



## 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

Scott De Leon

Community Development Director

Item 1  
9:05 AM  
May 27, 2021

### STAFF REPORT

**TO:** Planning Commission

**FROM:** Scott DeLeon, Community Development Director  
Tocarra Thomas, Deputy Director  
Prepared by: Katherine Schaefer, Assistant Planner

**DATE:** April 1, 2021

**RE:** High Grade Solutions; Major Use Permit (UP 20-85) and Categorical Exemption (CE 21-12). APN: 049-300-15

**ATTACHMENTS:**

1. Vicinity Map
2. Property Management Plan
3. Agency Comments
4. Proposed Conditions of Approval
5. Site Plans

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 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 an existing building at 11270 Clayton Creek Road, Lower Lake, CA 95457. The existing building is approximately 11,000 square feet and 2.5 stories tall. The following uses are proposed as follows:

- 2,865 square feet of processing space, which will include trimming and storing.
- 2,085 square feet for distribution activities, including a loading/unloading area and storage.
- 1,697 square feet dedicated to offices.

The project property is accessed by Clayton Creek Road, a county maintained road, off Spruce Grove Road adjacent to where it meets CA Highway 29. 15 paved parking spaces currently occupy the front of the building, while another 30 are proposed to be constructed in the back of the property. One ADA stall is proposed in the front of the building. Water will be supplied by an existing on-site well, all activities will use the existing infrastructure, including parking and restrooms.

No products will be displayed for the public to see from the exterior. The building's existing windows have been boarded 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 building. Any signs erected by the applicant would solely state the business name "High Grade Solutions." The hours of operation are proposed as follows:

- Core Business Hours
  - Monday through Sunday between 8am-6pm
- Deliveries and Pickups
  - Monday through 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. No additional accessory structures or storage containers are being proposed for this project.

Landscaping includes bushes along the front (West) of the building, defining the entrance to the facility and providing a break from the project property and the public roadway/neighboring properties. The sides of the building (South and North), and loading areas also contain vegetative landscaping screening. The rear of the property (East) does not currently have screened landscaping, but is enclosed by a 6ft tall fence topped with barbed wire.

The existing facility has two separate loading platforms at the back door. One being a below-grade ramp mostly over 6 ft deep. The other platform is the surface parking lot pavement, which extends to the back door. The project site is completely enclosed by the 6 ft tall fence, topped with barbed wire. A Knox box is located on the front, electrically-controlled gate.

The security system has already been put into place and includes live feeds of all interior rooms and exterior areas. Commercial grade locks enclose all entrances. The applicant is proposing to hire security personnel, as well as utilizing login sheets. All authorized personnel, suppliers, and visitors are proposed to sign in and out. The applicant has already installed lockers and an employee break area.

The proposed manufacturing and distribution will require approximately 4 full time employees, year round. Employees may vary depending on the season. The project contains 15 pre-existing parking spaces (one being ADA compliant). 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. Deliveries are estimated at 2 or 3 per day.

Hazardous chemicals or materials are not proposed to be stored on site or used for manufacturing activities. 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.



### **Proposed Site Plan**

Staff is recommending **conditional approval** of Major Use Permit (19-47).

## **II. PROJECT DESCRIPTION**

**Applicant/Owner:** Kushmen & Bakefield Enterprises, Inc.  
**Location:** 11270 Clayton Creek Road, Lower Lake, CA 95457  
**A.P.N.:** 049-300-15  
**Parcel Size:** 1.9 Assessed Acres  
**General Plan:** Service Commercial

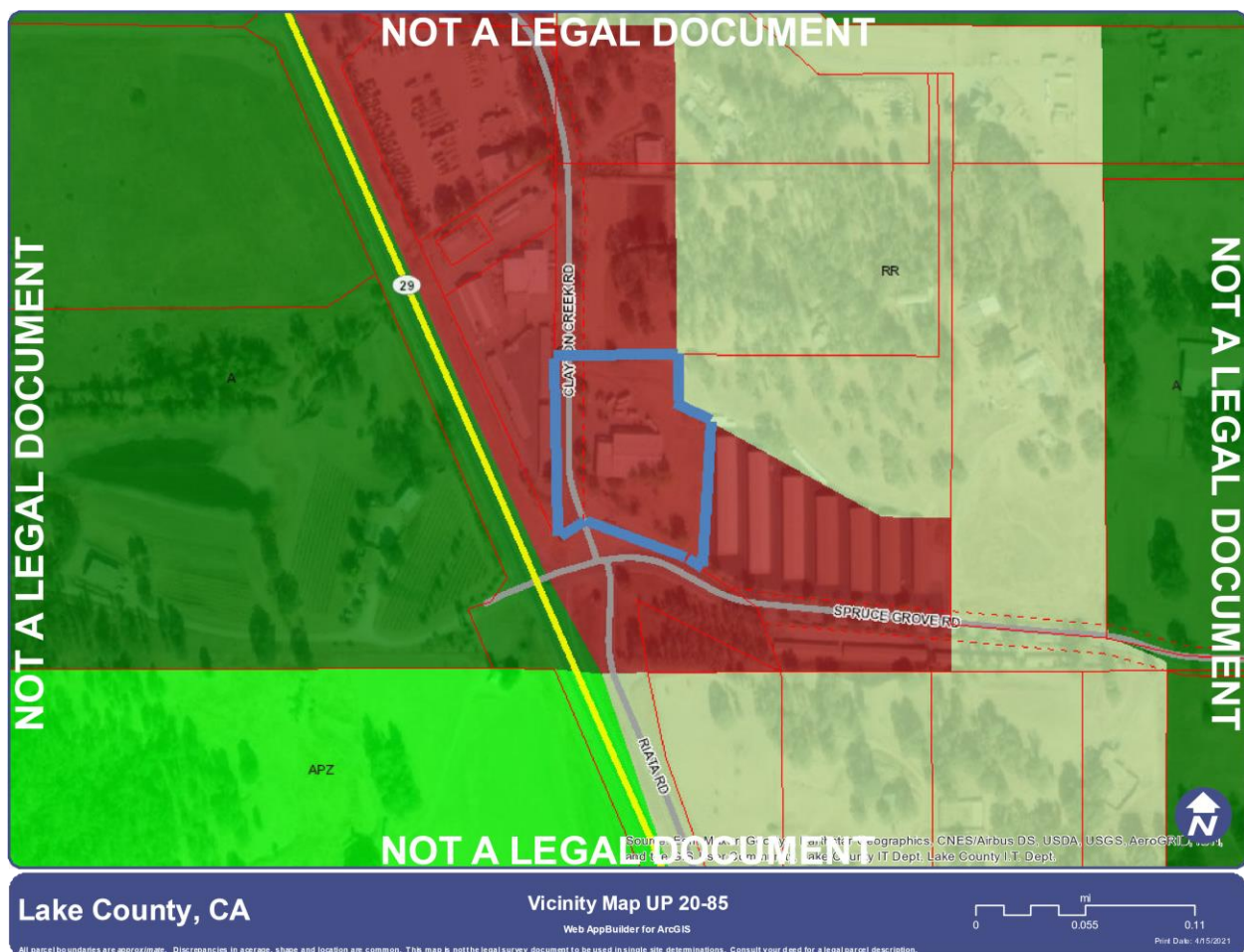
Zoning: “C3”; Service Commercial

Flood Zone: “D”; Areas of undetermined but possible flooding – not in a special flood hazard area.

Submittal Date: October 1, 2020

Farmland Designation: None

### III. PROJECT SETTING



**Zoning Map of Site and Vicinity**



### **Aerial Photo of Subject Site**

**North:** “C3” Service Commercial zoned properties. Parcel size ranges from  $\pm 0.72$  to  $\pm 6.75$  acre parcels.

**South:** “C3” Service Commercial zoned properties. Parcel size ranges from  $\pm 0.47$  to  $\pm 7.46$  acre parcels.

**East:** “RR” Rural Residential zoned properties. Parcel size ranges from  $\pm 7.46$  to  $\pm 6.76$  acre parcels.

**West:** “C3” Service Commercial and “A” Agriculture zoned properties. Parcel size ranges from  $\pm 1.67$  to  $\pm 46.12$  acre parcels.

The Project parcel is not within a Community Growth Boundary.

**Topography:** The project parcel is relatively flat.

**Water Supply:** Private Well

**Sewage Disposal:** Public Sewer

**Fire Protection:** Lake County Fire Protection District

**Water Courses:** Seasonal Creek located near the parcel, however it does not traverse through the property.

#### **IV. PROJECT ANALYSIS**

##### ***General Plan Conformance***

The General Plan designation for the subject site is Service Commercial. This category provides areas suitable for heavier commercial uses within developed areas. Typical uses that would be permitted with appropriate buffer distances include automotive-related or heavy equipment sales and services, building maintenance services, construction sales and services, and warehousing. 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 Planned Development Commercial Zoning and Industrial General Plan. The project is located appropriately and is not within a community growth boundary in which the industrial commercial development will not 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 processing, manufacturing, and distributing is allowed with a major use permit in the Service Commercial zoning district. The proposed project is not located within setbacks established to avoid incompatibility with adjacent uses (see LU-2.4 below).*

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 (aaa), the county requires a minimum 75 foot setback from all property lines of the subject property, and a minimum of 150 foot setback from any off-site residences. The nearest off-site residence is located more than 1,000 feet from the project site. The project will meet these 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 is a total of four (4) employees proposed. The number of employees can increase or decrease depending on the stage of the processing/manufacturing season.*

### **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 processing/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, processing, and distribution. These are allowable uses within the Service Commercial Zoning and Service Commercial General Plan. 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 20 – Planned Development Commercial (PDC)

*The Cannabis Processor, Cannabis Manufacturing, and Distributor licenses are permitted in the “C3” Service Commercial 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 October 30, 2020, the applicant submitted an application for a Major Use Permit, UP 20-85 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 a zoning permits, minor or major use permits in addition to any required building, grading and/or health permits.*

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

**Development Standards**

- The parcel where the processor activity is located shall front and have direct access to a paved State or County maintained road: *Complies, the project parcel is accessed by Clayton Creek Road, which is accessed by Spruce Grove Road that connects to CA Highway 29. All of which are county maintained and paved.*
- All processor activities shall occur within an enclosed building: *Complies; the proposed project will be conducted within an existing enclosed building.*
- All aggregation of product shall adhere to track-and-trace requirements of the California Code of Regulations: *Complies; a condition of approval has been added that requires the applicant to adhere to track-and-trace requirements of the California Code of Regulations.*
- Permittee may produce non-manufactured cannabis products without a cannabis manufacturing license, provided compliance with packaging and labeling requirements California Code of Regulations: *Complies; a condition of approval has been added that requires the applicant to obtain manufacturing licenses and be compliant with packaging and labeling requirements prior to operation.*
- The growing of cannabis plants is prohibited at a licensed processor premises: *Complies; the applicant does not propose the cultivation of commercial cannabis as part of the project*
- The building where the processor activities are conducted shall be equipped with filtration systems that prevents the movement of odors, pesticides, and other air borne contaminants out of or into the structure: *Complies; a condition of approval has been added that requires the building to be equipped with filtration systems. The building is also already equipped with these structures.*

**General Requirements and Restrictions.** There are several general requirements for cannabis manufacturing listed in Section 27.11(au), (av), and (ax) 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 Categorically 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 in a previously developed parcel. The building that will be used for the proposal is existing and the applicant does not propose to expand the existing building. All proposed cannabis activities will occur within the building and no new exterior construction or grading is proposed for the completion of this project, therefore, short-term construction emissions are not anticipated. The property has an existing designated truck delivery area, an existing paved parking lot with approximately 15 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 3 deliveries/shipments/distribution trips per day. No fugitive dust emission impacts are expected. The existing access road and project parcel is equipped with storm water drainages and a sewer system 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.

*The proposed use of Cannabis Manufacturing and Processing is a permitted use in the "C3" Service Commercial Zoning District upon issuance of a Major Use Permit pursuant to Article 27 of the Lake County Zoning Ordinance. Additionally, the applicant shall obtain the necessary permits from the appropriate Federal, State and/or Local government agencies.*

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 will be conducted in an existing 11,000 square foot building. The applicant does not propose to expand the existing building. The Lake County Zoning Ordinance allows Type 6 (Non-Volatile Manufacturing), Cannabis Processor License, and Distribution Licenses on Service Commercial zoned land, and the subject site is ±2.6 acres in size, large enough to support the proposed operation.*

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

*The site is accessed by Clayton Creek Road (Paved and County maintained), which is accessed by Spruce Grove Road (Paved and County maintained), off 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.

*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 Public Works, Special Districts, Environmental Health, and PG&E, and to all area Tribal Agencies. Relevant comments are attached as 'Attachment 3'. Environmental Health stated that the applicant must meet the EH requirements regarding Onsite Wastewater Treatment System (OTWS) and potable water. Special Districts has relayed no concerns regarding this project, as long as no new construction is proposed.*

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 proposed use of Cannabis Manufacturing and Processing is a permitted use in the "C3" Service Commercial 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 Service Commercial designation provides for areas suitable for heavier commercial uses within developed areas, therefore the proposed project is in conformance with the General Plan.*

*Additionally, the proposed project is in conformance with the 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.

*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 Categorically Exempt from CEQA as a Class 1 Exemption.**

1. The project is consistent with CEQA Categorical Exemption, Class 1 (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 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 20-85 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 21-12)** applied for by **High Grade Solutions** on property located at **11270 Clayton Creek Road, Lower Lake, CA** and further described as **APN: 049-300-15** will not have a significant effect on the environment and therefore a Categorical Exemption shall be approved with the findings listed in the staff report dated **April 1, 2021**.

**Major Use Permit (UP 20-85)**

I move that the Planning Commission find that the **Major Use Permit (UP 20-85)** applied for by **High Grade Solutions** on property located at **11270 Clayton Creek Road, Lower Lake, CA** and further described as **APN: 049-300-15** 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 **April 1, 2021**.

***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.*