



COUNTY OF LAKE
COMMUNITY DEVELOPMENT DEPARTMENT
Courthouse - 255 N. Forbes Street
Lakeport, California 95453
Planning Department • Building Department • Code Enforcement
707/263-2221 • FAX 707/263-2225

Mary Darby
Community Development Director

Item #4
9:20 AM
July 28, 2021

STAFF REPORT

TO: Planning Commission

FROM: Mary Darby, Community Development Director
Prepared by: LACO Associates
Planner: Andrew Amelung, Cannabis Program Manager

DATE: July 28, 2022

RE: **Alchemy 29, LP; Major Use Permit (UP 20-97) and Categorical Exemption (CE 22-58).** APN: 012-023-25

ATTACHMENTS:

1. Property Management Plan
2. Site Plans
3. Conditions of Approval
4. Water Availability Analysis
5. Transportation Analysis
6. Air Quality Statement

Supervisor District 1 – Moke Simon
Planning Commission – John Hess

I. EXECUTIVE SUMMARY

The applicant is requesting approval of a Major Use Permit to allow the following licenses:

- One (1) **Type 6: “Non-Volatile Cannabis Manufacturing License”**: The manufacture cannabis products for medicinal cannabis use using nonvolatile solvents, or no solvents, as defined by the Business and Professions Code, Section 40100.
- One (1) **Type P: “Cannabis Manufacturing License”**: Manufacturers that only package or repackage cannabis products or label or relabel the cannabis product container or wrapper.

- One (1) **Type 11: “Cannabis Distributor License”**: The procurement, sale, and transport of cannabis and cannabis products between entities licensed pursuant to California Code.

The proposed use will occur within seven existing buildings at 12762 State Highway 29, Lower Lake, CA 95457. The existing seven buildings total 65,700 square feet. All buildings are single-story, including Buildings #3 and #5, which have a mezzanine structure. The following uses are proposed as follows:

- 50,700 square feet for drying and storage
- 5,000 square feet for non-volatile manufacturing
- 2,500 square feet for distribution
- 2,500 square feet for trimming, processing, and packaging
- 1,834 square feet for offices and administrative support

The project property is accessed directly by CA State Highway 29, a State maintained highway. 8 paved parking stalls (2 ADA) and 31 gravel parking stalls and loading zones exist on site. The project will create 39 dedicated parking stalls. Buildings #5 and #7 includes loading areas a dedicated OH door of each structure. These will continue to be utilized. Water will be supplied by an existing on-site well. A well pump test performed in November 2020 indicated the well could produce a yield of 25 gallons per minute. Project activities requiring water include manufacturing and processing (ice, water, cleanup), employee usage (drinking, kitchen, bathrooms, cleaning), facilities maintenance (cleaning and equipment maintenance), and landscaping (via reclaimed water from manufacturing/processing). A Water Availability Analysis (Summit Engineering, October 2021) was performed for the project, which concluded that expected water demand for the project is approximately 724,290 gallons per year (2.2 acre-feet). The existing well has an adequate yield (25 gallons per minute) to supply the project. Water demand is below the estimated parcel groundwater recharge rate of 6.7 acre-feet per year; therefore, the well pump is not anticipated to cause drawdown issues for neighboring properties. All activities will use the existing infrastructure.

Alchemy 29 will serve as a processing center to support the drying, trimming, manufacturing, and distribution needs of three farms located in Lake County under the same applicant, as well as third party licensed operators within the County. Manufacturing will utilize a solventless extraction method, which requires only cannabis, ice, and water. Manufactured products will consist of solventless free water-based hash. The manufacturing process will include an automated pre-rolling machine, automated machinery to produce solventless rosin-based vape pens, and machinery to package product. Hazardous chemicals or materials are not proposed to be used for manufacturing activities. All potentially hazardous materials, such as fertilizers, pesticides, compressed gasses, and petroleum products, will be properly handled and stored within their original containers within a secure area of Building #6. All solid waste is proposed to be stored in bins with secure fitting lids until being disposed of at a Lake County Integrated Waste Management facility, at least once per week.

No products will be displayed for the public to see from the exterior. The buildings' existing windows will be screened to limit visibility into the facility. The facility will not allow public

walk-in customers. All activities except storage and loading will be fully contained within the existing buildings. No signs advertising cannabis or brand names are proposed. Any signs erected by the applicant would solely state the business name "Alchemy 29." The hours of operation are proposed as follows:

- Core Business Hours
 - Monday through Friday between 9 am-7pm
- Deliveries and Pickups
 - Monday through Saturday between 9am-7pm & Sunday between 12pm-5pm

The auxiliary structures, such as trash enclosures and storage areas will be compatible with and integrated into the overall design of the facility. The facility will have containers for recycling within the trash storage areas. Proposed trash and recycling containers consist of four metal two-yard dumpsters with locking lids, (one dumpster dedicated to Manufacturing, one to Distribution, one to Processing, and one for all other garbage). The proposed containers will be housed in an area surrounded by a six-foot chain link fence with a locking gate. No additional accessory structures or storage containers are being proposed for this project.

Mature landscaping, including trees and bushes, exist along all sides of the project site, which provide partial screening and defines the entrance to the project site. Additionally, a 6-foot tall chain link fence, with key card access and a Knox box, is proposed around the project site, which would provide additional screening.

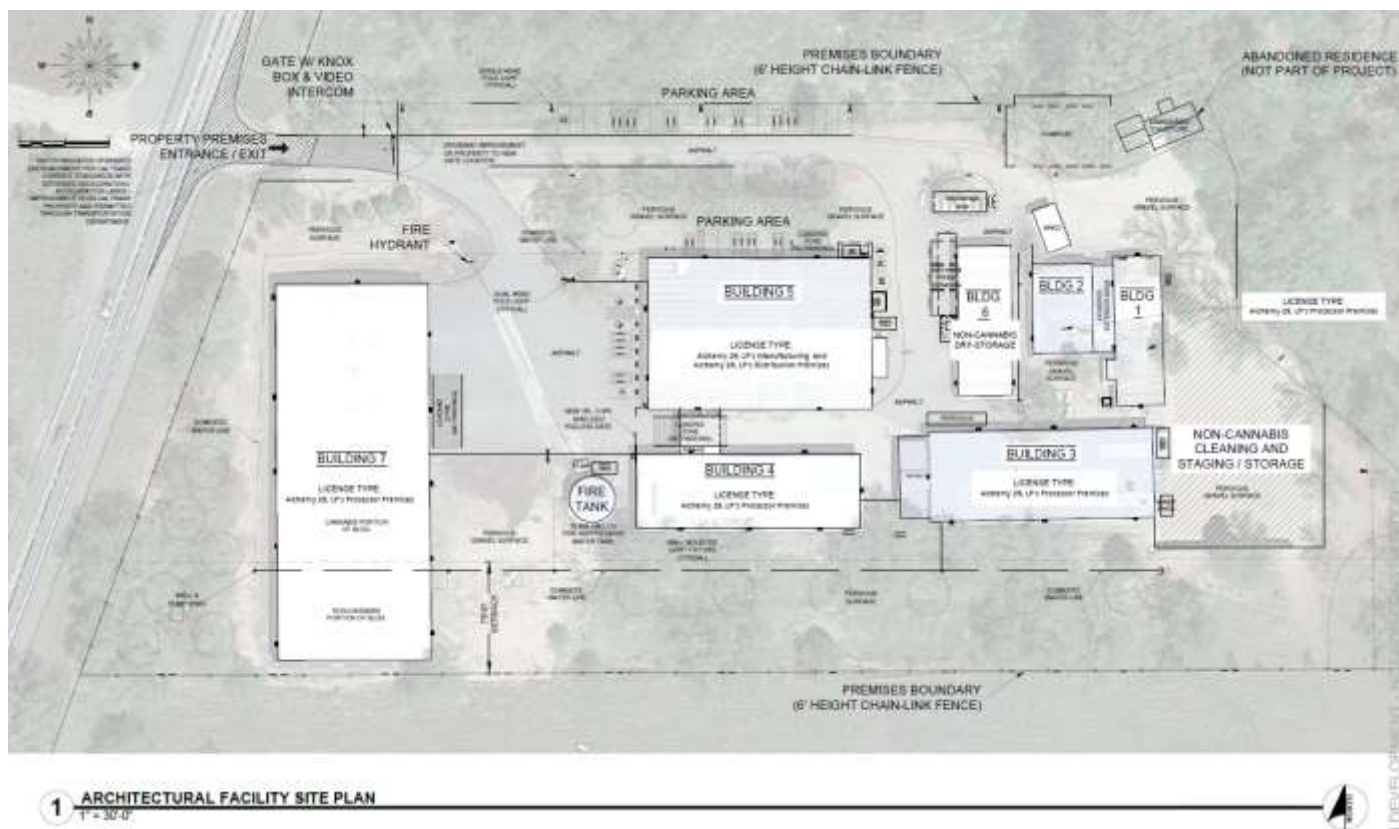
The existing facility has two separate loading areas at the rear of Buildings #5 and #7, which are concealed from public view. The project premises will be completely enclosed by a 6-foot tall fence; the fence will not be topped with barbed/razor wire. All entrances will have commercial grade locks and/or key card access. A security alarm system will be installed in the facility, which will include video surveillance and recording of all interior rooms and exterior areas. The fence around the perimeter of the premises area will include some mounted security cameras. The applicant is proposing to hire security personnel, as well as utilize login sheets. All authorized personnel, suppliers, and visitors are proposed to sign in and out.

The proposed manufacturing and distribution will require approximately 20 full-time employees and 5 part-time employees (during the 8-week peak season from mid-September to mid-November), year-round. Employees may vary depending on the season. Of the 20 full time employees, 8 will perform manufacturing activities, 2 will work in processing, 5 in administrative roles, 3 as managerial staff, and 2 will perform facilities maintenance. The highest anticipated number of employees during peak season would be 25. Deliveries will be based on the Lake County Zoning Ordinance Article 27 restricted times for deliveries and pickups. Those times will be Monday through Saturday from 9am to 7pm, and Sunday from 12pm to 5pm. Alchemy 29 would receive two inbound general freight trips per week during the normal season, with an additional 4 inbound box truck deliveries per day during peak season. One inbound mail/package pick up/drop off would occur each day Monday through Friday. A Trip Generation Assessment was performed for the project, which concluded that the project would be expected to result in fewer daily and peak hour trips than the previous use of the site (Parker Plastics - plastics manufacturing business) and is expected to have an acceptable effect on operation of the

surrounding roadway network.

The California Department of Transportation (Caltrans) stated in a letter dated December 31, 2021, that the State has acquired the abutter's rights along the segment of State Route 29 adjacent to the subject parcel, which restricts the parcel to a 20-foot wide driveway. This restriction prevented the previous parcel owners from developing a permitted access to commercial road approach standards. In their December 2021 letter, Caltrans required that the Applicant bring the existing driveway into conformance with State standards. Accordingly, the existing driveway, highway connection, approach radius, and taper would be re-paved and retied to Highway 29. The proposed improvements consist of excavating approximately 50 cubic yards of existing asphalt, applying approximately 75 cubic yards of new compacted road base, and finishing with approximately 50 cubic yards of new asphalt. The improvement would result in approximately 1,000 square feet additional paved area along the existing shoulder of CA Highway 29.

Staff is recommending **conditional approval** of Major Use Permit (20-97).

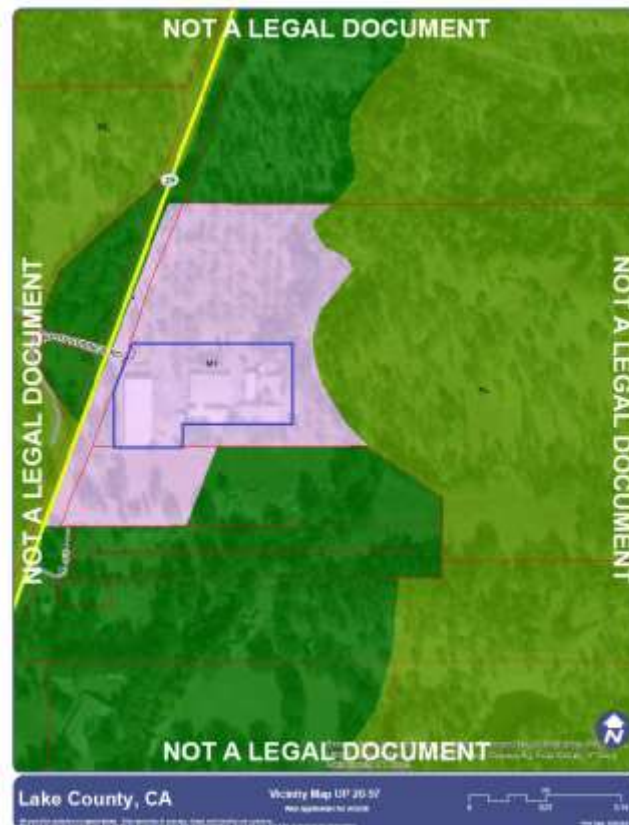


Proposed Site Plan

II. PROJECT DESCRIPTION

Applicant/Owner: Autumn Karcey of Alchemy 29, LP
Location: 12762 State Highway 29, Lower Lake, CA 95457
A.P.N.: 012-023-25
Parcel Size: 59.73 Acres
General Plan: Industrial
Zoning: "M1"; Commercial/Manufacturing
Flood Zone: The project site is zoned "X"; Area of Minimal Flood Hazard. The parcel is bisected by an area zoned as "A"; Special Flood Hazard Area, corresponding with Copsey Creek east of the project site.
Submittal Date: December 14, 2020

III. PROJECT SETTING



Zoning Map of Site and Vicinity

North: “A” Agriculture and “RL” Rural Lands zoned properties. Parcel size ranges from ± 41.12 to ± 8.35 -acre parcels.

South: “A” Agriculture and “M1” Commercial/Manufacturing zoned properties. Parcel size ranges from ± 3.22 to ± 8.88 -acre parcels.

East: “RL” Rural Lands zoned properties. Parcel size ranges from ± 37.31 to ± 38.79 -acre parcels.

West: “A” Agriculture and “RL” Rural Lands zoned properties. Parcel size ranges from ± 0.76 to ± 37.72 -acre parcels.

The Project parcel is not within a Community Growth Boundary.

<u>Topography:</u>	The project parcel is relatively flat.
<u>Water Supply:</u>	Existing on-site well
<u>Sewage Disposal:</u>	Existing on-site septic
<u>Fire Protection:</u>	Lake County Fire Protection District and CalFire
<u>Water Courses:</u>	Copsey Creek traverses the parcel directly east of the project site.



Aerial Photo of Subject Site

IV. PROJECT ANALYSIS

General Plan Conformance

The General Plan designation for the subject site is Industrial. This land use category provides for a range of manufacturing, the processing of natural resources, research facilities and high-tech campuses, and “heavy” commercial activities. The intent is to encourage sound industrial/heavy commercial development by designating appropriate areas for such uses including geothermal service yards, large construction/contractor yards, warehouses, asphalt batch plants, mills, lumber yards, boat building, welding and fabrication shops. This designation is located both inside and outside of Community Growth Boundaries.

The applicant is proposing cannabis manufacturing, packaging, and distribution. These are allowable uses within the M1 Zoning and Industrial General Plan designation. The project is located appropriately and is not within a community growth boundary in which the industrial commercial development would disturb residential districts.

The following General Plan policies relate to site development in the context of this proposal:

Land Use

Goal LU-1: is to 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.

Cannabis manufacturing and distributing is allowed with a major use permit in the M1 zoning district. All structures within the project site are set back at least 30 feet from the property line, with the exception of existing Building #7, which is positioned approximately 11-feet from the property line. This non-conformity conflicts with the required 30-foot setback dictated by the Lake County Zoning Ordinance Article 27, Section 27.11 (av). However, the portion of the building within the setback will be roped off and not used for cannabis manufacturing or distribution activities. Therefore, the 30-foot setback would be adhered to.

Goal LU-2: is to clearly differentiate between areas within Lake County appropriate for higher intensity urban services and land uses from areas where rural or resource use should be emphasized.

- Policy LU-2.4 Agricultural/Residential Buffer. The County shall require adequate setbacks between agricultural and non-agricultural uses. Setbacks shall vary depending on type of operation and chemicals used for spraying.

In reference to the Lake County Zoning Ordinance Article 27, Section 27.11 (av), the county requires a minimum 30-foot setback from all property lines of the subject property. All structures within the project site are set back at least 30 feet from the property line, with the exception of existing Building #7, which is positioned approximately 11-feet from the property line. However, the abutting parcel south of Building #7 is zoned “M1” Commercial/Manufacturing; therefore, the non-conformity would not impact an agricultural use. Additionally, the portion of the building within the setback will be roped

off and not used for cannabis manufacturing or distribution activities. Therefore, the 30-foot setback would be adhered to. All existing buildings on the property which are adjacent to parcels zoned for agriculture comply with the 30-foot setback requirements.

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 operation would create diversity within the local economy, and create future employment opportunities for local residents. According to the applicant’s application, there are a total of 20 full-time and 5 part-time employees proposed. Employees are expected to shop locally, which will support local businesses. Processing, manufacturing, packaging, and distribution associated with the operation would provide a location for local farms to bring material within Lake County. The current shortage of processing and packaging and distribution services in Lake County is forcing local farmers to take their product out of town. Jobs would also be created on the cannabis farms that would bring product to be processed at the Alchemy 29 facility. Providing these services in Lake County will generate tax revenue for the county and allow local farmers to stay in Lake County. Alchemy 29 has conducted business thus far with over 20 local businesses.

Lower Lake Area Plan Conformance

The subject site is within the Lower Lake Area Plan’s boundary. The Plan does not contain policies specific to the distribution/manufacturing of cannabis but contains the following policies relating to the objective of Orderly growth and development shall be encouraged within the Lower Lake area by focusing higher intensity development within the community of Lower Lake [Objective 5.1a]:

- **5.1a-1:** The Lower Lake land use plan should recognize existing development patterns and logically provide for future development in the area.
- **5.1a-2:** The focus of new development in the planning area should be within the community of Lower Lake and contiguous to existing development and available public services.

The applicant is proposing cannabis manufacturing and distribution. These are allowable uses within the M1 Zoning and Industrial General Plan designation. The project is located appropriately and is not within a community growth boundary in which the industrial commercial development will disturb residential districts. Additionally, the proposed project would allow existing and permitted cultivators to process and manufacture their cannabis plants within the county which in return would lead to a boost in economic development and reduce travel distances for cultivators.

Zoning Ordinance Conformance

Article 21 – M1 Commercial/Manufacturing Zoning District. Purpose: To provide areas for heavy commercial and light industrial or manufacturing uses while maintaining an environment free from offensive or objectionable noise, dust, odor, or other nuisances. The following regulations shall apply to all “M1” districts and all uses shall be subject to development review as set forth in Article 56.

The Cannabis Manufacturing and Distributor licenses are permitted in the “M1” Zoning District upon issuance of a Major Use Permit pursuant to Article 27, Section 27.11 [Table B] of the Lake County Zoning Ordinance. On December 14, 2020, the applicant submitted an application for a Major Use Permit, UP 20- 97 for the Manufacturing and Distribution of Commercial Cannabis to the Community Development Department.

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 zoning permits, minor or major use permits in addition to any required building, grading and/or health permits.

Use Standards, General Requirements and Restrictions. This application meets the following Development Standards, General Requirements and Restrictions as specified within Article 27, subsection (av) – Type 6, (ax) – Type 11, and (au) – Type N and P, of the Lake County Zoning Ordinance. These include, but are not limited to:

Use Standards

- The facility shall maintain a thirty (30) foot setback from all property lines:
All structures within the project site are set back at least 30 feet from the property line, with the exception of existing Building #7, which is positioned approximately 15-feet from the property line. This non-conformity conflicts with the required 30-foot setback dictated by the Lake County Zoning Ordinance Article 27, Section 27.11 (av). However, the portion of the building within the setback will be roped off and not used for cannabis manufacturing or distribution activities. Therefore, the 30-foot setback would be adhered to.
- The parcel where the cannabis distribution facility is located shall front and have direct access to a paved State or County maintained road: *Complies, the project parcel is accessed by Highway 29. This is a State maintained and paved highway.*
- The cannabis manufacturing shall be conducted in accordance with state and local laws related to hazardous material disposal, land conversion, grading, electricity usage, water usage, and wastewater discharges. The manufacturing operation and facility shall be approved by the Lake County Building official and by the Chief of the Fire District where the manufacturing facility is located:
Complies, all appropriate state and local permits will be applied for. The manufacturing facility will be conducted in accordance with all state and local laws related to hazardous material disposal, land conversion, grading, electricity usage, water usage, and wastewater discharges. The manufacturing facility and any proposed hazardous materials seek approval from the Lake County Building Official and the Chief of the Fire District prior to use.

- All manufacturing of cannabis products shall occur in an enclosed locked structure: Complies, all manufacturing of cannabis products will be contained within the existing buildings, which will have commercial grade locks.
- Cannabis manufacturing activities shall only occur in the areas depicted on the floor plan submitted by the applicant and shall not exceed the square footage authorized pursuant to the minor or major use permit: Complies, the cannabis manufacturing permit will follow the layout as depicted on the floor plan. The square footage will not exceed what is authorized by an approved major use permit.
- If hazardous materials, flammable gas, flammable liquefied gas, flammable and combustible liquids, or other flammable material, as those terms are defined in the 2016 California Fire Code (CFC) Section 202, are to be used in the processing of cannabis, then the provisions of CFC shall be applicable where hazardous materials subject to permits under CFC Chapter 50 (Hazardous Materials) are located on the premises or where required by the local fire district official or County Building official: Complies, all CFC Chapter 50 and 2016 California Fire Code (CFC) Section 202 regulations will be followed if hazardous materials, flammable gas, flammable liquefied gas, flammable and combustible liquids, or other flammable material are used in this facility. Prior to use, all materials will be approved by the Local Fire District Official and the County Building Official. All necessary permits will be applied for and granted prior to use.
- Storage, use and handling of compressed gases in compressed gas containers, cylinders, tanks, and systems, compressed gases classified as hazardous materials, and the prevention, control and mitigation of dangerous conditions related to storage, use, dispensing, mixing and handling of flammable and combustible liquids shall comply with California Fire Code and California Building Code. Partially full compressed gas containers, cylinders or tanks containing residual gases shall be considered as full for the purposes of the controls required: Complies, all compressed gases will be appropriately stored, used, and handled. All California Fire Codes and Building Codes will be complied with in relation to the storage, use, dispensing, mixing, and handling of flammable liquids, combustible liquids, and compressed gases. All potentially dangerous conditions will be avoided and mitigated to maintain the highest level of safety in the facility.
- Cannabis Non-Volatile manufacturing sites are considered a Group F- 1 (Factory Industrial Moderate-Hazard) Occupancy under the California Building and Fire Codes. All new construction is required to be fire sprinkled per the California Building and Fire Codes. For cannabis manufacturing sites that will be sited in an existing structure, an automatic sprinkler system shall be provided throughout all buildings containing a Group F- 1 occupancy where one of the following conditions exist: Complies; none of the existing buildings currently contain a fire sprinkler system. The existing buildings do not require automatic sprinklers as it would not be considered a Group F-1 Occupancy, due to none of the following conditions existing:

- i. A Group F- 1 fire area exceeds twelve thousand square feet.
No Group F-1 Fire Area exceeds 12,000sf.
- ii. A Group F- 1 fire area is located more than three stories above grade plane.
All buildings are single-story, including Buildings #3 and #5, which include a mezzanine office & storage structure.
- iii. The combined area of all Group F- 1 fire areas on all floors, including any mezzanines, exceeds twenty- four thousand square feet.
No building on the property exceeds 24,000sf of Group F-1 fire area.
- All facilities using Carbon Dioxide for manufacturing purposes shall comply with the same standards as required for Type 7 Plant Extraction License: Complies, no Carbon Dioxide is proposed to be used in the manufacturing process.

General Requirements and Restrictions. There are several general requirements for cannabis manufacturing and distribution listed in Section 27.11 (av), (ax), and (au) 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, and access requirements.

The applicant meets the General Requirements outlined in Section 27 of the Zoning Ordinance. If the requirements have not yet been met, a condition has been added to their permit to ensure compliance.

V. ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) requires agencies to evaluate the environmental implications of land use actions. Upon staff review, the Major Use Permit has been determined to be Categorical Exempt through CEQA through the following:

- **Exemption Class 1 (Existing Facilities)** This class 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 existing or former use.

The proposed project is located on a previously developed parcel. The buildings that will be used for the proposal are existing and the applicant does not propose to expand the existing buildings. All proposed cannabis activities will occur within the buildings and no new exterior construction or major grading is proposed for the completion of this project beyond that of the CalTrans required encroachment improvement. Therefore, short-term construction emissions are not anticipated. The property has existing designated truck delivery areas, an existing paved parking lot with approximately 27 spaces for employees, and existing utilities that supports the building. The proposed project is not anticipated to have a potential impact on traffic as the proposal will consist of approximately 2 to 5 deliveries/shipments/distribution trips per day. A Trip Generation Assessment was performed for the project, which concluded that the project would be expected to result in fewer daily and peak hour trips than the previous use of the site (Parker Plastics - plastics

manufacturing business) and is expected to have an acceptable effect on operation of the surrounding roadway network. No fugitive dust emission impacts are expected. The existing access road and project parcel is equipped with storm water drainages that will remove roadway contamination from public waterways; no impacts to storm water drainage patterns are anticipated. Additionally, the existing building will be equipped with filtration systems to prevent the movement of odors, chemicals, pesticides, and other air borne contaminants out of or into the existing building.

VI. 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.

Response: *The applicant will not engage in any prohibited activities. This project will not propagate objectionable odors, traffic, visual impacts, light pollution, noise, or other circumstances that cause injury, detriment, nuisance, or annoyance to any considerable number of persons or to the public, or which endanger the comfort, repose, health, or safety of any of those persons or public. Odors would be contained through Activated Carbon Filtration methods and Ultra-HEPA filters, light would be downcast and motion activated, and manufacturing would not rely on generators. Regarding safety, all employees will have background checks completed through the Lake County Sheriff's Department and the property will be equipped with an exterior security system and lighting. A security officer will be on duty during employee work hours. The project site will be completely enclosed by a screened 6-foot tall fence, which will reduce any potential aesthetic impacts from the project.*

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.

Response: *The proposal will be conducted within the existing buildings, which only represent a small portion (approximately 6 acres) of the total 59.73-acre property. The applicant does not propose to expand the existing buildings. The Lake County Zoning Ordinance allows Type 6 (Non-Volatile Manufacturing) and Distribution Licenses on M1 zoned land, and the project site is large enough to support the proposed operation. Loading areas are adequate for project operations; the existing facility has an expansive surface parking lot and multiple directions to turn once on the premises including a circular drive for freight. Trucks may also back into the loading areas without having to utilize the public roadway. The gate entrance is at least 2 feet wider than the traffic lanes width, with a minimum of 14 feet unobstructed horizontal clearance and 15 feet on unobstructed vertical clearance.*

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

Response: *The site is accessed by CA Highway 29, which can adequately accommodate the proposed use. The gate entrance off of Highway 29 is at least 2 feet wider than the traffic lanes width, with a minimum of 14 feet unobstructed horizontal clearance and 15 feet on unobstructed vertical clearance. As requested by Caltrans, the project includes driveway improvements to bring the existing driveway into conformance with State standards. The highway connection, approach radius, and taper would be re-paved and retied to Highway 29. The improvements would result in approximately 1,000 square feet of additional paved area along the existing shoulder of CA Highway 29.*

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.

Response: *There are adequate public utilities and services available to the site. This application was routed to all of the affected public and private service providers, including all area Tribal Agencies. Responses were received from Public Works, Surveyor, Northwest Information Center, Air Quality Engineer, Caltrans, and CalFire. Fire and police protection agencies did not indicate inadequate availability to serve the project. Relevant comments are attached as 'Attachment 3'. There is not a substantial increase in employees associated with the project compared to the past use of the existing buildings; therefore, increased public services are not anticipated. Furthermore, the project includes safety and security measures that would reduce the potential for police and fire demand. The project would utilize an existing on-site well. A well pump test performed in November 2020 indicated the well could produce a yield of 25 gallons per minute, which is sufficient to supply the project. The project would not need to connect to municipal sewer, as it utilizes onsite septic.*

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.

Response: *The proposed use of Cannabis Manufacturing and Distribution is a permitted use in the "M1" Zoning District upon issuance of a Major Use Permit pursuant to Article 27 of the Lake County Zoning Ordinance. The Lake County General Plan indicates the Industrial designation provides for a range of manufacturing activities, therefore the proposed activity is in conformance with the General Plan. As noted previously, existing Building #7 represents a non-conformity, as the existing building is under the 30-foot setback requirement dictated by the Lake County Zoning Ordinance Article 27, Section 27.11 (av). However, the portion of the building within the setback will be roped off and not used for cannabis manufacturing or distribution activities. Therefore, the 30-foot setback would be adhered to. Additionally, the proposed project is in conformance with the Lower Lake Area Plan that has provisions for economic development and Industrial/Heavy Commercial uses:*

Light Industrial, Heavy Commercial Development: *The need for quality development sites for light industrial and heavy commercial activities is expected to increase with overall growth in the southeastern region of Lake County, including Lower Lake. These sites should be characterized by relatively level land, good access, adequate water supply, and low aesthetic, noise, air and water quality impacts. An area east of State*

Route 29 and Clayton Creek Road has been identified as a prime site for light industrial/heavy commercial development. [Lower Lake Area Plan Economic Development Advantages 5.14-5.15]

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.

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

VII. RECOMMENDATION

Staff recommends the Planning Commission:

A. Find that this project has been found to be Categorical Exempt from CEQA as a Class 1 Exemption (Section 15301).

1. The project is consistent with CEQA Categorical Exemption, Class 1 (Section 15301. Existing Facilities), which 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 existing or former use.
2. This project remains consistent with the Lake County General Plan, Lower Lake Area Plan, and Lake County Zoning Ordinance.
3. There has been no change in the project which would create a new significant environmental impact.
4. The project is consistent with land uses in the vicinity.
5. This project will not result in any significant adverse environmental impacts.

B. Approve Use Permit UP 20-97 with the following findings:

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. 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.

Sample Motions:

Categorical Exemption

I move that the Planning Commission find that the **Categorical Exemption (CE 22-58)** applied for by **Alchemy 29, LP** on property located at **12762 State Highway 29, Lower Lake, CA** and further described as **APN: 012-023-25** will not have a significant effect on the environment and therefore a Class 1 Categorical Exemption pursuant to Section 15301 of the CEQA guideline shall be approved with the findings listed in the staff report dated **July 28, 2022**

Major Use Permit (UP 20-97)

I move that the Planning Commission find that the **Major Use Permit (UP 20-97)** applied for by **Alchemy 29, LP** on property located at **12762 State Highway 29, Lower Lake, CA** and further described as **APN: 012-023-25** does meet the requirements of Section 51.4 and Article 27, Section (au), (av), and (ax) of the Lake County Zoning Ordinance and the Major Use Permit be granted subject to the conditions and with the findings listed in the staff report dated **July 28, 2022**

***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 calendar day following the Commission's final determination.*