

RECOMMENDED FINDINGS OF FACT

PLN17-0063
1655 Abram Ct., APN 79A-338-1-17
Dispersa Labs, Inc. (Applicant)
Zhaoha Feng (Property Owner)

The Board of Zoning Adjustments hereby approves PLN17-0063, 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 parcel is located on the north side of Abram Court, between Merced Street on the west, and Interstate 880 on the east. The parcel is zoned IG(S) Industrial General District (Special Review Overlay District) and the proposed unit is currently vacant. The adjacent attached unit located on the same parcel currently houses a commercial printing company (B2B Signs and Prints). From 1966 to 2011 (45 years), the proposed unit housed National Abrasives, a warehouse and seller of abrasives, which had 16 employees.

The proposed use—cannabis product manufacturing requiring a Type 6 license—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 that mitigate potential site maintenance 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 General Industrial area. This designation permits “a wide range of manufacturing, transportation, food and beverage processing, technology, warehousing, vehicle storage, office-flex, and distribution uses,” subject to performance standards to avoid adverse off-site effects. The specific proposal by Dispersa Labs features office and manufacturing use and would operate similar to other industrial manufacturing uses in a space that was formerly used to store abrasive products and cutting tools. Thus, the adaptive reuse of the existing industrial warehousing space to accommodate the cannabis manufacturing lab 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.

The following General Plan goals, policies, and actions are applicable to the proposed project:

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.

Action LU-10.6.A Conditions of Approval. On an ongoing basis, establish conditions of approval for new commercial and industrial development located adjacent to residential areas, and for new residential areas located adjacent to commercial and industrial areas, which ensure that the potential for future conflict is minimized.

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 Dispersa Labs proposal will comply with the requirements of the Zoning Code because it is located within an existing industrial building and meets requirements for lot size, width, height, setbacks, floor area ratio (FAR), and coverage. Site

improvements include new parking lot striping, addition of 105 square feet of landscaping, where there is currently none, and 330 square feet of vertical green wall on the building façade. The proposal reduces the number of parking stalls, from 12 spaces to 11 spaces; however, this is a necessary modification in order for the parking lot to meet current ADA accessibility standards.

Tenant improvements to the building are conditioned to comply with all Building Code. 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. Eleven off-street parking spaces are provided on site and sufficient to accommodate the proposed 5 to 6 employees of the cannabis manufacturing lab, shared with the adjacent tenant, which is currently a business services-printing use with 3 employees.

A trip generation analysis conducted by Hexagon Transportation Consultants, Inc. dated August 15, 2017 estimated a total of 5 trips during the AM peak hour and 5 trips during the PM peak hour, generating a net increase of 3 trips compared to the existing warehouse use¹. The net increase in trip making due to this project is deemed negligible and no further traffic analysis is necessary. Additionally, the proposed use employs less than half the number of staff compared to the previous warehouse/retail use (6 vs. 14) and is not expected to increase trip generation from the property.

The City's Engineering and Transportation Department and Alameda County Fire Department staff have reviewed the existing parking lot and find it acceptable for both emergency vehicle and regular traffic access and transit requirements. Dispersa Labs will work closely with the San Leandro Police Department on a security plan. Police had no recommendations at the time of internal review.

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.

¹ The trip generation rates are based on rates published in the Institute of Transportation Engineers' (ITE) manual entitled Trip Generation, 9th Edition (2012).

The proposed manufacturing facility is appropriately situated away from residential, educational, childcare, recreational, and community areas, separated by major roadways (Marina Boulevard, Merced Street, Williams Street) and Interstate 880. The rear property lines of the nearest residences are approximately 270 feet to the northeast, measured from the roof edge of the facility. The following nearby sensitive land uses are all located across Interstate 880 from the proposed site and are greater than a 0.5 mile walk or drive from the cannabis manufacturing facility:

Name	Shortest Distance from proposed facility	
1397 Castro St Large Family Day Care	1,140 feet	0.7 mile walk or drive
John Muir Middle School	1,363 feet	0.6 mile walk or drive
Cherry Grove Park	1,675 feet	0.8 mile walk or drive
Burrell Fields	1,678 feet	1.1 mile walk or drive
Lincoln High	2,947 feet	0.9 mi walk or drive

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

The manufacturing facility does not operate extraction units; as a result, no nuisance odors are likely to be transmitted in the process and any exhaust will be filtered to meet emissions regulations. Minimal water is used for manufacturing (± 500 liters per month) and any waste that is generated will be reclaimed in the process, reused where advisable and allowable, or disposed of according to best practices and conditioned to be rendered unusable and unrecognizable.

A noise assessment conducted by Charles M. Salter Associates, Inc. dated August 28, 2017 considers the San Leandro Noise Ordinance and finds that the proposed new packaged air-handling rooftop units and interior equipment serving Dispersa Labs will likely have no negative impact on neighboring residential properties and no additional noise control measures would likely be required.

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

The building will have no signage indicating its use and accessible through one secure main front entrance. All exterior access doors as well as the emergency exit will be well lit and equipped with door alarms and a call-up monitor operated by security personnel and biometric key fob. Dispersa will equip the entire facility and site with modern surveillance system, interior area access control, and seed-to-sale software designed for inventory control for the cannabis industry. A layered security system designed to deter diversion and theft during transport of cannabis products to and from dispensaries will be in use and includes GPS asset tracking technology.

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

Dispersa Labs plans to operate during standard business hours (8am to 5pm Monday through Friday) utilizing a relatively small manufacturing footprint (approximately 5,000 square feet). 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(a) of the State CEQA Guidelines, as an Existing Facility with interior and exterior improvements.