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DATE: May 14, 2024

TO: Planning Commission

FROM: Ingrid Alverde, Director, Economic Development & Open Government  
Brian Oh, Director, Community Development  
Eric Danly, City Attorney

SUBJECT: Recommendation to the Planning Commission to conduct a public hearing and Approve a Resolution Recommending to the City Council to Make Findings of Exemption Under the California Environmental Quality Act and Introduce (Give First Reading of) an Ordinance to Amend Table 4.4 and Chapter 28 “Glossary” of the Petaluma Implementing Zoning Ordinance to Accompany and Implement a New Chapter 6.10 of the Petaluma Municipal Code Entitled “Cannabis Sales” to Continue Existing Commercial Cannabis Regulations and Allow Up to Three Retail Storefront Cannabis Businesses in Business Park and Industrial Districts in Petaluma

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### **RECOMMENDATION**

It is recommended that the Planning Commission conduct a public hearing and consider a staff recommendation to approve a resolution recommending that the City Council adopt text amendments to the Implementing Zoning Ordinance to establish and regulate Retail Sales – Cannabis as a land use supporting commercial cannabis retail sales in storefront businesses in Business Park and Industrial Zones, as described in **Attachment 1 – Draft Planning Commission Resolution** and **Attachment 2 – Implementing Zoning Ordinance Chapter 4 Section 4.030**, and **Chapter 28 redline**.

### **BACKGROUND**

#### **Adopted State and Local Cannabis Business Legislation**

In November, 2016, California voters approved via Proposition 64 the Control, Regulate and Tax Adult Use of Marijuana Act, referred to in ballot materials as the Adult Use of Marijuana Act (“AUMA”), which established a regulatory scheme for nonmedical marijuana similar to that established for medical marijuana under the MMRSA. Following its adoption by California

voters, the AUMA was codified in various provisions of state law, including in Article 2, entitled “Cannabis” in the Uniform Controlled Substances Act within the California Health and Safety Code, and in Division 10 entitled the “Medicinal and Adult-Use Cannabis Regulation and Safety Act” of the California Business and Professions Code.

As codified in the California Health and Safety Code and the California Business and Professions Code, the AUMA decriminalized for purposes of state law specified nonmedical cannabis uses pursuant to California Health and Safety Code section 11362.1, including possession, processing, transporting, purchasing, obtaining and given away to persons 21 years old and older, without compensation, not more than 28.5 grams of non-concentrated cannabis or not more than 8 grams of concentrated cannabis, including cannabis contained in cannabis products; possessing, planting, cultivating, harvesting, drying or processing not more than six living cannabis plants and possessing the cannabis produced by the plants; smoking or ingesting cannabis or cannabis products, and possessing, transporting, purchasing, obtaining, using, manufacturing, or giving away to persons 21 years of age or older without compensation cannabis accessories.

Effective January 1, 2018, California’s laws regulating cannabis were substantially revised by comprehensive newly adopted legislation known as the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA). MAUCRSA established a uniform licensing regime for both medical and adult-use cannabis effective Jan 1, 2018. Consisting of two separate bills sponsored by the Governor’s office, [SB 94](#) and [AB 133](#), MAUCRSA supplanted prior legislation known as [MCRSA \(formerly MMRSA\)](#), which applied only to medical cannabis and made adjustments to California’s legalization law, the [Adult Use of Marijuana Act \(AUMA\)](#) a.k.a. Prop 64, consistent with the intent of the initiative.

In response to the enactment of the AUMA, the City Council introduced on November 13, 2017, and subsequently adopted on December 4, 2017, Ordinance No. 2634 N.C.S. repealing and replacing former Chapter 10.15 of the Petaluma Municipal Code entitled “Medical Marijuana” with a new Chapter 10.15 entitled “Cannabis” extending the City’s cannabis regulations to non-medical cannabis uses in the City. The Ordinance banned medical and adult-use cannabis-related activities in the City, with exceptions for cultivation and specified manufacturing, testing, and retail sale and delivery operations (**Attachment 3 – City Council Ordinance 2634 N.C.S.**). Subsequently, on December 18, 2017, the City Council approved Resolution No. 2017-182 N.C.S., which established comprehensive regulations (Cannabis Regulations) to implement the Cannabis Ordinance (**Attachment 4 – City Council Resolution No. 2017-182 N.C.S.**). These regulations provide for how certain commercial cannabis businesses would be permitted and regulated within the City of Petaluma. Currently, commercial cannabis business activity allowed under these regulations includes:

- Manufacture and only business-to-business (nonretail) sale of topical or edible cannabis products using cannabis infusions, infusion processes, or cannabis concentrates, but excluding manufacture of cannabis products involving volatile solvents and excluding

repackaging cannabis or cannabis products or relabeling cannabis or cannabis product containers (PMC § 10.15.040(B))

- Testing laboratories (PMC § 10.15.040(C))
- Retail sale of cannabis and cannabis products using a delivery-only method in accordance with Section 10.15.060, at a maximum of two different locations in the city, with no sale of cannabis or cannabis products to customers, primary caregivers or qualified patients occurring at the business location, no customers, primary caregivers or qualified patients permitted at the business location at any time, and no signage at the business location or on the delivery vehicles indicating the presence of cannabis or cannabis products or that the seller sells cannabis or cannabis products (PMC § 10.15.040(D))
- Delivery of cannabis products pursuant to PMC § 10.15.040(D) (above) and delivery of medical cannabis to qualified patients and primary caregivers in the city of Petaluma from cannabis sellers lawfully operating outside the city of Petaluma in accordance with all applicable state and local laws (PMC § 10.15.060)

### **Local Cannabis Land Use Legislation**

Following the adoption of the Cannabis Ordinance and associated regulations, Implementing Zoning Ordinance Table 4.4 – Allowed Land Uses and Permit Requirements for Commercial, Business Park, and Industrial Zones was amended (see **Attachment 5 – City Council Ordinance 2643 N.C.S.**) to allow the following cannabis land uses in Business Park (BP) and Industrial (I) zoning districts as permitted uses:

- *Laboratory – Cannabis;*
- *Manufacturing/processing – Cannabis;* and
- *Retail Sale and Delivery – Cannabis<sup>1</sup>*

These commercial cannabis uses are subject to specific use regulations contained in Chapter 10.15 of the Petaluma Municipal Code, and to the following:

- Use must be at least 600 feet from a school or a childcare center, at least 200 feet from parks, youth centers, or the library, and 100 feet from residential districts as measured from property line to property line.
- All cannabis businesses must obtain an annual commercial cannabis permit.

Additionally, IZO Chapter 28 – Glossary was amended to add definitions for Retail Sale and

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<sup>1</sup> At a maximum of two different locations in the city, with no sale of cannabis or cannabis products to customers, primary caregivers or qualified patients occurring at the business location, no customers, primary caregivers or qualified patients permitted at the business location at any time, and no signage at the business location or on the delivery vehicles indicating the presence of cannabis or cannabis products or that the seller sells cannabis or cannabis products ([PMC §10.15.040.D](#))

Deliver[y] – Cannabis, Manufacturing – Cannabis, and Laboratory – Cannabis land uses. Since 2018, the City’s Cannabis Ordinance has provided that the limited commercial cannabis activity permitted within the city may only be conducted in areas where zoning regulations permit such uses (e.g., within the Business Park or Industrial zoning districts), subject to the buffer and permit regulations described above.

More information on the City’s Commercial Cannabis Regulations and cannabis business information, is available at [cityofpetaluma.org/commercial-cannabis-regulations/](http://cityofpetaluma.org/commercial-cannabis-regulations/) and [cityofpetaluma.org/cannabis-business-information/](http://cityofpetaluma.org/cannabis-business-information/). In addition, [cityofpetaluma.org/adoption-of-retail-cannabis/](http://cityofpetaluma.org/adoption-of-retail-cannabis/) provides information regarding the City’s retail cannabis ordinance priority.

## **PROJECT DESCRIPTION**

The project proposes amendments to the Petaluma Municipal Code (PMC) and Implementing Zoning Ordinance (IZO) to authorize the establishment and regulation of **Retail Sale – Cannabis** land uses, also referred to as the storefront retail sale of cannabis. **Attachment 6** provides a map of opportunity sites where these uses could occur and includes sites zoned Business Park or Industrial and that are located the appropriate distance from specified uses, such as schools and parks. Below are summary descriptions of the proposed amendments. The Cannabis Ordinance and associated land use regulations contained in IZO Chapter 4 would maintain the same structure for reviewing and approving/issuing permits for cannabis-related businesses. Modifications to the Cannabis Ordinance, which will be contained in a new Chapter 6.10 entitled “Cannabis Sales” will modify the existing PMC Chapter 10.15 “Cannabis” consistent with direction provided by the City Council.

### **Proposed Zoning Text Amendments (Attachment 1 and Attachment 2)**

- Amend IZO Chapter 4 (Zone Districts and Allowable Land Uses), Section 4.030 (Allowable Land Uses and Permit Requirements), Table 4.4 (Commercial, Business Park, and Industrial Zones) to include **Retail Sale – Cannabis** as a permitted land use, subject to specific use restrictions; and
- Amend IZO Chapter 28 (Glossary) to define applicable terms.

#### *Business Park and Industrial Zoning District Allowable Land Uses*

As stated above, proposed zoning text amendments include modification to IZO Chapter 4.4.030 (Allowable Land Uses and Permit Requirements), Table 4.4 (Commercial, Business Park, and Industrial Zones) to add **Retail Sale - Cannabis** as a permitted use, subject to certain restrictions and special use regulations. In addition, IZO Chapter 28 (Glossary) would be amended to replace the definition of **Retail Sale and Delivery – Cannabis** with an expanded definition for **Retail Sales – Cannabis** that includes storefront retail sales.

### *Land Use Permit Requirements*

As proposed, ***Retail Sale - Cannabis*** uses would be permitted by right in areas zoned BP and I, provided that individual businesses obtain a commercial cannabis permit from the City of Petaluma and are located a minimum of 600 feet from schools or childcare centers, 200 feet from parks, youth centers, and the library, and 100 feet from residential districts.<sup>2</sup> **Attachment 6** illustrates areas where commercial cannabis businesses could be located based on their existing zoning and compliance with the buffer restrictions noted above. These areas are consistent with staff recommendations presented to the City Council at the March 11, 2024, workshop and align with the direction related to the location of commercial cannabis activity provided by the Council at that meeting.

Currently, ***Retail Sale and Delivery*** uses are permitted by right, and future ***Retail Sales – Cannabis*** storefront cannabis retail sale uses would not be required to obtain discretionary land use approval (conditional use permit). Existing and proposed local cannabis regulations, as well as State regulations, are believed to be sufficient to permit commercial cannabis activity in a manner that is in the best interest of public health, safety, and welfare and that ensures the proper integration of these uses, as the regulations limit the number and location of storefront retail sales businesses and specify operational requirements related to state and local licenses, hours of operation, employees, and onsite security. Additionally, under the current and proposed Ordinance, commercial cannabis permits may be revoked by the City if a business is causing adverse impacts on the community or otherwise violating the City’s regulations, and all issued permits are subject to annual renewal that may be denied if it is found that the business:

- Would threaten the public health, safety or welfare by continuing to operate;
- Provided incorrect or misleading information on their application;
- Failed to operate in accordance with all local, state and federal laws;
- Has had its state commercial cannabis license revoked;
- Closed for three consecutive months;
- Is no longer a permitted use under state law;
- Would subject the City and/or its officials to federal enforcement;
- Should have its cannabis business permit suspended, revoked or modified to protect the public health, safety and welfare due to changed circumstances from the time the permit was issued; or
- Has not remained current on applicable City taxes or fees.

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<sup>2</sup> Permit applicants will not be eligible for commercial cannabis permits until Zoning Text Amendments are adopted and take effect to specify the locations in the City where commercial cannabis operations may occur.

## *Definitions*

In addition to amending the Allowable Land Uses table for BP and I zoning, amendment to Chapter 28 (Glossary) is also proposed. Amendments include replacing the definition of “Retail Sale and Deliver[y] - Cannabis” with “Retail Sale – Cannabis.” The proposed replacement definition is as follows:

- **Retail Sale – Cannabis** - a maximum of up to three different premises permanently located in the City where cannabis is offered for on-site retail sale to consumers, and a maximum of up to two different premises permanently located in the City that deliver cannabis as part of a retail sale, with all such operations and premises licensed by the State of California pursuant to the Medicinal and Adult-Use Cannabis Regulation and Safety Act, California [Business and Professions Code](#) Section 26000 *et seq.*, as may be amended, in accordance with State law, the requirements of this code, the Petaluma Municipal Code, and the current City of Petaluma Commercial Cannabis Permit Regulations. Unless otherwise specified, “cannabis retailer” means both a retailer selling medical cannabis and medical cannabis products to patients with valid physician’s recommendations and a retailer offering adult-use cannabis and cannabis products for adults 21 years of age and over, in accordance State law, the requirements of this code, the Petaluma Municipal Code, and the current City of Petaluma Commercial Cannabis Permit Regulations.

## **DISCUSSION**

### **Applicable Standards for Review**

Zoning text amendments are governed by Chapter 25 of the Implementing Zoning Ordinance and by California Government Code Section 65853. Chapter 25 provides that the Planning Commission may recommend zoning text amendments for approval to the City Council based on Planning Commission findings that the proposed amendments are in conformance with the City’s General Plan and consistent with the public necessity, convenience, and general welfare.

### **Planning Commission Findings and Discretion**

The Planning Commission is charged with “studying the needs of the city with respect to and advising and recommending the council concerning the establishment, modification and change of zones or districts and designation of the uses to which property contained therein may be prohibited, restricted or regulated” (PMC [§20.08.020 – Duties](#)). Proposed amendments to the City’s Cannabis Ordinance are presented to the Commission for context and understanding, but they are not the subject of the Planning Commission’s review. Review of proposed amendments to the Implementing Zoning Ordinance and recommendation to the Council regarding the proposed amendments is within the Commission’s purview. The Planning Commission must find that they conform to the Petaluma General Plan and are consistent with the public necessity,

convenience, and general welfare in accordance with Section 25.050(B) of the Implementing Zoning Ordinance. The Planning Commission has the discretion to recommend modifications to the staff proposal. If it does so, the Commission should convey the reasons for the modifications to the City Council. A simple majority vote of the Commission members present, assuming a quorum of Commissioners is present, suffices to approve a resolution recommending action on the amendments to the City Council.

## **General Plan Consistency**

### *Business Park and Industrial Land Use Designations*

The proposed zoning text amendments are generally consistent with and support the implementation of the City of Petaluma 2025 General Plan. In particular, the proposed amendments will allow storefront retail cannabis uses by right in BP and I zoning districts, which is consistent with the BP and I General Plan land use designations that provide for retail and service commercial uses that are secondary and ancillary in nature. Storefront retail cannabis businesses are analogous to “retail” and “service commercial” uses in that they provide both a store that sells merchandise (retail component) as well as employees that provide professional assistance or advice to customers during and after the sale of goods (service commercial component). Because the proposed Ordinance limits storefront cannabis retail permits to three for the entire city, these businesses will operate in a secondary and ancillary nature, consistent with the General Plan.

### *Guiding Principles*

The proposed zoning text amendments are also consistent with the following guiding principles of the General Plan:

**Guiding Principle # 8.** Foster and promote economic diversity and opportunities.

*The ordinance will create new jobs within the City of Petaluma across various sectors of the cannabis industry and attracting a diverse customer base, cannabis retail stimulates economic activity and supports surrounding businesses. Revenue generated from cannabis sales can be reinvested into the local economy, further enhancing economic diversity and opportunity for all residents.*

**Guiding Principle #9.** Expand retail opportunities to meet residents’ needs and promote the city’s fiscal health, while ensuring that new development is in keeping with Petaluma’s character.

*Allowing three cannabis retailers in a city can expand retail opportunities to meet residents’ needs by providing a diverse range of products and services within the cannabis industry and the presence of cannabis retailers can contribute to the city’s fiscal health by generating tax revenue and creating job opportunities.*

### *Goals, Policies, and Programs*

The proposed zoning text amendments are consistent with the following goals, policies and programs contained in the Land Use Element, Natural Environment Element, and Economic Health and Sustainability Element.

**Land Use Goal 1-G-1** Maintain a balanced land use program that meets the long-term residential employment, retail, industrial, education, recreation, and open space needs of the community.

*Allowing three retail cannabis storefronts in the business park and industrial districts of the city can contribute to maintaining a balanced land use program in several ways. It will allow economic diversity that will provide additional revenue for the City which can be allocated towards various community needs and job opportunities within the community, while ensuring responsible regulation and compliance with local laws. Regulations requiring cannabis-related activities to maintain a certain distance from schools, childcare centers, parks, youth centers, and residential districts is consistent with this General Plan policy as appropriate buffers between cannabis-related activities and these uses maintains a balanced land use program by protecting residential, education, and open space uses from potential nuisances associated with cannabis production and sales. Furthermore, the limitation on the number of commercial cannabis licenses (2 delivery-only businesses; 3 storefront retail businesses) is consistent with this General Plan policy as it balances the need for expanded cannabis retail opportunities while maintaining the predominance of industrial uses in industrially-zoned areas.*

**Land Use Policy 1-P-8** Maintain Business Park uses by monitoring availability of industrial land area for possible expansion of high employment businesses.

*The proposed action maintains current uses while expanding opportunities for additional cannabis retailers beyond the existing two delivery permits. Storefront cannabis retailers are expected to create more job opportunities compared to delivery services alone, as they require staff for store maintenance, customer assistance, and security. This expansion not only enhances employment prospects but also enriches the local economy and provides a more comprehensive and accessible experience for consumers.*

**The Natural Environment Goal 4-G-6** Greenhouse Gas Emissions Reduce the contribution to greenhouse gases from existing sources and minimize the contribution of greenhouse gases from new construction and sources.

*Allowing storefront cannabis retailers in Petaluma will decrease greenhouse gas emissions by eliminating the need for residents to travel to neighboring cities or the county to purchase cannabis from storefront locations. This reduction in travel distances will lead to fewer vehicle miles traveled, thereby decreasing carbon emissions associated with transportation. By providing local access to cannabis products, the ordinance promotes convenience and sustainability, aligning with efforts to reduce the city's overall carbon footprint.*

**Economic Health & Sustainability Policy 9-P-13** Expand and diversify Petaluma’s retail base.

*The proposed amendments will broaden the retail options available in Petaluma, as previously residents could only purchase cannabis through retail channels, whereas now they will have the additional option of purchasing from brick-and-mortar storefronts. This expansion of retail venues enhances accessibility and choice for Petalumans, offering a more diverse and convenient shopping experience within the city.*

**Economic Health & Sustainability Policy 9-P-14** Plan and locate retail uses appropriately to their types and the sites available.

*Cannabis retail stores will exclusively be situated in business park and industrial districts within the City, maintaining a buffer zone to prevent storefronts from proximity to residences or schools. This strategic placement aims to safeguard citizens from potential nuisances associated with cannabis-related activities, ensuring a harmonious coexistence between businesses and surrounding communities. Additionally, the limitation on the number of commercial cannabis licenses (2 delivery-only businesses; 3 storefront retail businesses) is appropriate for the Business Park and Industrial land use designations and corresponding zoning designations as the limitation on these uses in these areas is minimal, consistent with the stated intent of the General Plan, which allows retail and service commercial uses within areas designated Business Park and Industrial, provided that they are secondary and ancillary in nature.*

*Economic Vitality, Opportunity and Sustainability*

The proposed zoning text amendments are also in line with and support direction provided in Sections 9.1 (Economic Vitality and Opportunity) and 9.2 (Economic Sustainability) of the General Plan’s Economic Health and Sustainability Element. In particular, Section 9.1 of the General Plan directs the City to actively seek types of economic development that would be advantageous to the community and calls for capitalizing and publicizing local assets and eliminating the conditions that discourage businesses from remaining in or relocating to the City. The addition of storefront retail cannabis sales as a permitted use in the BP and I zoning districts represents economic development that would be advantageous to the community in that it supports the local economy by strengthening interactions between existing cannabis businesses within the city, such as manufacturing, testing, and delivery businesses, and new storefront cannabis retail establishments that rely substantially on local inputs to produce the products that they sell. Allowing storefront retail cannabis sales within the city also strengthens local and regional agricultural assets as storefront cannabis retail establishments would purchase and sell products from nearby agricultural cannabis businesses. Permitting storefront retail cannabis will provide new employment and retail opportunities that support existing and future residents by assuring diversity in Petaluma’s industry and enterprise mix and providing opportunities for the purchase of locally-produced goods and services, which will further support local jobs and households.

## **Public Necessity, Convenience, and Welfare**

The proposed zoning text amendments promote public necessity, convenience, and welfare in that they:

- Provide opportunities for local, storefront retail sales of cannabis which reduces the need for residents to travel to neighboring jurisdictions to obtain similar products and services, in turn decreasing vehicular travel and associated greenhouse gas emissions.
- Provide opportunities for local access to cannabis products, which increases convenience and sustainability of the local economy.
- Limit the location of storefront cannabis retail sales to ensure they are located in safe and appropriate locations as it relates to their location proximate to schools, childcare centers, parks, youth centers, libraries, and residentially zoned areas.
- Encourage responsible cannabis use through strict age verification.
- Provide a platform for professional assistance and advice on safe consumption of cannabis products.
- The City of Petaluma must approve a cannabis business permit, subject to compliance with state and local regulations, including the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), government code sections 26000 – 26231.2, and the City’s Cannabis Ordinance.
- Foster economic diversity by creating new cannabis industry employment opportunities.
- Diversify the City's tax base, generating supplementary revenues that can be used to address various community needs, including, but not limited to, funding for infrastructure projects.

## **Public Comment**

A Citywide public notice was published in a 1/8-page ad in the Argus-Courier on May 3, 2024. As of the preparation of this report, no public comment has been received in response to this public notice.

## **CASE STUDIES**

No case studies are associated with this staff report.

## **CITY GOALS AND PRIORITIES**

The City’s adopted Goals & Priorities identify the expansion of current cannabis regulations as one of its top 10 priorities. In support of this priority, staff held a workshop with the Council on

March 11, 2024, to discuss the timing and scope of cannabis regulation amendments. At the workshop, staff presented two options for consideration by the Council, including a “Limited Option,” which would enact minimal changes to the existing regulations and occur in the short term, and a “Comprehensive Option,” which would include additional stakeholder outreach, economic analysis, and City Council workshops and would occur over a longer period of time. At the meeting, the City Council expressed interest in a hybrid approach, with a limited option to occur in the near term (anticipated June 2024) to provide expedited implementation and a comprehensive option to follow (anticipated 2025).

At the workshop, Councilmembers supported the staff’s recommendation related to the location and number of cannabis businesses. Specifically, the Council agreed that cannabis businesses are most appropriately located in Business Park (BP) and Industrial (I) zones in the City as operational impacts most resemble uses that are currently allowed, such as light manufacturing, laboratory testing, and warehousing and distribution. Related to storefront retail cannabis business, the General Plan and Implementing Zoning Ordinance provides that retail and service commercial uses are permitted in a secondary and ancillary nature, which is reflected in the limited number of establishments that could operate within the city.

## **ENVIRONMENTAL REVIEW**

The proposed project is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15061(b)(3) (General Rule) and 15183 (Projects Consistent with a Community Plan or Zoning) and is categorically exempt pursuant to Sections 15301 (Existing Facilities), 15302 (Replacement or Reconstruction), and 15303 (New Construction or Conversion of Small Structures). Therefore, no further environmental review is needed.

### **General Rule Statutory Exemption**

Section 15061(b)(3) of the State CEQA Guidelines states that CEQA applies only to projects which have the potential to result in a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA review.

There is no possibility that the proposed amendment to the City’s Cannabis Ordinance will result in a significant effect on the environment as adoption of the Ordinance is limited to establishing regulations for storefront retail cannabis uses, and no specific businesses will be approved to operate as part of this action. There is also no possibility that implementation of the Ordinance may have a significant effect on the environment as future storefront retail cannabis businesses will be limited to three for the entire city and will be located on developed properties where similar retail and service commercial uses are already operating or permitted to operate. As such, the project is eligible for exemption pursuant to CEQA Guidelines Section 15061(b)(3).

### **15183 Statutory Exemption**

Section 15183 of the CEQA Guidelines provides that projects that are consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. As provided in detail above, storefront retail cannabis uses have been determined to be similar to retail and service commercial uses that are already permitted to operate within areas designated as Business Park and Industrial in the General Plan. Specifically, storefront cannabis retail is classified as both a retail and service commercial use as it includes the sale of goods/merchandise (retail) as well as a customer service component (service commercial). Furthermore, the limitation of three storefront cannabis retail business across the entire city is consistent with the intent of these land use designations, in that the limitation ensures that retail and service commercial uses on parcels designated BP and I will be secondary and ancillary in nature. Because the proposed project will permit operation of a limited number of storefront cannabis retail establishments that are of a similar nature to retail and service commercial uses that are already permitted to operate, adoption and implementation of the proposed amendments and associated Ordinance will not result in new or more severe impacts previously analyzed and disclosed in the General Plan EIR. Furthermore, as described above, the project is consistent with guiding principles, goals, policies, and programs of the General Plan.

### **Categorical Exemptions**

The project is categorically exempt from CEQA pursuant to Sections 15301, 15302, and 15303 of the CEQA Guidelines, in that the proposed zoning amendments will allow commercial cannabis businesses with a City of Petaluma issued Commercial Cannabis Permit to: 1) re-tenant existing commercial and industrial facilities designed to support such uses; 2) replace, modify or otherwise reconstruct existing commercial and industrial facilities with a new structure of substantially the same size, purpose and capacity; and/or 3) construct new small structures including fences, gates, greenhouses, and small scale commercial and industrial facilities. There are no cumulative impacts, unusual circumstances or other factors that would make the exemption inapplicable.

If a project qualifies for the use of a categorical exemption, then the lead agency must determine whether the project is subject to any of the exceptions to the use of a categorical exemption, pursuant to CEQA Guidelines Section 15300.2. None of the exceptions to the use of a categorical exemption apply as (a) the project is not located in an area where it may impact an environmental resource of hazardous or critical concern; (b) will not result in cumulative impacts; (c) does not involve an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances; (d) will not result in damage to scenic resources within a highway officially designated as a state scenic highway; (e) is not located on a hazardous waste site pursuant to Section 65962.5 of the Government Code, and (f) will not result in a substantial adverse change in the significance of a historical resource.

As none of the exceptions to the exemption apply, the project would not be precluded from the use of the Class 1, 2, and 3 categorical exemptions.

## **ATTACHMENTS**

- Attachment 1 **Draft Planning Commission Resolution** Recommending to the City Council of the City of Petaluma Adoption of Amendments to Implementing Zoning Ordinance, Ordinance 2300 N.C.S., Chapter 4, Section 4.030 – Allowable Land Uses and Permit Requirements and Chapter 28 – Glossary to Accommodate Retail Sales – Cannabis Land Uses in Business Park and Industrial Zones Subject to and in Accordance with new Chapter 6.10 of the Petaluma Municipal Code entitled “Cannabis Sales” (formerly Chapter 10.15 entitled “Cannabis”), the City of Petaluma Commercial Cannabis Permit Regulations, and Other Applicable Law New to Continue Existing Commercial Cannabis Regulations and Allow Up to Three Retail Storefront Cannabis Businesses in Business Park and Industrial Districts in Petaluma
- Attachment 2 **Implementing Zoning Ordinance Chapter 4 Section 4.030, and Chapter 28** Glossary with proposed amendments in redline
- Attachment 3 **City Council Ordinance 2634 N.C.S.** adopted December 4, 2017, Ordinance Repealing and Replacing Chapter 10.15, “Medical Marijuana,” of the City of Petaluma Municipal Code, Retitling the Chapter “Cannabis,” and Extending the City’s Cannabis Regulations to Medical and Non-Medical Cannabis Uses
- Attachment 4 **City Council Resolution No. 2017-182 N.C.S.** dated December 18, 2017, Adopting Commercial Cannabis Regulations and Commercial Cannabis Permit Fees Pursuant to Chapter 10.15 of the Petaluma Municipal Code
- Attachment 5 **City Council Ordinance 2643 N.C.S.**, dated March 19, 2018, Adopting Cannabis Regulations Pursuant to Chapter 10.15 of the Petaluma Municipal Code Amending the Text of the Implementing Zoning Ordinance, Ordinance 2300 N.C.S., Chapter 4, Section 4.030 – Allowable Land Uses and Permit Requirements and Chapter 28 – Glossary to Accommodate Commercial Cannabis Businesses in Business Park and Industrial Zones Subject to and in Accordance with Chapter 10.15 of the Petaluma Municipal Code, the City of Petaluma Commercial Cannabis Permit Regulations, and Other Applicable Law
- Attachment 6 **Business Park and Industrial Zones Retail Sales – Cannabis Opportunity Sites Map** dated April 30, 2024, prepared by the City of Petaluma GIS Division