

## **EXHIBIT A**

### **RECOMMENDED FINDINGS OF FACT**

**PLN19-0060**

**2994 Teagarden Street, APN 079B-1229-022-00**

**Fantasy Elixirs and Medicinals (Applicant)**

**Lehmer-Chang Gardens LLC (Property Owner)**

The Board of Zoning Adjustments hereby approves PLN19-0060, subject to the following findings:

#### **CONDITIONAL USE PERMIT**

Per Zoning Code Sections [2-706.B.14](#) and [4-1640.A](#), a Conditional Use Permit is required for cannabis product manufacturing and the application must meet all of the following required findings.

- 1. The proposed location of the project conforms to the objectives of the Zoning Code as well as the purposes of the district in which the site is located.**

The subject site at 2994 Teagarden Street consists of a ±4,495 square-foot tenant space within a 4-building cluster accommodating approximately 23 total tenants. The unit at 2994 Teagarden is in the southeast corner of building #3. The industrial condominium cluster is located on the north side of Teagarden Street with Interstate 880 to the southwest. All units share two common parking lots – both in front and in the rear of the development. The subject property is zoned IG Industrial General District, as are the immediate properties to the south, east, and west. Adjacent properties primarily consist of multi-tenant industrial buildings that support uses including warehouses, wholesale businesses, light manufacturing, and tracking/distribution terminals.

The surrounding area is industrial, and the subject property is distant and isolated from all sensitive land uses such as residential, educational, childcare, recreational, and community centers. Staff estimates that the closest school to the 2994 Teagarden property is Lincoln High school, measured through Google Earth to be over 2,000 ft. away (approximately .4 miles). Proposition 64 sets a cannabis business buffer of 600 feet from schools, day care centers and youth centers. Based on information and studies conducted by the applicant, the facilities operation will not generate significant noise, no nuisance odors or traffic impacts.

The proposed use—cannabis product manufacturing of cannabis infused kombucha and beverages requiring a Type 6, N and P license from the California Department of Public Health Manufactured Cannabis Safety

Branch—is in accordance with the purposes of the Industrial zoning districts, which is to encourage continued operation of existing general industry. Cannabis Product Manufacturing is defined under Industry in the zoning code as *“manufacturing, processing, and packaging of products derived from or infused with cannabis, including edibles, concentrates and extracts for wholesale or retail to cannabis dispensaries or other cannabis product distributors and manufacturers as allowed by State law. This definition includes cannabis manufacturers requiring a Type 6 or 7 license from the State of California. This definition does not include the cloning, planting or cultivation of cannabis plants or the direct sales, distribution, delivery, or dispensing of manufactured cannabis products to the public.”*

The cannabis product manufacturing use is conditionally permitted in the IG District (Section [2-706.B.14](#)). With the recommended Conditions of Approval to mitigate potential issues, the proposed use will be compatible with the adjacent industrial uses and would be subject to certain limitations to avoid adverse effects on adjacent uses and properties.

- 2. The proposed location of the use and the proposed conditions under which it would be operated or maintained will be consistent with the General Plan; will not be harmful to the public health, safety or welfare of persons residing or working in, or nearby, to the neighborhood of the proposed use; and will not be detrimental to properties or improvements in the area or to the general welfare of the City.**

The General Plan designates this site within the Light Industrial area in the City’s General Plan Land Use Diagram. Chapter 3 of the General Plan states that “Light Industrial areas may contain wholesale activities, distribution facilities, research and development or e-commerce uses, business services, technology, and manufacturing operations which produce minimal off-site impacts. Campus-style industrial parks and professional offices also are permitted. A limited range of commercial uses also is permitted in these areas.” The specific proposal by Fantasy Elixirs and Medicinals features a manufacturing use of cannabis infused kombucha and beverages and would operate similar to other industrial manufacturing uses in a space that is currently used by House Kombucha for kombucha manufacturing and processing. The use of the existing industrial building space to accommodate the cannabis product manufacturing is conditionally compatible at this site and the use will not be detrimental to the public health, safety or welfare of persons residing or working in or adjacent to the area and will not be detrimental to properties and improvements in the surrounding industrial area.

The following General Plan goals and policies are applicable to the proposed project (note: LU-Land Use; ED-Economic Development):

**Goal LU-7 Innovation Districts.** Sustain dynamic innovation districts which place San Leandro on the leading edge of the Bay Area's manufacturing and technology economy.

**Policy LU-7.1 Leveraging Locational Assets.** Build on the locational strengths and transportation features of San Leandro's industrial area to support the area's continued development as a major advanced manufacturing, technology, and office employment center.

**Policy LU-7.2 Adaptive Reuse.** Encourage private reinvestment in vacant or underutilized industrial and commercial real estate to adapt such property to changing economic needs, including the creation of flex/office space and space for technology-driven businesses.

**Policy ED-1.3. Industrial Land Use Efficiency.** Encourage more efficient use of the City's industrial land supply, creating higher employment densities and high quality jobs, while discouraging the use of large sites and buildings for storage and other low intensity uses. Ensure that zoning and other development regulations support higher utilization of sites zoned for commercial and industrial activities.

**3. The proposed use will comply with the requirements of the Zoning Code, including any specific condition required in the district in which it will be located.**

The proposed Fantasy Elixirs and Medicinals facility is located within an existing industrial building and meets requirements for lot size, width, height, setbacks, floor area ratio (FAR), and coverage. The subject site is a single-story building that has one main entrance, a secure loading bay with roll up door, and one rear entrance/exit. There are no outdoor loading or storage areas that need to be visually screened.

Tenant improvements are proposed to the interior of the existing building. The proposed tenant improvements are to change an office and storage area of House Kombucha to space to be used by Fantasy Elixirs and Medicinals (approximately 935 square feet). The interior tenant improvements to the building are conditioned to comply with all Building and Fire Code requirements. As a result of the required conditions and necessary permits per State and local laws, policies, rules, and regulations the cannabis manufacturing lab will comply with City and State requirements.

**4. The proposed use will not create negative impacts on traffic or create demands exceeding the capacity of public services and facilities, which cannot be mitigated.**

The existing site is adequately served by streets, utilities and other public facilities. The existing parking & accessible stalls/stripping, landscape planters, curbs gutters/concrete walks, asphalt/concrete drives, and curb cuts are to remain. The off-street parking spaces in the two common parking lots will be provided for on-site parking that can accommodate the proposed eight employees for Fantasy Elixirs and Medicinals.

The Alameda County Fire Department and the City of San Leandro Engineering staff have reviewed the proposed parking configuration and find it acceptable for emergency vehicle requirements and regular traffic access and transit requirements.

### **ADDITIONAL FINDINGS FOR CANNABIS PRODUCT MANUFACTURING**

Per [Section 4-1640.E](#), in addition to the required findings for all use permits, the following additional findings shall be made:

- 5. The cannabis product manufacturing facility is situated in an appropriate location where schools, residences, childcare centers, parks, or other sensitive land uses will not be adversely impacted.**

The surrounding location is predominantly industrial and the subject property is distant and isolated from all sensitive land uses such as residential, parks, educational, childcare, recreational, and community centers. Staff estimates that the closest school to the 2994 Teagarden property is Lincoln High school, measured through Google Earth to be over 2,000 ft. away (approximately .4 miles). Proposition 64 sets a cannabis business buffer of 600 feet from schools, day care centers and youth centers.

- 6. Appropriate measures have been taken to address nuisances related to odor, noise, exhaust, and waste.**

The proposed cannabis product manufacturing facility will use small quantities of cannabis extracts that are shelf stable. The cannabis extracts are sealed in containers and emit no odors when opened and added to kombucha or other beverage products. During the bottling process and when the finished goods are packaged and warehoused there are no smells, vapor, exhaust, or odors. A traffic report, noise study, and odor assessment conducted by Richard C. Doering dated August 23, 2019 found that traffic will be negligible and no noise control measures are required.

Applicant will comply with applicable local, state and federal law with regard to the handling and disposal of waste generated on site, if any. Applicant will comply with the Solid Waste and Recycling Program of the City of San Leandro as well as the Alameda County Mandatory Recycling Ordinance

#2012-01. The subject property falls within the Alameda County Industries (ACI) and the applicant understands that the City of San Leandro holds an exclusive franchise agreement for solid waste and recycling services with ACI.

**7. The cannabis product manufacturing facility is suitably designed to be secure and aesthetically compatible with the surrounding area.**

The proposed Fantasy Elixirs and Medicinals will have no signage indicating its use and will only be accessible through secure entrances. All exterior access doors as well as emergency exits will be well lit and equipped with door alarms. Only authorized personnel will have access to the facility via security card entry system. All cannabis products will be delivered and stored securely. Operations of deliveries and manufacturing will be similar to operations of nearby industrial manufacturing businesses.

**8. The cannabis product manufacturing facility will not place a burden on the provision of public services disproportionate to other industrial uses.**

Fantasy Elixirs and Medicinals plans to operate during standard business hours (7:00 a.m. to 5:00 p.m. Monday through Friday and occasionally on weekend days) utilizing a relatively small manufacturing footprint (approximately 935 square feet). The infusion of THC extracts, herbs, fruits, and flavors to kombucha, carbonated waters, and fruit juices will operate similar to an industrial food and beverage manufacturing/processing facility. With the incorporation of the recommended Conditions of Approval and adherence to the California Health and Safety Code regulations, California Attorney General Guidelines, and San Leandro Administrative Code, the use will not place a burden on the provision of public services disproportionate to other industrial uses.

## **CEQA ENVIRONMENTAL REVIEW**

This project is categorically exempt from environmental review under the California Environmental Quality Act pursuant to Article 19, Section 15301 of the State CEQA Guidelines, as an Existing Facility that involves minor alterations and negligible expansion of use with interior improvements.