



**Interim Uses in the Coastal-Dependent Zone – Compliance with Performance Standards
North Wind Management, LLC**

FROM: NorthPoint Consulting Group, Inc.
TO: Humboldt County Planning and Building Department
RE: North Wind Management, LLC Proposed Interim Use Cannabis Project within the Industrial/Coastal Dependent Zone
DATE: September 20, 2021

This memorandum intends to demonstrate how the proposed North Wind Management, LLC commercial cannabis project (“proposed project”) is compatible with the future intended uses of the Samoa Peninsula and complies with the Performance Standards of Interim Uses in the MC - Industrial/Coastal-Dependent Zones (§313-104, Humboldt County Code).

Summary

North Wind Management, LLC is seeking discretionary approval for an interim use commercial cannabis project in the Industrial/Coastal-Dependent Zone (MC). The proposed project would comply with the standards for interim noncoastal-dependent development while preserving the property for future coastal-dependent uses.

The project would involve improvements to two onsite structures (one vacant and one which is partially occupied) and construction of a new commercial warehouse which could be used for a variety of future coastal-dependent uses that are compatible with conceptual development plans for the Samoa Peninsula.

The proposed interim use commercial cannabis project would generate revenues necessary to improve property infrastructure and site maintenance until such a time that the site could be used for a CDI use.

Site Description, History, and Current Conditions

The proposed project site is an approximately 19.07-acre lot (APN 401-112-030), located in the unincorporated area of Humboldt County at 936 Vance Ave on the Samoa Peninsula, west of Humboldt Bay and east of the Pacific Ocean. The site is landlocked and does not have direct access to Humboldt Bay. The project is located in the northwest ¼ of Section 21, Township 5 North, Range 1 West (Humboldt Meridian). The site is accessed off of Vance Avenue. The project site is in the California Coastal Zone boundary within the Appeal jurisdiction.



The site is zoned Industrial/Coastal-Dependent (MC) and Industrial General (MG), with proposed commercial cannabis activity occurring on MC-zoned areas of the property. The MC-zone also includes a Combining Zone of Archaeological Resource Area Outside Shelter Cove (A). The surrounding properties include a historic mill site and existing industrial and commercial sites, as well as natural resource areas adjacent to the Pacific Ocean.

The site is a heavy industrial site, originally developed as part of the Samoa Pulp Mill in the 1960s by Georgia-Pacific Corporation. The property was developed with infrastructure to support mill operations, including a multi-story historic chip silo building (approximately 5,000 sq. ft.) and conveyor belt, a two-story primary office building (16,667 sq. ft.; “Building 2”), and a secondary building (approximately 4,799 sq. ft.; “Building 3”). A railroad was also developed as part of mill operations in the northwestern area of the property. The Samoa Pulp Mill was in operation until 2008. Since its closure, the subject property has transferred ownership multiple times and has generally been dormant. Refer to the Site Plans submitted with the proposed project.

The current property owner, North Wind Management, LLC, obtained the property in April 2020. Since taking over the property, the owner has continued to lease portions of Building 2, the primary office building, to existing commercial tenants and the remainder is vacant. Building 3 is in poor to fair condition and is vacant. Building 3 had been converted (prior to North Wind’s purchase of the property) to a dormitory. The wood chip silo and conveyor belt structures are defunct and are currently unused; these structures are not part of the proposed project.

Project Proposal

North Wind Management, LLC is proposing to permit commercial cannabis activities as interim uses in the Industrial/Coastal-Dependent MC zone in accordance with the County of Humboldt’s (County) *Commercial Cannabis Land Use Ordinance* (CCLUO - Coastal). The proposed project requires a Conditional Use Permit and a Coastal Development permit for indoor commercial cannabis cultivation, off-site commercial processing, distribution, infusion, non-volatile manufacturing, and volatile manufacturing.

Specifically, the proposal includes 1 acre of indoor cultivation, ±2,436square feet (sq. ft.) of off-site commercial processing, ±5,000 sq. ft. of distribution, 1,000 sq. ft. of infusion, ±480 sq. ft. of non-volatile manufacturing, ±480 sq. ft. of volatile manufacturing, and ±4,640 sq. ft. of conditioned off-site product storage area. The project proposal includes permitting of both new and existing structures as well as ancillary activities (including ancillary nursery, drying, and trimming) appurtenant to the cultivation activities. New structures include a 275’ x 185’ warehouse, two (2) 12’ x 40’ temporary modular buildings, and twenty-nine (29) temporary shipping containers. Table 1 describes cannabis activity square footages and their proposed locations. Also refer to the Site Plans submitted with the proposed project.

The project applicant is proposing a new warehouse structure to house indoor cultivation and ancillary cultivation activities. There are no onsite, existing facilities that could support this activity.

Water for the project is proposed to be sourced from municipal water through the Humboldt Bay Municipal Water District (HBMWB). Power is proposed to be sourced from the Repowers+ plan through an existing PG&E service and proposed upgrade. Up to 52 employees are proposed to run



the operation at peak activities. The project will conform to all Adaptive Reuse Standards for Industrial Sites.

Table 1. Proposed Cannabis Activities and Associated Locations (refer to Appendix A – Site Plans)									
	<i>Proposed Discretionary Activities (± sq. ft.)</i>						<i>Proposed Activities Ancillary to Cultivation (± sq. ft.)</i>		
	Indoor Cannabis Cultivation	Off-site Commercial Processing	Distribution	Infusion	Off-site Product Storage	Manufacturing	Ancillary Nursery (10%)	Ancillary Drying	Ancillary Processing
<P> Building 1; Warehouse (185' x 275')	43,560	-	-	-	-	-	4,350	10,000	5,000
<E> Building 2; Office Building (16,667 sf)	-	-	±5,000	-	-	-	-	-	-
<E> Building 3; Secondary Office Building (4,799 sf)	-	±2,436	-	1,000	-	-	-	-	-
<P> (2) Modular Structures (12' x 40' each)	-	-	-	-	-	480 (non-volatile) 480 (volatile)	-	-	-
<P> (29) Shipping Container (8' x 20' each)	-	-	-	-	4,640	-	-	-	-
Totals (sf)	43,560	±2,436	±5,000	1,000	4,640	960	4,350	10,000	5,000

Compliance with Interim Uses in the Industrial/Coastal-Dependent Zone Performance Standards

In order to avoid detrimental impacts to CDI uses, the proposed interim uses shall comply with Performance Standards described in §104.1.3.1.1 through §104.1.3.1.6 of the Humboldt County Code.

- §104.1.3.1.1. – be compatible with, and not interfere with, the operation of existing onsite and offsite CDI uses or other priority uses:

The proposed project would not interfere with the operation of existing onsite and offsite CDI uses or other priority uses. There are no existing onsite CDI uses and no coastal-dependent businesses have shown interest in leasing the site; the site is currently landlocked without direct access to Humboldt Bay.

According to the Humboldt Bay Maritime Industrial Use Market Study Final Report dated May 31, 2018 (<https://humboldt.gov/DocumentCenter/View/64265/Humboldt-Bay-Maritime-Industrial-Use-Market-Study-2018-PDF>), there are 1,380 acres of property zoned for CDI use, demand for coastal-dependent land use has been falling for decades, and the supply exceeds the projected long-term demand by 600 to 980 acres.



There are no known adjacent existing offsite CDI uses that would be impacted by this project. Future CDI uses are proposed or conceptualized for properties near the subject parcel. Conceptual plans for the Samoa Peninsula depict a multi-functional peninsula with numerous thriving coastal-dependent businesses; most or all of which could utilize a warehouse type structure. The parcel to the south (APN 401-112-021) is the site of the proposed Nordic Aquafarms Land-Based Aquaculture Project. Parcels to the north and east (APNs 401-112-029 and 1401-112-024) are proposed to be utilized in the future for activities associated with the Humboldt Bay California's Wind Energy Port proposed by the Humboldt Bay Harbor Recreation and Conservation District (HBHRCD). RTI Infrastructure is in the process of landing TransPacific Broadband Cables to on the adjacent parcel to the east (APN 401-112-021) of the subject parcel.

The proposed interim use commercial cannabis project would not impact the permitting, development, or implementation of any of these coastal-dependent uses. Rather, the proposed project would enhance these future projects with the development of a large commercial warehouse building and allow for the continued use and maintenance the existing onsite infrastructure. The HBHRCD Conceptual Master Plan for the Wind Energy Port shows numerous large warehouse structures as being integral for development of the Offshore Wind Energy project (Julien Berg Designs & LACO, April 2021). While the subject parcel is not included in this particular plan, the proposed new warehouse building would be constructed up to current commercial standards and building codes. This proposed warehouse building would be compatible with other future warehouse buildings located nearby and could be utilized, pending landowner agreements, by any of these future projects.

Coastal-dependent businesses, including marine transportation companies, offshore infrastructure support, seafood processing plants, aquaculture, commercial fishing, and charter boats, require infrastructure located on or adjacent to water to maintain their operations including manufacturing space, equipment storage, and materials staging. Working waterfronts necessary to support these industries include warehouses, which are currently lacking in the vicinity of the subject parcel.

The lack of demand for coastal-dependent uses on the subject parcel have limited the owner's ability to use, lease and maintain the facilities on the subject parcel. Allowing the interim uses and allowing the enhancement of the parcel with a commercial, modern warehouse will provide the owner with a purpose built facility that will enhance the subject parcel and make it more attractive for any industrial uses in the area.

- §104.1.3.1.2. – allow the site where they are located to be converted back to a CDI use when the site is needed for such use:

The proposed project activities would be temporary in nature and would be active for seven (7) years, with the potential for an up to three (3) year extension for a maximum of ten (10) years, per Humboldt County regulations. In addition, the proposed cannabis activities would be subject to a lease. The terms of the lease would include a provision (as required by §104.1.3.10) that requires the



“rescission of the lease and a mandatory relocation or removal of the interim use within six months in the event a coastal-dependent industrial use or other priority use is identified by the property owner for the space occupied by an interim use on terms acceptable by the property owner. A copy of the lease showing compliance with this provision shall be provided to the Planning Division prior to permit issuance. A property owner may exercise the lease rescission provision if a coastal-dependent industrial use or other priority use attempting to occupy the site would be prohibited from doing so due to the existence of one or more interim uses”.

The proposed activities utilize existing facilities, where feasible. The proposed warehouse would be used for a combination of indoor cultivation and ancillary nursery, processing, and drying within temporary modular structures installed within the warehouse. These modular structures will be constructed of tight, interlocking and insulated wall systems that will be custom designed for the proposed uses. These systems can be fitted within the warehouse space constraints and precisely fabricated to interior and exterior dimensions. Once installed, these interior systems can be removed, and repurposed offsite, in a timely fashion that would allow the warehouse to be converted to a CDI use when a need for such a use arises.

Also see response to §104.1.3.1.1.

- §104.1.3.1.3. – use existing improvements where feasible:

The proposed project uses existing structures where feasible. There are three (3) existing structures onsite, a multi-story historic chip silo building (approximately 5,000 sq. ft.) and conveyor belt, a two-story primary office building (16,667 sq. ft.), and a secondary office building (approximately 4,799 sq. ft.). The old wood chip silo and conveyor belt, are uninhabitable relics of the wood chip processing plant, are unsuitable for human occupancy, and are not feasible to be used as part of the proposed commercial cannabis project. Approximately 30% of the primary office building will be utilized for the proposed interim uses, the remaining portion of the primary office building, which includes the majority of the office spaces, will be available for coastal-dependent uses if the need arises. It is not feasible to convert the remaining areas of the primary office building to indoor cultivation rooms. The secondary office building, which was converted to dormitories, is in poor to fair condition. This building will be improved, brought up to current building standards, and fully utilized as part of the proposed project.

- §104.1.3.1.4. – in addition to complying with §104.1.3.3, be located in areas least likely to be required by a future coastal-dependent industrial use or other priority use on a particular site to the extent feasible:

The proposed project is located on a previously disturbed site. There are no wetlands within over 150-feet of the proposed project and there are no environmentally sensitive habitat areas (ESHAs) within 100-feet of the proposed project. The site is landlocked and the nearest dock is over 750-feet away.

As discussed above, the supply of CDI use land exceeds the projected long-term demand by 600 to 980 acres. The subject parcel is only approximately 19.1 acres and is landlocked without access to Humboldt Bay. Therefore, it not likely a priority parcel for developing a



CDI project. In addition, no coastal-dependent businesses have shown interest in leasing the site.

Also see also response to §104.1.3.1.1.

- §104.1.3.1.5. – only provide those site improvements that are nonpermanent, and removable or relocatable in a feasible manner, or such improvements that would preserve or enhance the utility of the project site for future coastal-dependent industrial use, if new improvements are required:

The project proposes a variety of commercial cannabis activities. All activities themselves, including equipment, could be removed from the site to support a CDI use. All equipment involved with processing, infusion, distribution, and drying could be easily removed from the existing office buildings, leaving the office buildings ready to be occupied by a coastal-dependent use.

The modular buildings proposed for manufacturing and the shipping containers proposed for product storage are all temporary in nature and could be hauled off of the site. They have been located on areas of the site that do not impact existing facilities.

Indoor cultivation and ancillary activities in the proposed new 275' x 185' warehouse building would occur within interior modular structures, meaning that the modular structures could be easily disassembled, leaving the warehouse ready to be occupied by a future CDI use. The warehouse building is not proposed to be removed, but rather, it could be an asset to an adjacent future coastal-dependent use (e.g., manufacturing space, equipment storage space, materials staging area, or administrative area for the offshore wind farm, the land-based aquaculture farm, or another future coastal-dependent use). Construction of a commercial, modern warehouse will preserve and enhance the utility of the project site for future CDI use. Also see responses to §104.1.3.1.1. and §104.1.3.1.2.

- §104.1.3.1.6. – not inhibit the eventual use of the MC zoned land for coastal-dependent use or other priority use:

See responses to §104.1.3.1.1. through §104.1.3.1.5.

Compliance with the above performance standards shall be determined considering at a minimum all of the factors described in §104.1.3.2.1 through §104.1.3.2.7 of the Humboldt County Code.

- §104.1.3.2.1. – the amount of area for an interim use:

Approximately 75,946 sq. ft. of space would be utilized for the proposed commercial cannabis project. Of that space, 50,875 sq. ft. would be new, permanent development in the form of the new modern, commercial warehouse structure. As discussed in §104.1.3.1.1, there are 1,380 acres of property zoned for CDI use on Humboldt Bay and the supply exceeds the projected long-term demand by 600 to 980 acres. The interim use area represents only 0.1% of the property zoned for CDI use. In addition, HBHRCD Conceptual Master Plan, which includes the Wind Energy Port and Nordic Aquafarms, depicts numerous proposed structures of greater or equal size. Thus, the proposed project's



amount of area for interim use is insignificant compared to the supply of CDI land and HBHRCD's plans for the wider peninsula.

- §104.1.3.2.2. – the type, intensity and location of the interim use:

The proposed interim use project is a commercial cannabis project which is an allowed interim use with a Conditional Use Permit and a Coastal Development Permit. The project approximately 75,946 sq. ft. of commercial cannabis activities (Table 1) on a parcel size of approximately 19.1-acres that is landlocked and without direct access to Humboldt Bay. As discussed in §104.1.3.2.1. the interim use area represents only 0.1% of the property zoned for CDI use in an industrial area where the supply of CDI land far outweighs the demand.

- §104.1.3.2.3. – maintenance of priority access to roads, bay frontage and infrastructure for existing coastal-dependent industrial uses or other priority uses:

The proposed interim use project is accessed directly off of Vance Avenue, a County maintained road. The project site is land locked without direct access to bay frontage. The proposed project would allow the property owner to generate funds necessary to maintain the property, including access roads, utilities, and infrastructure, that would be crucial in supporting a future coastal-dependent project on the site.

- §104.1.3.2.4. – the priority rating of the site for coastal-dependent industrial development pursuant to section 3.14.B.3.a of the Humboldt Bay Area Plan:

The proposed interim use project would be located on a Priority 2 Site. Per §3.14.B.3 of the Humboldt Bay Area Plan, a Priority 2 Site is a site defined as requiring the construction for new facilities but one which does not include the conversion of wetlands. This project does not include the conversion of wetlands. All construction related to the proposed project would be located on existing asphalt; no dredging, grading, or habitat modification is proposed. Furthermore, a Biological Assessment was conducted by Timberland Resource Consultants (2021) found that the project would likely not have an impact on or modify sensitive habitats.

- §104.1.3.2.5. – the current and projected level of demand for coastal-dependent industrial uses, and the land and infrastructure available to accommodate the demand, as determined in consultation with appropriate public and private agencies or organizations, and appropriate publications:

As discussed above, there are 1,380 acres of property zoned for CDI use, demand for coastal-dependent land use has been falling for decades, and the supply exceeds the projected long-term demand by 600 to 980 acres. The interim use area represents only 0.1% of the property zoned for CDI use. There are no existing onsite CDI uses and no coastal-dependent businesses have shown interest in leasing the site; the site is currently landlocked without direct access to Humboldt Bay.

The proposed interim use project will enhance future projected CDI uses proposed by HBHRCD. Through processing of the Conditional Use Permit and Coastal Development Permit, all appropriate public and private parties will be properly notified and consulted. See also response to §104.1.3.1.1.



- §104.1.3.2.6. – the cost and amortization period of investments associated with the proposed use:

The proposed interim use project utilizes existing facilities, including water infrastructure supplied by the Humboldt Bay Municipal Water District, power from PG&E, and an existing septic system that supported both office buildings. Temporary modular structures and storage containers would be used to develop the indoor cultivation area and ancillary facilities, manufacturing areas, and shipping containers for offsite storage and drying. These could be removed and repurposed to be used elsewhere to allow for a CDI use.

The cost of implanting the proposed project is estimated to be between \$3-\$4 million. Once the project is approved, it is expected to take approximately 3 to 5 years to recover the investment for implementation.

- §104.1.3.2.7. – the lead time necessary to return the site to coastal-dependent industrial use:

Cannabis development associated with the proposed interim use project could be easily removed upon termination of the cannabis project. Removal of the temporary modular buildings and shipping containers would simply require trucking the modular buildings and shipping containers offsite. Removal of the modular structures in the warehouse would require the disassembly of the interlocking wall systems and removal of equipment associated with the cultivation activities. It is expected that one- to six-months lead time would be required to return the site to CDI use. Also see response to §104.1.3.1.2. and §104.1.3.1.5.

