



COUNTY OF HUMBOLDT

For the meeting of: 3/18/2025

File #: 25-347

To: Board of Supervisors

From: Planning and Building Department

Agenda Section: Public Hearing

Vote Requirement: Majority

SUBJECT:

Evergreen Exotics, LLC: Request to Change the Commercial Cannabis Land Use Ordinance to Allow Indoor Commercial Cannabis Cultivation in Business Park (MB) Zones in the Inland Area of the County that are Within the Indoor Cultivation Q-Qualified Combining Zone to Zone Reclassification and to Adopt an Indoor Cultivation Q - Qualified Combining Zone with Specified Performance Standards Affecting Seven Parcels within the Redway Business Park Assessor Parcel Numbers: 223-311-010, 223-311-011, 223-311-012, 223-311-043, 223-311-035, 223-311-030, and 223-311-029

Record No.: PLN-2023-18206 Redway Area

RECOMMENDATION(S):

That the Board of Supervisors:

1. Open the public hearing; and
2. Accept the staff report, receive public comment, and close the public comment portion of the public hearing; and
3. Adopt the resolution (Attachment 1) which does the following:
 - a. Find the Board of Supervisors has considered the final environmental impact report for the Commercial Cannabis Land Use Ordinance and the addendum that was prepared for the text amendment to the Commercial Cannabis Land Use Ordinance and the Indoor Cultivation Q-Qualified Combining Zone; and
 - b. Find the proposed project complies with the General Plan and Zoning Ordinance; and
 - c. Find the proposed reclassification and ordinance amendment is in the public interest; and
 - d. Finds the proposed project does not reduce the residential density for any parcel below the inventory adopted in the housing element; and
4. Adopt Ordinance (Attachment 1A) Amending Section 314-55.4.8.1.2 of the Humboldt County Code by allowing indoor cultivation in Business Park Zones (MB) with the Indoor Cultivation Q -

Qualified Combining Zone; and

5. Adopt Ordinance (Attachment 1B) Amending Section 311-7 of the Humboldt County Code by Rezoning Property in the Redway Area to Add the Indoor Cultivation Q - Qualified Combining Zone to Seven Parcels, 223-311-010, 223-311-011, 223-311-012, 223-311-043, 223-311-035, 223-311-030, and 223-311-029 in the Redway Business Park; and
6. Direct the Clerk of the Board to publish post-adoption summaries of the Q- Zone Ordinance and the ordinance amending the CCLUO within 15 days after adoption by the Board, and to post in the Office of the Clerk of the Board of Supervisors a certified copy of the full text of the adopted ordinances along with the names of those supervisors voting for and against the ordinances; and
7. Close the public hearing.

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: A Diverse, Equitable & Robust Economy

Strategic Plan Category: 2001 - Promote strong economic resiliency and growth

DISCUSSION:

Executive Summary:

The Board is being asked to modify the Commercial Cannabis Land Use Ordinance (CCLUO) to allow indoor cultivation in the Business Park (MB) zone in the inland area for properties with an Indoor Cultivation Q-Qualified Combining Zone on the property and to place the Indoor Cultivation Q - Qualified Combining Zone (Q) on seven parcels in the Redway Business Park. The Planning Commission recommends the Board adopt this proposal with a vote of 5-0. The primary concerns related to water use and availability of electricity are addressed in the performance standards of the Q Zone. No new information has been received or identified since the Planning Commission made its decision.

Background:

The request to modify the CCLUO to allow indoor cannabis cultivation in the Business Park (MB) zone was initially met with opposition, but this has been addressed. There are two tracts in the inland area zoned MB, one in Redway and one in McKinleyville. These areas include 32 parcels with an approximate total of 55.26 acres. The initial petition contemplated allowing indoor commercial cannabis cultivation on all MB zoned parcels in the inland area. Comments were received from a property owner of MB-zoned property that he did not want cannabis in a business park near the California Redwood Coast-Humboldt County Airport. Comments were also received from the Redway Community Services District with concerns about water usage. The proposal was then refined to utilize a Q - Qualified Combining Zone to address these concerns. The proposed CCLUO modification would not allow Indoor Cultivation in the MB zone without a Q overlay zone. The lack of a Q overlay zone in McKinleyville will preclude indoor cannabis cultivation until a Q overlay is approved for the McKinleyville Business Park by the Board of Supervisors.

Based upon consultation with the Redway Community Services District, it was determined that the most suitable parcels within the Redway Business Park were those with existing connections that were considered under the district's current water capacity study. The Q zone and the CCLUO amendment would not affect in any way the other eligible uses on the identified parcels. The amendments would only enable the possibility of indoor commercial cannabis cultivation. The Q Zone overlay would limit the amount of water that can be used on the parcels under the Q overlay.

Distribution, offsite processing, enclosed nurseries, community propagation centers, and manufacturing are currently allowed in MB zones under the CCLUO. Cultivation in MB zones was previously authorized by the Commercial Medical Marijuana Land Use Ordinance (CMMLUO). There is no clear legislative history regarding why MB zones were not included as eligible cultivation sites in the transition from the CMMLUO to the CCLUO. Anecdotal evidence suggests that concerns about odor impacts for adjacent tenants in business parks may have been a factor in the decision to not include MB zones as eligible for cultivation under the CCLUO. As part

of the Board's deliberation of the petition, staff were directed to consider whether additional performance standards regarding odor control should be included as part of the review of the text amendment application. As described below, the proposed Indoor Cultivation Q - Qualified Combining Zone includes several performance standards related to water, energy, and odor control.

Text Amendment:

The Commercial Cannabis Land Use Ordinance (CCLUO) - Inland Zone Ordinance No. 2599 is proposed to be amended as follows [changes are underlined]:

55.4.8.1.2. Within those zones specified under 55.4.6.2.1 (C-3, ML - MH, and U), MB with the Indoor Cultivation Q - Qualified Combining Zone, and C-2 as part of a microbusiness provided all cannabis activities occur within a building that is 2 stories or less in height, cultivation area is limited to 2,500 square feet, and where the cultivation and cannabis activities are in scale with the surrounding community.

Indoor Cultivation Q - Qualified Combining Zone Performance Standards:

Per section 314-32.1, the Qualified Combining Zone is intended to be combined with any principal zone in situations where sound and orderly planning indicate that specified principal permitted uses or conditional uses otherwise allowed under the principal zone may be limited or not be allowed with or without a use permit, or development standards/restrictions can be added, deleted or modified to implement the General Plan or to implement CEQA mitigation or to limit additional entitlements. The qualified uses shall be specified in the ordinance applying the Q Zone to specific property.

In addition to the standards and requirements of the CCLUO, indoor commercial cannabis cultivation subject to the Indoor Cultivation Q - Qualified Combining Zone would also be subject to the following performance standards (these are specific to the parcels in the Redway Business Park being re-zoned at this time, the specifics would change for the McKinleyville parcels should a zone amendment be sought):

- a. Operators of indoor cannabis cultivation intending to use municipal water shall obtain a will-serve letter from the Redway Community Services District (RCSD).
- b. Water sourced from the RCSD for indoor cannabis cultivation shall not exceed 91,250 gallons (12,200 cubic feet) annually.
- c. To be able to demonstrate enough onsite water storage in the event of an RCSD Curtailment Order, operators of indoor cannabis cultivation shall demonstrate enough onsite water storage to forebear from the use of RCSD water for indoor cannabis cultivation from June 1 through Oct. 31.
- d. Water sourced from RCSD for cannabis cultivation irrigation shall be separately metered from other onsite property uses and activities.
- e. Operators of indoor cannabis cultivation who source water from the RCSD shall submit a Water Use and Storage Plan with their application to the County that includes the following:
 - i. Description of all existing or proposed onsite activities, businesses, etc., as applicable.
 - ii. Description of current service(s) and/or agreements with the RCSD.
 - iii. Description of typical monthly water usage of existing onsite activities, as applicable.
 - iv. Description of all water sources and projected monthly water demand for the indoor cannabis cultivation irrigation.
 - v. Projected monthly water demand for employees associated with proposed indoor cannabis cultivation (e.g., showers, bathrooms, etc.).
 - vi. Volume and type of proposed water storage.
 - vii. Description of how these Special Restrictions and Performance Standards will be met.
- f. In addition to the above limits, operators of indoor cannabis cultivation shall follow all water restrictions, limitations, curtailment orders, and conservation measures set by RCSD, including but not limited to the RCSD Commercial Agricultural Policy when formally adopted, revised, or amended by the RCSD.
- g. Operators of indoor cannabis cultivation using grid power shall demonstrate that the existing onsite power from Pacific Gas

and Electric Company (PGE) is adequate for the proposed operation.

- h. Indoor cultivation occurring within the Indoor Cultivation Q - Qualified Combining Zone shall employ mechanical ventilation controls in concert with carbon filtration or other equivalent or superior method(s) minimizing the odor of cannabis outside of the structure. Ventilation controls must also regulate odor inside the structure if the structure has multiple units not occupied by indoor cultivation.

Policy Analysis:

To approve the application for the text amendment and zone reclassification, the following findings must be made:

- The proposed amendment is in the public interest; and
- The proposed amendment is consistent with the General Plan; and
- The proposed amendment does not reduce the residential density for any parcel below the inventory adopted in the housing element.

Public Interest:

There is public interest in adopting the Q - Qualified Combining Zone and the CCLUO text amendment because:

- There is a market for indoor cannabis and proving appropriate locations for indoor cannabis cultivation will create opportunities without negative environmental effects. At least one property owner has expressed interest in applying for an indoor cultivation permit if the proposal is adopted.
- Access to the Redway Business Park is from paved roads meeting category 4 standards. Allowing indoor cultivation on identified parcels within the business park would not result in a substantive change to the number of potential vehicles trips occurring because cultivation is like other allowed cannabis and non-cannabis uses regarding the number of employees.
- Business parks are also typically already served with adequate PGE power connections. The PGE referral response indicated no impact to facilities.
- Enabling additional location options for cannabis cultivation would likely help cultivators adapt to evolving market conditions.
- The proposal is supported by the local community services district.

General Plan Consistency:

The zone reclassification and text amendment are consistent with the General Plan because:

- For the Commercial Services (CS) use type that applies to all seven parcels, indoor cultivation would fall under a similar compatible use (Land Use Element Table 4-C, pg. 4-3). Indoor cultivation could be considered a similar compatible use because it has fewer impacts than heavy commercial uses, which are allowed under the CS designation. Heavy commercial uses include activities such as transfer, storage, or processing of used, scrap or waste materials, including automobile wrecking, the sales, storage of building materials, construction and agricultural equipment, kennels, and animal hospitals.
- Indoor cultivation would not impact nor be impacted by adjacent heavy commercial uses.
- Other cannabis uses such as nurseries are considered compatible with the CS designation.

Residential Density:

The proposed amendment does not reduce the residential density for any parcel below the inventory adopted in the housing element. Allowing indoor cultivation in MB zones subject to the Indoor Cultivation Q - Qualified Combining zone would not affect any current housing inventories nor would change eligibility criteria for housing development currently allowed in MB zones.

SOURCE OF FUNDING:

Applicant fees (1100277).

FINANCIAL IMPACT:

There will be no impact on the General Fund. The applicant is responsible for paying all actual costs involved.

STAFFING IMPACT:

Staff time related to implementation has been accomplished with current staff resources. The applicant is responsible for paying all actual costs of staff time.

OTHER AGENCY INVOLVEMENT:

The project was referred to responsible agencies and all agencies have either not responded or recommended approval.

ALTERNATIVES TO RECOMMENDATIONS:

The Board of Supervisors could choose not to adopt the modification to the CCLUO. This alternative should be implemented if the Board is unable to make all the required findings. In doing so the Board would need to identify reasons that the findings for approval could not be made.

ATTACHMENTS:

1. Resolution
 - 1A. Q Zone Ordinance
 - 1B. CCLUO Text Amendment
2. Location Map
3. CEQA Addendum
4. Letter of Support
5. Landowner's Consent
6. Planning Commission Resolution
7. Post Adoption Summary Q Zone Ordinance
8. Post Adoption Summary CCLUO Amendment

PREVIOUS ACTION / REFERRAL:

Meeting of April 18, 2023 Board of Supervisors; February 6, 2025 Planning Commission.
File No.: 23-416; 25-194