

EXHIBIT A

RECOMMENDED FINDINGS OF FACT

PLN19-0052

14505 & 14509 Catalina, APN 80G-933-34 (Unit H) & 80G-933-36 (Unit J)

Danielle Chacko - ASHA Pharmaceuticals (Applicant)

Randy Sosa (Property Owner)

The Board of Zoning Adjustments hereby approves PLN19-0052, subject to the following findings:

CONDITIONAL USE PERMIT

Per Zoning Code Sections 5.08.124 and 4.04.220, 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 property is zoned IP Industrial Park District, as are the immediate properties to the south and east. Adjacent properties to Catalina Street primarily consist of multi-tenant industrial buildings that support uses including warehouses, light manufacturing, and industrial operations.

The subject site at 14505 (Unit H) & 14509 (Unit J) Catalina Street consists of a ±4,720 square foot tenant space and is part of a larger building that is approximately 21,700 square feet. The Project Site is located on a 78,875 square foot lot that is nearly level. Access to the Project Site is provided by Catalina Street, which connects to Farallon Drive. The Project Site is in City Council District 6.

The City of San Leandro Police Department is located approximately 2.5 miles to the northeast. The nearest fire station is Alameda County Fire Station No. 11, located approximately 700 feet to the southeast. Staff estimates that the closest school to the 1405 & 14509 Catalina Street property is James Madison Elementary School, measured through Google Earth to be over 2,800 ft away (approximately .5 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, nor nuisance odors or traffic impacts.

The proposed uses—cannabis product nonvolatile manufacturing requiring a Type 6 license from the California Department of Public Health

Manufactured Cannabis Safety Branch—are 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 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 IP District (Section 2-12.208.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 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 LU-7.4: Tax Base Enhancement. Encourage business development that improves the City's ability to provide the public with high-quality services and which minimizes increases in the tax burden for existing businesses and residents.

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. 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 Asha Pharmaceuticals facility is located within an existing light 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 two main entrances, a secure service entrance and loading area, 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 including:

- ✓ Construction of a fire rated wall to separate the two parcels – Units H and J.
- ✓ Installation of security cameras.
- ✓ Paint existing roof top mounted HVAC condenser units to match the trim of the building.
- ✓ Relocate one ADA parking space.
- ✓ Installation of odor control equipment, including exhaust ducting. ASHA will utilize existing ventilation ports as necessary.

- ✓ Installation of furniture and equipment used in the manufacturing process, such as chest freezers and equipment to produce kief, dry sift and pre-roll joints. The furniture and equipment will be portable and will not be anchored to the ground or any portion of the building.

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.

- 3. 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, concrete walks, asphalt/concrete drives, and curb cuts are to remain. One ADA parking stall will be relocated and a curb ramp with truncated domes are proposed to meet code. The off-street parking spaces in the common parking lot will provide for on-site parking that can accommodate the proposed 16 employees for Asha Pharmaceuticals.

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 4.04.220, in addition to the required findings for all use permits, the following additional findings shall be made:

- 4. 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. The City of San Leandro Police Department is located approximately 2.5 miles to the northeast. The nearest fire station is Alameda County Fire Station No. 11, located approximately 700 feet to the southeast.

Staff estimates that the closest school to the 14505 & 14509 Catalina Street property is James Madison Elementary School, measured through Google Earth to be over 2,800 ft away (approximately .5 mile). Proposition 64 sets a cannabis business buffer of 600 feet from schools, day care centers and youth centers. There are no residential properties in the immediate vicinity of the proposed use and the surrounding adjacent businesses consist of light industrial and office park uses.

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

ASHA will implement odor control systems throughout the facility. Odor control will include engineering and administrative controls to ensure odors are not detected outside the building or in adjacent office areas. Odor management is discussed in Section 4.0 of ASHA's Operations Plans submitted with this CUP application.

A noise study was performed by Charles M. Salter Associates (letter dated June 19, 2019). The noise study concluded that based on the proposed equipment, noise levels would be consistent with the City of San Leandro's noise standards, and that interior noise would not exceed OSHA thresholds requiring worker hearing protection. The noise analysis has been submitted with this CUP application.

Applicant will comply with applicable local, state and federal law about 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.

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

ASHA will implement security measures consistent with CDPH requirements for manufacturing facilities. Security measures include physical measures, alarm systems, video surveillance, and operational measures to ensure the safety of employees and the public. Security measures are discussed further in Section 5.0 of ASHA's Operations Plan submitted with this CUP application. ASHA does not propose any signs other than security signs stating the Project Site is being monitored by an alarm system and video surveillance.

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

A Cannabis Product Manufacturing use is conditionally permitted use within the IP Industrial Park Zoning District. ASHA's proposed hours of operation will be from 9 a.m. to 6 p.m., Monday through Sunday, for all activities occurring onsite. Employees will work in single shifts.

To minimize electricity use, ASHA will implement the following:

1. Use energy efficient lighting fixtures for normal business operations;
2. Use energy efficient mechanical equipment, such as air conditioning units and freezers; and
3. Turn off equipment when not in use.

To minimize water use, ASHA will ensure that low flow toilets and sink aerators are installed in restroom facilities per California Building Code requirements.

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 (PLN19-0052) requires discretionary approval and is subject to review under the California Environmental Quality Act (CEQA). The Board of Zoning Adjustments finds that this item (PLN19-0052) is categorically exempt from the California Environmental Quality Act (CEQA) per CEQA Guidelines, Article 19, Section 15301 as an Existing Facility that involves minor alterations and negligible expansion of use with interior improvements.