



COUNTY OF LAKE
 COMMUNITY DEVELOPMENT DEPARTMENT
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Item #6a
 9:05 AM
 December 11, 2025

STAFF REPORT

TO: Planning Commission

FROM: Mireya G. Turner, Community Development Director
 Mary Claybon, Senior Planner

DATE: December 11, 2025

SUBJECT: Consideration of proposed Major Use Permit Major Use Permit PL-25-13 (UP 21-15), and Mitigated Negative Declaration (IS 21-16), for commercial cannabis cultivation for 19.6 acres of outdoor canopy and a Type 13 Distributor, Self Transport only; Applicant: Rancho Lake, LLC; Location: 19955, 19986, 20110, and 22222 Grange Road, Middletown (APNs 014-290-08; 014-300-02, 03, & 04)

ATTACHMENTS:

1. Site Plans (updated 8/7/24)
2. Draft Conditions of Approval
3. Property Management Plan (8/9/24)
4. Draft Initial Study/Mitigated Negative Declaration
5. Hydrogeological Analysis
6. Drought Management Plan
7. Biological Resource Assessment
8. Agency Comments
9. Tribal Comments
10. Public Comments and Green Sheets
11. Coyote Valley Groundwater Basin 2024 Monitoring Report
12. Technical Memorandum Response to Comments

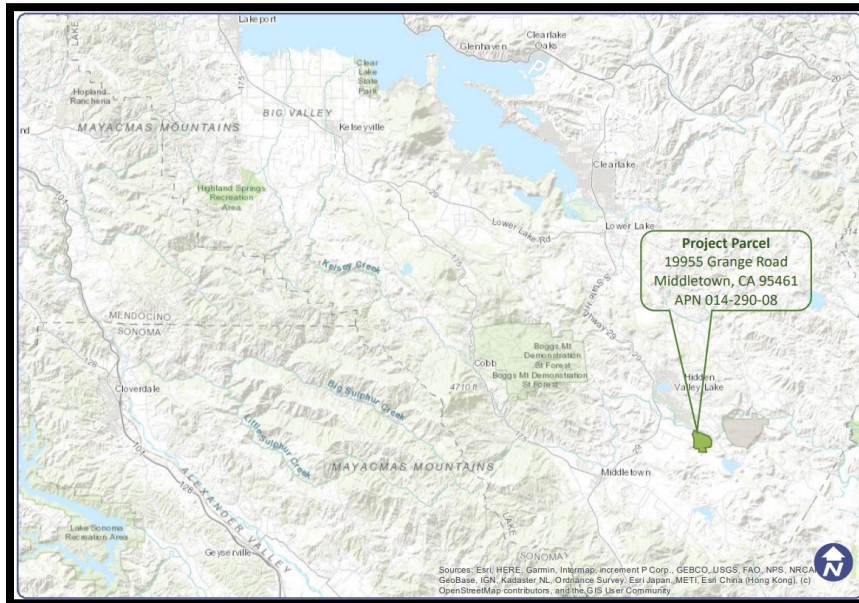
EXECUTIVE SUMMARY

The applicant, Rancho Lake, LLC, is proposing a Major Use Permit PL-25-13 (UP 21-15), and Mitigated Negative Declaration (IS 21-16), for cultivation of 19.6 acres outdoor commercial cannabis canopy within a 34-acre cultivation area and a Type 13 Distribution, Self Transport only license located at 19955, 19986, 20110, and 22222 Grange Road, Middletown (APNs 014-290-08; 014-300-02, 014-300-03, & 014-300-04). The proposed cultivation would occur on APN 014-290-08 while additional parcels will be used for clustering.

This project was originally scheduled on May 9, 2024, for hearing however there was not a quorum of the Planning Commission and the meeting was adjourned. The site is situated approximately 4.5 miles east/northeast of Middletown, California. The terrain is predominantly mountainous, with flat valleys at the base of the slopes. Elevation varies from approximately 930 feet to 1,710 feet above sea level. Putah Creek, a perennial Class I watercourse, traverses the northernmost section of the property from west to east. Additionally, Crazy Creek, an intermittent Class II watercourse, flows from west to east through the northwest portion of the site and joins Putah

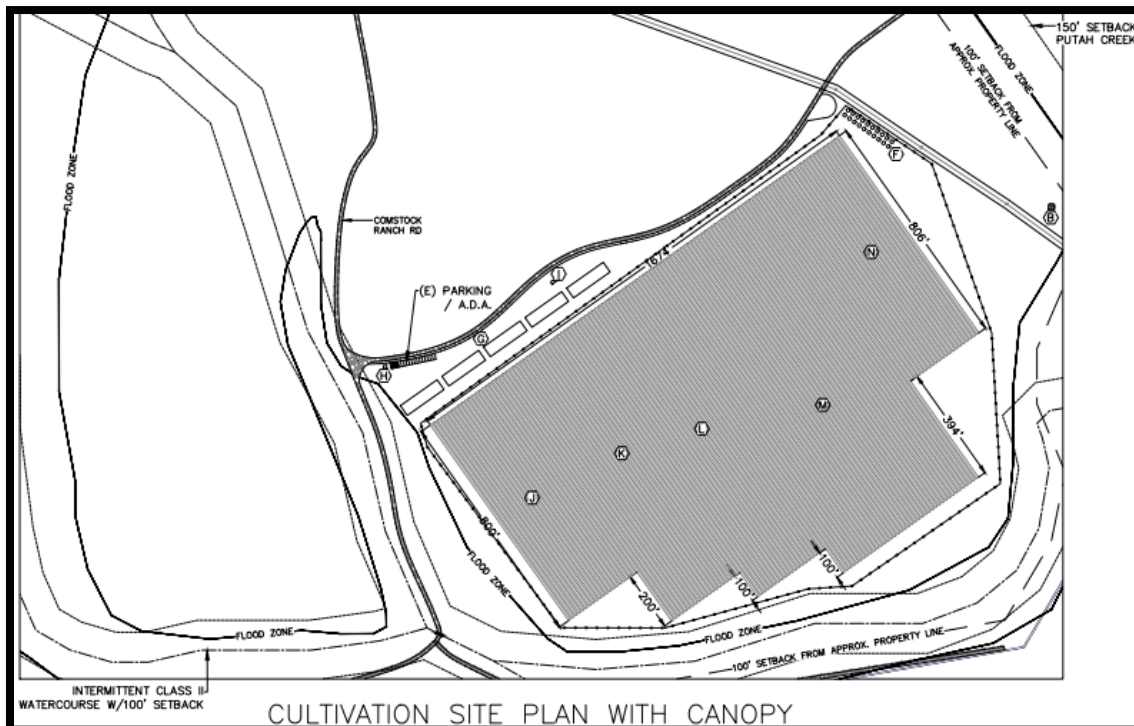
Creek. Several unnamed intermittent Class III watercourses also run from south to north, ultimately feeding into Putah Creek. All setbacks from watercourses have been identified. No surface water diversion is proposed. The site has been historically used to farm oats and hay, and cattle grazing since the early 1900s. The total acreage of the combined parcels is 1,627 acres.

FIGURE 1 – VICINITY MAP



Source: Lake County GIS Portal

FIGURE 2 – CULTIVATION AREA SITE PLAN OVERVIEW



Source: Realm Engineering

PROJECT DESCRIPTION

<u>Project Title:</u>	Rancho Lake
<u>Permit Numbers:</u>	Major Use Permit PL-25-13 (UP 21-15) Initial Study (IS 21-16)
<u>Applicant Name & Address:</u>	Rancho Lake, LLC 2349 Circadian Way, Santa Rosa, CA 95407
<u>Property Owner:</u>	Comstock Ranch, LLC (James Comstock)
<u>Project Location:</u>	19955, 19986, 20110, and 22222 Grange Road, Middletown, CA 95461
<u>Parcel Size:</u>	357.4 Acres (014-290-08) (Cultivation) 506 Acres (014-300-02) (Clustering) 506 Acres (014-300-03) (Clustering) 257.6 Acres (014-300-04) (Clustering) 1,627 Acres Combined
<u>General Plan Designation:</u>	RL-RC-A-RR; Rural Lands, Resource Conservation, Agriculture, Rural Residential
<u>Zoning District(s):</u>	RL-RR-A-FF-FW-WW; Rural Lands-Agriculture-Rural Residential-Floodway Fringe-Floodway-Waterway
<u>Flood Zone:</u>	“X”, “A” and “AE”; Areas to be developed are located within Flood Zone “X” (Minimal to Moderate Risk of Flood)
<u>Soils and Slope:</u>	158 Lupoyoma silt loam -moderately well-drained alluvium composed of sandy, silt, and clay loams. Slope is varied; area to be developed is on less than 10 percent slopes

Existing Features:

- Residence
- Five accessory agricultural structures/buildings (used to store hay, tools, and equipment, and to house livestock)
- Two groundwater wells; one domestic and one agricultural
- Internal compacted dirt and gravel access roads

Proposed Features:

- Up to 854,840 sf (square feet), collectively 19.6 Acres of outdoor canopy area within a 34-acre cultivation area
- Five (5) 40'x150' (6,000 sf) Harvest Storage & Staging engineered membrane structures for seasonal use

- Two (2) 10'x12' (120 sf) stormproof sheds for chemical, pesticide, hazardous material storage
- One (1) 10'x12' (120 sf) stormproof shed for office and security use
- Twenty (20) 5,000-gallon water storage tanks for irrigation and fire suppression
- An employee parking area with fourteen (14) standard spaces and one (1) accessible space
- On-site portable accessible restroom and hand washing facilities
- Six-foot galvanized woven wire fencing, with access using metal gates secured by padlocks.
- Security cameras in compliance with the Lake County Zoning Ordinance.
- Internal road access improvements

Access

The parcel is accessible via Grange Road, a paved and county-maintained roadway. Grange Road connects to Highway 29 approximately 1.5 miles west of the site. Secure metal gates installed across Grange Road and the interior access roads on the project parcel would control entry to the proposed site. A grading permit would be required for the proposed access road improvements on the project parcel. Cannabis cultivated on-site would be dried within the designated Harvest Storage and Staging areas, then transported to licensed processing and manufacturing facilities authorized by the State of California for processing and/or extraction.

The construction activities would include installing fencing, preparing the soil, installing irrigation systems, developing employee parking facilities, and erecting the Harvest Storage & Staging structures with engineered fabric. These activities are projected to take approximately 3 to 4 weeks and will involve a workforce of 8 to 16 personnel. The Security Center and Pesticide & Agricultural Chemicals Storage Area (wooden sheds) would be delivered to the site and assembled within a single day. During construction, truck deliveries are anticipated approximately every one to two days throughout the season. Construction staging would occur within the designated parking and work areas. No trees or existing vegetation would be removed to establish the cultivation operation.

Operations are anticipated to occur up to seven days per week during the growing season. Operating hours would generally be from 7:00 a.m. to 7:00 p.m., Monday through Sunday, or in accordance with the regulations set forth by the County of Lake Zoning Ordinance. Upon commencement, the project is expected to employ approximately twelve full-time staff members, in addition to around twenty seasonal employees during peak planting and harvesting periods. During regular operations, daily vehicle trips are estimated to be approximately twenty-four; this number may increase to up to forty trips per day during peak planting and harvest periods. Additionally, regular weekly deliveries of project-related materials will be scheduled throughout the cultivation season.

The operator plans to prepare the soil each spring by plowing, disking, and harrowing to establish suitable planting beds for agricultural activities. The Harvest, Storage, and Staging structures—engineered membrane facilities designed for seasonal use—will be erected in July and dismantled each December. The goal is to ensure minimal to no visible evidence of cultivation activities during winter and spring, following the harvest periods of summer and fall. Fertilizers and pesticides will be stored within two (2) 120 sf stormproof sheds. All solid waste will be kept in a secured area and regularly removed to be disposed of at waste disposal facility. All plant waste will be chipped/mulched and composted on site, then reused as soil amendment.

A new utility service connection from the existing PG&E utility line would be required to supply electricity to the pump for the groundwater well. Additionally, power for security cameras and lighting in and around the designated outdoor cultivation area will be supplied by individual photovoltaic solar panels equipped with battery storage and backup systems.

POINTS OF INTEREST

Project Scope Revision

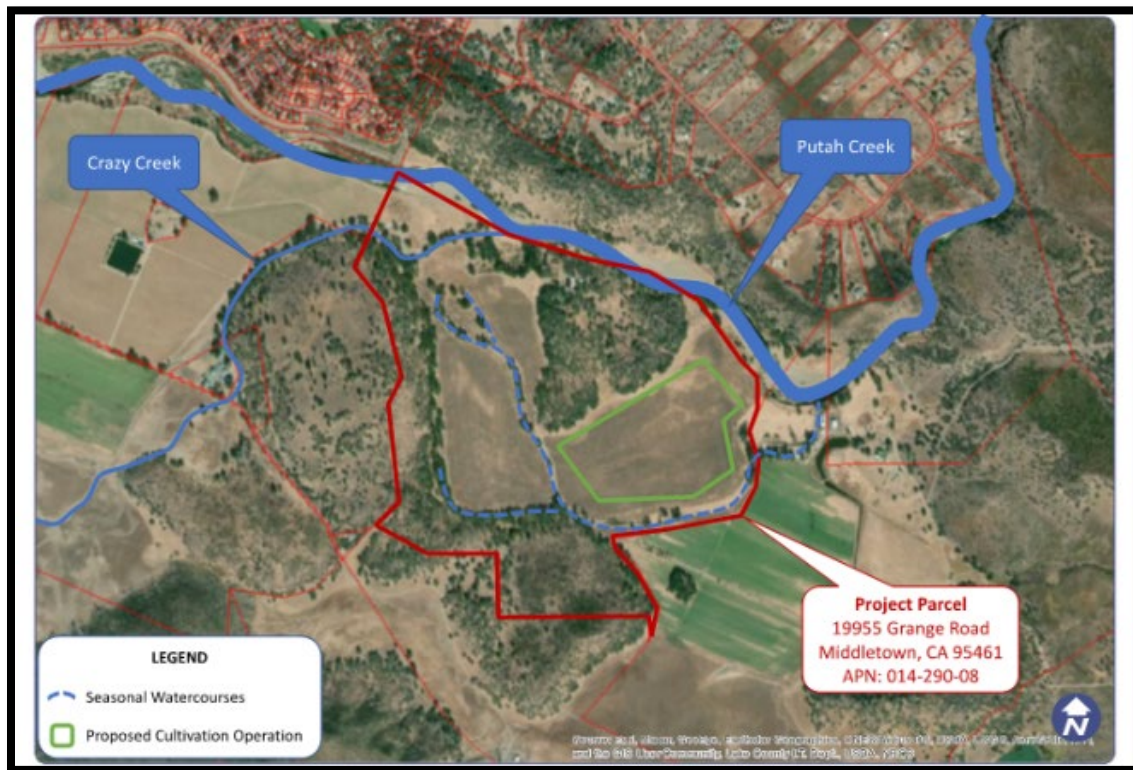
The application was submitted in 2021 and initially proposed seventy-four (74) A-Type 3 “Medium Outdoor” cultivation licenses, encompassing a total canopy area of 3,196,000 square feet (approximately 73.4 acres). To ensure compliance with setback requirements from waterways, existing PG&E utility easement and to address operational considerations, the scope was revised multiple times, resulting in reductions to both the cultivation area and canopy size. The final proposal includes 19.6 acres of canopy within a 34-acre cultivation area.

Hydrology and Water Resources

As shown in Figure 3 below, the project parcel is located in the eastern half of the Coyote Valley, within the Crazy Creek- Putah Creek Watershed. Putah Creek, a Perennial Class I Watercourse, flows from west to east through the northernmost portion of the project parcel. Crazy Creek, an intermittent Class II Watercourse, flows from west to east through the northwest portion of the project parcel and into Putah Creek. Multiple unnamed intermittent Class III Watercourses flow generally from west to east, through the project parcel, and into Putah Creek.

A Hydrogeologic Assessment Report was prepared by Hurvitz Environmental Services Inc. (Attachment 5). According to the Report, the proposed cultivation operation has an estimated annual water use requirement of approximately 49.2 acre-ft/year. The recharge rate is estimated to be approximately 793.2 acre-ft/year. The Report concluded that the site can sustainably produce the water needed to meet the Project demands. The Drought Management Plan (Attachment 6) identifies Best Management Practices per the State Water Resources Control Board’s Cannabis General Order to conserve water resources during normal times and in times of drought. The applicant intends to reduce their outdoor canopy area and water usage by approximately 10 percent during declared drought emergencies. As discussed within the Initial Study prepared for the project, Mitigation Measures BIO-1 through BIO-3 and HAZ-1 through HAZ-8 would ensure impacts related to potential contaminants are reduced to Less Than Significant levels. See the Environmental Review section of this Staff Report below for more information.

FIGURE 3 – WATER RESOURCES



Lake County GIS

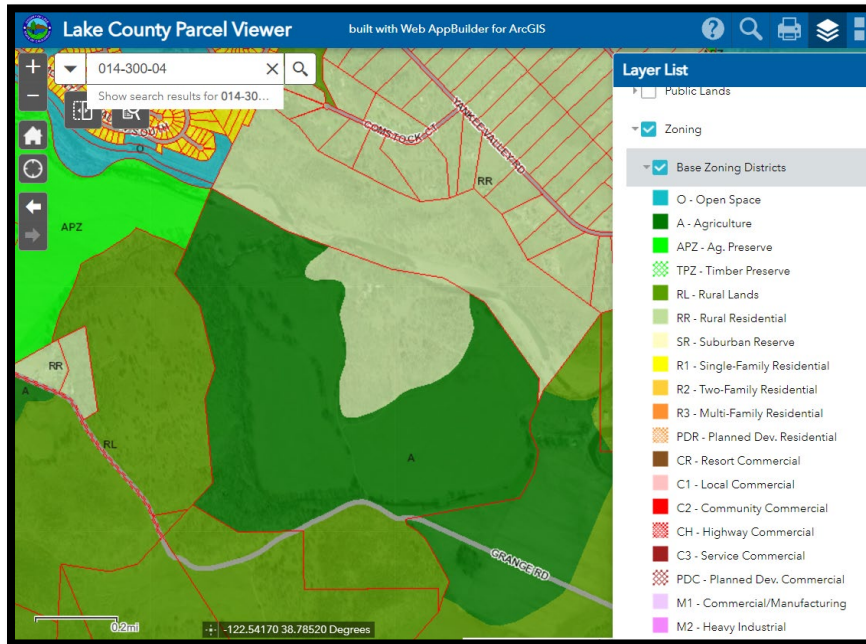
PROJECT SETTING

The project parcel has been improved with internal compacted dirt and gravel access roads, a residence, five (5) accessory agricultural structures, and two (2) groundwater wells; one domestic and one agricultural. The proposed project is located in the Middletown Planning Area. Current and past land uses on-site include rural residential with intensive and extensive agriculture. The proposed cultivation operation would be established in areas of the project parcel that have been used to farm oats and hay, as well as for cattle grazing, since at least the early 1900s. The surrounding land uses are rural land, residential, agriculture, and open space, with existing ranches and vineyards, as further described below.

Surrounding Zoning and Uses

- West: APNs 014-280-15, 014-370-05, and 014-450-02; Zoned Rural Lands and Agricultural Protection; Vacant Land, Rural Residence, and Vineyard
- South and East: APNs 014-300-04 and 014-400-04; Zoned Rural Lands and Agriculture; Rural Residence and Agriculture
- North: APNs 014-290-12, 141-611-04 & 07; Zoned Rural Residential and Open Space, Vacant Land

FIGURE 4 – ZONING MAP



Source: Lake County Parcel Viewer, Zoning Layer

PROJECT ANALYSIS

General Plan Conformity

The project parcels carry the following General Plan land use designations: Rural Lands, Resource Conservation, Agriculture, Rural Residential. The cultivation site would be located within the “A” Agriculture-designated portion of the project parcels.

The Agriculture land use designation includes areas with prime farmland, vineyard soils and grazing lands, along with areas characterized by steep slopes and limited services. These lands are actively or potentially engaged in crop production, including horticulture, tree crops, row and field crops, and related activities. The Lake County Zoning Ordinance allows for commercial cannabis cultivation in the “A” land use zone with a major use permit.

Chapter 3 Land Use

Goal LU-1: Encourage the overall economic and social growth of the County while maintaining its quality-of-life standards.

- **Policy LU-1.3: Prevent Incompatible Uses.** The County shall prevent the intrusion of new incompatible land uses into existing community areas.

Pursuant to Article 27, Sec. 21-27.10, Sec. 27.11 Table B of the Lake County Zoning Ordinance, the cultivation of cannabis is an allowable use within the “Agriculture” zoned land upon securing a Major Use Permit. The project parcel proposed for cultivation activities is surrounded by large parcels with limited development. As discussed below in the Zoning Ordinance Conformity section, the project meets all required development standards intended to prevent incompatible land uses. Therefore, the proposed project would not be an intrusion of a new incompatible land use within the existing zoning and general plan designation of this area.

Goal LU-2: To clearly differentiate between areas within Lake County appropriate for higher intensity urban services and land uses from areas where rural or resource use should be emphasized.

- Policy LU-2.4 Agricultural/Residential Buffer. The County shall require adequate setbacks between agricultural and non-agricultural uses. Setbacks shall vary depending on type of operation and chemicals used for spraying.

In reference to the Lake County Zoning Ordinance Article 27, Section 27.11 (at), the County requires a minimum 100-foot setback from all property lines of the subject property, a minimum 100-foot setback from the top of bank of any surface water source, and a minimum of 200-foot setback from any off-site residences. The nearest off-site residence is located over 1,000 feet east of the proposed project, well over the 200-foot setback for offsite residences from commercial cannabis cultivation operations. Additionally, commercial cannabis cultivation is prohibited within 1,000 feet of Community Growth Boundaries, licensed childcare facilities, churches, or youth-oriented facilities. The project complies with all required setbacks.

Chapter 7 Health and Safety

Goal HS-1: To ensure the County is protected from injury and damage resulting from natural catastrophes, man-made events, and hazardous conditions.

- Policy HS-1.3: Building and Fire Codes: The County shall ensure all buildings for human habitation are designed in compliance with the Uniform Building Code and other requirements based on risk (e.g., seismic hazards, flooding), type of occupancy, and location (e.g., floodplain, fault).

Goal HS-5: To protect residents, visitors, and property from hazardous materials through their safe use, transport, and disposal.

- Policy HS-5.6 Contamination Prevention: The County shall review new development proposals to ensure that soils, surface water and groundwater are protected from contamination.

Article 27 (at) Uses Generally Permitted containing the County's commercial cannabis requirements state that all cultivation operations be located at least 100-feet away from all waterbodies (i.e. spring, top of bank of any creek or seasonal stream, edge of lake, wetland or vernal pool). Additionally, the site is enrolled in the State Water Board's Waste Discharge Requirements for Cannabis Cultivation Order WQ 2019-001-DWQ and must comply with the Minimum Riparian Setbacks.

All fertilizers and pesticides used be properly stored and placed within storage sheds with the use of secondary containment as required for all commercial cannabis activities. The applicant proposes twenty (20) 5,000-gallon water tanks for irrigation and fire suppression. The applicant is required to obtain Building Permits, in accordance with all building and fire codes.

Goal HS-7: To minimize the possibility of the loss of life, injury, or damage to property as a result of urban and wildland fire hazards.

- Policy HS-7.6 Development Guidelines: Developers and/or subsequent owners must assume responsibility for ongoing fire prevention maintenance activities for the Project, including abatement of fuel buildup, fire break maintenance, access provision, and provision of adequate water supply to meet fire flow.

The site is situated in a moderate fire hazard severity zone and is relatively flat. The cultivation area and associated facilities do not further exacerbate the risk of wildfire, or the overall effect of pollutant concentrations on area residents in the event of a wildfire. The project would improve the ability to fight fires through the upkeep of the property area and the installation of the proposed water tanks. Prior to cultivation, the applicant is required to create 100 feet of defensible space around all buildings that will be occupied by humans and / or that require a building permit. Internal gates and roadways shall meet PRC §4290.

Chapter 8 Noise

Goal N-1: To protect County residents from the harmful exposure of excessive noise and prevent incompatible land uses from encroaching upon existing and planned land uses.

- Policy N-1.4 Site Planning to Reduce Noise Impacts: The County should encourage proper site planning, architectural layout, and use of building materials as methods of noise attenuation. The following techniques should be considered to reduce noise impacts: Increase the distance between noise source and receiver through the use of building setbacks and/or dedication of noise easement.

The project is situated in a remote location with adequate setbacks from sensitive receptors so as not to create a nuisance for the community. Noise related to cannabis cultivation typically occurs either during construction, or as the result of machinery related to post construction equipment such as well pumps or emergency backup generators during power outages. Although the property size and location of proposed cultivation and facilities will help to reduce any noise detectable on the property line, mitigation measures will still be implemented to further limit the potential sources of noise. As noted in the Initial Study, Mitigation Measures NOI-1 and NOI-2 restrict noise levels related to construction and operation. See Environmental Review section of this Staff Report for more information.

Chapter 11 Water Resources

Goal WR-1: Provide for the current and long-range water needs of the County and for the protection of the quality and quantity of groundwater resources.

- Policy WR-1.2: Sustainable Groundwater Withdrawal. The County shall manage groundwater resources within its jurisdiction through ordinances, project approvals, and agreements to ensure an adequate, safe, sustainable, and economically viable groundwater supply for existing and future use within the County, to maintain and enhance the natural environment, protect existing groundwater users, the overall economy of the County, and groundwater and surface water quality and quantity in a manner consistent with existing law and with a doctrine of safe yield within the groundwater basins of the County.

All water for the proposed cultivation operation will come from an existing onsite groundwater well located at Latitude 38.77697° and Longitude -122.52711°. The Well Completion Report for this

groundwater well indicates that it was drilled in February of 2021 to a depth of 160 feet and completed at 140 feet below ground surface. In July of 2021, a licensed well driller conducted a 6-hour pump test of this well and concluded that it can yield more than 355 gallons per minute.

The applicant provided a Hydrogeologic Assessment Report prepared by a Certified Hydrogeologist. The Hydrogeologic Assessment Report indicated that the aquifer storage and recharge area are sufficient to provide for sustainable annual water use at the site and within the area. Additionally, the Hydrogeologic Assessment Report concluded the project is unlikely to result in significant declines in groundwater elevation or depletion of groundwater resources over time. The Drought Management Plan (Attachment 6) prepared for the project identifies Best Management Practices outlined in the State Water Resources Control Board's Cannabis General Order to conserve water resources during normal times and in times of drought. The applicant plans to reduce their outdoor canopy area and water usage by approximately 10 percent during drought emergencies.

Middletown Area Plan Conformity

The subject site is within the Middletown Area Plan's boundary. The Area Plan contains policies that apply to agriculture, water resources, economic development, and land use compatibility.

Chapter 3-Natural Resources

Objective 3.4.1. Encourage agricultural development in the Middletown area by supporting programs that help reduce agricultural costs and preclude intrusion of incompatible development into prime agricultural areas.

- Policy 3.4.1a. Support the continued use of agricultural lands and discourage conversion of these lands to other uses unless necessary to accommodate an orderly and logical pattern of urban development.

The parcel proposed for cultivation is zoned Agriculture "A" and has been used to farm oats and hay and cattle grazing since the 1900s. The proposed activities are agricultural in nature and are consistent with the current and past use of the property, the surrounding existing uses, and existing zoning. The proposed Harvest Storage & Staging engineered membrane structures for seasonal use will be erected in July of each year and deconstructed each December. The intent is for there to be little to no evidence during the winter and spring seasons, of the cultivation activities that occurred during the summer and fall of the previous year. No permanent foundations for these structures are proposed.

- Policy 3.4.1d. Protect large agricultural tracts from water quality and erosion damage due to improper management practices.

As discussed in the Points of Interest section of this Staff Report, the project is consistent with all required setbacks from water resources, development regulations, as well as local and state regulatory requirements related to water quality and contamination. The Property Management Plan prepared for the project discusses Best Management Practices related to erosion, water quality and pesticide use. It is anticipated that site preparation activities meet the requirements for a grading permit, including widening interior roadways. The Applicant has submitted an Erosion & Sediment Control Plan prepared by Realm Engineering (Attachment 1) that identifies installation of straw wattles and silt fencing around the cultivation site.

Objective 3.6.1. Protect and preserve archaeological and historical resources throughout the Planning Area for the long-term benefit of residents, tourists, and future generations.

- Policy 3.6.1a. Prior to approval of discretionary projects within areas of known sensitivity to archaeological resources, local Native American representatives shall be consulted concerning potential impacts to cultural resources.

A Cultural Resources Assessment (CRA) was prepared by Natural Investigations Company in March of 2021. The services provided included a cultural resources literature search, Sacred Lands File (SLF) search, and an intensive pedestrian survey of the proposed cultivation area and adjacent areas (116 acres total). The CRA concluded that there are no cultural or Tribal Cultural Resources located the project parcel. No formal response for consultation was received during the AB 52 notification process; however, Rancho Lake, LLC has entered into a Cultural Resources Monitoring and Treatment Agreement with the Tribe that has aboriginal territory. While the County of Lake cannot enforce third-party contracts, Mitigation Measure TCR-1 is added to ensure that the Permittee provides documentation that they have engaged with the local-affiliated Tribe(s) and that monitoring takes place. Refer to Mitigation Measures CUL-1, CUL-2 and TCR-1 in the Environmental Review section of this Staff Report for more information.

Chapter 5 – Community Development; Economic Development

Objective 5.1.5 Encourage comprehensive economic development efforts for the long-term benefit of the Planning Area aimed at increasing local employment opportunities.

- Policy 5.1.5b. Priority should be given to providing service and employment opportunities locally.
- Policy 5.1.5c. Increase local employment opportunities in order to provide an adequate number of jobs to support the local population.

Once operational, the proposed project would staff approximately twelve (12) full-time employees, and approximately twenty (20) seasonal employees for the peak planting and harvest periods. This will provide revenue to employees who would be hired locally, who would spend money at local retail uses in the Middletown area through purchase of food, gas and other commodities and services.

Zoning Ordinance Conformity

The project parcels are zoned RL-RR-A-FF-FW-WW; Rural Lands-Agriculture-Rural Residential-Floodway Fringe-Floodway-Waterway. The following Articles within the Lake County Zoning Ordinance apply to this project:

Article 5- Agriculture (A)

The purpose of this district is to protect the County's agricultural soils, provide areas suitable for agriculture, and prevent development that would preclude their future use in agriculture. Single family dwellings, accessory structures, and agricultural uses, including crop and tree farming, livestock grazing, animal husbandry. The cultivation of commercial cannabis is permitted in the "A" Agriculture zoning district with the approval of a major use permit for A-Type 3 medium outdoor cultivation licenses pursuant to Article 27, Section 27.11 [Table B] of the Lake County Zoning Ordinance. All proposed cannabis cultivation activities would be located within the "A" portion of the project parcel.

Article 27 - Uses Permitted

All uses listed in this Article and all matters related thereto, are declared to be uses possessing characteristics of unique and special form as to make their use acceptable in one or more districts upon issuance of a zoning permit, minor or major use permit in addition to any required building, grading, or health permits.

Pursuant to Article 27 of the Lake County Zoning Ordinance, outdoor commercial cannabis cultivation is permitted in the Agriculture zoning district with the issuance of a major use permit. To support approval of a major use permit, the project must demonstrate that all regulations within Articles 5 and 27 are met and any adverse environmental impacts are adequately mitigated.

Article 35 – Floodway (FW)

The purpose of this district is to provide land use regulations for properties situated in floodways, and along creeks and streams to ensure for an adequate open corridor to safeguard against the effects of bank erosion, channel shifts, increased runoff or other threats to life and property; and to prevent property damage and safeguard the health, safety and general welfare of the people by allowing the passage of the one hundred (100) year flood. Proposed cultivation areas and structures would be located outside of the A flood zone portion of the parcel, within the X flood zone, which is identified as areas of minimal flooding.

Article 36 – Floodway Fringe (FF)

The purpose of this district is to provide land use regulations for properties and their improvements situated in the floodplain to ensure protection from hazards and damage which may result from flood waters. Proposed cultivation areas and structures would be located outside of the A flood zone portion of the parcel, within the X flood zone, which is identified as areas of minimal flooding.

Article 37 – Waterway Combining District (WW)

The purpose of this district is to preserve, protect and restore significant riparian systems, streams and their riparian, aquatic and woodland habitats; protect water quality; control erosion, sedimentation and runoff; and protect the public health and safety by minimizing dangers due to floods and earth slides. These purposes are to be accomplished by setting forth regulations to limit development activities in significant riparian corridors and through the establishment of an administrative procedure for the granting of exceptions from such regulations.

Article 27(at) of the Lake County Zoning Ordinance requires a greater setback of 100 feet to top of bank. Additionally, the State Water Resource Quality Control Board recommends a 150-foot setback from Class I watercourses. Consistent with local and state regulations, cannabis activities would be 150 feet from Putah Creek (Class I Watercourse) and 100 feet from Crazy Creek (Intermittent Class II Watercourse) and the other intermittent and ephemeral watercourses on-site.

AGENCY COMMENTS

The applicant originally proposed seventy-four (74) A-Type 3 “Medium Outdoor” cultivation licenses, with a combined cultivation/canopy area of 3,196,000 sf (73.4 acres) within several cultivation areas; and was circulated for agency review in 2021. The Initial Study was also circulated to the agencies in 2023 (see Environmental Review section of this Staff Report for more information). The project scope was reduced to 19.6 acres total of canopy within one 34-acre cultivation area. All of the original agency comments have either been addressed through the change in scope, through project design, or as conditions of approval.

The following agencies submitted comments (Attachment 8) on this project:

- Lake County Building Safety Division
- Lake County Sheriff's Office
- Lake County Agricultural Commissioner
- Lake County Surveyor
- Lake County Special Districts
- Lake County Water Resources
- Hidden Valley Lake Community Services District
- Pacific Gas & Electric

Of these comments, an important comment from The Chief Building Official regarding his concerns for the temporary processing structures. He provided clarification that temporary structures are only allowed for a maximum of 180 days. This would include any portion of the structure such as the frame. If any portion of the structure remains up after 180 days it is not a temporary structure. The applicant would apply for a temporary structure building permit to not exceed 180-days of use. The applicant has addressed this within the project description.

TRIBAL COMMENTS

In accordance with AB-52, notification of the project was sent to twelve local Tribes on May 28, 2021. The Habematolel Pomo of Upper Lake Tribe responded and deferred to the Middletown Rancheria (Attachment 9). The Community Development Department did not receive a formal AB 52 Tribal Consultation request for this project however, Rancho Lake, LLC has voluntarily entered into a Cultural Resources Monitoring and Treatment Agreement with Middletown Rancheria.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) requires agencies to evaluate the environmental implications of land use projects. A draft Initial Study (Attachment 4) was prepared and circulated for public review in compliance with CEQA from November 1, 2023, through November 30, 2023. Agency comments were received from Pacific Gas & Electric, and the Hidden Valley Lake Community Services District (Attachment 8). Public comments received on the Draft Initial Study are included in Attachment 10.

On February 7, 2025, minor modifications to the Initial Study were made by staff to correct typographical errors and inconsistencies; to reflect the reduction in scope, and for clarification and in order to strengthen existing analysis and mitigation measures. Modifications were also made to the Cultural Resources and Tribal Cultural Resources section to further separate the two resources, at the desire of the Planning Commission. These changes do not trigger recirculation of the Initial Study because they are minor in nature and do not result in new impacts or mitigation measures that were not previously analyzed (in accordance with CEQA Guidelines 15073.5).

The Initial Study found that the project could cause potentially significant impacts to the following resources:

- Aesthetics
- Air Quality
- Biological Resources
- Cultural Resources
- Hazards & Hazardous Materials

- Hydrology/Water Quality
- Noise
- Tribal Cultural Resources
- Utilities and Service Systems

Aesthetics. Impacts relating to Aesthetics would be reduced to Less than Significant with Mitigation Measures AES-1 and AES 2:

AES-1: All outdoor lighting shall be shielded and downcast or otherwise positioned in a manner that would not broadcast light or glare beyond the boundaries of the subject property. All lighting equipment shall comply with the recommendations of www.darksky.org and provisions of Section 21.48 of the Zoning Ordinance.

AES-2: The cultivation area shall be screened from public view. Methods of screening may include, but are not limited to, topographic barriers, vegetation, or 6' tall solid (opaque) fences.

Air Quality. Impacts relating to Air Quality would be reduced to Less than Significant Mitigation Measures AQ-1 through AQ-6:

AQ-1: Prior to obtaining the necessary permits and/or approvals for any phase, applicant shall contact the Lake County Air Quality Management District (LCAQMD) and obtain an Authority to Construct (A/C) permit for all operations and for any diesel-powered equipment and/or other equipment with potential for air emissions. Or provide proof that a permit is not needed.

AQ-2: All mobile diesel equipment used must be in compliance with state registration requirements. Portable and stationary diesel-powered equipment must meet all federal, state, and local requirements, including the requirements of the State Air Toxic Control Measures for compression ignition engines. Additionally, the permit holder must notify LCAQMD prior to beginning construction activities and prior to engine use.

AQ-3: The applicant shall maintain records of all hazardous or toxic materials used, including a Material Safety Data Sheet (MSDS) for all volatile organic compounds utilized, including cleaning materials. Said information shall be made available upon request and/or the ability to provide the LCAQMD such information in order to complete an updated Air Toxic emission Inventory.

AQ-4: All vegetation during site development shall be chipped and spread for ground cover and/or erosion control. The burning of vegetation, construction debris, including waste material is prohibited.

AQ-5: The applicant shall have the primary access and parking areas surfaced with chip seal, asphalt, or an equivalent all weather surfacing to reduce fugitive dust generation. The use of white rock as a road base or surface material for travel routes and/or parking areas is prohibited.

AQ-6: All areas subject to infrequent use of driveways, overflow parking, etc., shall be surfaced with gravel, chip seal, asphalt, or an equivalent all weather surfacing. Applicant shall regularly use and/or maintain graveled area to reduce fugitive dust generations.

Biological Resources Impacts relating to Biological Resources would be reduced to Less than Significant with Mitigation Measures BIO-1 through BIO-5:

BIO-1: All work shall incorporate erosion control measures consistent with the engineered Erosion and Sediment Control Plans submitted, Lake County Grading Regulations, and the State Water Resources Control Board's Cannabis General Order (Order No. WQ 2019-001-DWQ).

BIO-2: The applicant shall maintain a minimum of a 100-foot setback/buffer from the top of bank of any watercourse, wetland, and/or vernal pool; and 150 feet from Putah Creek (Class I). Pesticides and fertilizer storage facilities shall be located outside of riparian setbacks and not within 100 feet of a well head.

BIO-3: Prior to commencement of activities within the bed or bank of a creek, a Streambed Alteration Agreement shall be obtained from the California Department of Fish and Wildlife. All the conditions of such permit shall be adhered to throughout the course of the project to reduce the impacts to a less than significant level.

BIO-4: Prior to any ground disturbance and/or vegetation removal, the applicant shall have a pre-construction survey conducted by a qualified biologist for special-status plant and animal species to ensure that special-status species are not present. If any listed species are detected, construction shall be delayed, and the appropriate resource agency (CDFW and/or USFWS) shall be consulted with and project impacts and mitigation reassessed.

BIO-5: If construction activities (including vegetation removal and all ground disturbing activities) occur during the nesting season (usually March through September), a pre-construction survey for the presence of special-status bird species or any nesting bird species should be conducted by a qualified biologist within 500 feet of proposed construction areas, within seven days prior to the commencement of such activities. If active nests are identified in these areas, CDFW and/or USFWS should be consulted to develop measures to avoid "take" of active nests prior to the initiation of any construction activities. Avoidance measures may include establishment of a buffer zone using construction fencing or the postponement of vegetation removal until after the nesting season, or until after a qualified biologist has determined the young have fledged and are independent of the nest site.

Cultural Resources. Impacts relating to Cultural Resources would be reduced to Less than Significant with Mitigation Measures CUL-1 and CUL-2.

CUL-1: Should any archaeological, paleontological, or cultural materials be discovered during site development, all activity shall be halted within 100 ft of the find(s), the applicant shall notify a professional Archaeologist certified by the Registry of Professional Archaeologists (RPA) to evaluate the find(s) and recommend mitigation procedures, if necessary, subject to the approval of the Community Development Director. Should any human remains be encountered, the applicant shall notify the Sheriff's Department, the culturally affiliated Tribe(s), and a qualified archaeologist for proper interment and Tribal rituals per Public Resources Code Section 5097.98 and Health and Safety Code 7050.5.

CUL-2: All employees shall be trained in recognizing potentially significant artifacts that may be discovered during ground disturbance. If any artifacts or remains are found, the culturally affiliated Tribe shall immediately be notified; a licensed archaeologist shall be notified, and the Lake County Community Development Director shall be notified of such findings.

Hazards and Hazardous Materials Impacts relating to Hazards and Hazardous Materials would be reduced to Less than Significant with Mitigation Measures HAZ-1 through HAZ-8:

HAZ-1: All equipment will be maintained and operated to minimize spillage or leakage of hazardous materials. All equipment will be refueled in locations more than 100 feet from surface water bodies. Servicing of equipment will occur on an impermeable surface. In an event of a spill or leak, the contaminated soil will be stored, transported, and disposed of consistent with applicable local, state, and federal regulations.

HAZ-2: With the storage of hazardous materials equal to or greater than fifty-five (55) gallons of a liquid, 500 pounds of a solid, or 200 cubic feet of compressed gas, a Hazardous Materials Inventory Disclosure Statement and Business Plan shall be submitted and maintained in compliance with requirements of Lake County Environmental Health Division. Industrial waste shall not be disposed of on site without review or permit from Lake County Environmental Health Division or the California Regional Water Quality Control Board. The permit holder shall comply with petroleum fuel storage tank regulations if fuel is to be stored on site.

HAZ-3: Any spills of oils, fluids, fuel, concrete, or other hazardous construction material shall be immediately cleaned up. All equipment and materials shall be stored in the staging areas away from all known waterways.

HAZ-4: All food scraps, wrappers, food containers, cans, bottles, and other trash from the project area should be deposited in trash containers with an adequate lid or cover to contain trash. All food waste should be placed in a securely covered bin and removed from the site weekly to avoid attracting animals.

HAZ-5: The applicant shall maintain records of all hazardous or toxic materials used, including a Material Safety Data Sheet (MSDS) for all volatile organic compounds utilized, including cleaning materials. Said information shall be made available upon request and/or the ability to provide the Lake County Air Quality Management District such information to complete an updated Air Toxic Emission Inventory.

HAZ-6: Prior to operation, all employees shall have access to restrooms and hand-wash stations. The restrooms and hand wash stations shall meet all accessibility requirements.

HAZ-7: The proper storage of equipment, removal of litter and waste, and cutting of weeds or grass shall not constitute an attractant, breeding place, or harborage for pests.

HAZ-8: The applicant shall obtain an Operator Identification Number from the California Department of Pesticide Regulation prior to using pesticides onsite for cannabis cultivation.

Hydrology and Water Quality Impacts relating to Hydrology would be reduced to Less than Significant with Mitigation Measures BIO-1 through BIO-3; HAZ-1 through HAZ-8; and HYD- 1 and HYD-2 incorporated.

HYD-1: The production well shall have a meter to measure the amount of water pumped. The production wells shall have continuous water level monitors. The methodology of the monitoring program shall be described. A monitoring well of equal depth within the cone of influence of the production well may be substituted for the water level monitoring of the production well. The monitoring wells shall be constructed, and monitoring begin at least three months before the use of the supply well. An applicant shall maintain a record of all data collected and shall provide a report of the data collected to the County annually and/or upon made upon request.

HYD-2: The applicant shall adhere to the measures described in the Drought Management Plan during periods of a declared drought emergency.

Noise Impacts relating to Hydrology would be reduced to Less than Significant with Mitigation Measures NOI-1 through NOI 2:

NOI-1: All construction activities including engine warm-up shall be limited Monday Through Friday, between the hours of 7:00 a.m. and 7:00 p.m., and Saturdays from 12:00 noon to 5:00 p.m. to minimize noise impacts on nearby residents. Back-up beepers shall be adjusted to the lowest allowable levels.

NOI-2: Maximum non-construction related sounds levels shall not exceed levels of 55 dBA between the hours of 7:00 a.m. to 10:00 p.m. and 45 dBA between the hours of 10:00 p.m. to 7:00 a.m. within residential areas as specified within Zoning Ordinance Section 21-41.11 (Table 11.1) at the property lines.

Tribal Cultural Resources Impacts relating to Tribal Cultural Resources would be reduced to Less than Significant with Mitigation Measures CUL-1 and CUL-2, and TCR-1.

TCR-1: Prior to commencement of ground disturbing activities, the permittee shall submit documentation to the Community Development Department demonstrating that they have engaged with the culturally affiliated Tribe(s) to provide cultural monitors and that cultural sensitivity training has been provided to site workers. All ground disturbing activities shall be monitored by qualified tribal monitor(s). Qualified tribal monitor(s) are defined as qualified individual(s) who have experience with identification, collection, and treatment of tribal cultural resources of value to the Tribe(s). Such individuals will include those who:

- a) Possess the desired knowledge, skills, abilities, and experience established by the Native American Heritage Commission (NAHC) through the NAHC's Guidelines for Native American Monitors/ Consultants (2005); or
- b) Members of culturally affiliated Tribe(s) who: (i). Are culturally affiliated with the project area, as determined by the NAHC; and (ii) Have been vetted by tribal officials of the culturally affiliated Tribe(s) as having the desired knowledge, skills, abilities, and experience established by the NAHC's Guidelines for Native American Monitors.

Utilities and Service Systems. Impacts related to utilities and service systems (water supply) would be Less than Significant with Mitigation Measures HYD-1 and HYD-2 incorporated.

Project Approvals

Within a one-mile radius of the proposed project, there are zero pending projects and zero approved projects at this location. Within a three-mile radius, there are no pending projects and three approved projects.

MAJOR USE PERMIT FINDINGS FOR APPROVAL

The Review Authority shall only approve or conditionally approve a Major Use Permit (LCZO Section 51.4, Major Use Permits) if all of the following findings are made:

1. *That the establishment, maintenance, or operation of the use applied for will not under the circumstances of the particular case, be detrimental to the health, safety, morals, comfort and*

general welfare of the persons residing or working in the neighborhood of such proposed use or be detrimental to property and improvements in the neighborhood or the general welfare of the County.

The proposed use of commercial cannabis cultivation is a permitted use in the “A” Agriculture zoning district upon issuance of a Major Use Permit pursuant to Article 27, Sec. 21-27, Sec. 27.11 Table B of the Lake County Zoning Ordinance. The project scope complies with the minimum regulatory requirements set by the local ordinances to address the health, safety, morals, comforts, and general welfare of those working or residing near the proposed use. The project meets or exceeds all required setbacks for this type of use, including distance to nearby sensitive receptors. Prior to the applicant operating or constructing any structure(s), the applicant shall obtain the necessary permits and licenses from the appropriate federal, state, and/or local government agencies. Additionally, the CDD would conduct annual compliance monitoring inspections during the cultivation season to ensure compliance with the County’s ordinances, the approved Property Management Plan, mitigation measures, and Conditions of Approval.

2. *That the site for the project is adequate in size, shape, location, and physical characteristics to accommodate the type of use and level of development proposed.*

The proposal is for 19.6 acres outdoor commercial cannabis canopy area for twenty (20) A-Type 3 “Medium Outdoor” licenses. The Lake County Cannabis Ordinance allows Type 3 cultivation licenses on Agriculture zoned property when the project meets the applicable size and locational criteria and standards. Specifically, the County requires 20 acres per Type 3 cultivation license; the project proposes to utilize four parcels, for a total of 1,627-acres to cultivate 19.6 acres of outdoor canopy within a 34-acre cultivation area. Lastly, the site is relatively flat and has been utilized for agriculture activities since the 1900s.

3. *That the streets, highways and pedestrian facilities are reasonably adequate to safely accommodate the specific proposed use.*

The project site is accessible via Grange Road from Highway 29. Highway 29 is a paved state highway, and Grange Road is a paved county-maintained roadway. Construction activities are expected to result in a minimal increase in traffic, primarily involving small vehicles for construction, maintenance, and regular deliveries on a weekly and/or monthly basis. The cultivation site is situated approximately five miles from Middletown and approximately seven miles from Lower Lake, which are the nearest population centers and likely residential areas for employees.

Up to twenty (20) employees are likely during peak harvest times, with an average of twelve (12) employees working during construction (site preparation), and during non-peak harvest times. A total of two weekly deliveries would result from non-employees. The estimated trips per day for the proposed project are between 12 and 24 during normal operation, and up to 40 trips per day during construction, which is expected to occur over a four-to-six-week period. As discussed further in the Initial Study (Attachment 4), the proposed project would not generate or attract more than 110 trips per day; therefore, it is not expected for the project to have a potentially significant level of vehicle miles traveled (VMT). The applicant proposes interior roadway improvements in accordance with PRC 4290. Impacts related to CEQA Guidelines section 15064.3. subdivision (b) would be less than significant.

4. *That there are adequate public or private services, including but not limited to fire protection, water supply, sewage disposal, and police protection to serve the project.*

The project site will utilize a permitted onsite groundwater wells and twenty (20) 5,000-gallon water storage tanks for irrigation and fire suppression. The project parcel(s) are served by Pacific Gas & Electric (new connection required), the Lake County Sheriff's Office, the California Board of Forestry and Fire Protection, CAL FIRE, and the South Lake County Fire Protection District. The applicant is required to adhere to all applicable local, state, and federal regulations, mitigation measures, and conditions of approval intended to ensure adequate site. The project was routed to all the affected public and private service providers (including Public Works, Special Districts, Environmental Health, PG&E) for comment and review; no adverse comments were received and there are adequate public utilities and services available to the site.

5. *That the project is in conformance with the applicable provisions and policies of this Code, the General Plan and any approved zoning or land use plan.*

The cultivation of commercial cannabis is a permitted use within the Agriculture zoning district upon securing a Major Use Permit according to Article 27.11 of the Lake County Zoning Ordinance. Additionally, although the Lake County General Plan does not have any provisions specifically for commercial cannabis, both the General Plan and the Middletown Area Plan have provisions for economic development, water resources, cultural resources, agricultural resources, and land use compatibility. The proposed cultivation area is not located within a Cannabis Exclusion Zone and complies with the minimum setbacks and development standards. See Project Analysis section of this Staff Report for a detailed discussion of the consistency with the General Plan and Zoning Code.

6. *That no violation of Chapters 5, 17, 21, 23 or 26 of the Lake County Code currently exists on the property, unless the purpose of the permit is to correct the violation, or the permit relates to a portion of the property which is sufficiently separate and apart from the portion of the property in violation so as not to be affected by the violation from a public health, safety or general welfare basis.*

There are no known violations of Chapters 5, 17, 21, 23, or 26 of the Lake County Code on the project property.

7. *The proposed use complies with all development standards described in Chapter 21, Article 27, Section 1.i.*

As described in the Zoning Ordinance Consistency section of this Staff Report, the project meets all Development Standards, General Requirements and Restrictions as specified within Article 27.11(at) of the Lake County Zoning Ordinance.

8. *The applicant is qualified to make the application described in Chapter 21, Article 27, Section 1.ii.(g).*

The applicant has passed a 'live scan' background check and is qualified to undertake a commercial cannabis cultivation activity subject to approval of this use permit. All employees of this project will also be required to pass a 'live scan' background check. The application complies with the qualifications for a permit described in Chapter 21, Article 27, Section 1.ii.(i).

RECOMMENDATIONS

Staff recommends the Planning Commission take the following actions:

A. Adopt Mitigated Negative Declaration (IS 21-16) for Major Use Permit PL-25-13 (UP 21-15) with the following findings:

1. Potential environmental impacts related to Aesthetics can be mitigated to less than significant levels with the inclusion of mitigation measures AES-1 through AES-2.
2. Potential environmental impacts related to Air Quality can be mitigated to less than significant levels with the inclusion of mitigation measures AQ-1 through AQ-6.
3. Potential environmental impacts related to Biological Resources can be mitigated to less than significant levels with the inclusion of mitigation measures BIO-1 through BIO-5.
4. Potential environmental impacts related to Cultural Resources can be mitigated to less than significant levels with the inclusion of mitigation measures CUL-1 through CUL-2.
5. Potential environmental impacts related to Hazards and Hazardous Materials can be mitigated to less than significant levels with the inclusion of mitigation measures HAZ-1 through HAZ-8.
6. Potential environmental impacts related to Hydrology can be mitigated to less than significant levels with the inclusion of mitigation measures BIO-1 through BIO-3, HAZ-1 through HAZ-8, and HYD-1 through HYD-2.
7. Potential environmental impacts related to Noise can be mitigated to less than significant levels with the inclusion of mitigation measures NOI-1 through NOI-2.
8. Potential environmental impacts related to Tribal Cultural Resources can be mitigated to less than significant levels with the inclusion of mitigation measures CUL-1 through CUL-2, and TCR-1.
9. Potential environmental impacts related to Utilities can be mitigated to less than significant levels with the inclusion of mitigation measures HYD-1 and HYD-2.

B. Approve Major Use Permit (UP 21-15) with the following findings:

1. That the establishment, maintenance, or operation of the use applied for will not under the circumstances, be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use or be detrimental to property and improvements in the neighborhood or the general welfare of the County.
2. The site is adequate in size, shape, locations, and physical characteristics to accommodate the type of use and level of development proposed.
3. The streets, highways and pedestrian facilities are reasonably adequate to safely accommodate the proposed use.
4. There are adequate services to serve the project.

5. This project is consistent with the Lake County General Plan, Middletown Area Plan, and Lake County Zoning Ordinance.
6. No violation of Chapter 5, 17, 21, 23 or 26 of the Lake County Code currently exists on this property, with a condition of approval implemented.
7. The proposed use complies with all development standards described in Chapter 21, Article 27, Section 1.i.
8. The applicant is qualified to make the application described in Chapter 21, Article 27, Section 1.ii.(g).
9. The application complies with the qualifications for a permit described in Chapter 21, Article 27, Section 1.ii.(i).

Sample Motions:

Mitigated Negative Declaration (IS 21-16)

I move that the Planning Commission find that potential impacts associated with this project can be mitigated to 'less than significant' through the implementation of the Mitigated Negative Declaration (IS 21-16), prepared for Major Use Permit (UP 21-15), for commercial cannabis cultivation, located at 19955 Grange Road, Middletown (APNs 014-290-08; 014-300-02, 03, & 04), will not have a significant effect on the environment, and that the Planning Commission adopt Initial Study (IS 21-16) with the findings listed in the staff report dated December 11, 2025.

Major Use Permit PL-25-13 (UP 21-15)

I move that the Planning Commission find that the Major Use Permit PL-25-13 (UP 21-15) applied for by Rancho Lake, LLC, for the property located at 19955 Grange Road, Middletown (APNs 014-290-08; 014-300-02, 03, & 04) does meet the requirements of Section 51.4 and Article 27 of the Lake County Zoning Ordinance and that the Major Use Permit be granted based on the findings and subject to the conditions included in the staff report dated December 11, 2025.

***NOTE:** The applicant or any interested person is reminded that the Zoning Ordinance provides for a seven (7) calendar day appeal period. If there is a disagreement with the Planning Commission, an appeal to the Board of Supervisors may be filed. The appropriate forms and applicable fee must be submitted prior to 5:00 p.m. on or before the seventh day following the Planning Commission's decision on this matter.*