

Exhibit A

**RECOMMENDED
FINDINGS OF FACT**

Resolution 2019-004

**PLN18-0101
2974 Teagarden St., APN 77B-1229-25
Iwen Chang (Property Owner)
Daeseob Cho, Shasta Labs, Inc. (Applicant)**

The Board of Zoning Adjustments hereby approves PLN18-0101, subject to the following findings:

CONDITIONAL USE PERMIT

Per Zoning Code Sections [2-706.B.16](#) and [4-1640](#), a Conditional Use Permit is required for cannabis testing laboratory 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 IG Industrial General District, as are the immediate properties to the south, east, and west. Adjacent properties within Tegarden Street primarily consist of multi-tenant industrial condominium buildings that support uses including warehouses, wholesale businesses, light manufacturing, and tracking / distribution terminals.

The applicant has provided written acknowledgement and approval of use as a cannabis testing laboratory by both the property owner and the Teagarden Business Center Owners Association (see Attachment 4 of the Staff Report).

The subject site at 2974 Tegarden Street consists of a ±5,330 square-foot tenant space within a 4-building cluster accommodating 23 total tenants. The unit at 2974 Teagarden is in the northeast corner of building #2. The industrial condominium cluster is located on the north side of Tegarden 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 surrounding location is predominantly 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 2974 Teagarden property is

Lincoln High school, measured through Google Earth to be over 2,000 ft away (approximately .4 miles). Proposition 64 sets a default buffer of 600 feet from schools, day care centers and youth centers. Based on studies conducted by the company and accompanying this staff report, the facilities operation will not generate significant noise, no nuisance odors or traffic impacts on the immediate neighbors, the city or its residents.

The cannabis testing laboratory use is conditionally permitted in the IG District (Section 2-706.B.16). 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, which 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 proposed testing laboratory will employ strict odor control / mitigation measures and thus no nuisance odors are expected to be transmitted in the testing process and any exhaust will be filtered to meet emissions regulations. The company will have odor control devices and techniques including sufficient odor absorbing ventilation, and exhaust filtration system and a negative air pressure system so the odor generated inside the facility that is distinctive to its operation is not detected outside the facility, anywhere on the adjacent property or public rights of way, on or about the exterior or common areas walkways, hallways, breezeways, foyer, lobby areas, or any other areas available for use by the visiting public, or within any other unit located near by the building as the cannabis testing lab business. Australian charcoal is the best method and most absorbent carbon available for smell-proofing cannabis and will be employed for that purpose at this testing site.

The specific proposal by Shasta Labs features administrative and supportive uses and would operate like other light industrial uses in the surrounding area. The cannabis testing laboratory component involves sampling a minimal amount of cannabis material that is processed in a secure environment and destroyed or rendered inert upon completion of analysis. The end product produced is information that supports consumer

and product safety for regulated cannabis dispensing and manufacturing conducted elsewhere. The processes and laboratory equipment used in the cannabis testing facility is consistent with non-cannabis laboratories that would otherwise be permitted. Thus, the adaptive reuse of the existing industrial warehousing space to accommodate the cannabis testing 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.

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.

A “*Laboratory, Cannabis Testing Facility*” is a conditionally permitted use on the subject property within the IG Industrial General Zoning District. This is to ensure that cannabis testing laboratory uses are evaluated on a case-by-case basis and that the Board of Zoning Adjustments can place Conditions of Approval to deem the proposed use adequate and appropriate with the surrounding area.

The Shasta Laboratory facility is located within an existing industrial warehouse building and meets requirements for lot size, width, height, setbacks, floor area ratio (FAR), and coverage. The single-story building has 1 main entrance, a secure loading bay with roll up door, and 1 rear exit used for emergency exit only; there are no side or rear yards and no outdoor loading or storage areas that need to be visually screened.

Tenant improvements are proposed to the existing building, which will ensure that the aging building is maintained through façade and interior enhancements. Outside of business operating hours, all exterior doors,

windows, or other points of ingress/egress will be locked with commercial locks rated to ANSI grade 1 or similar standards.

Tenant improvements proposed are to remove and replace the existing HVAC system and restrooms and all associated mechanical, plumbing and electrical. The application primarily consists of tenant improvements to an existing facility and therefore would use utility connections that are already in place.

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. Twenty off-street parking spaces are provided (18 for staff and 2 visitors) on site and are enough to accommodate the proposed 5 employees and anticipated visitors of the cannabis testing laboratory.

The existing parking & accessible stalls / striping, landscape planters, curbs gutters / concrete walks, asphaltic / concrete drives, curb cuts and main service electrical transformer are to remain.

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.

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 create a negative impact on traffic nor place a burden on the provision of public services and facilities.

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.