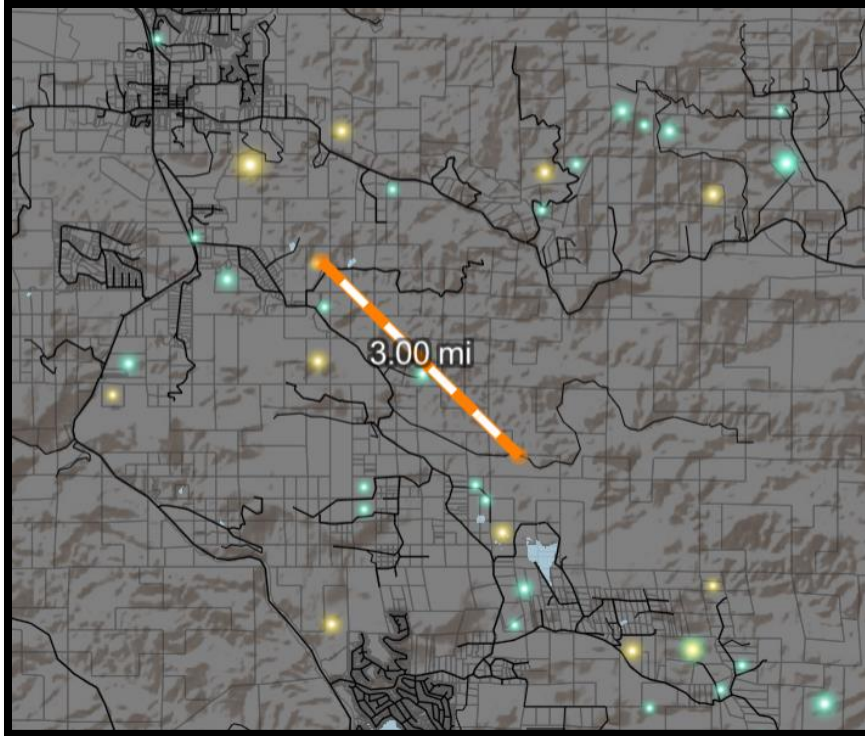


FIGURE 5- PROJECTS WITHIN 3 MILES



MAJOR USE PERMIT FINDINGS FOR APPROVAL

The Review Authority shall only approve or conditionally approve a Major Use Permit (LCZO Section 51.4, Major Use Permits) if all of the following findings are made:

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.*

The proposed use of commercial cannabis cultivation operation is a permitted use in the “A” Agriculture and “RL” Rural Lands zoning upon issuance of a Major Use Permit pursuant to Article 27, Sec. 21-27, Sec. 27.11 Table B of the Lake County Zoning Ordinance. The project scope complies with the minimum regulatory requirements set by the local ordinances to address the health, safety, morals, comforts, and general welfare of those working or residing near the proposed use. The project meets or exceeds all required setbacks for this type of use, including distance to nearby sensitive receptors. Prior to the applicant constructing any type of structure(s), the applicant shall obtain the necessary permits and licenses from the appropriate federal, state, and/or local government agencies. Additionally, the Community Development Department would conduct annual compliance monitoring inspections during the cultivation season to ensure compliance with the County’s ordinances, the approved Property Management Plan, mitigation measures, and conditions of approval.

- 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.*

The location and size of the project site comply with the local ordinance requirements for use and setbacks. The site is large enough to meet the standards and criteria for commercial cannabis licenses applied for as found in Article 27.11. The Lake County Zoning Ordinance allows Types 1, 2, 3, and 4 cultivation operations within “A” Agriculture and “RL” Rural Lands zoning districts, and the subject site is 56.36 acres total in size, large enough to support the commercial cannabis cultivation activity, as proposed.

- 3. That the streets, highways, and pedestrian facilities are reasonably adequate to safely accommodate the specific proposed use.*

The Project Property is accessed via gravel interior driveway which is accessed from Cantwell Ranch Road. An onsite gravel private driveway averaging 15 feet in width provides access to the cultivation site from Cantwell Ranch Road. Per the Public Resources Code (PRC) 4290/4291 Fire Safe Requirements, the interior driveway will need to meet the CAL FIRE road standards outlined in PRC 4290/4291. A locking metal gate is installed across the private driveway that controls access to the Project Parcel. Gravel will be applied to the surfaces of access roads. The applicant must comply with all building codes prior to construction of any structures. The project has adequate access to accommodate the specific use.

- 4. That 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.*

The project will use an existing permitted onsite groundwater well and Ten (10) 5,000-gallon water tanks (one dedicated to fire suppression). Additionally, the project parcel has adequate emergency service protection through the Lake County Sheriff’s Office, the California Board of Forestry and Fire Protection, (CALFIRE), and the Fire Protection District. The applicant is required to adhere to all applicable local, state, and federal regulations, mitigation measures, and conditions of approval intended to ensure adequate services and maintain safety at the site. This application was routed to all the affected public and private service providers (including Public Works, Special Districts, Environmental Health, PG&E, and all area Tribal Agencies), and there are adequate public utilities and services available to the site.

- 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.*

The cultivation of commercial cannabis is a permitted use within the Rural Lands zoning district upon securing a Major Use Permit according to Article 27.13 of the Lake County Zoning Ordinance. Additionally, although the Lake County General Plan does not have any provisions specifically for commercial cannabis, both the General Plan and the Lower Lake Area Plan have provisions for water resources and land use compatibility. The subject property complies with the minimum setbacks and development standards. The project is in conformance with the provisions of the Lower Lake Area Plan Policy.

- 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.*

There are no violations of Chapters 5, 17, 21, 23, or 26 of the Lake County Code on this property.

7. *The proposed use complies with all development standards described in Chapter 21, Article 27, Section 1.i.*

This application meets the following Development Standards, General Requirements and Restrictions as specified within Article 27.11(at) of the Lake County Zoning Ordinance.

8. *The applicant is qualified to make the application described in Chapter 21, Article 27, Section 1.ii.(g).*

The applicant has passed 'live scan' background check and is qualified to apply for this permit.

RECOMMENDATIONS

Staff recommends the Planning Commission take the following actions:

- A. Adopt Mitigated Negative Declaration (IS 22-42) for Major Use Permit (UP 22-23) with the following findings:
 1. Potential environmental impacts related to Aesthetics can be mitigated to less than significant levels with the inclusion of mitigation measures AES-1 through AES-4.
 2. Potential environmental impacts related to Air Quality can be mitigated to less than significant levels with the inclusion of mitigation measures AQ-1 through AQ-7.
 3. Potential environmental impacts related to Biological Resources can be mitigated to less than significant levels with the inclusion of mitigation measures BOI-1 through BOI-3.
 4. Potential environmental impacts related to Cultural Resources can be mitigated to less than significant levels with the inclusion of mitigation measures CUL-1 through CUL-2.
 5. Potential environmental impacts related to Geology and Soils can be mitigated to less than significant levels with the inclusion of mitigation measures GEO-1 through GEO-8.
 6. Potential environmental impacts related to Hazards and Hazardous Material can be mitigated to less than significant levels with the inclusion of mitigation measures HAZ-1 through HAZ-7.
 7. Potential environmental impacts related to Hydrology and Water Quality can be mitigated to less than significant levels with the inclusion of mitigation measures HYD-1 through HYD-2.

8. Potential environmental impacts related to Noise can be mitigated to less than significant levels with the inclusion of mitigation measures NOI-1 through NOI-2.
9. Potential environmental impacts related to Tribal Cultural resources can be mitigated to less than significant levels with the inclusion of mitigation measures CUL-1 through CUL-2 and TCR-1 through TCR-2.
10. Potential environmental impacts related to Wildfire can be mitigated to less than significant levels with the inclusion of mitigation measures WDF-1 through WDF-2.

B. Approve Major Use Permit (UP 22-23) with the following findings:

1. That the establishment, maintenance, or operation of the use applied for will not under the circumstances, 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. The site is adequate in size, shape, locations, and physical characteristics to accommodate the type of use and level of development proposed.
3. The streets, highways and pedestrian facilities are reasonably adequate to safely accommodate the proposed use.
4. There are adequate services to serve the project.
5. This project is consistent with the Lake County General Plan, Lower Lake Area Plan, and Lake County Zoning Ordinance.
6. No violation of Chapter 5, 17, 21, 23 or 26 of the Lake County Code currently exists on this property, with a condition of approval implemented.
7. The proposed use complies with all development standards described in Chapter 21, Article 27, Section 1.i.
8. The applicant is qualified to make the application described in Chapter 21, Article 27, Section 1.ii.(g).
9. The application complies with the qualifications for a permit described in Chapter 21, Article 27, Section 1.ii.(i).

Sample Motions:

Mitigated Negative Declaration

I move that the Planning Commission find that potential impacts associated with this project can be mitigated to 'less than significant' through the implementation of the Mitigated Negative Declaration (IS 22-42) submitted by Canna Factory (Avetis Manjikian and MAVS Group) for the property located at 17900 Cantwell Ranch Road, Lower Lake (APN: 049-290-01) will not have a significant effect on the environment, and that the Planning Commission adopt Initial Study (IS 22-42) with the findings listed in the staff report dated March 28, 2024.

Major Use Permit (UP 22-23)

I move that the Planning Commission find that the Major Use Permit (UP 22-23) applied for by Avetis Manjikian and MAVS Group for the property located at 17900 Cantwell Ranch Road, Lower Lake (APN: 049-290-01) does meet the requirements of Section 51.4 and Article 27 of the Lake County Zoning Ordinance and that the Major Use Permit be granted based on the findings and subject to the conditions included in the staff report dated March 28, 2024.

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.