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DATE: June 17, 2024

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Mike Janusek, AICP, Senior Planner

SUBJECT: Introduction of an Ordinance to Amend the Zoning Map of the Implementing Zoning Ordinance to Prezone a 12.9-acre Site Located at 5400 Old Redwood Highway to Business Park (BP), Open Space and Park (OSP), and Floodplain Combining District (FP-C) Zoning Districts Prior to Annexation Proceedings to Be Conducted by the Sonoma Local Area Formation Commission (Sonoma LAFCO) and to Approve a Resolution of Application for Reorganization (Annexation) of Properties located at 5400 Old Redwood Hwy.; APNs 047-213-017 and 137-011-048; City Record Nos. PLZA-2023-0001 and PLAN-2024-0001

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### **RECOMMENDATION**

It is recommended that the City of Petaluma City Council conduct a public hearing and consider staff recommendations to:

1. Introduce an ordinance for a Zoning Map Amendment to pre-zone a  $\pm$  12.9-acre site located at 5400 Old Redwood Highway to Business Park (BP), Open Space and Park (OSP), and Floodplain Combining District (FP-C) zoning districts prior to annexation into the City (**Attachment 1**), and
2. Approve a Resolution of Application for annexation proceedings with Sonoma Local Agency Formation Commission (Sonoma LAFCO) (**Attachment 2**) for the proposed project.

### *Executive Summary*

The project proposes annexation of a developed site comprised of two parcels located within Sonoma County jurisdiction adjacent to the City of Petaluma city limit and within the City's Urban Growth Boundary (UGB) and Sphere of Influence. The site is designated Business Park in the current General Plan Land Use Map. The site would be required to annex into the City prior to the requested Zoning Map Amendment taking effect. The applicant would maintain existing site development, which consists of a  $\pm$  25,971 square foot commercial building and two  $\pm$  8,467 square foot sheds, as well as the existing Artisan/Craft Production, Wholesaling and Distribution,

a Café serving lunch, Artisan Shop, Professional Office and Retail land uses. No new development (construction of new building square footage or increase in site coverage) is proposed as part of this project; however, the applicant has indicated that certain building improvements and site improvements are desired in order to maintain or enhance the site visually and to fully utilize existing site development. These improvements or activities, with anticipated review/permit requirements indicated, would include:

- Abandonment of existing septic system (ministerial Public Works or Building Permit required)
- Utility connections pertaining to current uses on site including but not limited to domestic water, fire water supply, public sewer connection (ministerial Public Works or Building Permit required)
- Maintenance and repair of existing buildings and structures (ministerial Building Permit may be required, depending on proposed improvements)
- Interior TI improvements that do not increase the square footage of the site (ministerial Building Permit may be required, depending on proposed improvements)
- Accessibility and parking upgrades if required as a result of tenant improvements to existing buildings and structures (discretionary Planning review and/or ministerial Building Permit may be required, depending on proposed improvements)
- Landscaping, irrigation, and creek waterway conservation improvements (discretionary Planning review required; ministerial Building Permit may be required, depending on proposed improvements)
- Special event permit(s) (Zoning Permit required)

If the annexation is approved, any proposed building or site improvements to existing or new development would be subject to applicable City of Petaluma regulations and fees. Additionally, the City would receive property and sales tax revenue as established by State and local regulations.

This meeting item includes for Council consideration, a draft Ordinance pre-zoning the subject parcels to Business Park (BP), Open Space and Park (OSP), and Floodplain Combining District (FP-C) Zoning Districts, a draft Resolution of Application for Reorganization (Annexation) of the subject properties, and a draft Annexation Agreement (**Attachment 12**) to be executed by the City Manager and City Attorney that would allow for specific conditions of approval of the annexation to be stipulated.

## **BACKGROUND**

### *Annexation Process*

As described in **Attachment 9**, Local Agency Formation Commissions (LAFCOs) are established in each California county and are delegated by the State to review, approve, or deny proposals for boundary changes and incorporations/formations for cities, counties, and special districts.

LAFCOs are expected to act within a set of State-mandated principles encouraging “planned, well-ordered, efficient urban development patterns,” the preservation of open-space lands, and the discouragement of urban sprawl.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Govt C §§56000-57550) provides that LAFCO proceedings for annexation of territory, as with other reorganizations, may be initiated either by

- Resolution of the affected local agency (Govt C §56654(a)); or
- Petition with the required signatures of landowners or registered voters (Govt C §56767).

A city must pre-zone for annexation unincorporated territory and adopt a resolution of application for annexation proceedings before an annexation proponent files an application for annexation to LAFCO. The proposed zoning must be consistent with the city's general plan, and a public hearing must be held.

#### *Previous Project Site Applications*

There are three prior applications on the site, PLZA-2021-0002, PLGP-2021-0001, and PLAN-2021-0001, all of which have been withdrawn.

#### *Planning Commission Recommendation*

At the January 23, 2024, regular meeting of the Planning Commission, a public hearing was conducted at which requests for the pre-zoning ZMA and Annexation were presented to the Commission, and public comment was received. One written public comment was received leading up to the hearing, and the Planning Commission heard from two members of the public who provided comments in person. One commenter expressed interest in filing a future Zoning Map Amendment for the adjacent Redwood Business Park PCD to the south to apply Business Park zoning, one public comment expressed concern for habitat protection adjacent to Willow Brook Creek, and one public comment expressed concern about how the property fits into the General Plan update.

As part of the public hearing proceedings, the Planning Commission was provided with a 2015 letter from Councilmember Healy and then Vice Mayor Miller, which was submitted to the public record on the day of the public hearing (**Attachment 10**). The letter states that a portion of the project site was previously filled many years ago with 11,400 cubic yards (CY) of material and that the site should not be annexed or City utilities provided until the fill has been removed pursuant to the City’s “zero net fill” policy.

As the project is currently proposed, the fill would remain on-site; however, the scope of work has changed significantly since 2015, when a 200-unit housing development was proposed along with the annexation. No new development is proposed as part of this project, and the zero net fill policy does not apply to the pre-zoning for annexation Zoning Map Amendment and Annexation requests.

The Planning Commission voted unanimously 6-0 to approve the resolution recommending the City Council adopt an ordinance for the pre-zoning Zoning Map Amendment (**Attachment 3**).

The Planning Commission also voted unanimously 6- 0 to approve the resolution recommending the City Council adopt a resolution supporting a LAFCO application for annexation proceedings (**Attachment 4**). It directed staff to work with the applicant and provide recommendations to the City Council for addressing the information and expressed concerns in the November 17, 2015, letter about existing fill that was placed by Adobe Lumber Company.

### *Fill Analysis*

As directed by the Planning Commission, staff requested that the applicant provide a technical report that analyzes potential on-site and downstream flood and stormwater impacts of the existing 11,400 CY of fill. The applicant contracted with West Consultants, which specializes in hydrology, hydraulics, geomorphology, sediment transport, and water quality computer modeling and is the primary consultant on the City's Flood Resilience model, to conduct the analysis. In its Fill Evaluation Memo, dated May 29, 2024, West Consultants concludes that fill removal is not recommended as decreases in flood depths are not significant enough to justify flood depth increases (**Attachment 11**). The Fill Evaluation Memo was reviewed and accepted by Public Works and the Floodplain Administrator.

The applicant also provided documentation of the fill permit history in Sonoma County (**Attachment 13**), which indicates a grading permit (B-151456) was approved and finalized on April 3, 2000.

### **Zoning Map Amendment Request**

The applicant, Cornerstone Properties, requests a Zoning Map Amendment to pre-zone a two-parcel, ± 12.9-acre site developed for light industrial and commercial use (Project Site) to Business Park (BP), Open Space and Park, and Floodplain Combining District (FP-C)<sup>1</sup> prior to a future annexation request to be made to Sonoma LAFCO (Project Site). The Project Site consists of a ± 12.2-acre parcel (APN 047-213-017) and a ± 0.7-acre parcel (APN 137-011-048). It is accessible from a ± 26-foot-wide driveway off of Old Redwood Highway that is approximately 450 feet north of Redwood Way. The overall Project Site is characterized by asphalt concrete paving covering most of the site with 50 vehicle parking stalls, including 2 ADA stalls. The northwest portion of the site is adjacent to Willow Brook Creek, a tributary of the Petaluma River (**Attachment 5**). The project vicinity, public streets, and the project area (outlined in blue) are depicted in Figure 1 below.

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<sup>1</sup> The Project Site is also located within the 100-year floodplain, and future site development would be subject to the corresponding Floodplain Combining District (FP-C) overlay pursuant to IZO Chapter 6 (Floodway and Flood Plain Districts). As such the FP-C overlay is applied to the Zoning Map Amendment for all portions of the site corresponding with the 100-year floodplain. The western portion of the site is adjacent to Willow Brook Creek while the northern perimeter of the site is also designated as an urban separator in the City of Petaluma General Plan. Creek setbacks and urban separators are implemented through the Open Space and Park Zone (OSP) zone. See **Attachment 1 – Exhibit A**.

**Figure 1: Project Location and Surrounding Vicinity**



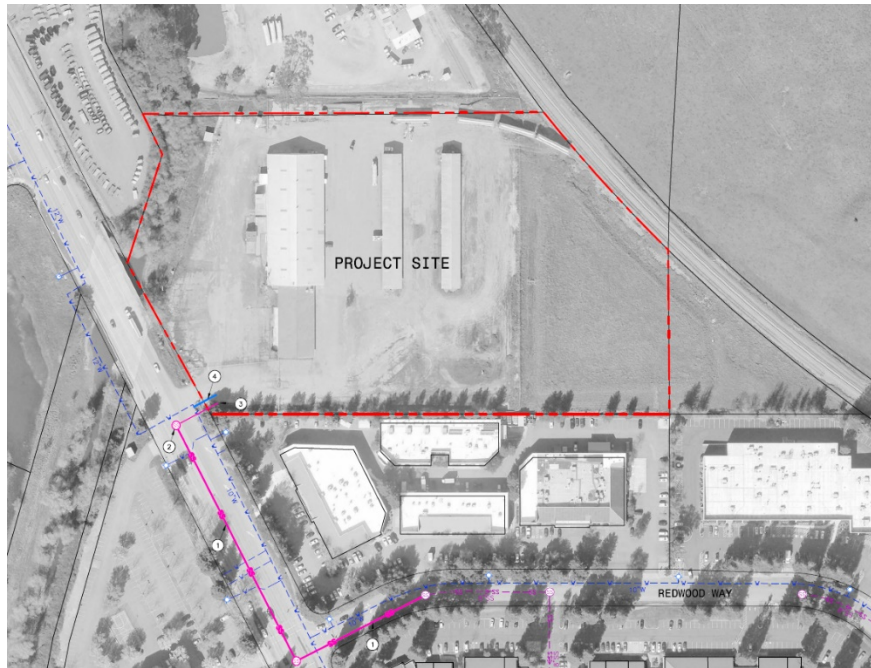
*Source: City GIS aerial imagery, 2023*

The Project Site is developed with a  $\pm 25,971$  SF commercial building and two  $\pm 8,467$  SF shed-like buildings, all of which are currently utilized for Artisan/Craft Production, Wholesaling and Distribution, a Café serving lunch, Artisan Shop, Professional Office, and Retail uses. The applicant intends to maintain the existing buildings and uses (**Attachments 7 & 8**). While Retail as secondary uses only are permitted within the BP zone per IZO 4.020.N, Planning staff confirmed with Sonoma County Planning that all existing uses were legally established in the County. Following annexation, existing Retail as primary uses on the Project Site would be considered legal nonconforming uses and subject to IZO Chapter 22 (Nonconforming Uses).

Annexation would allow the applicant to connect the Project Site to City services, including water and sewer utilities. Connections would be established via an existing City water line within Old Redwood Highway and a  $\pm 736$ -foot sanitary sewer line extension that would connect an existing 8-inch sanitary sewer line within Redwood Way to the site via Old Redwood Highway. The project is conditioned to implement utility connections to City services upon annexation. Connecting to City utilities would enable the applicant to lease vacant tenant spaces within the existing commercial building. Any future tenancing, use, modifications, or new development of the site would be required to comply with current City regulations. The Project Site, existing

conditions, and proposed utility connections are depicted in **Figure 2**, below, and in **Attachment 6**.

**Figure 2: Conceptual Utility Plan**



*Legend: Red = Property Line, Blue = Water, Magenta = Sanitary Sewer, Dashed = Existing, Solid = Proposed; Source: BKF Engineers, 2021*

## **Regulatory Context**

### *Planning Subarea*

The Project Site abuts the current City boundary and the Redwood Business Park Planned Community District (PCD) to the south. It is located within the City's UGB and Sphere of Influence, and the site is within the Planning Referral Area of the General Plan. The current General Plan land use designation is Business Park for the entire site.

The project is located northeast of Petaluma, adjacent to the city limit, in an area designated by the General Plan as the North McDowell Boulevard Planning Subarea. The Subarea lies between:

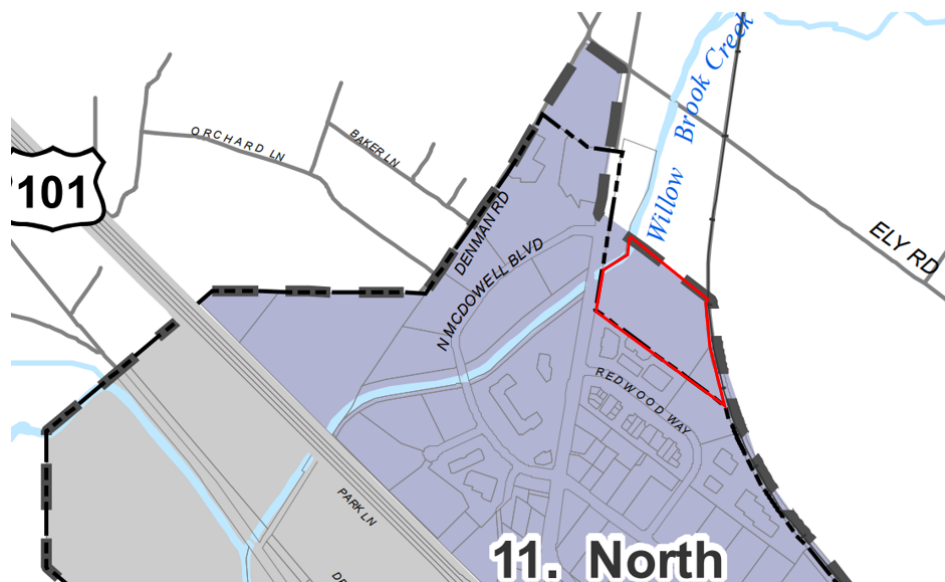
- Highway 101 to the west,
- the Plaza and Plaza North Shopping centers to the south,
- North McDowell Boulevard and the railroad tracks to the east, and
- Petaluma's Urban Growth Boundary at the northeast corner of the community to the north.

Commercial and industrial uses dominate the North McDowell Boulevard subarea. Highway-oriented commercial uses—such as hotels, restaurants, retail stores, and auto service stations—are located adjacent to the Highway 101/Old Redwood Highway interchange. Business park complexes featuring office and light industrial uses are clustered along Old Redwood Highway



and McDowell Boulevard. Vacant and underutilized lots provide opportunities for expansion of commercial, office, and light industrial uses along North McDowell Boulevard. Mixed Use designations offer an opportunity to intensify existing uses and provide more diversity and employment intensity along this arterial roadway. The project area (outlined in red) is depicted within the context of applicable and adjacent General Plan Subareas in **Figure 3** below.

**Figure 3: Project Location within Planning Subareas**



*Source: General Plan 2025, Figure 2.1: Planning Subareas*

#### *General Plan Land Use*

The General Plan land use designation for the site is Business Park, which calls for business and professional offices, technology park clusters, light industrial operations, and visitor service establishments, with retail only as a secondary use. The maximum Floor Area Ratio (FAR) allowed under this designation is 1.5, although a FAR of 3.0 is allowed if all required parking is structured.

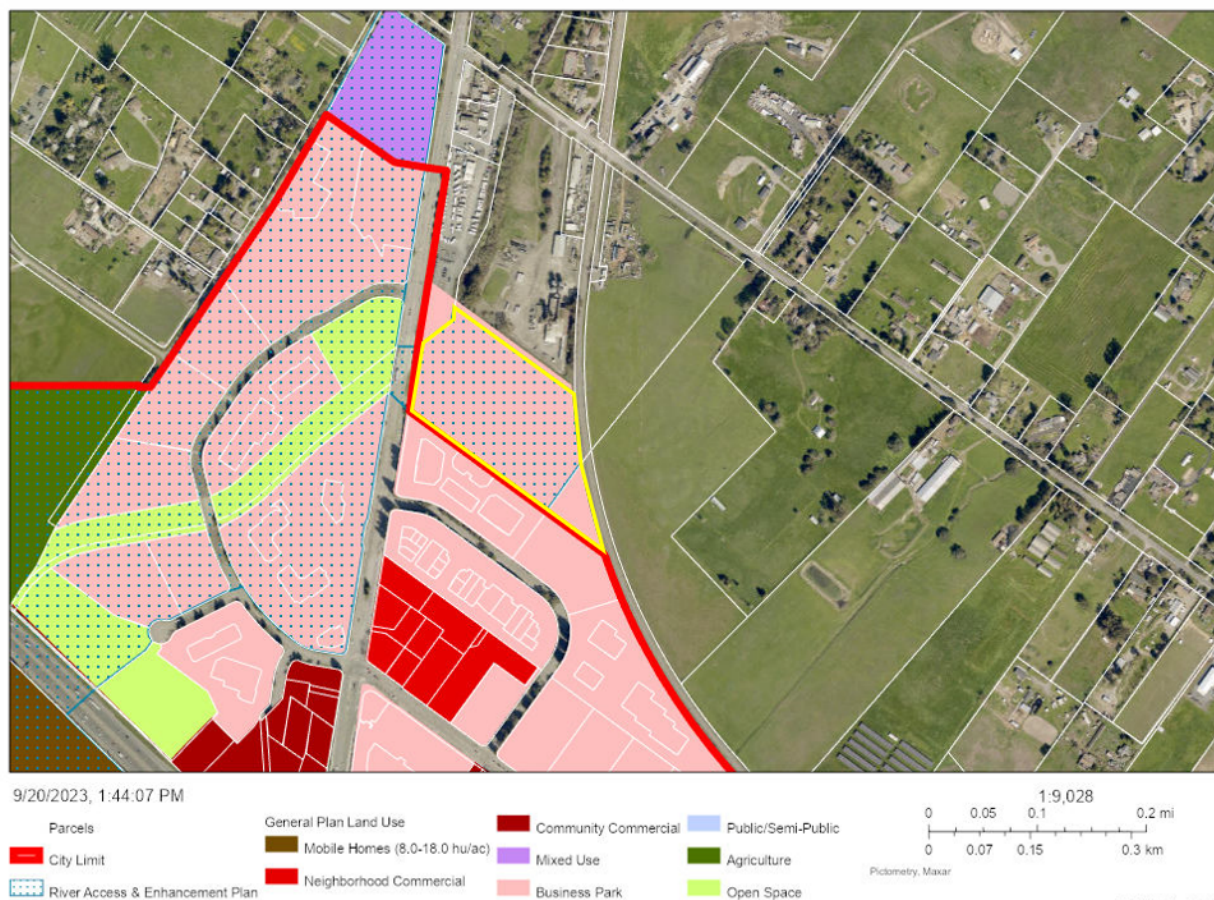
The western portion of the site is adjacent to Willow Brook Creek, while the northern perimeter is also designated as an urban separator in the City of Petaluma General Plan. These portions of the site are designated Open Space in the General Plan. This designation includes unimproved sites devoted to the preservation of natural and cultural resources, outdoor recreation, or public health and safety.

The project is also within the boundary of the River Access and Enhancement Plan, which provides a framework for the preservation and restoration of the Petaluma River Corridor. The project falls within the Downstream Segment defined by the plan, which contains riparian forest resources. New development would be subject to applicable River Access and Enhancement Plan policies that recommend public river access, flood mitigation, and habitat preservation/enhancement. The pre-zone and annexation proceedings would not trigger required compliance with the River Access and Enhancement Plan as no new development is being proposed.

The Project Site abuts lands designated Business Park to the south and west. The General Plan

land use classifications in the vicinity of the project and the project area (outlined in blue) are shown in Figure 4 below.

**Figure 4: General Plan Land Use Map Designations**



*Source: City GIS, 2023*

### *Existing Zoning*

The Project Site abuts the Redwood Business Park PCD to the south, the Redwood Business Park 2 PCD to the west, Sonoma County Diverse Agriculture zoning districts to the north and east, and a Sonoma County Limited Commercial zoning district to the northwest.

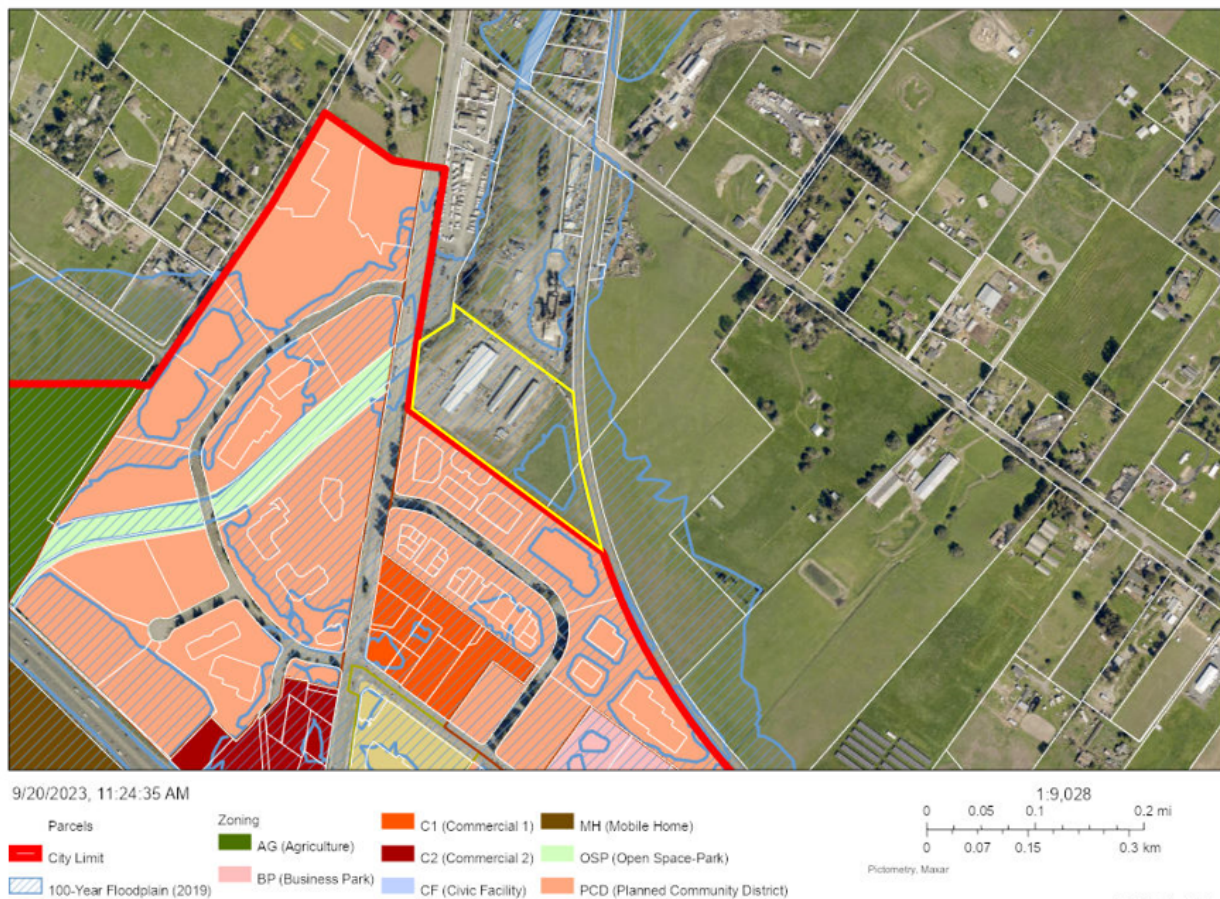
The Project Site is currently zoned Limited Commercial by Sonoma County, and the applicant requests pre-zoning to the City of Petaluma BP and OSP zoning districts for the ± 12.9-acre site. Both the BP and OSP zones are consistent with and implement the Business Park and Open Space and Park land use classifications of the General Plan. Future site development would be subject to BP and OSP land use and development regulations contained in IZO Chapter 4. The Project Site is also located within the 100-year floodplain, and future site development would be subject to the corresponding Floodplain Combining District (FP-C) overlay pursuant to IZO Chapter 6 (Floodway and Flood Plain Districts).

Figure 5 below shows the zoning within the vicinity of the project and the project area (outlined



in yellow).

**Figure 5: Existing Zoning Map**



*Source: City GIS, 2023*

### *Floodplain Combining District Regulations*

IZO Chapter 6 establishes land use regulations for properties situated in floodways and flood plain lands so as to minimize property damage from flood waters and safeguard public health, safety, and general welfare. While no development is proposed with this application, new nonresidential construction and substantial improvement of any commercial, industrial or other nonresidential structure is subject to the restrictions of IZO Chapter 6. In addition, new nonresidential construction is required to have the lowest floor, including basement, elevated 12 inches or more above the level of the base flood elevation.

Areas adjacent to the Project Site, within city limits, are also subject to the City's Zero Net Fill policy. The Zero Net Fill policy requires any material brought on to a project site within a flood plain area that would displace flood waters shall be offset by the removal of a like amount of material. This material may be removed from a portion of the project site; or it may be removed from a site in the immediate area where the removal of compensating material from the off-site location can be determined, to the satisfaction of the City Engineer and the Sonoma County Water Agency, to result in a reasonable equivalence of hydrology and hydraulics to the situation before

the development. For purposes of compliance, one or more individual parcels or an entire reach may demonstrate a “zero net fill” balance.

In this area, the Zero Net Fill policy covers the area along the Petaluma River west of the freeway, upstream of the Payran Street Bridge, and including the area along Willowbrook Creek east of the freeway downstream of Old Redwood Highway (this area is generally known as Redwood Business Park II). In this area, clearance above the base 100-year flood elevation for finished floors shall be a minimum of two feet, and zero net fill as defined shall apply to any proposed development activity.

While the Project Site is located outside of the Zero Net Fill area (upstream of Old Redwood Highway) described in IZO [Section 6.070\(F\)](#), Planning staff believes the Project Site would have been subject to the Zero Net Fill policy had it been within the City’s jurisdiction at the time the policy was adopted as the property is located along Willowbrook Creek within the same reach as Redwood Business Park II as indicated in the policy. A Pre-annexation Agreement (**Attachment 12**) is being required, and the agreement directs that any future new development on the Project Site would be subject to the same Zero Net Fill policy as adjacent properties within the Willowbrook Creek reach.

## **DISCUSSION**

Per IZO Chapter 25 (Amendments), the Zoning Ordinance may be amended by changing the boundaries of any zoning district or by changing its provisions whenever the public necessity and convenience and general welfare require an amendment, provided that the action conforms with the adopted General Plan. Amendments may be initiated by the City Council, Planning Commission, Planning Director, or one or more property owners affected by the proposed amendment. The project is submitted as an owner-initiated pre-zoning for annexation Zoning Map Amendment.

### **Applicable Standards of Review**

The ZMA has been reviewed for consistency or compliance with the following applicable standards of review:

1. General Plan
2. Implementing Zoning Ordinance Chapter 25 (Amendments)

#### *General Plan Conformance*

The Project Site is located within the UGB and is designated Business Park and Open Space in the current General Plan Land Use Map. The Business Park and Open Space designations would remain, and the proposed Zoning Map Amendment would be consistent with the General Plan Business Park designation in that the BP and OSP zoning districts are implementing zoning districts of the Business Park and Open Space land use designations, respectively, pursuant to IZO Section 4.020 (Purpose of Established Zones). The proposed project would implement the following General Plan policies. Staff’s consistency analysis is provided in *italics* after each

policy.

- Policy 1-P-1 Promote a range of land uses at densities and intensities to serve the community within the Urban Growth Boundary.

*The site is located within the Urban Growth Boundary with a BP General Plan land use designation, which allows a maximum FAR of 1.5. The site may be used and developed at the same density and intensity under the BP General Plan land use designation.*

- Policy 1-P-29 It is the policy of the City to build within the agreed-upon Urban Growth Boundary. No urban development shall be permitted beyond the Urban Growth Boundary. "Urban development" shall mean development requiring one or more basic municipal services including, but not limited to, water service, sewer, improved storm drainage facilities, fire hydrants, and other physical public facilities and services; but shall not mean providing municipal or public services to open space uses, public or quasi-public uses such as schools or public safety facilities. Said municipal or public services or facilities can be developed beyond the UGB to provide services within the UGB.

*The project includes a Zoning Map Amendment intended to pre-zone the site for future annexation and connection to municipal services. Urban development, including municipal water and sewer service, would occur within the Urban Growth Boundary.*

- Policy 1-P-35 Growth shall be contained within the boundaries of the Urban Growth Boundary. The necessary infrastructure for growth will be provided within the Urban Growth Boundary.

*The project includes a request for a Zoning Map Amendment intended to pre-zone the site for future annexation and connection to municipal services. The site would be served by an existing City water line within Old Redwood Highway and a 736-foot sanitary sewer line extension to connect an existing 8-inch sanitary sewer line within Redwood Way to the site via Old Redwood Highway. The project has been reviewed by Public Works to ensure the existing capacity of municipal services to serve the site.*

- Policy 1-P-36 For properties adjoining the Urban Growth Boundary, it is the intent of the City that projects developed in the City or requesting City services shall be of limited density (as shown on the General Plan Land Use Map), unless greater density is required to satisfy the requirements of state housing laws, and shall be designed to preserve the visual and physical openness and preserve the aesthetic and natural features of that portion of the property proximate to the rural areas outside of the designated Urban Growth Boundary.

*The site is located within the Urban Growth Boundary with a BP General Plan*

*land use designation, which allows a maximum FAR of 1.5. The development potential for this site will be unchanged by this amendment; the site may be used and developed at the same density and intensity under the BP General Plan land use designation. The applicant intends to maintain the existing buildings and uses on-site. However, any future development would be subject to a Site Plan and Architectural review to ensure visual and physical openness and preserve the aesthetic and natural features of the portion of the property proximate to the rural areas outside of the designated Urban Growth Boundary.*

Policy 1-P-38 Require all development outside of city limits and within the UGB to annex to the city as a condition of extension of City services. Annexation requires the extension of both potable water and sewer services in compliance with adopted Master Plans, in conjunction with other public improvements as deemed appropriate by the City.

*The Project Site is located outside of city limits and within the UGB and includes a Zoning Map Amendment intended to pre-zone the site for future annexation and connection to municipal services. The site would be served by an existing City water line within Old Redwood Highway and a 736-foot sanitary sewer line extension to connect an existing 8-inch sanitary sewer line within Redwood Way to the site via Old Redwood Highway. The project has been reviewed by Public Works to ensure appropriateness and consistency with adopted Master Plans.*

#### *IZO Chapter 25 – Amendments*

Pursuant to Section 25.010 (Amendment) of the IZO, the IZO may be amended by changing the boundaries of any district (this ZMA) or by changing any other provision thereof, whenever the public necessity and convenience and general welfare require such amendment. The amendments to the IZO may be adopted by the City Council upon recommendation of the Planning Commission with findings that the amendment is in conformance with the Petaluma General Plan and consistent with the public necessity, convenience, and general welfare. The amendment to the zoning map is subject to the findings of IZO 25.070 below. Staff's analysis is provided in *italics* for each finding.

1. The proposed amendment is in general conformity with the Petaluma General Plan and any applicable plans.

*Pursuant to IZO Section 4.020.N (Purpose of Established Zones), the BP zone implements the Business Park General Plan land use designation and is therefore consistent with the General Plan. Additionally, the rezoning would pre-zone a property within the UGB prior to future annexation and extension of municipal services to the site. The requested amendment is consistent with the General Plan, as shown directly above, and would not change the development potential of the site. No physical changes are proposed, and the applicant intends to maintain the existing building and uses. Any future development would be subject to compliance with the IZO and consistency with the River Access and Enhancement Plan.*

2. The public necessity, convenience, and general welfare require or clearly permit the adoption

of the proposed amendment.

*The public necessity, convenience, and general welfare clearly permit the adoption of the proposed Zoning Map Amendment. The amendment will pre-zone a site within the UGB to allow a future annexation and extension of municipal services. Properties within the UGB are within the service area of the City of Petaluma, and therefore public necessity requires the adoption of the proposed amendment in conjunction with connection to municipal services to properties within the UGB. The amendment and connection to municipal services will allow the property owner to lease additional space within the existing commercial building. Thus, the convenience of the property owner and general welfare of City of Petaluma merchants clearly permit the proposed amendment. The pre-zone would allow for future annexation of the property, which would generate added sales tax thus benefiting the City's general welfare. Additionally, future annexation of the property would allow the City to apply Floodplain Combining District regulations and Zero Net Fill policies that safeguard public health, safety, and general welfare.*

Based on the findings made above and the recommendation from the Planning Commission at the January 23 public hearing, staff recommends that the City Council adopt the requested Zoning Map Amendment to apply BP, OSP, and FP-C zoning to the site as depicted in Exhibit A of **Attachment 1** (revisions to the Zoning Map).

### **PUBLIC OUTREACH**

Per Section 24.100.A (Public Notice) of the IZO, a neighborhood meeting is required for a project subject to discretionary review when the proposed project is within, immediately adjacent to, or in close proximity to a residential neighborhood. A neighborhood meeting was not required for this project because it is not within or proximate to a residential neighborhood.

On June 7, 2024, public notice of the June 17, 2024, City Council public hearing was published in the Argus-Courier, posted to the site, and mailed to all property owners and occupants within 1000 feet of the Project Site. No public comments were received as of the publication of this staff report.

### **COUNCIL GOAL ALIGNMENT**

Based upon the information presented in this staff report, the proposed project complies with all applicable Citywide goals and priorities, including those contained in the City of Petaluma General Plan 2025.

### **CLIMATE ACTION/SUSTAINABILITY EFFORTS**

Action to adopt a pre-zoning for annexation ZMA and resolution supporting an annexation application would have negligible impact on City climate action or sustainability goals. Any future site modifications or new development would be subject to all applicable City regulations and therefore future development activity, if any, would support the City's climate action and



sustainability goals.

## **ENVIRONMENTAL REVIEW**

The proposed project is categorically exempt from the provisions of CEQA pursuant to CEQA Guidelines Section 15319 (Class 19 - Annexations of Existing Facilities and Lots for Exempt Facilities). This exemption includes annexations to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities. The existing site complies with all applicable City and County zoning regulations including but not limited to density, setbacks, height, and lot coverage, and City utility services have capacity to serve existing facilities.

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 (applies to classes 3, 4, 5, 6, and 11 only); (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 19 exemption. Therefore, no further environmental analysis is needed.

Moreover, as the property to be annexed is within the UGB, the General Plan Environmental Impact Report, already analyzed impacts associated with this property, which included the potential for annexation.

## **FINANCIAL IMPACTS**

Following annexation, tax revenues would be received by the City and the applicant would be responsible for any costs associated with annexation or required connections to City utilities.

## **ALTERNATIVES**

There are no alternatives proposed beyond the recommendation made in this staff report.

## **ATTACHMENTS**

- Attachment 1:** Draft City Council Ordinance to adopt a Zoning Map Amendment to apply a Business Park zoning designation to the ± 12.9-acre site located at 5400 Old Redwood Highway  
Exhibit A: Amended Zoning Map
- Attachment 2:** Draft City Council Resolution to adopt a Resolution of Application for reorganization of property located along Old Redwood Highway generally north of McDowell Boulevard
- Attachment 3:** Planning Commission Resolution 2024-01 recommendation to the City Council to adopt a Pre-zoning for Annexation Zoning Map Amendment
- Attachment 4:** Planning Commission Resolution 2024-02 recommendation to the City Council to adopt a Resolution of Application for Annexation Proceedings
- Attachment 5:** Annexation Exhibit, dated August 1, 2023
- Attachment 6:** Conceptual Utility Plan, dated October 14, 2021
- Attachment 7:** Applicant Project Description
- Attachment 8:** Existing Use Matrix
- Attachment 9:** Annexation Process Memo dated January 23, 2024
- Attachment 10:** Councilmember Healy letter dated November 17, 2015
- Attachment 11:** Fill Evaluation Memo, dated May 29, 2024, prepared by West Consultants
- Attachment 12:** Draft Pre-Annexation Agreement
- Attachment 13:** Sonoma County Grading Permit B-151456, Approved April 3, 2000