



Legislation Details (With Text)

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**File created:** 7/18/2022      **In control:** Planning Commission

**On agenda:** 7/28/2022      **Final action:**

**Title:** 9:20 a.m. Public Hearing on Consideration of a MAJOR USE PERMIT (UP 20-97) and adoption of a Categorical Exemption (CE 22-58) to satisfy the California Environmental Quality Act (CEQA) requirements related to potential environmental impacts. The applicant ALCHEMY is proposing a major use permit for One (1) Type 6: "Non-Volatile Cannabis Manufacturing License": the manufacturing of cannabis products for medicinal and adult 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 project is located at 12762 S State Highway 29, Lower Lake, CA 95457; Assessor Parcel Numbers: 012-023-25.

**Sponsors:** Community Development

**Indexes:**

**Code sections:**

**Attachments:** 1. 01 - UP 20-97 Alchemy 29 - Property Management Plan, 2. 02 - UP 20-97 Alchemy 29 - Site Plans, 3. 03 - UP 20-97 Alchemy 29 - Conditions of Approval, 4. 04 - UP 20-97 Alchemy 29 - Water Availability Analysis, 5. 05 - UP 20-97 Alchemy 29 - Transportation Analysis, 6. 06 - UP 20-97 Alchemy 29 - Air Quality Statement, 7. 00 - UP 20-97 Alchemy 29 - Staff Report - FINAL

Date	Ver.	Action By	Action	Result
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Memorandum



**COUNTY OF LAKE**      Mary Darby  
**COMMUNITY DEVELOPMENT DEPARTMENT**  
 Courthouse - 255 N. Forbes Street Lakeport,  
 California 95453  
 Planning Department · Building Department · Code Enforcement 707/263-2221 ·  
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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. Vicinity Map
2. 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 P: “Cannabis Manufacturing License”**: Manufacturers that only package or repackaging 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.

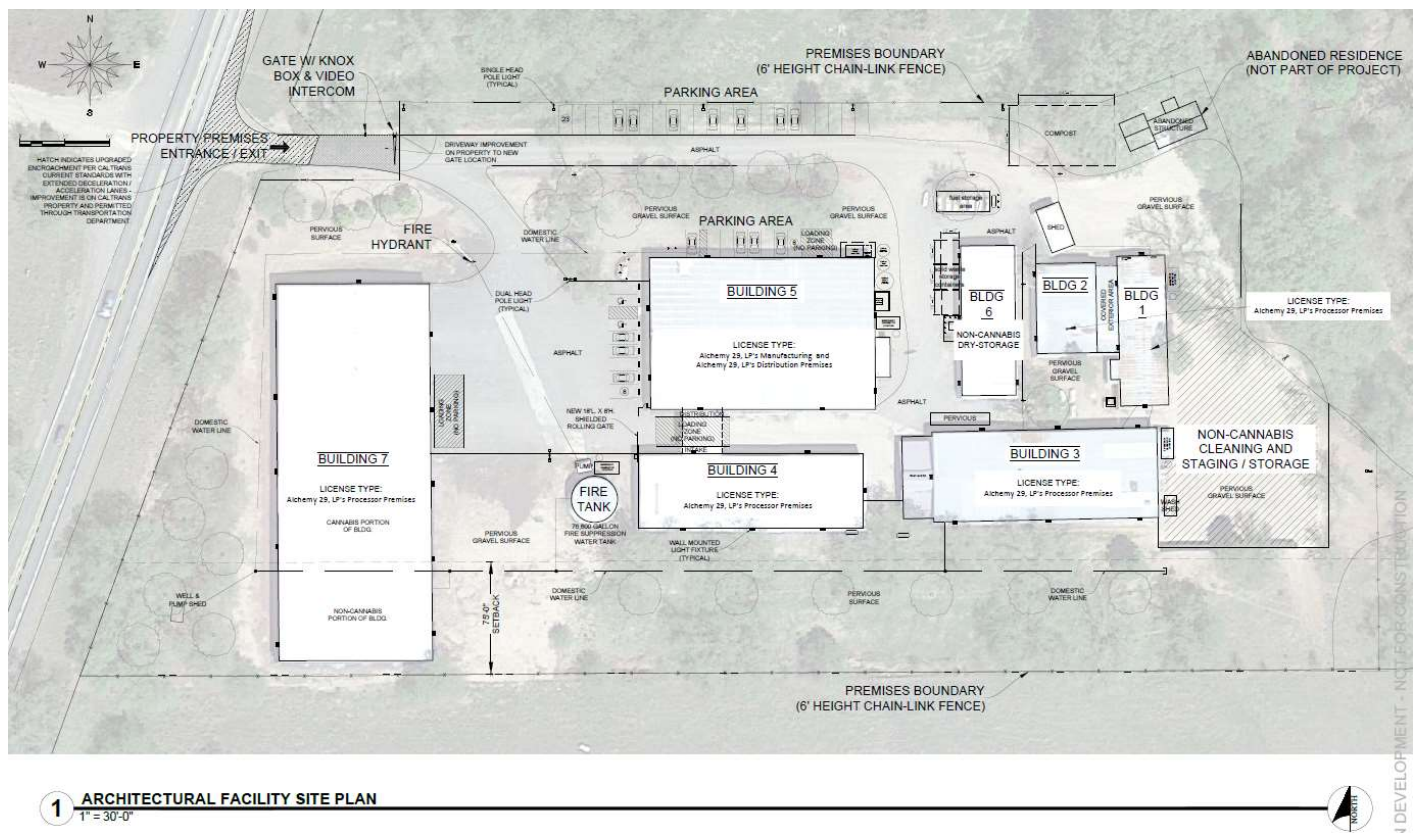
The existing facility has two separate loading areas at the rear of Buildings #5 and #7, which are concealed from public view. The project premises will be completely enclosed by a 6-foot tall fence; the fence will not be topped with barbed/razor wire. All entrances will have commercial grade locks and/or 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. **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 (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.*