



City of Colusa California

STAFF REPORT

DATE: September 6 2022
TO: Mayor Reische and member of the City Council
FROM: Jesse Cain, City Manager, and Ryan Jones, City Attorney

AGENDA ITEM:

Subject: Re-introduction of proposed first reading of an Ordinance approving a development agreement for cannabis manufacturing uses at 2876 Niagara Avenue.

Recommendation: Council to re-introduce, read by title only, and waive the full first reading of the proposed Ordinance:

Re-introduction of an Ordinance of the City Council of the City of Colusa approving a Development Agreement between the City of Colusa and Genesis Extracts relative to the establishment and operation of a cannabis manufacturing/business facility located at 2876 Niagara Ave. in Colusa

BACKGROUND ANALYSIS:

The subject property (the "Site") is located on 1.6 acres within the southern portion of the Colusa Industrial Park (CIP) at 2876 Niagara Avenue and surrounded by existing industrial land uses to the north, west and south. The Colusa County Airport is located immediately east of the Site.

There is an existing 4800-square-foot, single-story building, within which the Owner plans to install equipment for, and perform, "Type 7" volatile extraction cannabis operations at the Site (the "Project"). Sufficient paved parking space is available to accommodate the Project's 15 employees projected to work at the site after the first year of operation. Limited extracted cannabis products would be transported to and from the site from time to time as available.

Genesis Extracts CA (the "Owner") requests development agreement ("DA"), Cannabis Business Regulatory Permit, and Cannabis Business Special Use Permit approval as required by City Code to operate their cannabis business.

PROCEDURAL HISTORY:

This item was brought to the City Council at the City Council meeting on August 16th, which the Council voted on. However, it was discovered that the proposed Ordinance/Development Agreement was not attached to the Agenda, nor was it available for the Council for review. Accordingly, this is being brought back to the Council for a new vote on this item now that the Ordinance/Development Agreement is included in the Agenda and available for the public and

Council for review.

Development Agreement

As drafted, the term of the DA would last ten years. The DA contains mutually agreeable terms and provisions defining the obligations and contributions applicable to the City and the Owner. The DA establishes performance requirements, reporting and audition procedures, monetary compensation to the City (in the form of Production Fees), regulations, "City Covenants," and specific development criteria of the project.

ENVIRONMENTAL REVIEW:

City Staff considers approval of this Development Agreement to be exempt from California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15332, which reads as follows:

Class 32 consists of projects characterized as in-fill development meeting the conditions described in this section.

(a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.

(b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.

(c) The project site has no value, as habitat for endangered, rare or threatened species.

(d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

(e) The site can be adequately served by all required utilities and public services.

Staff considers the development of the Project to be exempt as provided above since for the following reasons: It is consistent with the general plan designation & policies as well as with applicable zoning designation and regulations; The Project Site, as previously developed, has no value, as habitat for endangered, rare or threatened species; The limited, 4,800-square-foot building with conditions would generate negligible traffic, noise, air quality, or water quality, impacts; and all utilities and public services are already at the Site.

PUBLIC COMMENT:

Staff received comments on the proposed Project.

PLANNING COMMISSION ACTION:

During their meeting of April 13, 2022, the Planning Commission considered a Planning Department staff report and public testimony in support of the project. Following the public hearing, the Planning Commission voted 5-0 to pass a Resolution recommending City Council approval of the proposed DA. Under the City Code, the Planning Commission does not review cannabis-related use permits.

BUDGET IMPACT:

If adopted, this ordinance and DA may facilitate new sources of revenue (over a longer period of time) to the City of Colusa from future cannabis manufacturing activities associated with this Project.

STAFF RECOMMENDATION:

Staff recommends that the City Council consider the analysis, project staff report, and public testimony. Should the City Council support such analysis and the proposed project, staff recommends that the City Council approve the following:

1. RE-INTRODUCTION OF FIRST READING BY TITLE ONLY AND SET FOR SECOND READING AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COLUSA APPROVING A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF COLUSA AND GENESIS EXTRACTS CA RELATIVE TO THE ESTABLISHMENT AND OPERATION OF A CANNABIS MANUFACTURING / BUSINESS FACILITY LOCATED AT 2876 NIAGARA AVE. IN COLUSA

ATTACHMENT:

Ordinance No ____ approving Development Agreement