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DATE: January 23, 2024

TO: Planning Commission

FROM: Mike Janusek, AICP, Senior Planner

REVIEWED BY: Andrew Trippel, AICP, Planning Manager

SUBJECT: Recommendation to the City of Petaluma Planning Commission to Conduct a Public Hearing and Make Recommendations to the City Council to Adopt an Ordinance Amending the Implementing Zoning Ordinance Zoning Map to Pre-Zone the Subject Property to Business Park (BP), Open Space and Park (OSP), and Floodplain Combining District (FP-C) Zoning Districts 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 No. PLZA-2023-0001 and PLAN-2024-0001

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## **RECOMMENDATION**

It is recommended that the City of Petaluma Planning Commission conduct a public hearing and approve resolutions recommending that the City Council approve 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 A**) and that the City Council adopt a Resolution of Application for annexation proceedings with Sonoma Local Agency Formation Commission (Sonoma LAFCO) (**Attachment B**) for the proposed project.

The site consists 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 that are designated Business Park in the current General Plan Land Use Map. The properties would be required to annex into the City prior to the requested Zoning Map Amendment taking effect. The applicant would maintain the 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.

## **BACKGROUND**

### *Annexation Process*

As described in **Attachment G**, 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).

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

### *Previous 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.

### *Public Outreach*

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

On January 12, 2024, a notice of 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. As of the publication date of this staff report, no written comments were received as of the writing of this staff report.

## **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 to Business Park (BP), Open Space and Park, and Floodplain Combining District (FP-C)<sup>1</sup> prior to a future annexation

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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

request to be made to Sonoma LAFCO (Project Site). The Project Site consists of a  $\pm$  12.2-acre parcel (APN 047-213-017) and a  $\pm$  0.7-acre parcel (APN 137-011-048). It is accessible from a  $\pm$  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. The project vicinity, public streets, and the project area (outlined in blue) are depicted in Figure 1 below.

**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 shown in **Attachment F**. 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

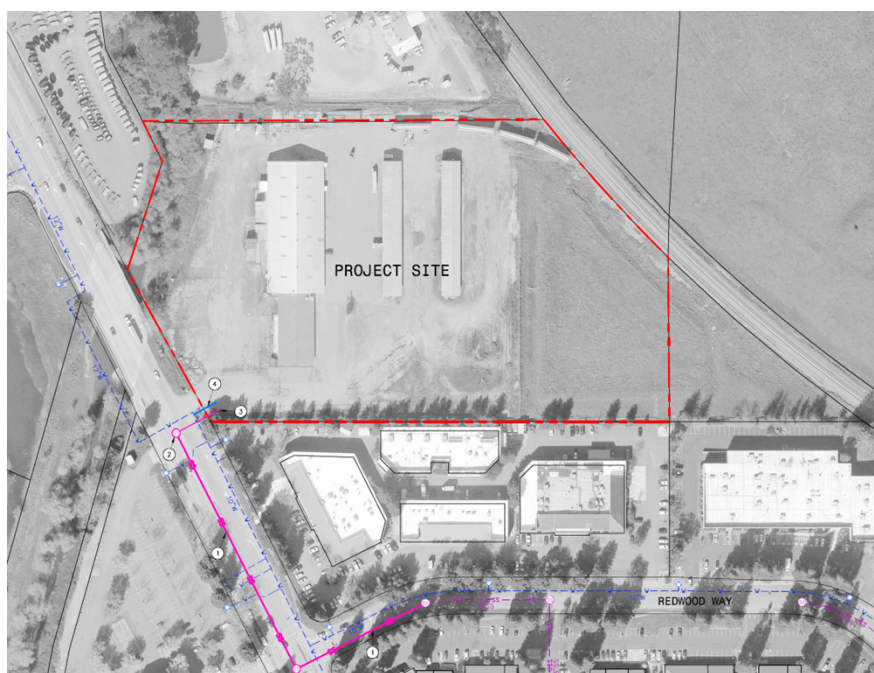
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corresponding with the 100-year floodplain. The western portion of the site is adjacent to Willow Brook Creek while the northern perimeter of the site is also designated as an urban separator in the City of Petaluma General Plan. Creek setbacks and urban separators are implemented through the Open Space and Park Zone (OSP) zone. See **Attachment A – Exhibit 1**.

County. Upon annexation, existing Retail as primary uses on the Project Site will 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 ± 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 applicant is conditioned to provide utility connections to City service upon annexation. Connecting to City utilities would enable the applicant to lease vacant tenant spaces within the existing commercial building. Any future tenanting or 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.

**Figure 2: Conceptual Utility Plan**



*Source: BKF Engineers, 2021*

## **Regulatory Context**

### *Planning Subarea*

The 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, the site is within the Planning Referral Area of the General Plan, and a land use designation Business Park exists on-site.

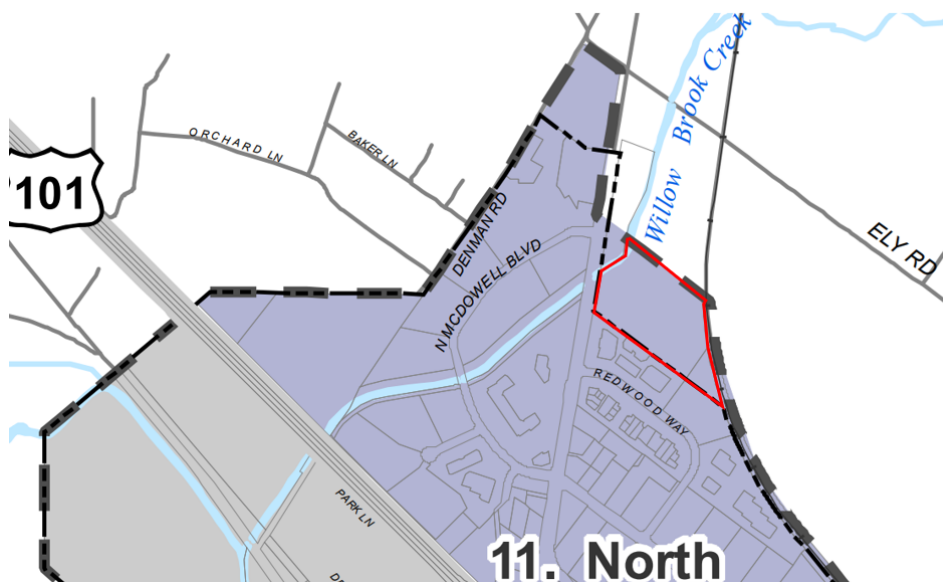
The project is located northeast of Petaluma, adjacent to the city limit, in an area designated by the General Plan as the North McDowell Boulevard Planning Subarea. The Subarea lies between:

- 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 of the site 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.

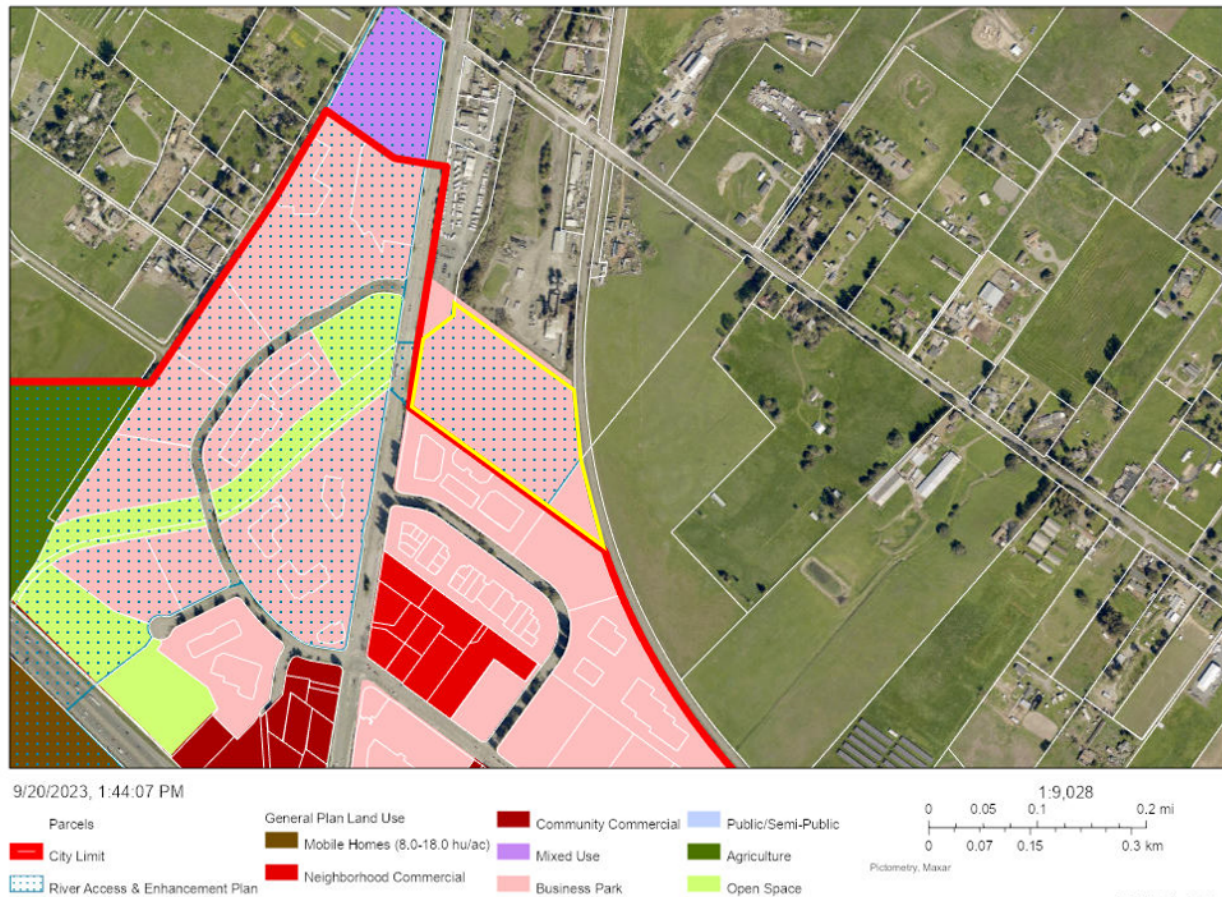
The project is also within the boundary of the River Access and Enhancement Plan, which provides a framework for the preservation and restoration of the Petaluma River Corridor. The project falls within the Downstream Segment defined by the plan, which contains riparian forest resources.



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*

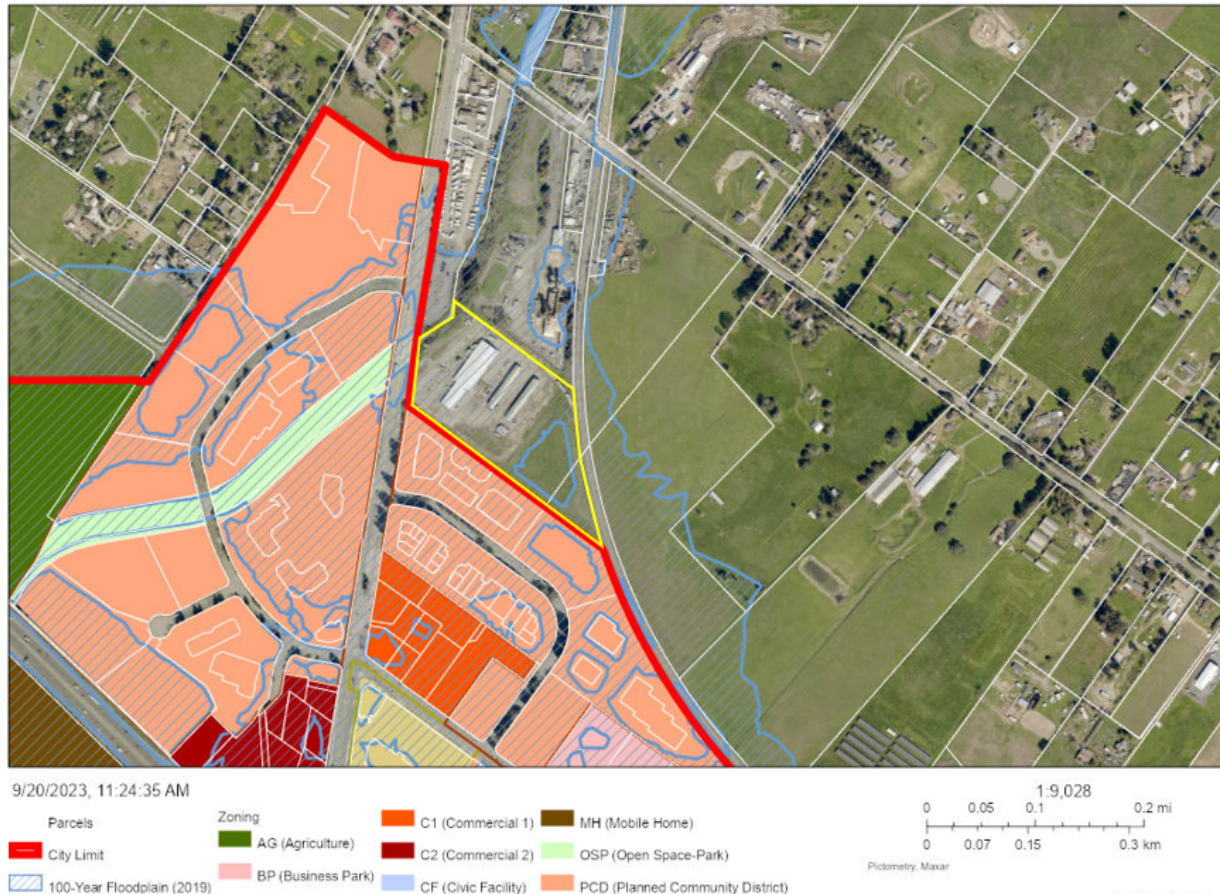
The Project Site abuts the Redwood Business Park PCD to the south, the Redwood Business Park 2 PCD to the west, Sonoma County Diverse Agriculture zoning districts to the north and east, and a Sonoma County Limited Commercial zoning district to the northwest.

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).

The Zoning within the vicinity of the project and the project area (outlined in yellow) are shown in **Figure 5** below.

**Figure 5: Existing Zoning Map**



Source: City GIS, 2023

## 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 the 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. In addition, 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.*

Based upon the findings made above, staff recommends that the Planning Commission recommend 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 1 of **Attachment A** (revisions to the Zoning Map).

### **CASE STUDIES**

No case studies are associated with this staff report.

### **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 the 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 has already analyzed the impacts associated with this property, which included the potential for annexation.

### **CITYWIDE GOALS & PRIORITIES**

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.

### **FURTHER RECOMMENDATION**

Staff does not have any further recommendations.

### **ATTACHMENTS**

- Attachment A:** Draft Resolution to recommend the City Council 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 1: Amended Zoning Map  
Exhibit 2: Draft City Council Ordinance
- Attachment B:** Draft Resolution to recommend the City Council adopt a Resolution of Application for reorganization of property located along Old Redwood Highway generally north of McDowell Boulevard  
Exhibit 1 - Draft City Council Resolution for Annexation Proceedings
- Attachment C:** Annexation Exhibit, dated August 1, 2023
- Attachment D:** Conceptual Utility Plan, dated October 14, 2021
- Attachment E:** Applicant Project Description
- Attachment F:** Existing Use Matrix
- Attachment G:** Annexation Process Memo  
Exhibit 1 - Annexation Process Flowchart, prepared by OPR, February 7, 2012