

Item 1 9:05 AM January 23, 2020

STAFF REPORT

TO: Planning Commission

FROM: Michalyn DelValle, Community Development Director

Prepared by: Eric Porter, Associate Planner

DATE: January 13, 2020

RE: Carl Tharp; Major Use Permit (UP 19-25) and Initial Study (IS 18-62)

Supervisor District 5

ATTACHMENTS: 1. Vicinity Map

2. Property Management Plan (available upon request)

3. Agency Comments

4. Proposed Conditions of Approval

5. Existing and Proposed Site Plans

6. Initial Study IS 18-627. Public Comments

I. <u>EXECUTIVE SUMMARY</u>

The applicant is requesting a major use permit for (1) A Type 2 (small outdoor) cultivation area consisting of 10,000 square feet (s.f.) of cultivation space on APN: 007-029-02; (1) A-Type 2B (small mixed light) consisting of 7,920 s.f. of greenhouse cultivation and an additional 2,000 s.f. of nursery area on APN: 007-029-10, and (1) A-Type 3B (medium mixed light) consisting of 14,080 s.f. on APN: 007-029-12. The applicant is also requesting a Type 13 'self-distribution' license. The properties are addressed as 7540, 7560 and 7580 S. Highway 29, Kelseyville, APNs: 007-029-02, 10 and 12. Total cultivation area is **32,000 s.f.** Of this cultivation area, 22,000 s.f. of cultivation area is mixed light, and 10,000 s.f. is outdoor.

The applicant initially applied for three minor use permit licenses under three separate fees, however shortly after the applicant submitted, the County changed its policy on multiple licenses, and is allowing all three distinct cultivation areas under one CEQA review, and under one Major Use Permit, file no. UP 19-25.

The Planning and Building Division conducted a site inspection on Tuesday November 26, 2019 to determine the following: (1) whether compliance with Public Resource Codes (PRC) 4290 and 4291 were met; (2) whether the site plan accurately depicted the site

layout, and (3) whether any buildings were present that were not accounted for on the site plan submitted.

Regarding (1), PRC compliance, the only non-compliant aspect was the 2nd gate, which measured 13'-8" at the opening, however the way the metal gate is constructed, it would be easily modified to meet the required 14' opening width.

Regarding (2), the site plan accurately depicts the site configuration with one exception; there are three shipping containers on the site, but only two are shown on the site plan. The applicant indicated by email that the structures might be used. Since they are not considered cultivation area, these containers can be used for chemical and pesticide storage. Two of these containers will be used to dry cannabis plants; all three will be required to have faux roofs and siding to replicate buildings.

Regarding (3), there are six greenhouses on the site that have not been permitted but are shown on the site plan submitted. A condition has been included that the applicant must obtain a building permit for the greenhouses and shipping containers.

The applicant has also applied for a <u>Type 13 Self-Distribution license</u> for cannabis to and from the site; this license is under consideration within this Use Permit review.

A permit is required from the California Department of Food and Agriculture (CalCannabis) for the future commercial cannabis operation. The Lake County Community Development Department regulates among other things odor control, and a standard condition of approval requires an Odor Control Plan for each cultivation site. No trees will be removed by this action; the site is already cleared from prior Self Certification that occurred in 2017 under former Article 72 of the Lake County Zoning Ordinance.

Staff is recommending **Approval with Conditions** of **UP 19-25**.

II. PROJECT DESCRIPTION

Applicant / Owner: Carl Tharp

Location: 7540, 7560 and 7580 S. Highway 29, Kelseyville

<u>A.P.N.s</u>: 007-029-02, 10 and 12

<u>Parcel Size</u>: 80+ acres <u>General Plan</u>: Rural Lands

Zoning: "RL-B5-SC"; Rural Lands – Special Lot Density – Scenic Combining

Flood Zone: None

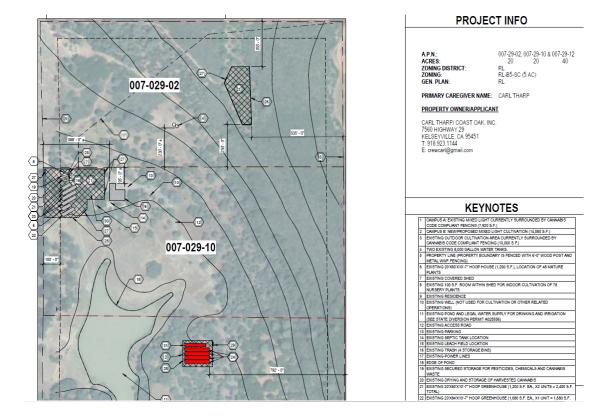
<u>Cultivation Area:</u> 22,000 s.f. of cultivation area is mixed light, and 10,000 s.f. is

outdoor.

Canopy Areas: Not identified; estimated at 25,000 s.f. (18,000 s,f, of mixed light

canopy and 7,000 s.f. of outdoor)

<u>Site Visit:</u> November 26, 2019 <u>Cultivation Start Date:</u> January 31, 2020



III. PROJECT SETTING

<u>Existing Uses and Improvements</u>: The three parcels are about 80+ acres and are contiguous. The property contains a dwelling, an accessory building, three shipping containers, and six greenhouses (permits are needed for them).



VICINITY MAP

Surrounding Uses and Zoning

North, West and South: "RL" Rural Lands. Parcel sizes generally range from 45 to 160 acres that are primarily undeveloped. A property located northeast of the northern subject lot contains a vineyard.

<u>West:</u> "RR" Rural Residential; four lots in total. All four lots contain dwellings; three are used for crop production (vineyards and orchards).

East: "RL" Rural Lands, sparsely populated with dwellings.

Topography: Varied, ranges from flat near the Highway to over 30% on the east

and north-east sides of the site.

Soils: Type 208-Skyhlgh-Asbill complex, 15 to 50 percent slopes. The

surface runoff of this soil type is rapid, and the hazard of erosion is severe. The shrink-swell potential is high. This unit responds well to

fertilizer, rangeland seeding, and proper grazing use.

Water Supply: Existing well, small existing reservoir

Sewage Disposal: Existing On-Site Septic

<u>Fire Protection</u>: Kelseyville Fire Protection District

<u>Vegetation</u>: Several varieties of oak trees, grass and some manzanita brush



Zoning of Site and Surrounding Lots

IV. PROJECT ANALYSIS

General Plan Conformance

The General Plan designation for the subject site is <u>Rural Lands</u>. The following General Plan policies relate to site development in the context of this proposal:

Rural Lands allows 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. Typical uses permitted by right include, but are not limited to, animal raising, crop production, single family residences, game preserves and fisheries. Other typical uses permitted conditionally include, but are not limited to, recreational facilities, manufacturing and processing operations, mining, and airfields. These lands also provide important groundwater recharge functions. As watershed lands, these lands function to collect precipitation and provide for important filtering of water to improve water quality. They are generally supportive to the management of the natural infrastructure of the watersheds, and are located outside of Community Growth Boundaries.

Land Use

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

The immediate area consists of lots that range in size from 20 to 40 acres, and are zoned "RL" Rural Lands north of Highway 29. The lots to the south of Highway 29 are smaller, ranging from 10 to 20 acres, and zoned "RR" Rural Residential. The nearby lots are marginally developed with dwellings.

Kelseyville Area Plan Conformance

The Kelseyville Area Plan does not regulate cannabis cultivation.

Zoning Ordinance Conformance

<u>Article 7 – Rural Lands (RL).</u> The purpose of this zoning designation is to provide for resource related and residential uses of the County's undeveloped lands that are remote and often characterized by steep topography, fire hazards, and limited access.

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

<u>Development Standards, General Requirements and Restrictions.</u> This application meets the following Development Standards, General Requirements and Restrictions as specified within Article 27, subsection (at) of the Lake County Zoning Ordinance.

Development Standards

- Minimum Lot Size (20 acres per license): Complies; the subject site is over 80 acres in size.
- <u>Setback from Property Line (100 feet):</u> Complies, the cultivation site is about 200 feet from the nearest property line.
- <u>Setback from Off-Site Residence (200 feet minimum)</u>: Complies, the nearest neighboring residential dwelling is located about 2300 feet away from the nearest cannabis cultivation area.
- Fence Height between Six (6) and Eight (8) Feet: Complies, the proposed fence height is six (6) feet.
- Maximum Canopy Area (43,560 s.f.): The proposed canopy area is not defined in the application material submitted. The mixed light <u>cultivation areas</u> are 22,000 s.f. in total size. The outdoor <u>cultivation area</u> is 10,000 s.f. in total size. The applicant could have larger canopy areas based on the total acreage; therefore the proposed canopy area complies with this Article.
- Maximum Cultivation Area (65,000 s.f.): Complies. The applicant is proposing two 'mixed light' cultivation areas, and one 'small outdoor' cultivation area. The two 'mixed light' areas are a combined 22,000 s.f. of cultivation area; the small outdoor would have 10,000 s.f. of cultivation area.

General Requirements. The applicant meets the following General Requirements. If the requirements have not been met, a condition has been added to assure compliance.

- <u>State License and Permits required (Section 27.at.3.ii.a):</u> Complies; see 'Conditions', Attachment 4.
- <u>Background Checks (Section 27.at.3.ii.e):</u> The current employees have undergone background checks as required by this subsection of the Zoning Ordinance. However, a condition has been added to assure compliance in the event of new employees or change of ownership in the future; see Attachment 4.
- Property Owners Approval: Complies. The owner is the applicant.
- Co-location of Permits: The applicant is requesting a mixture of 'mixed light' and 'small outdoor' cultivation licenses. The County allows this to occur provided the property(s) involved meet the minimum size requirements. In this case, the applicant needs to have 60 acres, and has just over 80 acres, thereby enabling the co-location of three distinct permits.
- Operation Hours Deliveries and Pickups (Monday through Saturday 9:00AM-7:00PM & Sundays 12:00PM - 5:00PM): A condition has been added; see Attachment 4.

- <u>Duration of Permits; Commercial cannabis Cultivation permits duration is not to exceed ten (10) years.</u> A condition has been added; see Attachment 4.
- Weights and Measures: A condition has been added; see Attachment 4.
- Access Standards: The site takes access from Highway 29, a paved two-lane State highway.

Prohibited Activities. The applicant complies with the restrictions pertaining to the following prohibited activities:

- Tree Removal. None proposed.
- Water use when illegally diverted from any lake, spring, wetland, stream, creek, vernal pool, or river. The applicant will divert water from the small on-site reservoir. The applicant has provided proof of surface water rights and has the ability to draw from this water source.
- Odor Control. An Odor Control Plan is required; see Attachment 4.
- <u>Electrical Generators</u> may be used only on an emergency basis. *See Conditions;* Attachment 4.
- <u>Lights</u> must comply with County Dark Skies lighting standards; see Attachment 4.
- Pesticide Usage is limited to State-approved chemicals. See Attachment 4.
- Protection of Minors. Required by conditions; see Attachment 4.
- <u>Commercial cannabis Cultivation Exclusion Area</u> *complies. The site is not located within 1000 feet of:*
 - a. A Community Growth Boundary
 - b. A school
 - c. A developed public park
 - d. A drug or alcohol rehabilitation facility
 - e. A licensed child care or nursery school
 - f. A church or other family-oriented facility providing services intended for minors

Permitting Process

The **Property Management Plan** submitted by the applicant contains all of the required Elements as specified within Article 27 of the Lake County Zoning Ordinance:

- Air Quality
- Cultural Resources
- Energy Use

- Fertilizer Usage
- Fish and Wildlife Protection
- Operations Manual
- Grounds
- Pest Management
- Security
- Storm Water Management:
- Waste Management
- Management Plan
 - Cannabis Vegetative Material Waste Management
 - o Growing Medium Management
 - Cannabis Vegetative Material Waste Management:
- Water Resources
- Water Use
- Compliance Monitoring
- Annual Reports Performance Review

V. ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) requires agencies to evaluate the environmental implications of land use actions. Please refer to *Initial Study IS 18-62* (Attachment 6) for the Environmental Analysis of the proposed cannabis cultivation action. Any potential environmental impacts have been reduced to less than significant with the incorporated Mitigation Measures and Conditions of Approval. The following areas were identified as having potential environmental impacts:

Issue: Aesthetics

The project has some potential to result in aesthetic impacts. A portion of the site is within the Scenic Combining Overlay District, and the greenhouses will contain low lighting for the cannabis plants. The greenhouses are beyond the Scenic Combining mapped boundary, so impacts to the scenic viewshed is minimal. Lighting inside the greenhouses is addressed through mitigation measure AES-1 as follows;

 AES-1 - All greenhouses incorporating artificial lighting shall be equipped with blackout film/material to be used at night for maximum light blockage to lessen the impact on the surrounding parcels and the dark skies. Applicant shall submit a <u>Blackout Film/Materials Plan</u> to the Community Development Department for review and approval prior to issuance of any permits.

Issue: Air Quality

The project has some potential to result in air quality impacts. Some of the cultivation site will be inside greenhouses, however 10,000 s.f. of cultivation will occur outdoors. *The following mitigation measures have been added as conditions of approval:*

- AQ-1: Prior to obtaining the necessary permits and/or approvals for any phase, applicant shall contact the Lake County Air Quality Management District 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.
- AQ-2: All mobile diesel equipment used must be in compliance with State registration requirements. Portable and stationary diesel powered equipment must meet the requirements of the State Air Toxic Control Measures for CI engines.
- 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 Lake County Air Quality Management District such information in order to complete an updated Air Toxic emission Inventory.

Issue: Biological Resources

There is some potential for biological resources to be impacted unless mitigation measures are added to protect these resources. The following mitigation measures have been added as conditions of approval:

- BIO-1: If project activities occur during the breeding season (February 1 through August 31), a qualified biologist will conduct a breeding bird survey no more than 14 days prior to project activities to determine if any birds are nesting in trees adjacent to the study area. If nests are found, then the surveying biologist shall establish an exclusion zone.
- BIO-2: If initial work is delayed or there is a break in project activities of greater than 14 days within the bird-nesting season, then a follow-up nesting bird survey should be performed to ensure no nests have been established in the interim.

Maternity Roosting Bats

 BIO-3: If initial ground disturbance occurs during the bat maternity roosting season (April 1 through September 1), a qualified biologist will conduct a bat roost assessment of trees within 100 feet of the proposed construction. If bats are found, the surveying biologist shall establish an exclusion zone.

Western Pond Turtle

BIO-4: Work within 100 meters of the stock pond should be initiated outside
the nesting season for the pond turtle, which is from May 1 to October 1. If
work cannot be initiated outside the nesting season, then a pre-construction
survey in all work areas within 100 meters of the lower pond shall occur.

Issue: Cultural and Tribal Resources

In keeping with CEQA Guidelines, if archaeological resources are uncovered during construction, work at the place of discovery should be halted immediately until a qualified archaeologist can evaluate the finds [§15064.5(f)]. Further, upon discovery of any 'significant' artifacts, the overseeing Tribe shall be contacted, and if the Tribe determines that it is relevant to their cultural heritage, they shall choose the method of involvement in monitoring the construction of the site for the duration of ground disturbance.

- <u>CUL-1</u>: Should any archaeological, paleontological, or cultural materials be discovered during site development, all activity shall be halted in the vicinity of the find(s), the applicant shall notify the local overseeing Tribe, and a qualified archaeologist 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 local overseeing Tribe, and a qualified archaeologist for proper internment and Tribal rituals per Public Resources Code Section 5097.98 and Health and Safety Code 7050.5.
- <u>CUL-2</u>: All employees shall be trained in recognizing potentially significant artifacts that may be discovered during ground disturbance. If any artifacts or remains are found, the local overseeing Tribe shall immediately be notified; a licensed archaeologist shall be notified, and the Lake County Community Development Director shall be notified of such finds.

VI. MAJOR USE PERMIT FINDINGS FOR APPROVAL (LCZO, Section. 54.4)

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 immediate area contains rural land with several homes that are located at least 2300 feet away from the nearest cultivation site. As previously discussed, the potential impacts resulting from this proposal are Aesthetics, Air Quality, Biological Resources, and Cultural Resources. All of these significant impacts have been adequately addressed within the applicant's submittal for the reasons previously stated.

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 proposal is for a total of **32,000 s.f.** of cultivation area. Of this, 22,000 s.f. will be inside of greenhouses, and 10,000 s.f. will be outdoor cultivation. The Lake County Cannabis Ordinance allows Type 1, 2, 3 and 4 cultivation operations on Rural Lands zoned land. The applicant seeks three permits, each requiring 20 acres minimum. The subject site is over 80 acres in size, large enough to enable the cultivation areas that have been applied for.

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

The site is served by Highway 29, and the road leading into the site up to the cultivation areas is paved. The site contains turnouts located about 400 feet apart from one another, and with the minor exception of one undersized gate, complies with 4290 and 4291 road standards both on- and off-site.

 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.

This application was routed to all of the affected public and private service providers including CALFIRE, Kelseyville Fire District, Public Works, Special Districts, Environmental Health, and all area Tribes. Relevant comments are attached as 'Attachment 3'. No adverse comments were received.

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.

Since commercial cannabis cultivation is named as a permitted use in the RL zoning district within the Commercial Cannabis ordinance, this proposal is consistent with the governing ordinance for cannabis growing in Lake County. The General Plan and Kelseyville Area Plan do not have any provisions for commercial cannabis.

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.

The site contains six greenhouses that were built without permits, however this can be corrected through a Condition of Approval. There are no other violations of Chapters 5, 17, 21, 23 or 26 of the Lake County Code on this property.

FINDINGS FOR APPROVAL (LCZO, Art. 27, section (au)7.i):

1. The proposed use complies with all development standards described in Section 1.i

This report identifies the development standards that apply to cannabis cultivation in Lake County. The applicant is fully compliant with most of the development standards, and can be made to comply through conditions of approval of the development standards that are not yet met (primarily building permits for the greenhouses, and confirmation of turn-out spacing on site needed in order to comply with Public Resource Codes 4290 and 4291).

2. The applicant is qualified to make the application described in Section 1.ii.(g)

The applicant and his employees have passed a 'live scan' background check, and are qualified to undertake a commercial cannabis cultivation activity subject to approval of this use permit.

3. The application complies with the qualifications for a permit described in Section 1.ii.(i)

This application complies with all qualifications for a permit described in Section 3.ii.(f). The applicant is proposing four licenses; three are cultivation sites totaling 32,000 s.f. including 22,000 s.f. of 'mixed light' cultivation area, and 10,000 s.f. of outdoor cultivation area. The fourth license is a 'self-distribution' license (Type 13). The subject site is 80 acres in size, large enough to support the three cultivation licenses; the applicant also qualifies for the Type 13 'Self Distribution' license.

VII. <u>RECOMMENDATION</u>

Staff recommends the Planning Commission:

- A. Adopt mitigated negative declaration (IS 18-62) for Use Permit (UP 19-25) with the following findings:
 - 1. Potential aesthetic impacts can be mitigated to less than significant levels with the inclusion of mitigation measure AES-1.
 - 2. Potential environmental impacts related to air quality can be mitigated to less than significant levels with the inclusion of mitigation measures AQ-1, AQ-2 and AQ-3.
 - Potential environmental impacts related to cultural and Tribal resources can be mitigated to less than significant levels with the inclusion of mitigation measures CUL-1 and CUL-2.
 - 4. Potential biological impacts can be mitigated to less than significant levels with the inclusion of mitigation measures BIO-1, BIO-2, BIO-3 and BIO-4.

- 5. As mitigated through specific conditions of approval, this project will result in less than significant environmental impacts.
- 6. Any changes to the project will require either an amended Use Permit or a new Use Permit unless the Community Development Director determines that any changes have no potential increased environmental impacts.

B. Approve Use Permit UP 19-25 with the following findings:

- 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. (LCZO Art. 54.4)
- 2. The site is adequate in size, shape, locations, and physical characteristics to accommodate the type of use and level of development proposed. (LCZO Art. 54.4)
- 3. The streets, highways and pedestrian facilities are reasonably adequate to safely accommodate the proposed use. (LCZO Art. 54.4)
- 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. (LCZO Art. 54.4)
- 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. (LCZO Art. 54.4)
- 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. (LCZO Art. 54.4)
- 7. The proposed use complies with all requirements to make an application, with all development standards, and with qualifications for a permit described in Article 27, Section 11.b, Subsection (at).2.i.(b).e.

Sample Motions:

Mitigated Negative Declaration

I move that the Planning Commission find that the **Initial Study (IS 18-62)** applied for by **Carl Tharp** on property located at **7540**, **7560** and **7580 S. Highway 29**, **Kelseyville** and further described as **APNs: 007-029-02**, **007-029-10** and **007-029-12** will not have a significant effect on the environment and therefore a mitigated negative declaration shall be approved with the findings listed in the staff report dated **January 13, 2020**.

Major Use Permit (UP 19-25)

I move that the Planning Commission find that the **Use Permit (UP 19-25)** applied for by **Carl Tharp** on property located at **7540**, **7560** and **7580 S. Highway 29**, **Kelseyville** and further described as **APNs: 007-029-02**, **007-029-10** and **007-029-12** does meet the requirements of Articles 51.4 and 27 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 **January 13**, **2020**.

<u>NOTE</u>: 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.

Reviewed	by: