



**CITY OF EUREKA**  
DEVELOPMENT SERVICES DEPARTMENT  
Rob Holmlund, AICP, Director

531 K Street • Eureka, California 95501-1146  
Ph (707) 441-4160 • Fx (707) 441-4202  
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**NOTICE OF PUBLIC HEARING**  
**DIRECTOR OF DEVELOPMENT SERVICES**

**NOTICE IS HEREBY GIVEN** that the Director of Development Services will decide whether to approve, conditionally approve, or disapprove the minor use permit application below on **July 9, 2018**. The Director's decision will occur after considering all written comments received during the public comment period. The Public Comment period begins at 8:00am on June 18<sup>th</sup> and ends at 5:00pm on Friday, July 6<sup>th</sup>. A public hearing will be held at 3:00pm on Monday, July 9, 2018 in Room 207 of Eureka City Hall (531 K Street).

**Project Title:** *Humboldt AF Cannabis Minor Use Permit*

**Project Applicant:** James Alves **Case No:** MUP-18-0002

**Project Location:** 1131 Broadway; APN 004-025-010

**Zoning:** CS-AR (Service Commercial)

**Project Summary:** The applicant is seeking a Minor Use Permit for cannabis “manufacturing, non-volatile, less than 5,000 sq. ft.”, which is listed as a minor conditional use in the subject zoning district. If this MUP is granted, the use of “non-volatile” cannabis manufacturing would apply to the entire parcel. Eureka Zoning Code Section 155.078 lists Cannabis manufacturing facilities, non-volatile, 5,000 square feet or less of floor area, subject to the provisions of Chapter 158 in the CS Zone. A Commercial Cannabis License (MCL-18-0005) is being processed separately. For more information, see this website: [http://www.ci.eureka.ca.gov/depts/development\\_services/public\\_hearing\\_notices.asp](http://www.ci.eureka.ca.gov/depts/development_services/public_hearing_notices.asp) or contact Rob Dumouchel (Development Services Department) at 707-441-4164.

**How to Comment:** All interested persons are invited to comment on the project either in person at the scheduled public hearing, or in writing. Written comments on the project may be submitted at the hearing, or prior to the hearing by mailing or delivering them to Rob Dumouchel (Development Services Department), 531 K Street, Eureka, CA 95501. Comments must be received by the closing date and time of the public comment period identified above. Accommodations for handicapped access to City meetings must be requested of the City Clerk, 441-4175, five working days in advance of the meeting. If you challenge the nature of the proposed action in court, you may be limited to raising only

those issues that you or someone else raised at the public hearing described in this notice or written correspondence delivered to the public entity conducting the hearing at or prior to the public hearing. The project file is available for review at the Community Development Division of the Development Services Department, Third Floor, City Hall. If you have questions regarding the project or this notice, please contact Rob Dumouchel, Associate Planner, phone: (707) 441-4164; fax: (707) 441-4202; e-mail: [rdumouchel@ci.eureka.ca.gov](mailto:rdumouchel@ci.eureka.ca.gov)



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**DIRECTOR OF DEVELOPMENT SERVICES**

**STAFF REPORT**

*July 9, 2018*

**Project Title:** *Humboldt AF Cannabis – Cannabis Manufacturing Minor Use Permit*

**Project Applicant:** James Alves

**Case No.:** MUP-18-0002

**Project Location:** 1131 Broadway

**APN:** 004-025-010

**Zoning and General Plan Designations:** CS-AR (Service Commercial) and GSC (General Service Commercial)

**Proposed Use:** Cannabis manufacturing, non-volatile, 5,000 square feet or less

**Staff Contact Person:** Rob Dumouchel, Associate Planner; City of Eureka, Community Development Department; 531 “K” Street, Eureka, CA 95501; (707) 441-4164, Email: [rdumouchel@ci.eureka.ca.gov](mailto:rdumouchel@ci.eureka.ca.gov)

**Staff Recommendation:**

1. Hold a Public Hearing; and
2. Adopt Director Resolution 2018-0003 approving a minor use permit allowing a Cannabis Manufacturing Facility of 5,000 sq. ft. or less of manufacturing area at 004-025-010.

**Site Description and Project Description:** The proposed use is a *cannabis manufacturing facility, non-volatile, 5,000 sq. ft. or less* at APN 004-025-010. The subject property consists of one legal parcel with one existing structure (approximately 4025 sq. ft.) located in the CS Zoning District. The site, formerly home to an RV parts and service business, is bordered by various commercial uses including an automotive services business to the north (OilStop), a US Postal Service building to the east, and Broadway Cinema to the south. The west side of the parcel is adjacent to Broadway and a pedestrian sidewalk runs the length of the west side parcel.

The existing structure is situated in the southeast corner of the subject property and is surrounded by paved areas for parking and driveways. The parking lot is accessed via Broadway and contains 18 off-street parking spaces (16 standard size spaces and 2 ADA spaces).

The applicant is seeking a Minor Use Permit for cannabis “manufacturing, non-volatile, less than 5,000 sq. ft.,” which is listed as a *minor conditional use* in the CS zone district. If this MUP is granted, the use of “non-volatile” cannabis manufacturing would apply to the entire parcel. For information purposes only, the applicant has already been granted a commercial cannabis distribution license (MCL-18-0006) and has also submitted a proposal for a commercial cannabis retail license. Distribution is a principally

permitted use in the CS zone. Retail is a conditionally permitted use, and if the applicant is invited to apply for a retail license they will return to the Planning Commission for a public hearing on that matter.

Manufacturing facilities produce cannabis-related products that are either sold wholesale to other licensed cannabis businesses or sold to individuals via licensed retail facilities. The non-volatile manufacturing process **may not** use volatile solvents (e.g. butane, propane). One form of non-volatile manufacturing is the conversion of raw cannabis plant matter into oils or concentrates via mechanical processes such as: presses that crush cannabis plant matter, centrifuges and other similar machinery that spin raw cannabis plant matter, grinders that pulverize raw cannabis plant matter, and other similar mechanical processes. Non-volatile manufacturing can also include some chemical processes (such as ethanol) to create plant extracts. Such chemical processes may not include butane, propane, and other similar volatile solvents. Non-volatile manufacturing may also include the production of edible and topical products utilizing concentrated cannabis oils obtained from other facilities. For example, a non-volatile manufacturing facility could purchase cannabis concentrates from other manufacturing facilities and then use those concentrates to create cannabis-infused hand lotion. Unless the applicant successfully acquires a commercial cannabis retail license, all products leaving the building must be shipped in bulk as wholesale to other licensed locations. The non-volatile cannabis manufacturing use is similar to other uses including breweries, distilleries, niche-food manufacturers, and other businesses that take raw products and create a new value-added products.

Note that applications for non-volatile cannabis manufacturing licenses are reviewed and approved/denied by the Humboldt Bay Fire Department and the City of Eureka Building Department in relation to Fire and Building Codes. Likewise, the Eureka Police Department has review and approval authority for Safety and Security Standards. All of these approvals occur outside of the Conditional Use Permit process.

**Environmental:** The minor use permit is a discretionary action subject to environmental review in accordance with the California Environmental Quality Act (CEQA); however, the project qualifies for a Class 1 exemption (Section 15301) from CEQA which exempts the conversion and minor alteration of existing structures. Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

**Required Findings:** §155.285 of the Eureka Municipal Code requires that the following findings be made prior to approval of a minor use permit:

1. **Consistent with:**
  - a. **Overall objectives of the Zoning Code (EMC §155.002)**
  - b. **Purposes of the CS District (EMC §155.075)**
  - c. **Special Purposes of the CS District (EMC §155.076)**
2. **No detrimental effect to public health, safety, welfare, or to properties in the vicinity (EMC §155.285)**
3. **Development Standards of the Zone (EMC §155.285)**

**4. Local Coastal Program (EMC §155.285)**

**Project Analysis:**

**1. Overall objectives of the Zoning Code (EMC §155.002):** (Findings in bold)

Objective 1	To provide a precise guide for the physical development of the City in such a manner as to achieve progressively the arrangement of land uses depicted in the general plan adopted by the Council;
	<p><b>The proposed use implements the adopted land use map and is consistent with the goals and policies of the General Plan. The proposed use is also consistent with the City’s Zoning regulations. Per EMC § 155.076, the purposes of the CS Zone District include “...to permit additional development in mixed commercial areas containing both retail stores and commercial services...” and “...to allow a wider choice of location for certain industrial uses that do not have an adverse impact on commercial services.”</b></p> <p><b>The proposed site is in a mixed commercial area that contains retail, commercial services, and light manufacturing. The proposed use is light manufacturing in nature and, as outlined below, will not have an adverse impact on commercial services. The proposed use will be contained within an existing structure and does not involve new development. The proposed use is likely to be far less noisy and visible than the previous RV service shop because cannabis businesses must keep their doors and windows shut for odor control and site security. Through the application of the suggested conditions and through the enforcement of other existing City regulations, the use will not be permitted to allow cannabis odors to be detectable outside of the facility and will not be able to allow cannabis plants to be seen from outside the facility.</b></p>
Objective 2	To foster a harmonious, convenient, workable relationship among land uses;
	<p><b>The proposed cannabis manufacturing facility will be located in an existing structure on Broadway. The proposed use is similar in nature to other light manufacturing and service commercial uses found in the surrounding neighborhood (and throughout the zone district). Through the application of the suggested conditions and through the enforcement of other existing City regulations, the use will be quiet, will not generate excessive odors, and will not provide a disturbance to the neighboring sites. Staff believes that the relationship between the proposed use and the neighboring uses will be harmonious, convenient, and workable.</b></p>
Objective 3	To promote the stability of existing land uses that conform with the general plan and to protect them from inharmonious influences and harmful intrusions;
	<p><b>The proposed use is considered appropriate for the area as it is listed as a use in this zoning district. The proposed use conforms to the General Plan and is typical of the uses that occur in the CS zone district. Through the application of the suggested conditions and through the enforcement of</b></p>

	<b>other existing City regulations, the use will not be permitted to allow cannabis odors to be detectable outside of the facility and will not be able to allow cannabis plants to be seen from outside the facility. By replacing an automotive repair use with a light manufacturing use, the proposed use is not expected to destabilize neighboring uses.</b>
Objective 4	To ensure that public and private lands ultimately are used for the purposes which are most appropriate and most beneficial from the standpoint of the City as a whole;
	<b>The development of a cannabis facility, which will create new jobs in an existing commercial structure will be a benefit to the City as a whole. The proposed use is consistent with purposes of the CS district and will generate skilled jobs.</b>
Objective 5	To prevent excessive population densities and overcrowding of the land with structures;
	<b>The project does not include new construction nor does the project include a residential component. The manufacturing process will be located in an existing commercial structure. Accordingly, the granting of this minor use permit would not result in increased population densities, and would not cause an overcrowding of land with structures.</b>
Objective 6	To promote a safe, effective traffic circulation system;
	<b>The manufacturing use will have access to the existing ingress and egress points on the property. The site has a sufficient amount of parking for vehicles associated with the proposed use. It is not expected that the manufacturing use will create any impediments to a safe and effective traffic circulation system.</b>
Objective 7	To foster the provision of adequate off-street parking and off-street truck loading facilities;
	<b>The site has a sufficient amount of parking for the proposed use and a suitable amount of off-street space for truck loading. The existing parking lot can accessed via Broadway via a curb-cut driveway or through the Broadway Cinema parking lot.</b>
Objective 8	To facilitate the appropriate location of community facilities and institutions;
	<b>Not Applicable. The proposed location is a commercial area and has never been occupied as a public community facility or community institution. Since the property was recently for sale, any such facility that wanted to utilize the space had ample opportunity to purchase or lease the space.</b>
Objective 9	To promote commercial and industrial activities in order to strengthen the city's tax base;
	<b>Manufacturing and wholesaling of products does not directly generate sales tax. However, the proposed use should increase the number of manufacturing jobs in the City, which would add to the City's base economy. Skilled employees will have more disposable income to spend on taxable goods in Eureka.</b>
Objective 10	To protect and enhance real property values;
	<b>The proposed manufacturing facility will be in an existing commercial</b>

	<b>structure. Staff does not anticipate that this business will have an adverse impact on property values of adjoining properties.</b>
Objective 11	To safeguard and enhance the appearance of the City.
	<b>The applicant is proposing aesthetic improvements to the interior and exterior of the building. The addition of a new cannabis business with high security and surveillance requirements may provide additional deterrence to graffiti and vandalism in the immediate area. The Eureka Municipal Code currently does not allow signs to be installed for any cannabis-related businesses.</b>

**2. Purposes of the CS District (EMC §155.075): (Findings in bold)**

Purpose 1	To provide appropriately located areas for retail stores, offices, service establishments, amusement establishments, and wholesale businesses offering commodities and services required by residents of the City and its surrounding market area;
	<b>The proposed use is cannabis manufacturing in a zone district that allows for this use. Other cannabis-related businesses are also located in the same zone district.</b>
Purpose 2	To provide opportunities for retail stores, offices, services establishments, amusement establishments, and wholesale businesses to concentrate for the convenience of the public and in mutually beneficial relationship to each other;
	<b>If approved, the proposed use would allow the applicant to operate as a manufacturer that sells wholesale to other licensed cannabis businesses. Other cannabis-related businesses are also located in the same zone district.</b>
Purpose 3	To provide space for community facilities and institutions that appropriately may be located in commercial areas;
	<b>Not Applicable. The proposed location is a commercial area and has never been occupied as a public community facility or community institution. Since the property was recently for sale, any such facility that wanted to utilize the space had ample opportunity to purchase or lease the space.</b>
Purpose 4	To provide adequate space to meet the needs of modern commercial development, including off-street parking and truck loading areas;
	<b>The proposed use will have a sufficient number of off-street parking spaces to meet Eureka Municipal Code requirements. The entire parcel outside of the footprint of the existing structure is paved leaving plenty of room for trucks to load and maneuver.</b>
Purpose 5	To minimize traffic congestion and to avoid the overloading of utilities by preventing the construction of buildings of excessive size in relation to the amount of land around them;
	<b>No expansion in the size of the building is proposed.</b>
Purpose 6	To protect commercial properties from noise, odor, dust, dirt, smoke,

	vibration, heat, glare, heavy truck traffic, and other objectionable influences incidental to industrial uses; and,
	<b>The project is a non-volatile cannabis manufacturing facility, which should generate minimal noise and no odors. The application of the conditions suggested below and the enforcement of other City regulations would not permit odors to be detectable beyond the boundaries of the site. The proposed use is not expected to generate any detectable dust, dirt, smoke, vibration, heat, or glare. The use is not expected to generate any truck traffic in excess of the traffic generated by the neighboring uses or in excess of the previous use of the RV repair shop.</b>
Purpose 7	To protect commercial properties from fire, explosion, noxious fumes, and other hazards.
	<b>The proposed use is non-volatile in nature and should not generate an unusual risk of fire, explosion, noxious fumes, or other hazards.</b>

**3. Special Purposes of the CS District (EMC §155.076):** (Findings in bold)

Purpose 1	To provide appropriately located areas for commercial uses having features that are incompatible with the purposes of the other commercial districts;
	<b>The proposed use is not appropriate for other commercial districts and is not allowed in CC, CN, or CW zone districts. Non-volatile manufacturing is not compatible with city center pedestrian retail areas, residential neighborhoods, or waterfront commercial areas.</b>
Purpose 2	To permit additional development in mixed commercial areas containing both retail stores and commercial services; and,
	<b>The proposed non-volatile manufacturing use is compatible with neighboring retail and commercial services and may in the future (if the applicant is invited to apply for a retail cannabis license) be paired with a retail shop on site.</b>
Purpose 3	To allow a wider choice of location for certain industrial uses that do not have an adverse impact on commercial services.
	<b>The non-volatile manufacturing is a light industrial use that is not incompatible with surrounding commercial uses. The proposed use will not produce excessive noise, light or noxious odors and all manufacturing work will be conducted within an existing structure.</b>

**4. No detrimental effect to public health, safety, welfare, or to properties in the vicinity (EMC §155.285):**

Based on the discussion above under #1, #2, and #3, the facility will operate without creating a detrimental effect to public health, safety, and welfare or to the properties in the vicinity. Through the application of the suggested conditions and through the enforcement of other existing City regulations, the use will not be permitted to allow cannabis odors to be detectable outside of the facility and will

not be able to allow cannabis plants to be seen from outside the facility. Rigorous safety and security measures are also required and increase or decrease with the level of risk associated with the amount of cannabis materials located on site. The presence of a cannabis location in this area will increase the level of surveillance potentially benefitting neighboring businesses.

**5. Development Standards of the Zoning Code (EMC §155.285)**

The development standards of the Eureka Municipal Code regulate such things as land use, building height, size, location, off-street parking, etc. The project has been reviewed by staff and found to conform to all required development standards as contained in the Eureka Municipal Code. As the project is a conditionally permitted use and is to be located in an existing structure, all development standards are met.

**6. Local Coastal Program (EMC §155.285)**

This property is not located within the Coastal Zone.

**Agency and Departmental Comments:** Referrals were sent to several agencies and City departments with interest or jurisdiction over the property or the intended use of the property. The following Agencies/Departments commented:

1. No comments were received prior to completion of this staff report with recommended conditions. If comments are received prior to the deadline for submitting them, any recommended conditions will be reviewed at the public hearing. Otherwise, the presumption is that the proposed manufacturing of cannabis will not be detrimental to the public health, safety and welfare.

**Support Material:**

Attachment 1	Director of Development Services Resolution .....	page 8
Attachment 2	Location Map.....	page 11

## DIRECTOR OF DEVELOPMENT SERVICES RESOLUTION NO. 2018-0003

A RESOLUTION OF THE DIRECTOR OF DEVELOPMENT SERVICES OF THE CITY OF EUREKA APPROVING THE MINOR USE PERMIT (MUP-18-0002) TO ALLOW A NON-VOLATILE CANNABIS MANUFACTURING FACILITY AT 1131 BROADWAY; APN 004-025-010.

**WHEREAS**, the applicant is planning to operate a non-volatile Cannabis manufacturing facility; and

**WHEREAS**, the property at 1131 Broadway is zoned Service Commercial (CS); and

**WHEREAS**, non-volatile cannabis manufacturing uses with 5,000 sf or less of manufacturing area are conditionally permitted in the CS district and require a Minor Use Permit; and

**WHEREAS**, the Eureka Municipal Code §155.285 prescribes the findings required to be made by the Director of Development Services prior to granting a minor use permit.

**NOW THEREFORE, BE IT RESOLVED** by the Director of Development Services of the City of Eureka that the project, as conditioned below and described in the Staff Report, is approved.

**BE IT FURTHER RESOLVED** by the Director of Development Services of the City of Eureka that the decision to approve with conditions the subject application was made after careful, reasoned and equitable consideration of the evidence in the record, including, but not limited to: written and oral testimony submitted at the public hearing; the staff report; site investigation(s); agency comments; project file; and, the evidence submitted with the permit application. The findings of fact listed below “bridge the analytical gap” between the raw evidence in the record and the Director’s decision:

1. The Minor Use Permit is a discretionary action subject to environmental review in accordance with the California Environmental Quality Act (CEQA); however, the project qualifies for a Class 1 exemption from CEQA which exempts the conversion and minor alteration of existing structures.
2. The proposed non-volatile cannabis manufacturing use with 5,000 sf or less of manufacturing area and its proposed location are in accord with the objectives of Chapter 155 (Zoning) of the Eureka Municipal Code and the purposes of the district in which the site is located as documented in the staff report.
3. The project location and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety, or welfare or materially injurious to properties or improvements in the vicinity as documented in the staff report.
4. The project is not located within the Coastal Zone.

**FURTHER**, approval of the Minor Use Permit is conditioned on the following terms and requirements. The violation of any term or requirement of this conditional approval may result in the revocation of the permit.

1. All non-volatile manufacturing businesses operating at the subject property shall install odor control measures that shall be reviewed and approved by the City Building Department prior to operations. The odor control measures implemented shall be effective at controlling cannabis odors such that no cannabis odors shall be detectable outside the exterior walls of the facility.
2. Cannabis plant materials shall not be visible from the exterior of the property. This includes cannabis plant materials that are present onsite, in any buildings at the site, or in any vehicles at the site. The only exception to this condition is during brief periods of loading and unloading.
3. All non-volatile manufacturing businesses operating at the subject property shall conduct loading and unloading of cannabis materials within the parking lot in such a way that loading and unloading will not disrupt traffic on Broadway.
4. The exterior of the building, parking lot, fencing, on-site landscaping, and all other visible components of the property shall be maintained at a high level of quality worthy of a building on one of the busiest streets in the City.
5. All non-volatile manufacturing businesses operating at the subject property shall meet with the City of Eureka Fire Department, Building Department, and Police Department and shall implement safety, security, and other related requirements imposed by those Departments.
6. The property owner shall install and maintain a security system at the subject property within any buildings (present or future) that are engaged in non-volatile manufacturing of cannabis. The security system(s) shall be designed as a means of deterring and discouraging criminal activity at the property for as long as any business is engaged in the proposed use.
5. Prior to commencement of any demolition, remodeling or construction, the applicant shall obtain all required Building and Fire permits to the satisfaction of the City of Eureka Building and Humboldt Bay Fire Departments.
6. The applicant shall obtain Design Review approval prior to issuance of a building permit for any exterior improvements to the building to the satisfaction of the Development Services Department.
7. In the event a building permit involving any ground disturbing activity is issued, the City's standard protocol for incidental archeological discovery (cultural or historical artifacts) shall be followed.
8. At least 30 days prior to commencement of operations, the applicant shall contact the Humboldt County Department of Health and Human Services Public Health, Division of Environmental Health at 707-268-2228 regarding the regulations for waste generation and characterization. This condition shall be completed to the satisfaction of the Humboldt County Environmental Health Department

**PASSED, APPROVED AND ADOPTED** by the Director of Development Services of the City of Eureka in the County of Humboldt, State of California, on the 9th day of July 2018.

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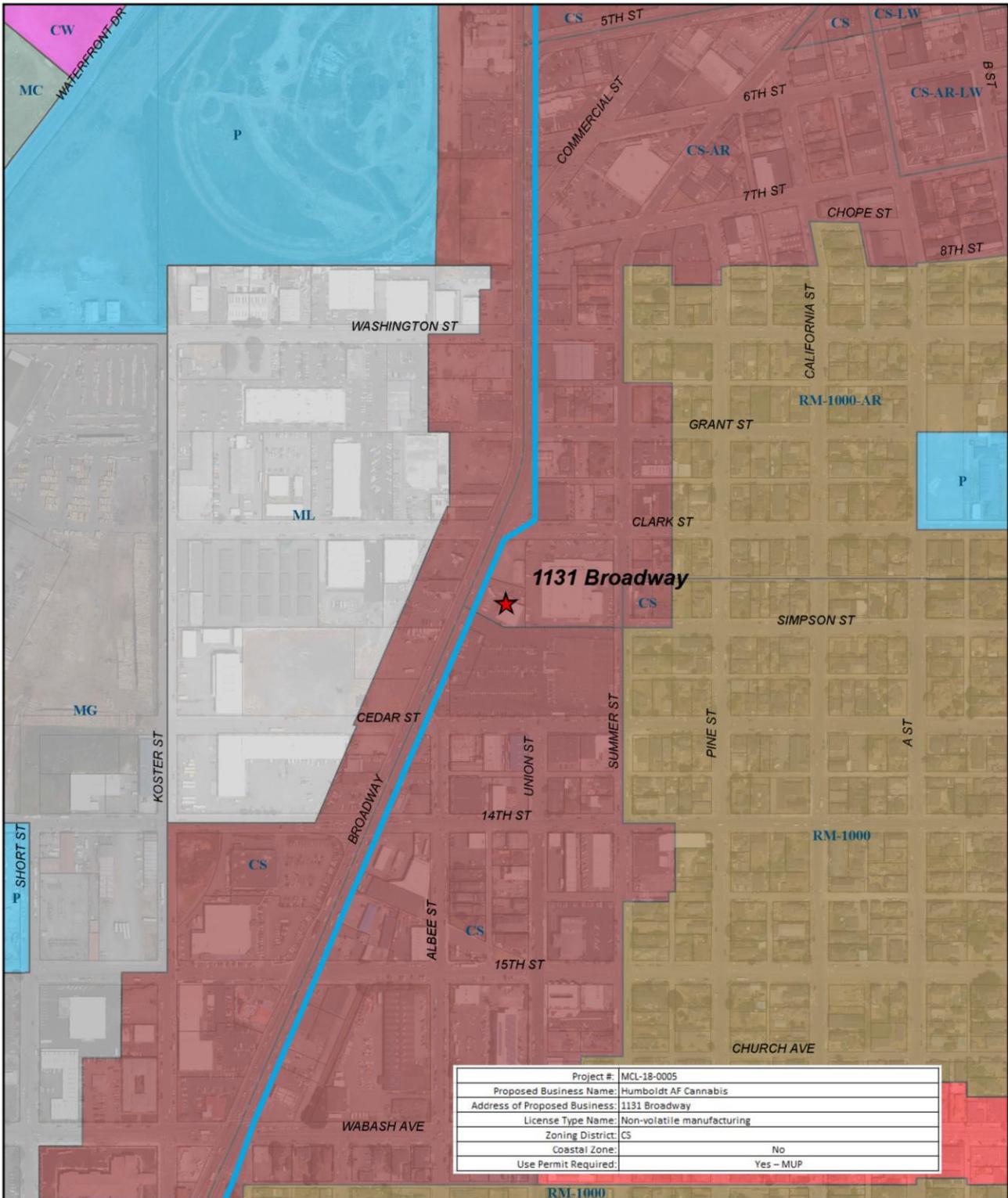
Rob Holmlund, AICP, Director

*Attest:*

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Pamela J. Powell, City Clerk

Humboldt AF Cannabis Minor Use Permit  
 Project Number: MUP-18-0002



<p>Scale: 1" = 400'</p> 	<p> Coastal Zone Boundary   Project Location</p> <p><b>Zoning Designation:</b></p> <ul style="list-style-type: none"> <li> CN Service Commercial</li> <li> CS Waterfront Commercial</li> <li> CW Coastal Dependant Industrial</li> <li> MC General Industrial</li> <li> MG Limited Industrial</li> <li> ML Neighborhood Commercial</li> <li> P Public</li> <li> RM-1000 Multi-Family Residential</li> </ul>	<p>Zoning Map of MCL-18-0005</p>  <p>Figure 1                  Date: 6/12/2018                  Created By: rtopolewski</p>
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