

AGENDA

REGULAR MEETING OF THE PLANNING COMMISSION TUESDAY, SEPTEMBER 6, 2016 6:00 P.M.

LOCATION: CITY HALL, COUNCIL CHAMBERS
212 S. Vanderhurst Avenue, King City, CA

1. CALL TO ORDER

2. ROLL CALL:

**Planning Commission Members: Michael Barbree, Margaret Raschella,
Ralph Lee, Vice Chairperson David Mendez, and Chairperson David Nuck**

3. FLAG SALUTE

4. PUBLIC COMMENTS

Any person may comment on any item not on the agenda. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD. Action may not be taken on the topic, unless deemed an urgency matter by a majority vote of the Planning Commission. Topics not considered an urgency matter might be referred to City staff and placed on a future agenda, by a majority vote of the Planning Commission.

5. PRESENTATIONS

None

6. CONSENT AGENDA

All matters listed under the Consent Agenda are considered routine and may be approved by one action of the Planning Commission, unless any member of the Planning Commission wishes to remove an item for separate consideration.

- a. Approval of Minutes: August 16, 2016**

7. PUBLIC HEARINGS

- a. Project:** Conditional Use Permit ("**CUP**"), Architectural Review ("**AR**") and Variance ("**VAR**") to permit agricultural employee housing for 216 agricultural employees located at 218 North First Street.

Case No.: CUP 2016-001, AR 2016-001, VAR 2016-001

Applicant: David Gill, Rio Farms and Steve Scaroni, SFCOS

Proposal: The proposal is to convert a portion of a former tomato processing facility located at 218 North First Street into temporary agricultural employee housing for H2A VISA Agricultural Employee Housing Program. The proposed remodel of the interior of the former Meyer Building will upgrade the building to include sleeping area, dining area, a manager's apartment, bathrooms, bus loading/unloading area, parking for visitors and employees and a small outdoor recreation area. The property is designated General Commercial on the General Plan and First Street Corridor ("**FSC**") zoning district.

Public hearing on CUP/AR/VAR was continued from March 1, 2016 to April 19, 2016 to May 17, 2016 to June 7, 2016.

Location: 218 N. First Street, King City, CA 93930

Environmental

Determination: Mitigated Negative Declaration approved by Planning Commission on March 1, 2016.

Recommendation: Continue CUP Case No. 2016-001, AR Case No. 2016-001 and VAR Case No. 2016-001 to the **September 20, 2016** Planning Commission meeting.

b. Project: Repealing and Replacing Chapter 17.03 Title 17, Zoning of the City of King Municipal Code to Allow the Establishment, Operation and Regulation of Commercial Cannabis Business to include expanded Cultivation; Nurseries; Manufacturing; and, Testing of Medical Cannabis and Medical Cannabis Products

Amending the East Ranch Business Park Specific Plan to allow the location and operation Commercial Cannabis Business to include expanded Cultivation; Nurseries; Manufacturing; and, Testing of Medical Cannabis and Medical Cannabis Products

Case No.: Zoning Code Amendment Case No. **ZC 2016-003**
Specific Plan Amendment Case No. **SPA 2016-001**

Applicant: City of King

Project Title: Discussion and review of Medical Cannabis Regulatory Ordinance (City of King Ordinance 2016-728) to allow for cultivation, nurseries, manufacturing and testing.

Location: **ZC 2016-003 (Ord 2016-728)** will impact all areas of City lying within the M-1, M-2 and M-3 Zoning Districts and within the East Ranch Business Park Specific Plan.

Project Description: Establishment, Regulation and Operation of Medical Cannabis Businesses

The proposed Regulatory Ordinance will allow and regulate the operation of Commercial Cannabis businesses. This Code Amendment will allow for the expanded commercial cultivation of cannabis and add nurseries, testing and manufacture of medical cannabis products. All other commercial or personal cannabis activity, including but not limited to cultivation, other than allowed by the ordinance, delivery, dispensary, distribution, or transporting (other than to transport cultivated product outside of the jurisdictional boundaries of the City) remains prohibited.

Project Title: 2016-001 Amendment to the East Ranch Business Park Specific Plan ("ERBP-SP").

Location: The ERBP-SP is located in the northeast portion of the city, near the airport and bordered by Metz Road, Bitterwater Road, and Airport Drive with San Antonio Drive dissecting the Project area.

Project Description: Amendment to allow Location and Operation of Medical Cannabis Businesses

The Amendment will amend pertinent provisions of the ERBP-SP, including but not limited to the Development Standards, to allow for expanded commercial cultivation of Marijuana (on a large scale basis),

and the addition of nurseries, testing and manufacture of medical cannabis products. All other commercial or personal cannabis activity, other than transporting the cultivated product out of the City of King to other state licensed entities, shall be prohibited and banned. This ordinance will not change any other provisions of the ERBP-SP other than those enumerated herein.

Environmental

Determination: Proposed Mitigated Negative Declaration. The period within which comments will be received from the public will be during the Public Review Period which runs from **August 17, 2016 to September 17, 2016.**

Recommendation: Staff recommends that Planning Commission

- 1) review proposed Ordinances and Environmental Document,
- 2) receive public comment
- 3) provide recommendation to the City Council regarding Ordinances that would amend the scope of allowed Medical Cannabis Cultivation and related uses in the City
- 4) provide recommendation to the City Council Regarding the related Environmental Document (MND)

8. REGULAR BUSINESS

None

9. PLANNING COMMISSIONER REPORTS

10. DIRECTOR'S REPORT

11. WRITTEN CORRESPONDENCE

12. ADJOURNMENT

NOTES

WRITTEN MATERIAL: Any writing or document pertaining to an open session item on this agenda which is distributed to a majority of the Planning Commission after the posting of this agenda will be available for public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the Community Development Department, 212 S. Vanderhurst Avenue, King City, Ca, during normal business hours, and may be posted on the City's website identified above.

AGENDA ITEM SPEAKING TIME: The Planning Commission may limit persons speaking on an agenda item to three (3) minutes per item.

AMERICANS WITH DISABILITIES ACT: Any individual, who because of a disability needs special assistance to attend or participate in this meeting, may request assistance by contacting the City Clerk's Office (831) 385.3281. Whenever possible, requests should be made four (4) working days in advance of the meeting

UPCOMING REGULAR MEETINGS

<u>AUGUST 2016</u>		
August 2nd	6:00 p.m.	Planning Commission
August 8th	6:00 p.m.	Airport Advisory Committee
August 9th	6:00 p.m.	City Council
August 16 th	6:00 p.m.	Planning Commission
August 23 rd	6:00 p.m.	City Council

<u>SEPTEMBER</u>		
September 6 th	6:00 p.m.	Planning Commission
September 12 th	6:00 p.m.	Airport Advisory Committee
September 13 th	6:00 p.m.	City Council
September 20 th	6:00 p.m.	Planning Commission
September 27 th	6:00 p.m.	City Council

THE CITY OF KING GLOSSARY

ADT: Average daily trips made by vehicles or persons in a 24-hour period

ALUC: Airport Land Use Commission

AMBAG: The Association of Monterey Bay Area Governments. The AMBAG region includes Monterey, San Benito and Santa Cruz Counties, and serves as both a federally designated Metropolitan Planning Organization and Council of Government. AMBAG manages the region's transportation demand model and prepares regional housing, population and employment forecast that are utilized in a variety of regional plans.

APCD: Air Pollution Control District

BMP: Best Management Practice, Bike Master Plan

CAP: Climate Action Plan

CC&Rs: Covenants, Conditions, and Restrictions (private agreements among property owners; the City has no authority to enforce these)

CDBG: Community Development Block Grant (a federal grant program designed to benefit low and moderate income persons)

CEQA: California Environmental Quality Act

CFD: Community Facilities District

COG: A council of government, or regional council, is a public organization encompassing a multi-jurisdictional regional community. It serves the local governments by dealing with issues that cross political boundaries.

CUP: Conditional Use Permit

EIR: Environmental Impact Report

Ex-Parte: Communication between Planning Commissioners and applicants outside of a public meeting

FEMA: Federal Emergency Management Agency

GHG: Greenhouse gas

HOME: Home Investment Partnership Act (a federal program to assist housing for low and moderate income households)

HCP: Habitat Conservation Plan

HCD: State Department of Housing & Community Development

HUD: U.S. Department of Housing and Urban Development

LAFCO: Local Agency Formation Commission

LID: Low Impact Development (measures to reduce rainwater runoff impacts)

LLA: Landscaping and Lighting District

LOS: Level of Service (a measurement of traffic efficiency used by Caltrans)

MMTC: A multimodal transit center includes a combination of alternative modes of transportation so people do not have to only rely on vehicles.

MOU: Memorandum of Understanding

MND: Mitigated Negative Declaration

MPO: A metropolitan planning organization is a federally mandated and federally funded transportation policy-making organization, such as AMBAG, that is made up of representatives from local government to help implement transportation projects and projects.

Neg Dec: Negative Declaration (a CEQA statement that a project will not have a significant effect on the environment)

NEPA: National Environmental Policy Act

SOI: Sphere of Influence.

TAMC: The Transportation Agency for Monterey County develops and maintains a multimodal transportation system for Monterey County. TAMC consists of local officials from each Monterey city (12 cities) and five (5) county supervisorial districts, and ex-officio members from six (6) public agencies.

TOT: Transient Occupancy Tax

Variance: A form of relief from zoning development regulations based on physical constraints of a property that prevents development of the same type of buildings allowed on other properties within the same zone and in the same neighborhood

VMT: Vehicle Miles Traveled

Planning Commission Minutes

August 16, 2016

1. Call to Order

Chairperson Nuck called the regular meeting of the Planning Commission of the City of King to order at 6:00 p.m.

2. Roll Call

Chairperson David Nuck X Vice Chair David Mendez A

Michael Barbree X Margaret Raschella X Ralph Lee X

Commissioner Barbree made a motion to excuse Commissioner Mendez, Seconded by Commissioner Rashella.

Staff present: Doreen Liberto-Blanck Community Development Director and Scott Bruce, Principal Planner

3. Pledge of Allegiance

Chairperson Nuck led the Commission and audience in the Pledge of Allegiance.

4. Public Comments

None

5. Presentations

None

6. Consent Calendar

All matters listed on the Consent Calendar are considered routine and may be approved by one action of the Planning Commission, unless any member of the Planning Commission wishes to remove an item for separate consideration.

- a. **Approval of Minutes:** August 2, 2016

Action: Motion made by Commissioner Barbree to approve minutes of July 19, 2016. Seconded by Commissioner Lee. Motion carried 4-0.

7. Public Hearing Items

- a. **Project:** Conditional Use Permit ("**CUP**"), Architectural Review ("**AR**") and Variance ("**VAR**") to permit agricultural employee housing for 216 agricultural employees located at 218 North First Street.

Case No.: CUP 2016-001, AR 2016-001, VAR 2016-001

Applicant: David Gill, Rio Farms and Steve Scaroni, SFCOS

Proposal: The proposal is to convert a portion of a former tomato processing facility located at 218 North First Street into temporary agricultural employee housing for H2A VISA Agricultural Employee Housing Program. The proposed remodel of the interior of the former Meyer Building will upgrade the building to include sleeping area, dining area, a manager's apartment, bathrooms, bus loading/unloading area, parking for visitors and employees and a small outdoor recreation area. The property is designated General Commercial on the General Plan and First Street Corridor ("**FSC**") zoning district.

Public hearing on CUP/AR/VAR was continued from March 1, 2016 to April 19, 2016 to May 17, 2016 to June 7, 2016.

Location: 218 N. First Street, King City, CA 93930

Environmental Determination: Mitigated Negative Declaration approved by Planning Commission on March 1, 2016.

Recommendation: Continue CUP Case No. 2016-001, AR Case No. 2016-001 and VAR Case No. 2016-001 to the August 16, 2016 Planning Commission meeting.

Community Development Director, Doreen Liberto-Blanck presented this item.

Action: Motion made by Commissioner Lee to **CONTINUE** the public hearing of CUP2016-001, AR2016-001, VAR2016-001, to the **September 6, 2016** Planning Commission meeting. Seconded by Commissioner Rascella. Motion carried 4-0.

b. Project: Parcel Map ("PM")

Case No.: PM2016-001

Applicant: Smith-Monterey

Proposal: Meyer Lot Split Parcel Map Application

Location: 218 No. First St., King City CA. 93930

Recommendation: Staff recommends the Planning Commission **ADOPT** the attached resolution which approves the tentative parcel map.

Community Development Director, Doreen Liberto-Blanck presented this item.

Commissioner Barbree asked about the right-of-way for Bassett St. John Baucke Smith Monterey stated that it would be for the Multi-modal station entrance/exit.

Mr. Baucke went through the project stating that they support the recommendation of approval. Mr. Baucke passed out a picture with an arrow showing the location and an updated map.

Chair Nuck opened the public hearing seeing no one come forward closed the public hearing.

Action: Motion made by Commissioner Barbree to **ADOPT** the attached resolution which approves the tentative parcel map with the amended conditions of approval.. Seconded by Commissioner Raschella. Motion carried 4-0.

c. Project: Repealing and Replacing Chapter 17.03 Title 17, Zoning of the City of King Municipal Code to Allow the Establishment, Operation and Regulation of Commercial Cannabis Business to include expanded Cultivation; Nurseries; Manufacturing; and, Testing of Medical Cannabis and Medical Cannabis Products

Amending the East Ranch Business Park Specific Plan to allow the location and operation Commercial Cannabis Business to include expanded Cultivation; Nurseries; Manufacturing; and, Testing of Medical Cannabis and Medical Cannabis Products

Case No.: Zoning Code Amendment Case No. **ZC 2016-003**

Specific Plan Amendment Case No. **SPA 2016-001**

Applicant: City of King

Project Title: Discussion and review of Medical Cannabis Regulatory Ordinance (City of King Ordinance 2016-728) to allow for cultivation, nurseries, manufacturing and testing.

Location: **ZC 2016-003 (Ord 2016-728)** will impact all areas of City lying within the M-1, M-2 and M-3 Zoning Districts and within the East Ranch Business Park Specific Plan.

Project Description: Establishment, Regulation and Operation of Medical Cannabis Businesses

The proposed Regulatory Ordinance will allow and regulate the operation of Commercial Cannabis businesses. This Code Amendment will allow for the expanded commercial cultivation of cannabis and add nurseries, testing and manufacture of medical cannabis products. All other commercial or personal cannabis activity, including but not limited to cultivation, other than allowed by the ordinance, delivery, dispensary, distribution, or transporting (other than to transport cultivated product outside of the jurisdictional boundaries of the City) remains prohibited.

Project Title: Continuation of 2016-001 Amendment to the East Ranch Business Park Specific Plan ("ERBP-SP").

Location: The ERBP-SP is located in the northeast portion of the city, near the airport and bordered by Metz Road, Bitterwater Road, and Airport Drive with San Antonio Drive dissecting the Project area.

Project Description: Amendment to allow Location and Operation of Medical Cannabis Businesses

The Amendment will amend pertinent provisions of the ERBP-SP, including but not limited to the Development Standards, to allow for expanded commercial cultivation of Marijuana (on a large scale basis), and the addition of nurseries, testing and manufacture of medical cannabis products. All other commercial or personal cannabis activity, other than transporting the cultivated product out of the City of King to other state licensed entities, shall be prohibited and banned. This ordinance will not change any other provisions of the ERBP-SP other than those enumerated herein.

Environmental

Determination: Proposed Mitigated Negative Declaration. The period within which comments will be received from the public will be during the Public Review Period which runs from **August 17, 2016 to September 17, 2016.**

Recommendation: ZC 2016-003: Receive comment from staff and public. Provide comment to be transmitted to City Council

SPA 2016-001: Continue until regularly scheduled hearing of September 6, 2016.

IS/MND: Continue until regularly scheduled hearing of September 6, 2016

Principal Planner, Scott Bruce presented this item going through his power point.

INFORMATION SESSION

- CONTINUE SECTION 17.03 AMENDMENT and ERBPSP AMENDMENT. ALSO CONTINUE IS / MND CONSIDERATION
- INTRODUCE PROPOSED EFFORT
- DEFINE PROPOSED AMENDMENTS and PROPOSED SCHEDULE
- DEFINE "PROJECT" and ANTICIPATED IMPACTS
- PROVIDE PLANNING COMMISSION COMMENT
- DISCUSSION

EXISTING CODE

- JANUARY 2016 CODE AMENDMENT: ALLOWED TYPES 2A and 3A (plant canopy of up to 10,000 or 22,000 sf using all artificial light)

Principal Planner Bruce went over the 600ft. zoning map.

Commissioner Barbree asked if the County's thinking about taking any position in their zoning. Staff stated they have not heard anything.

EXISTING LAND AREA

- EAST RANCH BUSINESS PARK = 107 AC
- M-1 DISTRICT = 20 AC
- M-2 DISTRICT (adjacent to ERBP) = 40 AC
- M-2 DISTRICT (First Street/Lonoak) = 20 AC

CURRENT EFFORT: Allow Expanded Uses

- ADD USE TYPES:
 - MIXED LIGHT CULTIVATION
 - NURSERIES
 - MANUFACTURING
 - TESTING
 - AMEND CODE:
 - SECTION 17.03 (Regulatory)
 - SECTIONS 17.30.020, 17.31.020 (M-1 and M-2)

Commissioner Barbree commented about 17.03 it will currently not violate Federal law and Federal law doesn't allow growing marijuana. Staff stated there is a conflict however State regulates currently.

● EAST RANCH BUSINESS PARK SPECIFIC PLAN

CODE AMENDMENTS: To Expand Uses

- SECTION 17.03: Defines, Allows, Regulates
- ERBP SPA: Allows Uses in ERBP
- SECTION 17.30.020: Allows Uses in M- 1
- SECTION 17.31.020: Allows Uses in M-2
- A separate Conditional Use Permit (CUP) "Checklist" is being developed and will be Codified

PROPOSED AMENDMENT(S): Specific Uses

- CODE AMENDMENT(S) WOULD ALLOW:
 - Type 2B (10,000 sf canopy with mixed light)
 - Type 3B (22,000 sf canopy with mixed light)
 - Type 4 (Nursery up to 25,000 sf growing area)

- Type 6 (Manufacturing)
- Type 8 (Testing)

PROPOSED AMENDMENT(S): Estimated Development

- **MAXIMUM CANOPY AREA 1,350,000 (Section 17.03.230)**
- **ESTIMATED USE BY TYPE (for environmental review)**
 - 4 Type 2A Buildings Cultivation
 - 13 Type 2B Buildings Cultivation
 - 8 Type 3A Buildings Cultivation
 - 34 Type 3B Buildings Cultivation
 - 10 Type 4 Buildings Nursery
 - 6 Type 6 Buildings Manufacturing
 - 2 Type 8 Buildings Testing

ESTIMATING DEVELOPMENT IMPACTS

- **METHOD: ESTIMATED BY COMBINING INFORMATION FROM POTENTIAL APPLICANTS and FROM STAFF RESEARCH**
- **MAXIMUM ULTIMATE PROJECT: 1,350,000 sf of CANOPY AREA**
- **PRIMARY ANTICIPATED IMPACTS FROM CULTIVATION: WATER, POWER, WASTEWATER and TRAFFIC**
- **MANUFACTURING AND TESTING: MINIMAL IMPACTS**

ENVIRONMENTAL REVIEW

- **IS / MND PREPARED BASED ON THE ESTIMATES**
- **CAL WATER, PG&E, PW and TRAFFIC ENGINEER CONTACTED**
- **ADDITIONAL ENVIRONMENTAL REVIEW WILL BE NEEDED ON A PROJECT BY PROJECT BASIS (particularly to evaluate water and power use)**

CODE AMENDMENT SCHEDULE

- **August 16: Planning Commission Information Session (Complete)**
- **August 23: City Council Information Session**
- **September 06: Planning Commission Action (Sections 17.03, 17.30.020; 17.31.020; ERBP SPA; IS/MND)**
- **September 13: City Council First Reading**
- **September 27: City Council Second Reading**

CODE WILL ALLOW AND REGULATE ADDITIONAL MEDICAL CANNABIS RELATED USES

MND AVAILABLE FOR PUBLIC REVIEW

DRAFT REGULATORY and LAND CODE AMENDMENTS IN FINAL STAFF REVIEW

PLANNING COMMISSION TO MEET ON SEPTEMBER 06

CONTINUE: Ordinance 2016-728 (Section 17.03; ERBPSPA; Action re: IS / MND

FOUR QUESTIONS

- PROXIMITY TO SENSITIVE USES
- LIMITS ON MANUFACTURING LICENSES
- CANNABIS EXTRACTION and MANUFACTURING (alcohol use)
- COMPRESSED GAS (CO2)

Chair Nuck opened the public hearing.

Brandon Gesicki, spoke favorably of the City staff and commented on the 600ft. and feels it will not be an issue. Chair Nuck thought there was a church out in the Industrial Zone. Commissioner Barbree stated it moved. Mr. Gesicki felt that the limit of 6 licenses on manufacturing is more than enough. Cannabis and extraction Mr. Gesicki explained that they use food grade alcohol for cleaning and taking wax off of machines. Compressed gas, 8 tanks at 150 pounds on a pallet that never moves is great for the manufacturing.

Chair Nuck asked about the Co2 amount. Mr. Gesicki stated that it is used to extract oils.

Commissioner Barbree asked about the temperature. Mr. Gesicki stated 50 degrees.

Commissioner Barbree asked about the water and asked if on site wells had been considered. Mr. Bruce stated wells may be looked at a later date.

Commissioner Barbree asked about transporting. Mr. Gesicki stated that they would use a vehicle about the size of a Tahoe that is driven by a security person. They are focused on the medical part.

Chair Nuck asked about the waste product. Mr. Gesicki stated that it is used in the manufacturing and not much waste. They use every bit of plant and turn it into something else.

Commissioner Lee is a concern that the people in the community will want to raise cannabis in their back yard. He feels there is going to be a need for real policing. Mr. Gesicki feels that having standards in place gives the law enforcement more teeth to police it.

Commissioner Barbree wanted to know if there has been a thought of branding for King City. Mr. Gesicki stated that the science behind tissue culture nursery company in Canada is looking to put a scientific facility here. Doctors and others want to do testing here in King City. Commissioner Barbree wanted to know if there were any edibles and Mr. Gesicki stated yes.

The limit on manufacturing, Commissioner Barbree commented on the limit of 6 licenses felt it was good. He wanted to know about manufactures having multiple permits and Mr. Bruce stated that they can have multiple permits.

Chair Nuck closed the public hearing.

Action: Motion made by Commissioner Barbree to *Continue ZC 2016-003. SPA 2016-001 until regularly scheduled hearing of September 6, 2016. and Continue IS/MND until regularly scheduled hearing of September 6, 2016.* Seconded by Commissioner Lee. Motion carried 4-0.

8. Regular Business-

a. Project: Planning Commission Interpretation

Case No.: PCI2016-002

Applicant: MARIO BUTKOVIC

Proposal: Rezone

Location: 215 Jayne St., King City CA. 93930

Recommendation: Staff recommends that the Planning Commission determine that the proposed use is not consistent with the current land use designation.

Community Development Director Liberto-Blanck introduced this item.

Mario Butkovic spoke to the planning commission that he feels that small businesses are getting pushed out and they have nowhere to go.

Community Development Director Liberto-Blanck stated that the City Manager is looking for property in the industrial park. Mr. Butkovic stated that this are undeveloped land which does not do any good.

John Baulke stated that property where Mr. Butkovic wants an interpretation is a piece of the Downtown Addition specific plan.

Chair Nuck would like staff to work to help find a location for Mr. Butkovic. Community Development Director stated that they would. She suggested that the applicant speak to the City Manager. Erica Sonne, Admin.Asst./Deputy City Clerk will set up a meeting for Mr. Butkovic.

Action: Motion made by Commissioner Barbree to determine that the proposed use is not consistent with the current land use designation and to direct staff to work with the applicant to find a location for his business. Seconded by Commissioner Raschella. Motion carried 3-1 (Commissioner Lee)

Rob Vera, President of King City Cultivation, spoke on giving notice to tenants, he is not aware of anyone getting kicked out. They are trying to be careful to not upset anybody. As far as he knows everyone has found a home. He does not want to leave anyone without a business.

9. Planning Commission Report –

10. Director Reports-

11. Written Correspondence– None

12. Adjournment

There being no more business, the Planning Commission meeting was adjourned at 7:44 p.m.

David Nuck
Planning Commission Chairperson
City of King

Erica Sonne
Planning Commission Secretary
City of King

DATE: SEPTEMBER 6, 2016
TO: PLANNING COMMISSION
FROM: DOREEN LIBERTO-BLANCK, AICP, COMMUNITY DEVELOPMENT DIRECTOR
RE: SGH Holding LLC CUP Case No. 2016-001, AR Case No. 2016-001 and VAR Case No. 2016-001 (218 North First Street)

RECOMMENDATION:

Continue CUP Case No. 2016-001, AR Case No. 2016-001 and VAR Case No. 2016-001 to the **September 20, 2016** Planning Commission meeting.

BACKGROUND

218 North First Street is now owned by SGH Holdings, LLC ("**Applicant**"). The applicant proposes to convert a portion of the Meyer Building to temporary agricultural employee housing using the H2-A Visa Housing Program. The gross area of the remodel is approximately 36,700 square feet of an 84,000 square foot building, including the sleeping area with 214 beds, dining area and caretaker's apartment. With the property owner's approval, Smith-Monterey, LLC submitted a tentative parcel map ("**TPM**") to split 218 North First Street into two (2) parcels. The proposed division line between the two (2) parcels is located at the specific surveyed location of the change from the old warehouse building to the newer warehouse building to the east. The 3.2-acre lot is proposed to be comprised of a 2.2-acre parcel (Parcel 1) and 1.0-acre parcel (Parcel 2). The purpose for the TPM is to create a lot (Parcel 2) that includes the future right-of-way for the Broadway Street extension. Parcel 1 is the location of the proposed agricultural employee housing project (CUP Case No. 2016-001). The 1-acre parcel (Parcel 2) contains the clockTower and future right-of-way for the Broadway Street extension. Smith-Monterey, LLC is negotiating with SGH Holdings, LLC, the property owner, to purchase Parcel 2 if the TPM is approved and recorded. City staff, SCH Holdings, LLC and Smith-Monterey, LLC are collaborating on a memorandum of understanding ("**MOU**") regarding the Broadway Street extension. The MOU should be approved by the City Council before consideration of the SHG, Holdings LLC project. The applicant is in agreement. The MOU is schedule to be on the September 13, 2016 City Council agenda for consideration.

CUP Case No. 2016-001, AR Case No. 2016-001 and VAR Case No. 2016-001 are closely related to the TPM. The City, SGH Holdings, LLC and Smith-Monterey, LLC are discussing the best mechanism to obtain the Broadway Street extension right-of-way. This issue must be finalized before approving either the TPM or CUP/AR/VAR applications.



Item No. 7 (b)

REPORT TO THE PLANNING COMMISSION

DATE: SEPTEMBER 06, 2016

TO: HONORABLE CHAIR AND MEMBERS OF THE PLANNING COMMISSION

**FROM: DOREEN LIBERTO BLANCK, COMMUNITY DEVELOPMENT DIRECTOR;
MARTIN D. KOCZANOWICZ, CITY ATTORNEY**

BY: SCOTT BRUCE, PRINCIPAL PLANNER

**RE: RECOMMENDATION TO THE CITY COUNCIL RE: AMENDING THE KING
CITY MUNICIPAL CODE - REPEALING AND REPLACING SECTION 17.03;
AMENDING SECTIONS 17.30.020 AND 17.31.020; AMENDING THE EAST
RANCH BUSINESS PARK SPECIFIC PLAN; ADOPTION OF RELATED
ENVIRONMENTAL DOCUMENT**

RECOMMENDATION:

Staff recommends that Planning Commission 1) review proposed Ordinances and Environmental Document, 2) receive public comment 3) provide recommendation to the City Council regarding Ordinances that would amend the scope of allowed Medical Cannabis Cultivation and related uses in the City 4) provide recommendation to the City Council Regarding the related Environmental Document (MND).

Draft Final Ordinances have been attached for your use. Staff will provide Final Ordinances prior to your Tuesday hearing.

BACKGROUND:

Newly adopted State Law created the Medical Marijuana Regulation and Safety Act, which put into effect a State regulatory structure for cultivation, distribution, manufacturing and transportation of medical cannabis.

On **January 26, 2016**, the City Council ("**Council**") adopted revisions to the Municipal Code, which allowed indoor Medical Cannabis Cultivation under artificial light. The Council also considered and adopted the Mitigated Negative Declaration ("**MND**") related to the project.

As noted above, the existing Municipal Code limits allowed indoor cultivation to the use of artificial light. The current repeal and replacement of Title 17, Section 17.03 would

guide and direct the review, oversight and approval of additional indoor cultivation uses, nurseries, manufacturing and testing. It would also provide specific definition and regulation of Medical Cannabis related operations.

Amendment to Title 17, Section 17.03 defines and regulates the Medical Cannabis related uses that are to be allowed in the City; it does not specifically delineate those additional uses and / or the areas of the City where those uses can be located. Currently, the ERBP and the M-1, M-2 Districts allow indoor cultivation under artificial light.

Amendment to Title 17, Sections 17.30.020 and 17.31.020 and the ERBP Specific Plan will allow the additional land uses / licenses in the M-1 and M-2 Districts and the ERBP.

DISCUSSION:

As noted above, Ordinance 2016 - 728 repealing and replacing Section 17.03 (Regulatory Ordinance) will define, regulate and direct the establishment, approval and monitoring of allowed Medical Cannabis uses in the City. This Ordinance does not identify specifically allowed uses in the City or identify their allowed locations. An annual permit and fee would be required, which would be used to cover the cost of annual inspections.

Since the last meeting, new State regulations have been proposed. As a result, staff has added language that would require cultivation facilities to be at least 600 feet from schools in order to be consistent with anticipated State restrictions.

Ordinance 2016 - 729 amends Sections 17.30.020 and 17.31.020, adding allowed Medical Cannabis related uses to the M-1 and M-2 Districts. The M-3 District is included by virtue of the fact that all uses allowed in the M-1 and M-2 Districts are allowed in the M-3 District.

Ordinance 2016 - 730 amends the ERBP Specific Plan, adding allowed Medical Cannabis related uses in the ERBP.

The IS / MND assesses the potential environmental impacts and identifies appropriate mitigation measures associated with the proposed (expanded) commercial cultivation, manufacturing and testing of Medical Cannabis in the M-1, M-2, M-3 and East Ranch Business Park portions of the City.

The State of California, as part of AB 243, AB 266 and SB 643, has defined certain Types of "Licenses". The City's Municipal Code currently allows:

- Type 2A: Indoor cultivation with all artificial light from 0 to 10,000 square feet of plant canopy
- Type 3A: Indoor cultivation with all artificial light from 10,001 to 22,000 square feet of plant canopy

**PLANNING COMMISSION
CONSIDERATION OF MEDICAL CANNABIS REGULATIONS
SEPTEMBER 6, 2016
PAGE 3 OF 4**

Ultimately, the Amendments to the City Code will expand allowed uses in the ERBP and the M-1, M-2 Districts to add / include:

- Type 2B: Indoor cultivation with all artificial light from 0 to 10,000 square feet of plant canopy
- Type 3B: Indoor cultivation with all artificial light from 10,001 to 22,000 square feet of plant canopy
- Type 4: Nurseries (the City anticipates limiting this use to a maximum 25,000 sf of plant growth area).
- Type 6: Manufacturing (Level 1)
- Type 8: Testing

The Ordinance also includes a total restriction on cultivation and nursery facilities up to a maximum of 1,350,000 square feet. Manufacturing licenses are limited to a maximum of 8.

Amendment of the Municipal Code allowing for the cultivation, manufacture and testing of cannabis in the City limits is considered a project under CEQA. An Initial Study (IS) leading to a Mitigated Negative Declaration (MND) was completed and has been available for public review beginning Wednesday August 17.

To prepare the IS, the scope of the potential Medical Cannabis related development was estimated based on best information available from Staff research and comment by potential applicants. Based on the findings of the IS an MND was prepared.

The MND evaluated impacts based upon the estimated potential impacts of the proposed additional uses. During the preparation of the MND, PG&E, CalWater, Mott MacDonald Traffic Engineers and the City's Public Works Department were consulted.

ALTERNATIVES:

The following alternatives are provided for Commission consideration:

1. Provide recommendations to City Council regarding Ordinances 2016-728, 2016-729 and 2016-730.
2. Provide recommendation to City Council regarding the IS / MND;
3. Provide other direction to staff.

ATTACHMENTS:

1. Ordinance No. 2016 - 728 (Section 17.03, Regulatory Ordinance)
2. Ordinance No. 2016 – 729 (Sections 17.30 and 17.31 (M-1 and M-2 Districts))
3. Ordinance No. 2016 – 730 (East Ranch Business Park Specific Plan Amendment).
4. IS / MND

PLANNING COMMISSION
CONSIDERATION OF MEDICAL CANNABIS REGULATIONS
SEPTEMBER 6, 2016
PAGE 4 OF 4

Submitted by:



SCOTT BRUCE, PRINCIPAL PLANNER

Approved by:



DOREEN LIBERTO-BLANCK, AICP, COMMUNITY DEVELOPMENT
DIRECTOR

ORDINANCE No. 2016-728

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KING REPEALING CHAPTER 17.03, TITLE 17, ZONING, AND REPLACING CHAPTER 17.03, TITLE 17 OF THE CITY OF KING MUNICIPAL CODE TO ALLOW THE ESTABLISHMENT, OPERATION AND REGULATIONS OF COMMERCIAL CANNABIS BUSINESSES FOR THE CULTIVATION, MANUFACTURING, AND TESTING OF MEDICAL MARIJUANA AND MEDICAL MARIJUANA PRODUCTS

WHEREAS, the City of King is a charter city organized pursuant to Article XI of the California Constitution; and

WHEREAS, pursuant to the authority granted the City by Article XI, Section 7 of the California Constitution, the City has the police power to adopt regulations designed to promote the public convenience or the general prosperity, as well as regulations designed to promote the public health, the public morals or public safety; and

WHEREAS, comprehensive zoning regulations and regulations upon the use of land and property lie within the City's police power; and

WHEREAS, the Federal Controlled Substances Act, 21 U.S.C. Sections 801 et seq. classifies marijuana as a Schedule 1 Drug and makes it unlawful, under federal law, for any person to cultivate, manufacture, distribute, dispense, or possess with intent to manufacture, distribute or dispense, marijuana; and

WHEREAS, the Federal Controlled Substances Act contains no exemption for the cultivation, manufacture, distribution, dispensation or possession of marijuana for medicinal purposes; and

WHEREAS, notwithstanding federal law, in 1996, the voters of the State of California approved Proposition 215 (codified as California Health and Safety Code Section 11362.5 and titled the "Compassionate Use Act of 1996"), the intent of Proposition 215 being to enable persons who are in need of marijuana for medical purposes to be able to obtain and use it without fear of state criminal prosecution under limited, specified circumstances; and

WHEREAS, in 2004, Senate Bill 420 was enacted (codified as California Health and Safety Code Section 11362.7 et seq. and titled the "Medical Marijuana Program Act" to clarify the scope of the Compassionate Use Act of 1996 ("CUA"); and

WHEREAS, the Medical Marijuana Program Act ("MMPA") promulgates rules wherein counties and cities can adopt and enforce rules and regulations consistent with its provisions; and

WHEREAS, in 2011, Assembly Bill 2650 was enacted (codified as California Health and Safety Code Section 11362.768) affirming that counties and cities can under state law adopt

ordinances that control and restrict the location and establishment of a medical marijuana cooperative, collective, dispensary, operator, establishment, or provider; and

WHEREAS, the California Supreme Court held in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal. 4th 729, 753 (“*Inland Empire*”) that the objectives of the CUA and MMPA were modest and that those acts did not create a broad right to access medical marijuana, and *Inland Empire* goes on to provide that neither the CUA nor the MMPA “expressly or impliedly preempts the authority of California cities and counties, under their traditional land use and police powers, to allow, restrict, limit, or entirely exclude” the distribution of medical marijuana. (Id. At p. 762.); and

WHEREAS, the Court of Appeal, Third Appellate District, held in *James Maral, et al. v. City of Live Oak* (2013) 221 Cal.App.4th 975, that the reasoning of *Inland Empire* applies to the cultivation of medical marijuana as well as its distribution, as both are addressed in the CUA and the MMPA; and

WHEREAS, on October 9, 2015, Governor Jerry Brown signed the “Medical Marijuana Regulation And Safety Act” (“MMRSA”) into law; and

WHEREAS, the MMRSA, which is comprised of three separate pieces of legislation, establishes, among other matters, a dual licensing structure requiring both a state license and a local license or permit for medical marijuana activities, a regulatory structure imposing health, safety and testing standards for cultivation and dispensary facilities, and the criteria for licensing medical marijuana businesses; and

WHEREAS, neither the Compassionate Use Act, the Medical Marijuana Program, nor the Medical Marijuana Regulation and Safety Act require or impose an affirmative duty or mandate upon local governments to allow, authorize or sanction the establishment and the operation of facilities for distribution, cultivation, manufacturing or processing medical marijuana within its jurisdiction, and

WHEREAS, notwithstanding the comprehensive nature of the MMRSA, the Act under state law protects the ability of local entities to maintain control over medical marijuana activities; and

WHEREAS, the City Council desires to establish reasonable land use controls and reasonable regulations on the operation of medical marijuana-related businesses which are intended to operate in conjunction with the City of King Zoning Code’s land use regulation and which are intended to address the negative impacts and nuisance impacts of marijuana-related businesses; and

WHEREAS, medical marijuana-related businesses will be subject to the zoning and land use regulations of the zoning district in which such business establish and operate, as set forth in Title 17 of the City of King Municipal Code (the King City Zoning Code); and

WHEREAS, mindful of the fact that marijuana possession and use is prohibited under federal law and partially decriminalized under state law, it is the Council’s intention that nothing in this ordinance shall be construed, in any way, to expand the rights of anyone to use or possess marijuana under state law; engage in any public nuisance; violate federal law, or engage in any activity in relation to the cultivation, distribution, or consumption of marijuana that is otherwise illegal. It is further the intent of the City Council of City of King to maintain local control over these matters to the fullest extent permitted by law.

NOW THEREFORE, BE IT HEREBY ORDAINED BY THE CITY COUNCIL OF THE CITY OF KING AS FOLLOWS:

SECTION 1. Title 17 (Zoning), Chapter 17.03 (Medical Marijuana Dispensaries) is repealed in its entirety and replaced with the following:

Chapter 17.03 Medical Cannabis Activity

- 17.03.010 Purpose and Intent.
- 17.03.020 Definitions
- 17.03.030 Non-commercial Cannabis Activity prohibited in any zone.
- 17.03.040 Licenses and Permits
- 17.03.050 Existing Commercial Cannabis Businesses
- 17.03.060 Security Measures
- 17.03.070 Employees; Employee Work Permits; Identification
- 17.03.080 Right to Occupy and to Use Property
- 17.03.090 Location of Commercial Cannabis Business; Proximity to Sensitive Uses
- 17.03.100 Restriction on Alcohol Sales
- 17.03.110 Concurrent Regulation with State
- 17.03.120 Compliance with Laws
- 17.03.130 Inspection and Enforcement
- 17.03.140 Fees and Charges
- 17.03.150 Violation and Enforcement
- 17.03.160 Limitations on City’s Liability
- 17.03.170 Application Procedures and Application Requirements
- 17.03.180 Records and Reporting
- 17.03.190 Prohibition on Transfer of Commercial Cannabis Permits
- 17.03.200 Packaging and Labelling
- 17.03.210 Operating Requirements
- 17.03.220 Cultivation, Manufacturing, Waste, and Storage Requirements
- 17.03.230 Limitation on the Number of Cultivation and Nursery Facilities
- 17.03.240 Periodic Review by the City Council
- 17.03.250 Operating Requirements for Cultivation and Nurseries
- 17.03.260 Cannabis Manufacturing; Edibles and Other Cannabis Products; Sale or Distribution of Edible and Other Cannabis Products
- 17.03.270 Cannabis Manufacturing: Extraction, etc.
- 17.03.280 Promulgation of Regulations and Standards
- 17.03.290 Community Relations

- 17.03.300 Fees Deemed Debt to City of King
- 17.03.310 Permit Holder Responsible for Violations

17.03.010 Purpose and Intent.

(a) It is the purpose and intent of this Chapter to accommodate the needs of medically-ill persons in need of marijuana for medical purposes while imposing regulations on the use of land to protect City of King’s neighborhoods, residents, and businesses from negative impacts. It is a further purpose and intent of this Chapter to regulate the, cultivation, manufacturing and testing of cannabis and cannabis-related products in a manner which is responsible and which protects the health, safety, and welfare of the residents of the City of King; to enforce rules and regulations consistent with State law including, but not limited to, the Compassionate Use Act, the Medical Marijuana Program Act, and the Medical Marijuana Regulation and Safety Act. In part to meet these objectives, an annual permit shall be required in order to own and to operate a commercial cannabis business within the City of King as authorized under this ordinance or within the City of King Zoning Ordinances. Nothing in this Chapter is intended to authorize the cultivation, possession or use of marijuana for non-medical purposes in violation of State or Federal law. The provisions of this Chapter are in addition to the business license otherwise required to conduct business in the City of King and in addition to permits and approvals otherwise required.

(b) Pursuant to Section 7 of Article XI of the California Constitution, the City of King is authorized to adopt ordinances that establish standards, requirements, and regulations for local licenses and permits for commercial cannabis activity. Any standards, requirements, and regulations regarding health and safety, testing, laboratory operations and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the City of King to commercial cannabis activity.

17.03.020 Definitions

When used in this Chapter, the following words shall have the meanings ascribed to them in this section. Any reference to California statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

- (a) “Cannabis” means all parts of the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from marijuana. “Cannabis” also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by Chapter 14017 of the Statutes of 1972. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

For the purpose of this Chapter, “cannabis” does not mean industrial hemp as that term is defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.

- (b) “Cannabis concentrate” means manufactured cannabis that has undergone a process to concentrate the cannabinoid active ingredient, thereby increasing the product’s potency. An edible medical cannabis product is not considered food, as defined by Section 109935 of the California Health and Safety Code, or a drug, as defined by Section 109925 of the California Health and Safety Code.
- (c) “Caregiver” or “primary caregiver” has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.
- (d) “Commercial cannabis activity” includes cultivation, nursery, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, or sale of medical cannabis or a medical cannabis product, except as set forth in California Business and Professions Code Section 19319, related to qualifying patients and primary caregivers.
- (e) “Commercial cannabis business” means any business or operation which engages in commercial cannabis activity.
- (f) “Commercial cannabis permit” means a permit issued by the City of King pursuant to this Chapter to a commercial cannabis business.
- (g) “Cultivation” means any activity involving the propagation, planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
- (h) “Cultivation site” means a facility where medical cannabis is propagated, planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, that holds a valid state license pursuant to the Medical Marijuana Regulation and Safety Act and that holds a permit issued by the City of King.
- (i) “Delivery” means the commercial transfer of medical cannabis or medical cannabis products from a dispensary, up to an amount determined by the State of California, or any of its departments or divisions, to a primary caregiver or qualified patient, or a testing laboratory. “Delivery” also includes the use by a dispensary of any technology platform owned and controlled by the dispensary, or independently licensed by the State of California under Medical Marijuana Regulation and Safety Act (as the same may be amended from time-to-time), that enables qualified patients or primary caregivers to arrange for or facilitate the commercial transfer by a licensed dispensary of medical cannabis or medical cannabis products.

- (j) “Dispensary” means a facility where cannabis, medical cannabis products, or devices for the use of medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, including an establishment (whether fixed or mobile) that delivers, pursuant to express authorization, medical cannabis and medical cannabis products as part of a retail sale.
- (k) “Dispensing” means any activity involving the retail sale of medical cannabis or medical cannabis products from a dispensary.
- (l) “Distribution” means the procurement, sale, and transport of medical cannabis or medical cannabis products between entities licensed pursuant to the Medical Marijuana Regulation and Safety Act and any subsequent State of California legislation regarding the same.
- (m) “Distributor” means a person licensed under the Medical Marijuana Regulation and Safety Act and any subsequent State of California legislation to engage in the business of purchasing medical cannabis from a licensed cultivator, or medical cannabis products from a license manufacturer, for sale to a licensed dispensary.
- (n) “Dried flower” means all dead medical cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- (o) “Edible cannabis product” means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible medical cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.
- (p) “License” means the issuing of a license by the State of California, or one of its departments or divisions, under the Medical Marijuana Regulation and Safety Act to engage in commercial cannabis activity.
- (q) “Live plants” means living medical cannabis flowers and plants, including seeds, sprouts, immature plants (including unrooted clones), and vegetative stage plants.
- (r) “Manufacturer” means a person that conducts the production, preparation, propagation, or compounding of manufactured medical cannabis, as defined in this section, or medical cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis at a fixed location that packages or repackages medical cannabis or medical cannabis products or labels or relabels its container, that holds a valid state license pursuant to the Medical Marijuana Regulation and Safety Act and that holds a permit issued by the City of King.

- (s) “Manufactured cannabis” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate or manufactured product intended for internal consumption or topical application.
- (t) “Manufacturing site” means a location that produces, prepares, propagates, or compounds medical cannabis or medical cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a license by the State of California, or one of its departments or divisions, for these activities.
- (u) “Medical cannabis”, “medical cannabis product,” or “cannabis product” means a product containing cannabis, including, but not limited to, concentrates and extractions, intended to be sold for use by medical cannabis patients in California pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the California Health and Safety Code (as the same may be amended from time-to-time). For purposes of this Chapter, “medical cannabis” does not include industrial hemp as defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
- (v) “Nursery” means a licensee that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of medical cannabis.
- (w) “Patient” or “qualified patient” shall have the meaning given that term by California Health and Safety Code Section 11362.7, but who does not have an identification card issued by the State Department of Health Services.
- (x) “Person” means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.
- (y) “Topical cannabis” means a product intended for external use. A topical cannabis product is not considered a drug as defined by Section 109925 of the California Health and Safety Code.
- (z) “Transport” means the transfer of medical cannabis or medical cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting commercial cannabis activity authorized by the Medical Marijuana Regulation and Safety Act.

- (aa) "Transporter" means a person issued a state license by the State of California, or one of its departments or divisions, to transport medical cannabis or medical cannabis products in an amount above a threshold determined by the State of California, or one of its departments or divisions, that have been issued a State license pursuant to the Medical Marijuana Regulation and Safety Act.

17.03.030 Non-commercial Cannabis Activity prohibited in any zone.

Notwithstanding anything to the contrary contained in the King City Municipal Code, activity other than Commercial Cannabis activity shall not be a permitted use in any zone of the city, and no conditional use permit shall be issued permitting such use. Further notwithstanding anything contrary contained in the King City Municipal Code, a violation of this chapter and or any provision thereof shall not be subject to criminal penalties but may only be enforced by civil and or administrative proceedings.

17.03.040 Licenses and Permits

- (a) In addition to those other requirements which may be imposed pursuant to this Chapter, no person shall engage in commercial cannabis activity or open or operate a commercial cannabis business without possessing both a commercial cannabis permit issued by the City Manager or his/her designee and within one (1) year of the ability to obtain a license from the State of California upon implementation of the Medical Marijuana Regulation and Safety Act, a license issued by the State of California or one of its departments or divisions. Commercial cannabis activity shall be permitted in the City of King only as expressly provided in this Chapter and if not expressly permitted by this Chapter shall be prohibited.
 - (1) Each commercial cannabis business permit issued pursuant to this Chapter shall expire twelve (12) months after the date of its issuance.
 - (2) An application for renewal of a commercial cannabis permit shall be filed at least sixty (60) calendar days prior to the expiration date of the permit with the City Manager or his/her designee.
 - (3) An application for renewal of a commercial cannabis permit shall be rejected if any of the following exists:
 - a. The application is filed less than sixty (60) days before its expiration.
 - b. The commercial cannabis permit is suspended or revoked at the time of the application.
 - c. The commercial cannabis business has not been in regular and continuous operation in the four (4) months prior to the renewal application.
 - d. The commercial cannabis business fails to conform to the requirements of this Chapter, any regulations adopted pursuant to this Chapter or the

conditions imposed as part of any conditional use permit or zoning requirements.

e. The permittee fails to renew its State of California license.

- (4) If a renewal application is rejected, a person may file a new application pursuant to this Chapter.
- (5) Applicants seeking multiple licenses for different types of cannabis activity shall be required to comply with multiple licensing restrictions contained within Business and Professions Code §19328.
- (b) Prior to commencing operation, a commercial cannabis business shall obtain a City of King business license and comply with all applicable provisions and requirements of that license.
- (c) Prior to commencing operation, a commercial cannabis business shall be subject to a mandatory building inspection and must obtain all required permits or approvals which would otherwise be required including, but not limited to, a building permit(s), King Fire Department permit(s), and planning-level permit(s) required by Title 17 Zoning of the City of King Municipal Code.
- (d) Revocation, termination, non-issuance or suspension of a license issued by the State of California, or any of its departments or divisions, shall immediately terminate the ability of a medical cannabis business to operate within the City of King until the State of California, or its respective department or division, reinstates or issues the State license.

17.03.050 Existing Commercial Cannabis Businesses.

A commercial cannabis business operating in compliance with existing Municipal Code provisions at the time this Chapter becomes effective may continue its current operations; provided, however, that in order to continue operating such commercial cannabis business must apply for a commercial cannabis permit pursuant to this Chapter and otherwise meet all other conditions and requirements of this Chapter imposed on newly established commercial cannabis businesses. Any facility or entity that can demonstrate to the City's satisfaction prior to the adoption of the ordinance establishing this Chapter that it was in operation, in good standing, and otherwise in compliance with all applicable local and state laws and regulations promulgated thereunder may be permitted to continue its current operations pursuant to this section.

17.03.060 Security Measures.

The City Manager or his/her designee is authorized to promulgate all regulations necessary to implement the requirements and fulfill the policies of this Chapter related to commercial cannabis businesses including, but not limited to, the following subjects:

- (a) A permitted commercial cannabis business shall implement sufficient security measures to both deter and to prevent unauthorized entrance into areas containing medical cannabis or medical cannabis products and theft of medical cannabis or medical cannabis products at the commercial cannabis business. Except as may otherwise be determined by the City Manager or his/her designee, these security measures shall include, but shall not be limited to, all of the following:
- (1) Preventing individuals from remaining on the premises of the commercial cannabis business if they are not engaging in the activity expressly related to the operations of the commercial cannabis business.
 - (2) Establishing limited access areas accessible only to authorized commercial cannabis business personnel.
 - (3) Except for live growing plants which are being cultivated at a cultivation facility, all medical cannabis and medical cannabis products shall be stored in a secured and locked room, safe, or vault. All medical cannabis and medical cannabis products, including live plants which are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss, except for limited amounts of cannabis used for display purposes or immediate sale at a dispensary.
 - (4) Installing 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises and to monitor all interior spaces within the commercial cannabis business which are open and accessible to the public. The security surveillance cameras shall be remotely accessible to the King Police Department and shall be compatible with the King Police Department's software and hardware and remote real-time, live access to the video footage from the cameras shall be provided to the King Police Department. Video recordings shall be maintained for a minimum of forty-five (45) days.
 - (5) Sensors shall be installed to detect entry and exit from all secure areas.
 - (6) Panic buttons shall be installed in all commercial cannabis businesses.
 - (7) Having a professionally installed, maintained, and monitored alarm system.
 - (8) Any bars installed on the windows or the doors of the commercial cannabis business shall be installed only on the interior of the building.
 - (9) Security personnel hired by the commercial cannabis business shall be subject to the prior review and approval of the Chief of Police or his/her designee.

- (10) Each commercial cannabis business shall have the capability to remain secure and operational during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
- (b) Each commercial cannabis business shall identify a liaison to the King Police Department who shall be reasonably available to meet with the Chief of Police or his designees regarding security measures and operational issues.
- (c) As part of the application and permitting process, each commercial cannabis business shall have a transportation plan describing the procedures for safely and securely transporting cannabis and cannabis products and currency.
- (d) A commercial cannabis business shall notify the Chief of Police within twenty-four (24) hours after discovering any of the following:
 - (1) Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager or his/her designee.
 - (2) Diversion, theft, loss, or any criminal activity involving the commercial cannabis business or any agent or employee of the commercial cannabis business.
 - (3) The loss or unauthorized alteration of records related to cannabis, registering qualifying patients, primary caregivers, or employees or agents of the commercial cannabis business.
 - (4) Any other breach of security.

17.03.070 Employees; Employee Work Permits; Identification

- (a) Work permit required. Any person who is an employee or who otherwise works or volunteers within a commercial cannabis business must obtain a work permit from the City Manager or his/her designee. The City Manager or his/her designee is hereby authorized to promulgate all regulations necessary to implement the work permit process contemplated in this section including, but not limited to, the reasons for denial of a work permit to any person. A work permit shall be valid for a twelve (12) month period and must be renewed on an annual basis. Applications for work permits shall be submitted under oath and shall contain a statement of the past criminal record, if any, of the applicant and such information as may be deemed necessary by the City Manager or his/her designee to determine whether the applicant is a proper person to be issued a work permit. The application shall be accompanied by fingerprints and a recent photograph of the applicant in a form and manner as required by the City Manager or his/her designee. In the event a person changes employment from one commercial cannabis business within the city to

another, the work permit holder shall notify the City Manager or his/her designee in writing of the change of employment within ten (10) days of such change or the work permit shall be suspended or revoked and such person shall not be permitted to work within any commercial cannabis business within the city.

- (b) Identification. Each person to whom a work permit is issued shall wear his or her personal identification card, issued by the City of King, at a prominent and readily-visible location on the outermost garment and approximately chest-high. Such identification card shall at all times be in good and readable condition.
- (c) Employee Records. Each owner or operator of a commercial cannabis business shall maintain on-site a current register of all the employees currently employed by the commercial cannabis business and shall produce such register to the City Manager or his/her designee or any other City of King official authorized to enforce the King City Code for purposes of determining compliance with this Chapter.
- (d) Fees. Each application for a work permit and renewal of an existing work permit shall be accompanied by a fee set by resolution of the City Council and shall be valid for a period of twelve (12) months from the date of issuance, unless terminated, suspended, or revoked sooner. The fee is non-refundable and shall not be returned in the event the work permit is denied, revoked, or suspended.

17.03.080 Right to Occupy and to Use Property.

As a condition precedent to the City's issuance of a commercial cannabis permit pursuant to this Chapter, any person intending to open and to operate a commercial cannabis business shall provide sufficient evidence of the legal right to occupy and to use the proposed location. In the event the proposed location is leased from another person, the applicant for a permit under this Chapter shall provide a signed and notarized statement from the owner of the property to demonstrate the property owner has acknowledged and has consented to the operation of a commercial cannabis business on the property.

17.03.090 Location of Commercial Cannabis Business; Proximity to Sensitive Uses.

- (a) No commercial cannabis business may operate within any wholly residential area or district of the city or adjacent to a residential area or district if, in the opinion of City Manager or his/her designee, the operation of a commercial cannabis business in such location would tend to cause a public nuisance or a situation which may result in repeated Police Department response or a negative impact on the adjacent residential units.
- (b) Commercial cannabis businesses shall be required to comply with all zoning, land use, and development regulations applicable to the underlying zoning district in which they are permitted to establish and operate as set forth in Title 17 of the City of King Municipal Code.

- (c) Any commercial cannabis business which has been determined by the City Manager or his/her designee to be an existing commercial cannabis business on the effective date of this Chapter shall be exempt from compliance with the limitations proscribed in this section, unless such location is otherwise determined to constitute a public nuisance or otherwise a disturbance to the adjacent or neighboring uses as determined by the provisions of this Chapter.

17.03.100 Restriction on Alcohol Sales.

No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of any commercial cannabis business. No commercial cannabis business may operate at the same location as an alcohol-related use as that term is defined in the City of King Municipal Code.

17.03.110 Concurrent Regulation with State.

It is the stated intent of this Chapter to regulate commercial cannabis activity in the City of King concurrently with the state of California.

17.03.120 Compliance with Laws.

It is the responsibility of the owners and operators of the commercial cannabis business to ensure that it is, at all times, operating in a manner compliant with all applicable state and local laws and any regulations promulgated thereunder. Nothing in this Chapter shall be construed as authorizing any actions which violate state law or local law with respect to the operation of a commercial cannabis business. It shall be the responsibility of the owners and the operators of the commercial cannabis business to ensure that the commercial cannabis business is, at all times, operating in a manner compliant with all applicable state and local laws, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or requirements which may be imposed as conditions of approval of the commercial cannabis permit. Nothing in this Chapter shall be construed as authorizing any actions which violate State law with regard to the operation of a commercial cannabis business.

17.03.130 Inspection and Enforcement.

- (a) The City Manager or his/her designee and any other City of King official charged with enforcing the provisions of the City of King Municipal Code, or any provision thereof, may enter the location of a commercial cannabis business at any time during the hours of operation without notice and inspect the location of any commercial cannabis business as well as the recordings and records maintained pursuant to this Chapter or the applicable provisions of State law.
- (b) It is unlawful for any person having any responsibility over the operation of a commercial cannabis business to refuse to allow, impede, obstruct, or interfere with an inspection, or

the review of the copying of records and monitoring (including recordings) including, but not limited to, the concealment, destruction, and falsification of any recordings or records.

- (c) The City Manager or his/her designee or any other person charged with enforcing the provisions of this Chapter may enter the location of a commercial cannabis business at any time during the hours of operation and without notice to obtain samples of the cannabis to test for law enforcement and/or public safety purposes. Any samples obtained by the City of King shall be logged, recorded, and maintained in accordance with City of King Police Department standards for evidence. At all other times, the City Manager or his/her designee may enter the location of a commercial cannabis business to obtain samples of cannabis upon reasonable notice.

17.03.140 Fees and Charges.

- (a) No person may commence or continue any commercial cannabis activity in the City of King without timely paying in full all fees and charges associated with the operation of a commercial cannabis activity. Fees and charges associated with the operation of a commercial cannabis activity shall be established by resolution of the City Council.
- (b) All commercial cannabis businesses operating pursuant to this Chapter shall pay any and all applicable sales, use, business or other taxes, and all license, registration, or other fees pursuant to federal, state, and local law.

17.03.150 Violation and Enforcement.

- (a) Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance.
- (b) Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the City of King Municipal Code. Additionally, as a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, any permit issued pursuant to this Chapter being deemed null and void, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The City of King may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial cannabis activity or persons related thereto, or associated with, the commercial cannabis activity. Additionally, when the City Manager or his/her designee determines there is an imminent threat to public health, safety or welfare, the commercial cannabis permit, issued by the City of King pursuant to this Chapter, shall immediately become suspended, pending a hearing before the City of King Planning Commission.

- (c) Notwithstanding an initial verification of compliance by the commercial cannabis activity with the provisions of this Chapter, any commercial cannabis business later found to be in violation of any of the requirements of this Chapter at any time is subject to the enforcement provisions provided in this section.
- (d) The remedies provided herein are not to be construed as exclusive remedies and in the event of a violation the City may pursue any proceedings or remedies otherwise provided by law.

17.03.160 Limitations on City's Liability.

To the fullest extent permitted by law, the City of King shall not assume any liability whatsoever with respect to having issued a commercial cannabis permit pursuant to this Chapter or otherwise approving the operation of any commercial cannabis business pursuant to this Chapter. As a condition of approval of any commercial cannabis permit issued pursuant to this Chapter, the person to which a commercial cannabis permit is issued shall be required to meet all of the following conditions:

- (a) Execute an agreement indemnifying, defending (at its sole cost and expense), and holding the City of King and its officers, employees, representatives, and agents harmless from any and all claims, losses, damages, injuries or liabilities associated with the permitting or approving the operation of a commercial cannabis activity or the operation thereof or associated with the commercial cannabis business or its members' violation of any federal, state or local laws.
- (b) Maintain insurance at coverages, limits, and with conditions thereon determined necessary by the City Attorney.
- (c) Reimburse the City of King for any and all costs and expenses, including attorney fees and costs and court costs that the City of King may be required to pay as a result of any legal challenge related to the City's approval of a commercial cannabis permit pursuant to this Chapter or the City of King's approval of the operation of a commercial cannabis activity. The City of King may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the obligations imposed under this section.

17.03.170 Application Procedures and Application Requirements

Permittee Selection Process; Criteria for Review; Renewal, Suspension or Revocation of a Permit; Appeals. In addition to those requirements set forth in this section and elsewhere in this Chapter, the City Council shall by resolution or ordinance adopt such forms, fees, and procedures as are necessary to implement this Chapter with respect to the initial selection, future selection, investigation process, renewal, revocation, and suspension of commercial cannabis business permits and appeals for the revocation or suspension of a commercial cannabis permit.

(a) At a minimum, the application shall contain the following requirements:

- (1) The printed full name, signature, date of birth, social security number, and present address and telephone number of all persons and entities responsible for the operation of the commercial cannabis business including managers, corporate officers, investors, any individual with an ownership interest, any member of a board of directors, any general or limited partner, and/or any member of a decision-making body for the commercial cannabis business.
- (2) The address to which correspondence from the City of King is to be sent.
- (3) The names and addresses of all businesses operated by and the employment of the applicant(s) for the five (5) years immediately preceding the date of the application.
- (4) Any litigation in which the applicant(s) has been involved within the five (5) years immediately preceding the date of the application and a statement of whether any business currently operated by the applicant(s) or operated by the applicant(s) within the five (5) years immediately preceding the date of the application has been investigated or the permit or license authorizing the operation of such business has been revoked or suspended within the five (5) years immediately preceding the date of the application.
- (5) The address of any commercial cannabis business currently being operated by the applicant(s), or any of them, or which have been previously operated by them.
- (6) The supply sources for all cannabis and cannabis products sold at the commercial cannabis business. Product supply chain including the site(s) where cultivation occurs, the product is processed or manufactured, any required testing of cannabis or cannabis products, transportation, and packaging and labelling criteria.
- (7) The names and telephone numbers of the person(s) to be regularly engaged in the operation of the proposed commercial cannabis business, whether an employee, volunteer or contractor. The application shall also have the names and telephone numbers of those persons having management and supervisory responsibilities for the proposed commercial cannabis business.
- (8) Odor control devices and techniques to prevent odors from marijuana from being detectable off-site.
- (9) Procedures for identifying, managing, and disposing of contaminated, adulterated, deteriorated or excess medical cannabis product.

- (10) Procedures for inventory control to prevent diversion of cannabis and cannabis product, employee screening, storage of cannabis and cannabis product, personnel policies, and record-keeping procedures.
 - (11) A detail of the procedures to be utilized at the facility including a description of how chemicals and fertilizers will be stored, handled, used and disposed of; manufacturing methods, the transportation process, inventory procedures, and quality control procedures.
 - (12) A site plan and floor plan of the commercial cannabis business denoting the property lines and the layout of all areas of the commercial cannabis business including storage, cultivation, manufacturing, testing, distributing, reception/waiting, and all ancillary support spaces, and the relationship of the facility to adjacent properties and land uses.
 - (13) Size, height, colors, and design of any proposed signage at the site. A City of King sign permit issued pursuant to the King Municipal Code shall be required.
 - (14) An operations and security plan.
 - (15) Standard operating procedures detailing how operations will comply with state and local regulations, how safety and quality of products will be ensured, record-keeping procedures for financing, testing, and adverse event recording, and product recall procedures.
 - (16) Proposed hours of operation.
 - (17) Recycling and Waste disposal information.
 - (18) Medical recommendation verification and youth access restriction procedures.
 - (19) A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.
 - (20) Detailed description of energy and water usage plan enumerating best practices and leading industry practices in efficient utilization of both resources.
- (b) No person who has been convicted of a felony or crime of moral turpitude within the past ten (10) years may be engaged (actively or passively) in the operation of any commercial cannabis business. A conviction within the meaning of this sections means a plea or verdict of guilty or a conviction following a plea of nolo contendere.

- (c) The City Manager or his/her designee shall review each application to determine whether it contains all of the required information. If the application does not contain all of the required information, it shall be returned to the applicant for completion. The City Manager or his/her designee shall endeavor to conclude their review within ninety (90) days of the filing of the application. If additional time is necessary, the City Manager or his/her designee will advise the applicant of an estimated review time.
- (d) In reviewing an application for a permit pursuant to this Chapter or in reviewing the proposed commercial cannabis business, the City Manager or his/her designee may request whatever additional information is deemed necessary to carry out the purposes of this Chapter.
- (e) The City Manager or his/her designee shall have the authority to either grant or deny the application for a commercial cannabis permit. Notwithstanding what is otherwise provided in this Chapter, the City Manager or his/her designees, when approving a commercial cannabis permit, may place any additional limitations and conditions on the operation of a commercial cannabis business as he or she deems necessary, consistent with the public interest and with this Chapter.
- (f) When an application is denied, the City Manager or his/her designee shall prepare and file a statement of decision giving the reasons for the denial and the findings of fact upon which the decision is based. Any person denied a commercial cannabis permit shall have the right to appeal such denial in accordance with this section.
- (g) In addition to whatever additional findings may be made by the City Manager or his/her designee, or the Planning Commission or the City Council in the event of an appeal initiated pursuant to this section, an application for a commercial cannabis permit may be denied upon making any of the following findings:
 - (1) The applicant made one or more false or misleading statements or omissions on the registration application or during the application process.
 - (2) The commercial cannabis business is not organized in strict compliance with all applicable laws and regulations.
 - (3) The applicant fails to meet the requirements of this Chapter or any regulation adopted pursuant to this Chapter.
 - (4) The operation of the proposed commercial cannabis business at the proposed location is prohibited by any state or local law or regulation.

- (5) Any person who is listed on the application has been convicted of a felony within the past ten (10) years. A conviction within the meaning of this section means a plea or a guilty verdict or a conviction following a plea of nolo contendere.
 - (6) Any person who is listed on the application is a licensed physician making patient recommendations for medical cannabis pursuant to State law.
 - (7) The applicant or the operator listed in the application is less than eighteen (18) years of age.
- (h) Whenever an appeal is provided for in this Chapter, such appeal shall be filed and conducted as prescribed in this subsection.
- (1) Within ten (10) calendar days after the date of any denial of an application or the suspension or the revocation of a permit by the City Manager or his/her designee, an aggrieved party may appeal such action by filing with the City Clerk a written appeal setting forth the reasons why such denial, suspension or revocation is not proper.
 - (2) Upon receipt of such written appeal, the City Clerk shall set the matter for a hearing before the Planning Commission. The hearing shall be conducted pursuant to the procedures set forth by the City and shall be held within a reasonable time after the date of filing the appeal with the City, but in no event later than ninety (90) days from the date of such filing. At least ten (10) days prior to the date of the hearing on the appeal, the City of King shall notify the appellant of the time and the place of the hearing. At such hearing, the City Manager or his/her designee and the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to such hearing.
 - (3) At the conclusion of the hearing, the Planning Commission may affirm, reverse or modify the decision appealed.
 - (4) The decision of the Planning Commission may be appealed to the City Council in accordance with this section. At the conclusion of the hearing, the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be the City's final decision in this regard and shall be dispositive of the matter.

17.03.180 Records and Reporting.

- (a) Subject to the Health Insurance Portability and Accountability Act (HIPPA) regulations, each commercial cannabis business shall allow City of King officials to have access to the

commercial cannabis business's books, records, accounts, and any and all data relevant to its permitted activities for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data will be produced no later than twenty-four (24) hours after receipt of the City's request.

- (b) Each commercial cannabis business shall file with the City Manager or his/her designee an audit of its financial operations for the previous fiscal year, complete and certified by an independent certified public accountant in accordance with generally accepted auditing and accounting principles. The audit shall include but not be limited to a discussion, analysis, and verification of each of the records required to be maintained pursuant to this Chapter. The information contained in the audit shall be made available in standard electronic format which shall be compatible with Microsoft Office programs and software and which can easily be imported into either Excel, Access or any other contemporary software designed by the City Manager.
- (c) All commercial cannabis businesses shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing and production or manufacturing, laboratory testing and distribution processes until sold or distributed.
- (d) Each owner and/or operator of a commercial cannabis business shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of all employees currently employed by the commercial cannabis business and shall disclose such register to any City of King official upon request.

All records required by this Chapter shall be maintained by the commercial cannabis business for a period of not less than three (3) years and shall otherwise keep accurate records of all commercial cannabis business activity and provide such records for inspection consistent with California Business and Professions Code section 19327 and any additional rules promulgated by the licensing authority pursuant to that section or the City Council by resolution or ordinance.

17.03.190 Prohibition on Transfer of Commercial Cannabis Permits.

- (a) No person shall operate a commercial cannabis business under a commercial cannabis permit issued pursuant to this Chapter at any place or location other than that identified on the permit.
- (b) No person shall transfer ownership or control of a commercial cannabis business or transfer a permit issued pursuant to this Chapter unless and until that person first obtains the consent of the City Manager or his/her designee and the proposed transferee submits all required application materials and pays all applicable fees and charges and independently meets the requirements of this Chapter such as to be entitled to the issuance of an original commercial cannabis permit pursuant to this Chapter.

- (c) Any attempt to transfer or any transfer of a commercial cannabis permit issued pursuant to this Chapter is hereby declared void and the commercial cannabis permit deemed immediately revoked and no longer of any force or effect.

17.03.200 Packaging and Labelling.

Prior to the sale or the delivery of any edible cannabis or edible cannabis product the same shall be labelled and in tamper-evident packaging which at least meets the requirements of California Business and Professions Code section 19347, as the same may be amended from time-to-time or superseded or replaced by subsequent State legislation or by any department or division of the State of California. The City Council may impose additional packaging and labelling requirements on cannabis or cannabis products by resolution.

17.03.210 Operating Requirements.

In addition to those operating requirements specifically set forth elsewhere in this Chapter and except as may otherwise be expressly set forth in this Chapter, the following operating requirements shall apply to all commercial cannabis businesses operating in the City of King.

- (a) Hours of Operation. Commercial cannabis businesses may be open for access to the public only between the hours of 8:00 A.M. and 7:00 P.M. Monday through Sunday.
- (b) Restriction on Consumption. Cannabis shall not be consumed on the premises of any commercial cannabis businesses or elsewhere in the City of King other than within private residences.
- (c) No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of the property. No outdoor storage of cannabis or cannabis products is permitted at any time.
- (d) Reporting and Tracking of Product and of Gross Sales. Each commercial cannabis business shall have in place a point-of-sale tracking system to track and to report on all aspects of the commercial cannabis business including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and by sale) and shall ensure that such information is compatible with the City's record-keeping systems. The system must have the capability to produce historical transactional data for review by the City of King. All information provided to the City pursuant to this subsection shall be confidential and shall not be disclosed, except as may otherwise be required under law.
- (e) All cannabis and cannabis products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with the State and local regulations.

(f) **Emergency Contact.** Each commercial cannabis business shall provide the City Manager or his/her designee with the name, telephone number (mobile preferred, if available) of an on-site employee or owner to whom emergency notice can be provided.

(g) **Signage and Notices.**

(1) In addition to the requirements otherwise set forth in this section, business identification signage for a commercial cannabis business shall conform to the requirements of the City of King Municipal Code, including, but not limited to, a issuance of a City of King sign permit.

(2) Business identification signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No commercial cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the commercial cannabis business or elsewhere including, but not limited to, the public right-of-way.

(3) No signs placed on the premises of a commercial cannabis business shall obstruct any entrance or exit to the building or any window.

(4) Each entrance to a commercial cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the commercial cannabis business is prohibited.

(5) Signage shall not be directly illuminated, internally or externally. No banners, flags or other prohibited signs may be used at any time.

(h) **Minors.** Persons under the age of eighteen (18) years shall not be allowed on the premises of a commercial cannabis business.

It shall be unlawful and a violation of this Chapter for any person to employ any other person at a commercial cannabis business who is not at least eighteen (18) years of age.

The entrance to the commercial cannabis business shall be clearly and legibly posted with a notice that no person under the age of eighteen (18) years of age is permitted to enter upon the premises of the commercial cannabis business.

(i) **Odor Control.** Odor control devices and techniques shall be incorporated in all commercial cannabis businesses to ensure that odors from marijuana are not detectable off-site. Commercial cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the medical marijuana facility that is

distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial cannabis business. As such, commercial cannabis businesses must install and maintain the following equipment or any other equipment which the City Manager or his designee determines has the same or better effectiveness:

- (1) an exhaust air filtration system with odor control that prevents internal odors from being emitted externally;
 - (2) An air system that creates negative air pressure between the commercial cannabis business's interior and exterior so that the odors generated inside the commercial cannabis business are not detectable on the outside of the commercial cannabis business.
- (j) Display of Permit and City Business License. The original copy of the permit issued by the City of King pursuant to this Chapter and the business license issued by the City of King pursuant to the King Municipal Code shall be posted inside the commercial cannabis business in a location readily-visible to the public.
- (k) Background Check. Every person listed as an owner, manager, supervisor or employee of the commercial cannabis business must submit fingerprints and other information deemed necessary by the Chief of Police or his designee for a background check by the City of King Police Department. No person shall be issued a permit to operate a commercial cannabis business unless they have first cleared the background check, as determined by the Chief of Police, as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the City of King to conduct the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a commercial cannabis permit is submitted. The applicant(s) shall provide an initial deposit in an amount the Chief of Police or his designee estimates will cover the cost of the background investigation, which shall be used and drawn upon as a retainer to cover the actual costs of such investigation. If this amount is not sufficient, the applicant shall provide additional amounts that are necessary and if the applicant is unable to provide the additional amounts necessary to complete the investigation, the investigation shall cease and shall not continue until such additional amounts are paid. Upon completion of the investigation or in the event the applicant withdraws their application, any unused amount will be refunded to the applicant within thirty (30) days.
- (l) Loitering. The owner and/or operator of a commercial cannabis business shall prohibit loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises.

(m) Permits and other Approvals. Prior to the establishment of any commercial cannabis business or the operation of any such business, the person intending to establish a commercial cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such commercial cannabis business intends to establish and to operate.

17.03.220 Cultivation, manufacture, waste, and storage requirements.

(a). Any person issued a permit pursuant to this chapter must follow all pesticide use requirements of local, state and federal law. The Monterey County Agricultural Commissioner may inspect the commercial cannabis business at any time during business hours to ensure compliance with this Section.

(b). All weighing devices must be maintained in compliance with local, state or federal law and comply with applicable regulations regarding device registration with the Agricultural Commissioner.

(c). Any person issued a permit pursuant to this chapter must follow all local, state and federal requirements for solid waste and hazardous waste disposal. The Monterey County Environmental Health Bureau may inspect the commercial cannabis business at any time during business hours to ensure compliance with this Section.

(d). In no case shall any hazardous, flammable or explosive substances be used to process or manufacture cannabis products on site. The City of King and Monterey County Environmental Health Bureau may inspect the commercial cannabis business at any time during business hours to ensure compliance with this Section.

(e). All food products, food storage facilities, food-related utensils, equipment and materials shall be approved, used, managed and handled in accordance to the provisions of the California Retail Food Code, California Health and Safety Code sections 113700 – 114437. All food products shall be protected from contamination at all times, and all food handlers must be clean, in good health and free from communicable diseases. The Monterey County Environmental Health Bureau may inspect the commercial cannabis at any time during business hours to ensure compliance with this Section.

(f). Stacking shall be allowed in a given structure but only to the point that measuring the total canopy of each level of stacking is cumulatively no greater than the maximum canopy size allowed under state licensing. For purposes of this section, Stacking is defined as the practice of growing marijuana plants on platforms or tables and stacking them in multiple layers on top of each other.

17.03.230 Limitation on the Number of Cultivation and Nursery Facilities.

No more than one million, three hundred fifty thousand (1,350,000) square feet of total canopy whether under cultivation or nursery activity will be allowed within the City of King at any one time and commercial cannabis permits shall be issued by the City of King for cultivation and nursery activity up to a maximum one million three hundred fifty thousand (1,350,000) square feet of total canopy within the City of King. Nurseries shall be limited to a total of 25,000 square feet in size per Type 4 “Nursery” license issued by the City.

17.03.240 Periodic Review by the City Council.

In the sole discretion of the City Manager; the City Attorney, the Chief of Police, and the Community Development Director shall report to the City Council findings on the operation of any cultivation facilities permitted pursuant to this article and shall make a recommendation whether the cultivation facilities should be permitted to continue in operation for the remaining period of the term of their license (in addition to whatever other recommendations may be made) and whether the City should renew one or more of the permits for an additional period. Any termination or revocation of a license or permit, shall be in accordance with the City of King Municipal Code.

17.03.250 Operating Requirements for Cultivation and Nurseries.

- (a) Outdoor Cultivation and Nursery activity Prohibited. All outdoor cultivation and nursery activity is prohibited.
- (b) In no case shall cannabis plants be visible from a public or private road, sidewalk, park or any common public viewing area.
- (c) If a parcel or lot includes nursery activities as defined in Business and Professions Code §19332, the parcel or lot may have only one nursery located on the parcel or lot and the nursery activity must be permitted pursuant to this Chapter and state law. The nursery shall be limited to a maximum size of twenty-five thousand square feet of canopy for each parcel or lot,
- (d) Cannabis cultivation and nursery activity shall be conducted in accordance with state and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.
- (e) Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from pests, rodents or other wildlife.
- (f) In no case shall any hazardous, flammable or explosive substances be used to process or manufacture cannabis products on site.
- (g) The cultivation of cannabis and any nursery activity shall at all times be operated in such a way as to ensure the health, safety, and welfare of the public, the employees working at the commercial cannabis business, visitors to the area, neighboring properties, and the end

users of the cannabis being cultivated, to protect the environment from harm to streams, fish, and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard against the diversion of cannabis for non-medical purposes.

- (h) All applicants for a cannabis cultivation or nursery permit shall submit the following in addition to the information generally otherwise required for a commercial cannabis business:
 - (1) An operations plan that meets or exceeds minimum legal standards for water usage, conservation and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the nursery or cultivation activities and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting.
 - (2) A description of a legal water source, irrigation plan, and projected water use.
 - (3) Identification of the source of electrical power and plan for compliance with applicable Building Codes and related codes.
 - (4) Plan for addressing odor and other public nuisances which may derive from the nursery or cultivation site.

17.03.260 Cannabis Manufacturing; Edibles and Other Cannabis Products; Sale or Distribution of Edible and Other Cannabis Products.

The manufacturing of food or other products infused with or which otherwise contain cannabis may be manufactured within the appropriate zoning districts as defined in Title 17, Zoning, of the City of King Municipal Code, subject to the regulations set forth in this section and subject to whatever additional regulations may be promulgated hereunder by an ordinance or resolution of the City Council or otherwise pursuant to this Chapter.

- (a) No edible cannabis products shall be sold or distributed on a retail basis at a commercial cannabis business operating under a permit issued pursuant to this Chapter. Edible Cannabis products may be sold wholesale for retail sale outside of the City boundaries.
- (b) All items to be sold or distributed wholesale shall be individually wrapped at the original point of preparation. Labeling must include a warning if nuts or other known allergens are used, and must include the total weight (in ounces or grams) of cannabis in the package. A warning that the item is a medication and not a food must be clearly legible on the front

of the package. The package must have a label warning that the product is to be kept away from children. The label must also state that the product contains cannabis and must specify the date of manufacture.

- (c) Any edible cannabis product that is made to resemble a typical food product must be in a properly labeled opaque (non-see-through) package before it leaves the commercial cannabis business. Deliveries must be in a properly labeled opaque package when delivered.

17.03.270 Cannabis Manufacturing: Extraction, etc.

- (a) Cannabis manufacturing facilities requiring a Type-6 state license (non-volatile manufacturing) as defined in Business and Professions Code §19341, may be permitted to operate within the appropriate industrial districts as defined in Title 17 of the City of King Municipal Code. Cannabis manufacturing facilities requiring a Type-7 state license, Manufacturing Level 2, as defined in Business and Professions Code §19341 is prohibited in all zone districts in the City of King. No volatile fluid or material, including alcohol or ethanol, shall be used in Type-6 licensed manufacturing facilities unless otherwise authorized and approved by the State of California in accordance with MMRSA.
- (b) Any compressed gases used in the manufacturing process shall not be stored on any property within the City of King in containers that exceed 150 pound tanks in size. Each site or parcel subject to a Cannabis permit shall be limited to a total of eight tanks on the property at any time.
- (c) No more than six commercial cannabis manufacturing businesses may operate within the City of King at any one time and no more than six commercial cannabis manufacturing permits shall be issued by the City of King for commercial cannabis manufacturing businesses to operate within the City of King.

17.03.280 Promulgation of Regulations and Standards.

- (a) The City Manager or his/her designee is authorized to promulgate all regulations necessary to implement the requirements and fulfill the policies of this Chapter related to cannabis and cannabis products.
- (b) Regulations shall be published on the City's website.
- (c) Regulations promulgated by the City Manager or his/her designee shall have the same force and effect of law and become effective upon date of publication.

17.03.290 Community Relations.

- (a) Each commercial cannabis business shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the commercial cannabis business can be provided. Each commercial cannabis business shall also provide the above information to all businesses and residences located within one hundred (100) feet of the commercial cannabis business.
- (b) During the first year of operation pursuant to this Chapter, the owner, manager, and community relations representative from each commercial cannabis business holding a permit issued pursuant to this Chapter shall attend a quarterly meeting with the City Manager or his designee to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter. After the first year of operation, the owner, manager, and community relations representative from each such commercial cannabis business shall meet with the City Manager or his/her designee when and as requested by the City Manager or his/her designee.
- (c) Commercial cannabis businesses to which a permit is issued pursuant to this Chapter shall develop and make available to youth organizations and educational institutions a public education plan that outlines the risks of youth addiction to marijuana and that identifies resources available to youth related to drugs and drug addiction.

17.03.300 Fees Deemed Debt to City of King.

The amount of any fee, cost or charge imposed pursuant to this Chapter shall be deemed a debt to the City of King that is recoverable in any court of competent jurisdiction.

17.03.310 Permit Holder Responsible for Violations.

The person to whom a permit is issued pursuant to this Chapter shall be responsible for all violations of the laws of the State of California or of the regulations and the ordinances of the City of King, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the commercial cannabis business whether or not said violations occur within the permit holder's presence.

SECTION 2. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held invalid by a court of competent jurisdiction, such a decision shall not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases, be declared invalid.

SECTION 3. All ordinances and parts of ordinances in conflict with those sections amended or added herein are hereby repealed.

SECTION 4. Effective Date. This ordinance shall become effective and in full force and effect at 12:01 a.m. on the thirty first day after its final passage.

This Ordinance was introduced and read by title only on the ____ day of _____ 2016 and was passed and adopted on this ____ day of _____ 2016.

PASSED AND ADOPTED this ____ day of _____ 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mayor Robert Cullen, City of King

ATTEST:

City Clerk of the Council of the City of King

ORDINANCE NO.2016-729

**AN ORDINANCE OF THE CITY COUNCIL OF CITY OF KING
AMENDING SUBSECTIONS (1) AND (14) OF SECTIONS 17.30.020, SUBSECTION (2)
OF 17.30.140, SUBSECTON (18) OF SECTION 17.31.020, AND SUBSECTION (4) OF
SECTION 17.31.140 AND REPEALING SUBSECTION (15) OF SECTION 17.30.020,
SECTION 17.30.150, AND SECTION 17.31.150 AND REPLACING SUBSECTION (15)
OF SECTION 17.30.020, AND ADDING SUBSECTION (16) OF SECTION 17.30.020
AND SUBSECTION (19) OF SECTION 17.31.020 OF THE CITY OF KING MUNICIPAL
CODE ADDING ADDITIONAL COMMERCIAL CANNABIS CULTIVATION
LICENSING, NURSERIES AND TESTING LABORATORIES IN THE CITY**

WHEREAS, in 1996, the voters of the State of California approved Proposition 215, which was codified as “The Compassionate Use Act of 1996,” at California Health and Safety Code, section 11362.5 (“CUA”) which had the stated intent to ensure that seriously ill individuals have the right to obtain and use marijuana for medical purposes when recommended by a physician. The Proposition further provides that “nothing in this section shall be construed to supersede legislation prohibiting persons from engaging in conduct that endangers others, or to condone the diversion of marijuana for non-medical purposes, and

WHEREAS, the ballot arguments supporting Proposition 215 expressly acknowledged that “Proposition 215 does not allow unlimited quantities of marijuana to be grown anywhere”, and

WHEREAS, in 2004, the Legislature enacted Senate Bill 420 (codified as California Health & Safety Code § 11362.7 *et seq.* and referred to as the “Medical Marijuana Program” or “MMP” to clarify the scope of Proposition 215 and to provide qualifying patients and primary caregivers who collectively or cooperatively cultivate marijuana for medical purposes with a limited defense to certain specified State criminal statutes. Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the MMP to expressly recognize the authority of counties and cities to “adopt local ordinances that regulate the location, operation, or establishment of a medical, and

WHEREAS, in the *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.*, 56 Cal.4th 729 (2013), the California Supreme Court upheld the right of local public agencies to regulate medical marijuana operations through their land use powers, and

WHEREAS, on November 26, 2013, the Third District Court of Appeal issued its opinion in *Maral v. City of Live Oak* 221 Cal.App.4th 975, which held cities have the authority to ban marijuana cultivation within their boundaries consistent with their local regulations; and

WHEREAS, on October 9, 2015, California Governor Brown approved the Medical Marijuana Regulation and Safety Act (“MMRSA”), which goes into effect on January 1, 2016, and establishes a comprehensive State licensing and regulatory framework for the cultivation, manufacture, transportation, storage, distribution, and sale of medical marijuana, also known as cannabis, through Assembly Bills 243 and 266 and Senate Bill 643, and

WHEREAS, MMRSA will become the governing regulation giving the State full control over the cultivation of marijuana in any city where local regulations were not adopted to regulate cultivation of medical cannabis and in effect on March 1st 2016; and

WHEREAS, the City intends to regulate and maintain local control over the dispensing, delivery and cultivation of medical cannabis in accordance with this ordinance; and

WHEREAS, mindful of the fact that marijuana possession and use is prohibited under federal law and partially decriminalized under state law, it is the Council’s intention that nothing in this ordinance shall be construed, in any way, to expand the rights of anyone to use or possess marijuana under state law; engage in any public nuisance; violate federal law, or engage in any activity in relation to the cultivation, distribution, or consumption of marijuana that is otherwise illegal. It is further the intent of the City Council of City of King to maintain local control over these matters to the fullest extent permitted by law.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF CITY OF KING AS FOLLOWS:

Section 1: Subsection (1) of Section 17.30.020 of Chapter 17.30 of the City of King Municipal Code is hereby amended as follows:

(1) Manufacture, processing and packing of beverages (except distilleries), food or food products [(except Commercial Cannabis Activity as defined within subsection (14) this section)] completely within a structure or processing and packing of food products when the major operation takes place in unenclosed structures and where products, materials and equipment are stored in the open;

Section 2: Subsection (14) of Section 17.30.020 of Chapter 17.30 of the City of King Municipal Code is hereby amended as follows:

(14) Commercial cannabis cultivation [and nurseries] consistent with those activities authorized under the state cultivator [and nursery] license types issued by the Department of Food and Agriculture under Business and Professions Code Section 19332(g)(5) Type 2A “small indoor”[, 19332 (g)(6) Type 2B “small mixed-light”, and [19332 (g)](8) Type 3A “indoor.” [19332 (g)(9) Type 3B “mixed-light” and 19332 (g)(10) Type 4 “nursery”.] Cultivation for purposes of this provision shall be limited to those activities defined within California Business and Professions Code Section 19300.5(l) and the delivery or transport of the harvested cannabis outside of the

city. No deliveries or distribution of any cannabis product shall be allowed within the jurisdictional boundaries of the city;

Section 3: Subsection (15) of Section 17.30.020 of Chapter 17.30 of the City of King Municipal Code is hereby repealed in its entirety and replaced with the following:

(15) Commercial cannabis level one manufacturing and testing consistent with those activities authorized under the state manufacturing and testing laboratories license types issued by the State Department of Health under Business and Professions Code Sections 19300.7 and 19341 (a) Type 6 “Manufacturer 1” and 19341 (c) Type 8 “testing”;

Section 4: Subsection (16) of Section 17.30.020 of Chapter 17.30 of the City of King Municipal Code is added as follows:

(16) Any other use which the planning commission finds not to be inconsistent with the uses set out herein.

Section 5: Subsection (2) of Section 17.30.140 of Chapter 17.30 of the City of King Municipal Code is hereby amended as follows:

(2) Warehousing and wholesaling; and commercial cannabis cultivation [level one manufacturing and testing];

Minimum of 2 spaces for every 3 employees on largest shift but non less than 1 per 3000 square feet of gross floor area.

Section 6: Section 17.30.150 of Chapter 17.30 of the City of King Municipal Code is hereby repealed in its entirety as follows:

~~17.30.150 Commercial Cannabis Cultivation Property Development Standards~~

~~a) Indoor Medical Marijuana Cultivation may not occur in multi-use buildings. All uses in the structure must be related to the Cultivation of Medical Marijuana.~~

~~b) Caretakers quarters are not allowed.~~

~~e) Indoor Medical Marijuana Cultivation is allowed only within fully enclosed and secure structures that are inaccessible to minors.~~

~~d) Indoor Medical Marijuana Cultivation shall not exceed the square footage authorized by the Conditional Use Permit and consistent with State licensing.~~

~~e) There shall be no exterior evidence of indoor Medical Marijuana Cultivation from a public right of way. Signage for the business shall be consistent with state law and local sign regulations.~~

~~f) The building entrance to a Medical Marijuana Cultivation facility shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming marijuana on the premises or in the vicinity of the facility is prohibited.~~

~~g) Marijuana shall be kept in a secured manner during business and nonbusiness hours. A security plan shall be implemented as part of the conditions of the CUP that shall include security cameras, an alarm system, locked facilities and appropriate illumination as determined by the Police Chief to assure adequate preservation of health and safety to the public.~~

Section 7: Subsection (18) of Section 17.31.020 of Chapter 17.31 of the City of King Municipal Code is hereby amended as follows:

(18) Commercial cannabis cultivation [~~and nurseries~~] consistent with those activities authorized under the State cultivator [~~and nursery~~] license types issued by the Department of Food and Agriculture under Business and Professions Code section 19332 (g) (5) Type 2A “small indoor”[, 19332 (g)(6) Type 2B “small mixed-light”], and [19332 (g)] (8) Type 3A “indoor”, [19332 (g) (9) Type 3B “mixed light” and 19332 (g) (10) Type 4 “nursery”.] Cultivation for purposes of this provision shall be limited to those activities defined within California Business and Professions Code section 19300.5 (l) and the delivery or transport of the harvested cannabis outside of the City. No deliveries or distribution of any cannabis product shall be allowed within the jurisdictional boundaries of the City. All cultivation shall be conducted indoors.

Section 8: Subsection (19) of Section 17.31.020 of Chapter 17.31 of the City of King Municipal Code is hereby added as follows:

(19) Commercial cannabis level one manufacturing and testing consistent with those activities authorized under the state manufacturing and testing laboratories license types issued by the State Department of Health under Business and Professions Code Sections 19300.7 and 19341 (a) Type 6 “Manufacturer 1” and 19341 (c) Type 8 “testing”;

Section 9: Subsection (4) of Section 17.31.140 of Chapter 17.31 of the City of King Municipal Code is hereby amended as follows:

(4) Warehousing and wholesaling; and Commercial Cannabis Cultivation [~~, level one manufacturing and testing;~~”

Minimum of 2 spaces for every 3 employees on largest shift but not less than 1 space per 3000 square feet of gross floor area. Parking may be off-site within 300 feet upon approval of the planning commission.

Section 10: Section 17.31.150 of Chapter 17.31 of the City of King Municipal Code is hereby repealed in its entirety as follows:

17.31.150 Commercial Cannabis Cultivation Property Development Standards

a) Indoor Medical Marijuana Cultivation may not occur in multi-use buildings. All uses in the structure must be related to the Cultivation of Medical Marijuana.

b) Caretakers quarters are not allowed.

c) Indoor Medical Marijuana Cultivation is allowed only within fully enclosed and secure structures that are inaccessible to minors.

d) Indoor Medical Marijuana Cultivation shall not exceed the square footage authorized by the Conditional Use Permit and consistent with State licensing.

e) There shall be no exterior evidence of indoor Medical Marijuana Cultivation from a public right-of-way. Signage for the business shall be consistent with state law and local sign regulations.

f) The building entrance to a Medical Marijuana Cultivation facility shall be clearly and legibly posted with a notice indicating that smoking, ingesting, or consuming marijuana on the premises or in the vicinity of the facility is prohibited.

g) Marijuana shall be kept in a secured manner during business and nonbusiness hours. A security plan shall be implemented as part of the conditions of the CUP that shall include security cameras, an alarm system, locked facilities and appropriate illumination as determined by the Police Chief to assure adequate preservation of health and safety to the public.

Section 11: All ordinances and parts of ordinances in conflict with those sections amended or added herein are hereby repealed.

Section 12: This ordinance shall become effective and in full force and effect at 12:01 a.m. on the thirty-first day after its final passage.

PASSED ADOPTED AND APPROVED THIS _____ day of _____, 2016.

Mayor Robert Cullen, City of King

ATTEST:

City Clerk of the Council of the
City of King

ORDINANCE NO. 2016-730

**AN ORDINANCE OF THE CITY COUNCIL OF CITY OF KING
AMENDING SECTION B. 1.c.ii, SUBSECTION (I), AMENDING SECTION D. 3,
SUBSECTION (g), AND AMENDING G. 5 OF CHAPTER 4 (DEVELOPMENT
STANDARDS) OF THE EAST RANCH BUSINESS PARK SPECIFIC PLAN FOR THE
PURPOSE OF ADDING ADDITIONAL COMMERCIAL CULTIVATION USES,
NURSERIES, MANUFACTURING AND TESTING OF CANNABIS IN THE CITY**

WHEREAS, in 1996, the voters of the State of California approved Proposition 215, which was codified as “The Compassionate Use Act of 1996,” at California Health and Safety Code, section 11362.5 (“CUA”) which had the stated intent to ensure that seriously ill individuals have the right to obtain and use marijuana for medical purposes when recommended by a physician. The Proposition further provides that “nothing in this section shall be construed to supersede legislation prohibiting persons from engaging in conduct that endangers others, or to condone the diversion of marijuana for non-medical purposes, and

WHEREAS, the ballot arguments supporting Proposition 215 expressly acknowledged that “Proposition 215 does not allow unlimited quantities of marijuana to be grown anywhere”, and

WHEREAS, in 2004, the Legislature enacted Senate Bill 420 (codified as California Health & Safety Code § 11362.7 *et seq.* and referred to as the “Medical Marijuana Program” or “MMP” to clarify the scope of Proposition 215 and to provide qualifying patients and primary caregivers who collectively or cooperatively cultivate marijuana for medical purposes with a limited defense to certain specified State criminal statutes. Assembly Bill 2650 (2010) and Assembly Bill 1300 (2011) amended the MMP to expressly recognize the authority of counties and cities to “adopt local ordinances that regulate the location, operation, or establishment of a medical, and

WHEREAS, in the *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.*, 56 Cal.4th 729 (2013), the California Supreme Court upheld the right of local public agencies to regulate medical marijuana operations through their land use powers, and

WHEREAS, on November 26, 2013, the Third District Court of Appeal issued its opinion in *Maral v. City of Live Oak* 221 Cal.App.4th 975, which held cities have the authority to ban marijuana cultivation within their boundaries consistent with their local regulations; and

WHEREAS, on October 9, 2015, California Governor Brown approved the Medical Marijuana Regulation and Safety Act (“MMRSA”), which goes into effect on January 1, 2016, and establishes a comprehensive State licensing and regulatory framework for the cultivation,

manufacture, transportation, storage, distribution, and sale of medical marijuana, also known as cannabis, through Assembly Bills 243 and 266 and Senate Bill 643, and

WHEREAS, MMRSA will become the governing regulation giving the State full control over the cultivation of marijuana in any city where local regulations were not adopted to regulate cultivation of medical cannabis and in effect on March 1st 2016; and

WHEREAS, the City intends to regulate and maintain local control over the dispensing, delivery and cultivation of medical cannabis in accordance with this ordinance; and

WHEREAS, mindful of the fact that marijuana possession and use is prohibited under federal law and partially decriminalized under state law, it is the Council’s intention that nothing in this ordinance shall be construed, in any way, to expand the rights of anyone to use or possess marijuana under state law; engage in any public nuisance; violate federal law, or engage in any activity in relation to the cultivation, manufacturing, testing, or consumption of marijuana that is otherwise illegal. It is further the intent of the City Council of City of King to maintain local control over these matters to the fullest extent permitted by law.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF CITY OF KING AS FOLLOWS:

Section 1: Section B.1.C.ii, subsection (I) of Chapter 4, “Development Standards” of the East Ranch Business Park Specific Plan is hereby amended as follows:

- (I). for Commercial Cannabis [Activity]~~Cultivation~~:
 - a) An indoor and outdoor lighting plan with estimated amount of electrical use.
 - b). The location and dimensions of areas for storage fertilizers and wastes
 - c). A fire suppression plan.
 - d). An irrigation and drainage plan with estimate amount of water use.
 - [e.). Compliance with all provisions of King City Municipal Code Chapter 17.03.]

Section 2: Section D.3., subsection (g) of Chapter 4, “Development Standards” of the East Ranch Business Park Specific Plan is hereby amended as follows:

- (g). Commercial Cannabis [Activity]~~Cultivation~~ consistent with those activities authorized under the ~~State cultivator license types issued by the Department of Food and Agriculture under Business and Professions Code section 19332~~ [19300.7, (e) Type 2A

Cultivation, Indoor; Small, (f) Type 2B Cultivation; Mixed-light; Small, (h) Type 3A Cultivation; Indoor; Medium, (i) Type 3B Cultivation; Mixed-light; Medium, (j) Type 4 Cultivation; Nursery, (k) Type 6 Manufacturing 1, and (m) Type 8 Testing~~(g) (5) Type 2A “small indoor” and (8) Type 3A “indoor”.~~ [Commercial Cannabis Activity shall be subject to and comply with all provisions of the King City Municipal Codes Chapter 17.03.]~~Cultivation for purposes of this provision shall be limited to those activities defined within California Business and Professions Code section 19300.5 (l) and the delivery or transport of the harvested cannabis outside of the City. No deliveries or distribution of any cannabis product shall be allowed within the jurisdictional boundaries of the City.~~

Section 3: Section G.5. of Chapter 4, “Development Standards” of the East Ranch Business Park Specific Plan is hereby repealed and replaced as follows:

5. Commercial Cannabis Activity

a) All Commercial Cannabis Activity shall be subject to and comply with all provisions of the King City Municipal Code Chapter 17.03.

Section 4: All ordinances and parts of ordinances in conflict with those sections amended or added herein are hereby repealed.

Section 5: This ordinance shall become effective and in full force and effect at 12:01 a.m. on the thirty-first day after its final passage.

PASSED ADOPTED AND APPROVED THIS _____ day of _____, 2016.

Mayor Robert Cullen, City of King

ATTEST:

City Clerk of the Council of the
City of King

**CITY OF KING
ZONING CODE AMENDMENTS
INITIAL STUDY/MITIGATED NEGATIVE
DECLARATION**

Prepared for:

CITY OF KING
Community Development Department
212 S. Vanderhurst Avenue
King City, CA 93930

Prepared by:

DOUGLAS WOOD & ASSOCIATES, INC.
1461 Higuera Street
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August 15, 2016

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I. INTRODUCTION AND PURPOSE

This Initial Study/Mitigated Negative Declaration assesses the potential environmental impacts and identifies appropriate mitigation measures associated with the proposed commercial cultivation, manufacturing and testing of medical cannabis (to be referred to herein as the "proposed project"). The City of King (to be referred to herein as "the City") as Lead Agency for this environmental document, has the responsibility for determining whether or not to approve the proposed project.

As part of their decision-making process, the City is required to review and consider the potential environmental effects that could result from the proposed project. Together with the technical analyses applicable to this project and any other documents incorporated by reference, this analysis will serve as the initial environmental review for the proposed project. This review is required by the California Environmental Quality Act of 1970 (CEQA) as amended (Public Resources Code Section 21000 et. seq.) and the State CEQA Guidelines as well as Guidelines for the Implementation of CEQA adopted by the City.

The City is preparing this Initial Study to assist in their consideration as to whether to prepare a Negative Declaration, a Mitigated Negative Declaration or an Environmental Impact Report (EIR) for this proposed project.

Section 15070 of the State CEQA Guidelines states that "a public agency shall prepare or have prepared a proposed negative declaration or mitigated negative declaration for a project subject to CEQA when the Initial Study shows that there is no substantial evidence, in light of the whole record before the agency, that the project may have a significant effect on the environment." Section 15064 (a) (1) states "if there is substantial evidence, in light of the whole record before a lead agency, that a project may have a significant effect on the environment, the agency shall prepare a Draft EIR." The determination as to which document is appropriate in this situation will be based upon the information and analyses contained in this Initial Study in combination with any other documents incorporated by reference.

This Initial Study/Mitigated Negative Declaration has been prepared in a manner which provides complete and adequate California Environmental Quality Act (CEQA) coverage for all actions and approvals associated with the proposed project as currently described herein (See Section III. Project Description). However, this Initial Study/Mitigated Negative Declaration may not be the final environmental document for the proposed project. In the event that future development applications for the commercial cultivation of medical cannabis contain specific design or operational elements not addressed by this Initial Study, additional, more detailed environmental documentation may be necessary at that time. When applications for individual projects are submitted, they will be subject to additional environmental review by the City in order to 1) determine the nature and extent of any potentially significant impacts not addressed in this document and 2) ensure that the individual project does not exceed the maximum development levels and cumulative impacts identified in

this analysis. These individual projects will be approved by the City through the approval and issuance of Conditional Use Permits ("CUP's").

This approach, known as "tiering", is addressed in Sections 15152 and 15385 of the State CEQA Guidelines. These sections state that tiering refers to the use of an analysis of general issues contained in a broad environmental document within a later, more detailed environmental document. These guidelines further state that tiering is appropriate when the sequence of analyses for a proposed project is from an environmental document prepared for a general plan, policy or program to a document for another, more detailed plan, policy or program of lesser scope or to a site specific project. In this case, the previously approved (January, 2016) modifications to various zoning designations represents the "broader" program and environmental document while the current project proposal reflected in this document is considered a more detailed analysis of potential impacts associated with the proposed commercial cultivation, manufacturing and testing of medical cannabis. This analysis also provides an indication of the maximum probable "worst case" impacts of full development of medical cannabis cultivation facilities throughout the City. Subsequent environmental documents may also be required for future development applications in order to address environmental issues with specific design or operational elements associated with these more detailed proposals.

This Initial Study/Mitigated Negative Declaration begins with Section I. Introduction and Purpose, which provides an introductory discussion of the purpose and scope of the document. Section II. Summary/Mitigation Monitoring Program summarizes the potential impacts and proposed mitigation measures. This section also contains the State-mandated Mitigation Monitoring Program (pursuant to AB3180). Section III. Project Description provides a detailed description of the proposed commercial cultivation of medical cannabis. Section IV. Environmental Setting provides an overview description of existing environmental conditions within and in the vicinity of the project site.

Section V. Environmental Evaluation contains the environmental checklist required by Section 15063(d)(3) of the State CEQA Guidelines. This checklist is intended to determine the nature and extent of various environmental effects of the proposed project followed by an explanation to justify the determination. In many instances, project impacts are identified as "not significant" The summary discussion following the checklist item provides the basis for this determination. Checklist items identified as "potentially significant and mitigated", "unknown potential significant" or "significant" are discussed within Section V. Environmental Evaluation. Section VI. provides the required Mandatory Findings of Significance pursuant to CEQA Section 15065. Section VII. Environmental Determination makes the final determination as to whether an EIR, Negative Declaration or Mitigated Negative Declaration is appropriate. Section VIII. Certification provides the required Lead Agency Certification Statement.

Section 15150 of the State CEQA Guidelines permits an environmental document to incorporate by reference other documents that provide relevant data to the proposal currently being considered. The City General Plan, and Zoning Code as well as any other long-range planning documents prepared by the City as well as engineering and other technical studies as noted within this Initial Study are hereby incorporated by reference.

Section 15151 of the State CEQA Guidelines states that :

“An EIR [or any other environmental document] should be prepared with a sufficient degree of analysis to provide decision makers with information which enables them to make a decision which intelligently takes account of environmental consequences. An evaluation of the environmental effects of a proposed project need not be exhaustive, but the sufficiency of an EIR [or any other environmental document] is to be reviewed in the light of what is reasonably feasible. The courts have looked not for perfection but for adequacy, completeness, and a good faith effort at full disclosure.”

This Initial Study/Mitigated Negative Declaration provides a full and objective discussion of the potential environmental impacts of the proposed commercial cultivation of medical cannabis. In preparing this document, the City decision-makers, staff and members of the public will be fully informed as to the potential impacts and required mitigation measures associated with the proposed project. In accordance with Section 15021 of the State CEQA Guidelines, this document is intended to enable the City, as Lead Agency, to fully evaluate these environmental impacts and mitigation measures in their consideration of the proposed project. The Lead Agency has an obligation to balance potential adverse effects of the project against a variety of public objectives, including economic, environmental and social factors, in determining whether the project is acceptable and approved for construction and operation.

Pursuant to California Public Resources Code 21082.1, the City has independently reviewed and analyzed the information contained in this Initial Study/Mitigated Negative Declaration prior to its consideration and certification. The conclusions and discussions contained herein reflect the independent judgment of the City of King relative to that information at the time of publication.

II. SUMMARY/MITIGATION MONITORING PROGRAM

1. Aesthetics

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will involve the construction of greenhouse structures which will range in size from approximately 13,000 to 30,000 square feet. The greenhouse buildings will have glass roofs and sidewalls consisting of solid materials (i.e., brick, metal, wood, etc.).

In addition, other structures necessary to house manufacturing facilities, security offices, storage facilities and administrative offices will also be constructed.

All structures and other project facilities will be subject to the City's design standards applicable to the M-1 and M-2 zoning or the East Ranch Business Park. These proposed facilities will also be visually compatible with the existing industrial and commercial uses in adjacent areas.

None of the proposed structures or other project facilities will have a substantial adverse effect upon any scenic vistas or scenic resources nor will they degrade the visual character or quality of the site or its surroundings.

Lighting within the greenhouses will be provided by natural sunlight and/or artificial lighting systems. All lighting shall be directed downward and oriented in a manner to mitigate potential light and glare impacts upon surrounding areas.

Mitigation Measures:

1-1 - All proposed project structures and facilities shall be subject to the City's design standards applicable to the M-1 and M-2 zoning or the East Ranch Business Park.

1-2 -As part of the Conditional Use Permit application process, the project applicant shall submit to the City for review and approval a Lighting Plan which describes all proposed interior and exterior lighting and provides feasible methods by which all light is directed downward which prevents substantial light and glare impacts to adjacent areas.

Implementation Responsibility: Applicant/Owner/Developer of future individual projects

Monitoring Agency: City of King

Timing: Prior to the issuance of Conditional Use Permit

2. Agricultural Resources

Impacts: Areas designated for future development of medical cannabis cultivation, manufacturing and testing facilities are either developed or highly disturbed and do not contain existing agricultural operations nor any areas designated as prime farmland, unique farmland, or farmland of statewide importance. These proposed future uses will, therefore, not conflict with any areas zoned for agricultural use or covered by a Williamson Act contract nor will they result in any conversion of existing farmland to non-agricultural use.

Mitigation Measures: Given the lack of potentially significant impacts to agricultural resources, no mitigation measures are required.

3. Air Quality

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will generate additional motor vehicle trips associated with employee travel to and from the facilities as well as occasional truck trips associated with facility operations. This generation of additional motor vehicle trips is not expected to conflict with any applicable air quality plans or regulations or violate any established air quality standards or substantially contribute to a projected air quality violation. These proposed future uses will not result in any cumulative net increase of any pollutant for which the region is in non-attainment.

The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will not generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment nor will they conflict with any applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases.

Medical cannabis cultivation, manufacturing and testing facilities have the potential to generate odors that can become a source of complaints from local residents adjacent to the facility. The high degree of humidity and moisture required for the cultivation and production of medical cannabis can result in the generation of mold.

Mitigation Measures:

3-1 - All proposed project structures and facilities shall be subject to permit conditions that monitor and prevent the production of odors outside of the building as well as the monitoring and prevention of mold within and near the buildings by the inclusion of air filters, recirculation of internal air or other appropriate means of filtering odors that may otherwise escape from the subject facilities.

Implementation Responsibility: Applicant/Owner/Developer of future individual projects

Monitoring Agency: City of King

Timing: Prior to the issuance of Conditional Use Permit

4. Biological Resources

Impacts: Areas designated for future development of medical cannabis cultivation, manufacturing and testing facilities are either developed or highly disturbed and do not include areas containing any rare or endangered plant or animal species. These proposed future uses will, therefore, not result in any modification to sensitive biological habitats nor will they impact any species identified as a candidate, sensitive or special status species. No significant impacts to existing riparian habitats or other sensitive natural communities, Federally protected wetlands, or established migratory wildlife corridors are anticipated. Future project facilities will not conflict with any local policies or ordinances protecting biological resources or provisions of any approved local, regional or state habitat conservation plan.

Mitigation Measures: Given the lack of potentially significant impacts to biological resources, no mitigation measures are required.

5. Cultural Resources

Impacts: Areas designated for future development of medical cannabis cultivation, manufacturing and testing facilities are either highly developed or highly disturbed and do not contain any known archaeological sites, paleontological resources or historical structures. However, significant archaeological, paleontological or historic resources may be discovered during project grading or construction. In that event, these resources will either be excavated or protected in a manner consistent with all applicable State and local laws, and all work will be halted and the resources will be evaluated by a qualified professional.

Mitigation Measures:

5-1 - In the event of an accidental discovery or recognition of any human remains, archaeological resources, paleontological resources or historical resources on the project site, if said resources are found during excavation or construction, work will be halted at a minimum of 30 feet from the find and the area will be staked off. There shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie cultural resources, paleontological resources, historical resources or, in the case of adjacent human remains until the coroner of Monterey County is contacted to determine that no investigation of the cause of death is required. If the coroner determines the remains to be Native American, the coroner shall contact the Native American Heritage Commission within 24 hours. A qualified professional (to be hired by the applicant and accepted by the City) in cultural resources, paleontological resources or historical resources shall evaluate the resources discovered at the site and provide recommendations for disposition of those resources. In the case of human remains, the Native American Heritage

Commission shall identify the person or persons it believes to be the most likely descendent ("MLD") from the deceased Native American. The MLD may then make recommendations to the landowner or the person responsible for the excavation work, for means of treating or disposing of, with appropriate dignity, the human remains and associated grave goods as provided in Public Resources Code Section 5097.98. The landowner or it's authorized representative shall rebury the Native American human remains and associated grave goods with appropriate dignity on the property in a location not subject to further disturbance if: a) the Native American Heritage Commission is unable to identify a MLD or the MLD failed to make a recommendation within 24 hours after being notified by the commission; b) the descendent identified fails to make a recommendation; or c) the landowner or it's authorized representative rejects the recommendation of the descendent, and the mediation by the Native American Heritage Commission fails to provide measures acceptable to the landowner.

5-2 - Pursuant to CEQA requirements, mitigation measures shall be required in the event that unique archaeological resources are not preserved in place or not left in an undisturbed state. The project applicant shall provide a guarantee to the City, as Lead Agency, to pay one half the estimated cost of mitigating the significant effects of the project on any unique archaeological resources. In determining payment, the City shall give due consideration to the in-kind value of project design or expenditures that are intended to permit any or all archaeological resources or California Native American culturally significant sites to be preserved in place or left in an undisturbed state. When a final decision is made to carry out or approve the project, the City shall, if necessary, reduce the specified mitigation measures to those which can be funded with the money guaranteed by the project applicant plus the money voluntarily guaranteed by any other person or persons for those mitigation purposes. In order to allow time for interested persons to provide funding, a final decision to carry out or approve a project shall not occur sooner than sixty (60) days after completion of any required environmental documentation pursuant to applicable CEQA requirements.

5-3 - Excavation as mitigation shall be restricted to those parts of the unique archaeological resource that would be damaged or destroyed by the project. Excavation as mitigation shall not be required for a unique archaeological resource if the City determines that testing or studies already completed have adequately recovered the scientifically consequential information from and about the resource.

Implementation Responsibility: Applicant/Owner/Developer of future individual project

Monitoring Agency: City of King

Timing: During grading or construction of future individual projects

6. Geology/Soils

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities is not expected to significantly affect the geologic and soils conditions found in areas designated for these proposed future uses. Future project facilities are not expected to expose people or structures to substantial geologic risks due to rupture of a known earthquake fault, strong seismic ground shaking or seismic related ground failure. Given the relatively flat topography of areas designated for these future uses, little in the way of substantial erosion or exposure to unstable or expansive soils are expected to occur.

Mitigation Measures:

6-1 - All future structures will be required to meet the requirements of the applicable criteria contained in the City Building Code.

Implementation Responsibility: Applicant/Owner/Developer of future individual projects

Monitoring Agency: City of King

Timing: Prior to or during grading or construction of future individual projects

7. Hazards/Hazardous Materials

Impacts: Areas designated for future development of medical cannabis cultivation, manufacturing and testing facilities currently contain nine identified subsurface sites that are contaminated. These known contaminated sites as well as any unknown contaminated locations will require subsurface investigations in order to determine the need for remediation measures.

The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will not utilize or transport any hazardous materials which are capable of creating a significant hazard to the public or the environment. These proposed future uses will not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan and will not expose people or structures to significant risk of loss, injury or death involving wildfires.

Mitigation Measures:

7-1 - In the event that subsurface contamination is discovered in the review or construction phase of a project, work shall cease and the contamination shall be remediated in a manner acceptable to California Environmental Protection Agency and the California State Water Resources Control Board.

The Environstor Geotracker system can identify sites and determine what measures, if any, are required to mitigate subsurface contamination.

Implementation Responsibility: Applicant/Owner/Developer of future individual projects

Monitoring Agency: City of King

Timing: Prior to or during grading or construction of future individual projects

8. Hydrology/Water Quality

Impacts:

The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will involve grading and construction of greenhouse structures which will range in size from approximately 13,000 to 30,000 square feet. In addition, other structures necessary to house manufacturing facilities, security offices, storage facilities and administrative offices will also be constructed

Project grading and construction may potentially impact surface stormwater quality. Developers are required to meet all measures for stormwater pollution control, waste management, and provide public utility connections that comply with the City and other service providers pursuant to the requirements of Municipal Code Section 17.56.100 Stormwater Pollution Prevention. These standards protect against stormwater pollution during grading and construction. No discharge runoff from areas devoted to cultivation will be allowed during post construction stages of each project. Given adherence to these requirements as noted below, proposed future uses will not violate any water quality standards or waste discharge requirements or substantially alter existing drainage patterns or create or contribute runoff water which would exceed the capacity of existing or planned stormwater discharge systems or otherwise degrade water quality. In addition, future project development will not place any housing within a 100-year floodplain hazard area or expose people or structures to significant loss, injury or death involving flooding. Future project facilities will not be exposed to inundation due to a seiche, tsunami or mudflow.

Mitigation Measures:

8-1 - Development shall minimize stormwater runoff by implementing one or more of the following site design measures identified by the Regional Water Quality Control Board:

- (1) Direct roof runoff into cisterns or rain barrels for reuse:

- (2) Direct roof runoff onto vegetated areas safely away from building foundations and footings, consistent with California Building Code;
- (3) Direct runoff from sidewalks, walkways, and/or patios onto vegetated areas safely away from building foundations and footings, consistent with the City Building Code;
- (4) Direct runoff from driveways and/or uncovered parking lots onto vegetated areas safely away from building foundations and footings, consistent with City Building Code;
- (5) Construct bike lanes, driveways, uncovered parking lots, sidewalks, walkways, and patios with permeable surfaces;
- (6) The directing of runoff to bioretention basins and
- (7) Other similar measures as identified by the City Engineer.

Implementation Responsibility: Applicant/Owner/Developer of future individual projects

Monitoring Agency: City of King

Timing: Prior to the issuance of Conditional Use Permit

9. Land Use/Planning

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will not divide an established community. As a result of the previously-approved (January, 2016) modifications to the City Zoning Code (see Section III. Project Description) and the currently proposed Zoning Code Additional Amendments, these proposed future uses will not conflict with any applicable land use plans, policies or regulations adopted by the City or any other agency that has jurisdiction over the areas designated for future project facilities nor will they conflict with any applicable habitat conservation plan or natural community conservation plan.

Mitigation Measures: Given the lack of potentially significant land use and planning impacts, no mitigation measures are required.

10. Noise

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will generate construction noise which would impact surrounding areas. Construction noise represents a short-term impact on ambient noise levels. The primary source of construction noise is heavy equipment,

including trenching equipment, trucks, graders, bulldozers, concrete mixers and portable generators that can reach high levels. The peak noise level for most of the heavy equipment that will be used during project construction is 70 to 95 dBA at a distance of 50 feet. At 200 feet, the peak construction noise levels range from 58 to 83 dBA. At 400 feet, the peak noise levels range from 52 to 77 dBA. These noise levels are based upon worst-case conditions. Typically, construction-related noise levels near the construction site will be less.

Areas designated for future development of medical cannabis cultivation, manufacturing and testing facilities are currently developed with industrial and commercial facilities and with one exception do not contain any noise sensitive uses. The sole exception is the 20-acre parcel located at the northeast intersection of First Street and Lonoak Road. Existing residential uses are located within one-quarter mile of this parcel. Any potential noise impacts upon these noise-sensitive uses can be mitigated through compliance with the City Noise Ordinance.

Mitigation Measures:

10-1 - All project construction activities shall comply with the City Noise Ordinance which limits the hours of noise-generating construction activities.

Implementation Responsibility: Applicant/Owner/Developer of future individual projects

Monitoring Agency: City of King

Timing: During grading or construction of future individual projects

11. Population and Housing

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities is estimated to require a total of 1,860 employees. This employee generation will likely generate demand for housing within or adjacent to the King City area. The extent of this additional demand is difficult to accurately estimate without knowing the number of future employees that currently reside in the area and the number of employees that will be new residents. Employees from outside the area are expected to create additional housing demand. However, this potential impact is offset by the benefits of providing employment for a significant number of local residents. Future development of proposed project facilities is not expected to result in any displacement of population or existing housing in the area.

Mitigation Measures: Given the lack of potentially significant population and housing impacts, no mitigation measures are required.

12. Public Services

Impacts: The proposed future development of medical cannabis cultivation manufacturing and testing facilities is estimated to require a total of 1,860 employees. As previously noted, this employee generation will likely generate demand for housing within or adjacent to King City. This additional housing demand, the extent of which is difficult to accurately estimate, will likely result in an incremental increase in demand for fire and police protection services as well as an indirect increase in demand for schools, parks, or other governmental facilities.

According to FEMA and the U.S. Fire Administration, indoor medical cannabis growing facilities pose safety risks for fire and emergency personnel due to the potential for inhalation of chemical fumes or the ignition of flammable materials in the event of a fire.

The cultivation of medical cannabis within buildings will require a significant amount of electrical power in order to support the cultivation operations. The two primary sources of energy demand are lighting and air conditioning. Greenhouses will either utilize mixed lighting (a combination of sunlight and artificial lighting) or all artificial lighting. It is estimated that the total maximum electrical load for lighting the entire proposed future development of medical cannabis growing facilities is 53,760 amperes. The total maximum electrical load for air conditioning the entire proposed future development of medical cannabis growing facilities is 81,468 amperes. This results in a total maximum electrical load for the entire proposed future development of medical cannabis growing facilities of 135,228 amperes. According to their representatives, Pacific Gas & Electric has recently completed major upgrade work on the transmission lines into King City and has upgraded the King City substation. They have further indicated that with these improvements, P.G. & E should have available capacity to accommodate future growth in the area.

Mitigation Measures:

12-1 - As part of the Conditional Use Permit application process, the project applicant shall submit to the City for review and approval site plans that address and reduce where feasible safety risks for fire and emergency personnel.

12-2 - As part of the Conditional Use Permit application process, the project applicant shall submit to the City of review and approval a Lighting Plan which includes the use of low energy lighting systems and other energy conserving methods.

12-3 - As part of the Conditional Use Permit application process, the project applicant shall submit to the City for review and approval a Power Plan which indicates projected power demands of the project, identifies the source of power and provides

evidence of adequate availability of power supply and sufficient infrastructure to supply the project.

Implementation Responsibility: Applicant/Owner/Developer of future individual projects

Monitoring Agency: City of King

Timing: Prior to the issuance of Conditional Use Permit

13. Recreation

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will not directly generate any additional demand for recreation facilities or services. However, these proposed future uses will likely generate additional new employees (an estimated total of 1,860 employees) that will require housing and an indirect demand for additional recreation facilities within or adjacent to the King City area. The extent of this additional demand is difficult to accurately estimate without knowing the number of future employees that currently reside in the area and the number of employees that will be new residents. Employees from outside the area are expected to indirectly generate demand for recreation facilities and services. However, this potential impact is offset by the benefits of providing employment for a significant number of local residents. Future development of the proposed project facilities is not expected to result in the substantial physical deterioration of any existing recreational facilities nor generate enough demand that would require the construction or expansion of existing recreation facilities and the provision of additional recreation services.

Mitigation Measures: Given the lack of potentially significant impacts to recreation facilities, no mitigation measures are required.

14. Transportation/Circulation

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will generate additional motor vehicle trips associated with employee travel to and from the facilities as well as occasional truck trips associated with facility operations.

It is estimated that future project development will generate a total of 3,720 vehicle trips per day. Vehicle trip generation is estimated to total 1,114 vehicle trips per day within the first year (2017) of operations and 2,316 vehicle trips per day by the year 2020.

According to the project Traffic Engineer, based on a comparison of the “per acre” trip generation rates, the proposed future development of medical cannabis growing facilities could generate daily trips in the range of 40 to 60 daily trips per acre while

the uses or combination of uses permitted under the current zoning would generate trips in the range of 51.8 to 61.17 daily trips per acre for lands designated for industrial uses and as high as 149.79 daily trips per acre for parcels designated for business park uses. Based on this comparative analysis, the proposed project use types would involve daily trip generation rates within the approximate anticipated range for uses permitted under the City's current zoning for the subject lands. As such, traffic generation totals associated the proposed future development of medical cannabis growing facilities would not generate any additional traffic-related impacts upon adjacent roadways or other street and roads in the King City area.

Future project development will be required to meet all access and parking requirements of the City.

Mitigation Measures:

14-1 - As part of the Conditional Use Permit application process, the project applicant shall submit project plans to the City for review and approval site plans which insure compliance with all access and parking requirements of the City.

Implementation Responsibility: Applicant/Owner/Developer of future individual projects

Monitoring Agency: City of King

Timing: Prior to the issuance of Conditional Use Permit

15. Utility/Service Systems

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities at full development in the year 2025 will generate demand for water as well as additional demand for wastewater treatment services. It is estimated that future project development will require a total of 193,890 gallons of water per day or 70,769,920 gallons (or 217 acre-feet) per year. This water will be used for cultivation in greenhouses and propagation in nursery facilities. Water demand is estimated to total approximately 20 million gallons (or 62 acre-feet) per year within the first year (2017) of operations and approximately 44 million gallons (or 135.5 acre-feet) per year by the year 2020. This use of irrigation water is similar to other indoor nursery crops. In addition, a minor amount of water will be needed for exterior landscaping. The California Water Service (or Cal Water) prepared an Urban Water Management Plan (UWMP) in 2015. Within the UWMP, Cal Water provided estimates of projected future water use by land use/zoning categories. The projected estimate for water demand within areas zoned Industrial (without the proposed project) totaled 72 acre-feet in the year 2020 and 76 acre-feet in the year 2025. Projected project water demands for proposed future development of medical cannabis growing facilities, therefore, represent a 188% increase in industrial water demand in 2020 and a 285% increase in 2025. According to well level records, the groundwater level in the King City area has been relatively consistent over time.

It is estimated that future project development will generate a total of 16,393 gallons (or 16.4 MGD) of wastewater per day or 5,983,528 gallons (or 5.98 MGD) of wastewater per year. This wastewater will contain a variety of nutrients typically found in commercial nursery facilities. Wastewater generation is estimated to total approximately 1.80 million gallons per year within the first year (2017) of operations and approximately 3.78 million gallons per year by the year 2020.

The City Public Works Department has indicated that the chemicals and nutrients contained in the wastewater generated by individual projects are common to wastewater released from other typical wastewater sources. It should also be noted that the City Public Works Department samples wastewater on a daily basis, provides samples to a testing laboratory weekly and performs a wastewater audit twice a year. Given this level of monitoring coupled with the anticipated dilution of wastewater generated by these projects, the City does not anticipate any major issues with wastewater treatment.

Individual projects will also be required to submit project plans to the City in order to assess individual project water demands in relation to the available water supplies and infrastructure and individual project wastewater generation in relation to the existing wastewater transmission and treatment facilities at that time. In addition, individual projects will also be responsible for the extension of public water system lines to their project facilities.

Mitigation Measures:

15-1 - As part of the Conditional Use Permit application process, the project applicant shall submit to the City for review and approval a Water Plan which indicates projected water demands of the project, identifies the source of water and provides evidence of adequate availability of water supply and sufficient infrastructure to supply the project.

15-2 - As part of the Conditional Use Permit application process, the project applicant shall submit site plans to the City for review and approval which indicate projected wastewater generation of the project, identifies the existing wastewater transmission and treatment facilities and provides evidence of sufficient wastewater transmission facilities and treatment capacity to serve the project.

15-3 - The proposed future development of medical cannabis growing facilities shall be required to extend public water system lines to the project facilities as needed.

Implementation Responsibility: Applicant/Owner/Developer of future individual projects

Monitoring Agency: City of King

Timing: Prior to the issuance of Conditional Use Permit

III. PROJECT DESCRIPTION

In January, 2016, the City of King (or “City”) approved several modifications to : 1) the General Industrial (“M-1” and “M-2”) zoning designations; 2) the East Ranch Business Park Specific Plan (“ERBP-SP”), and 3) changed the M-1 zoning in the ERBP-SP to Planned Development District (“PD”). These zoning changes allowed, through the approval and issuance of Conditional Use Permits (“CUP’s”), the cultivation of medical cannabis. At that time, the City also prepared an Initial Study (“IS”) and Mitigated Negative Declaration (“MND”) which examined the potential environmental impacts of these proposed actions. The areas zoned M-1 and the ERBP-SP are located in the northeast corner of the City near the Mesa del Rey Airport. The areas zoned M-2 are located east of the airport and near the corner of First Street and Lonoak Road.

Table 1, Zoning Breakdowns, provides a listing of the various zoned parcels noted above.

TABLE 1
ZONING BREAKDOWNS

<u>Parcel</u>	<u>Zoning</u>	<u>Acres</u>	<u>Location</u>
East Ranch Business Park Specific Plan (ERBP-SP)	Specific Plan	107	Northeast corner of the City
Areas Adjacent to ERBP	M-1	20	Adjacent to and northeast Of ERBP
Adjacent to Mesa del Rey Airport	M-2	40	Adjacent to Mesa del Rey Airport
First Street and Lonoak Road	M-2	20	Northeast of the Intersection of First Street And Lonoak Road

These approved zoning modifications establish a mechanism for local level regulation allowing the cultivation of medical cannabis within buildings and/or greenhouse structures at locations approved by the City with a Conditional Use Permit. These approved zoning modifications, which became effective in February 2016, allow the commercial cultivation of medical cannabis on a large scale basis. All other commercial cannabis activity, including but not limited to cultivation (other than cultivation allowed by these zoning regulations) delivery, dispensaries, distribution, manufacturing or transporting (other than to transport cultivated product outside of the jurisdictional boundaries of the City) are strictly prohibited. These approved

zoning regulations do not apply to nor allow the personal cultivation and/or use of cannabis nor the sale of such products within the City.

B. Project Characteristics

1. Zoning Code Amendments

Since the approval of the zoning modifications noted above, the City has proposed amendments to various zoning ordinances, including City Ordinance Section 17.03 (general cannabis discussions), Section s 17.30.020 and 17.31.020 governing the M-1 and M-2 zoning designations and the ordinance governing the East Ranch Business Park. These additional zoning code amendments are intended to more specifically design and regulate any proposed facilities associated with medical cannabis cultivation, manufacturing and testing. Listed below are the various categories (or types) of facilities that will require permits from the City.

Type 2A	All Artificial Light Structures, maximum 10,000 s.f.
Type 2B	Mixed Light Structure, maximum 10,000 s.f.
Type 3A	All Artificial Light Structure, maximum 22,000 s.f.
Type 3B	Mixed Light Structure, maximum 22,000 s.f.
Type 4	Nursery
Type 6	Manufacturing
Type 8	Testing

2. Future Development of Medical Cannabis Growing Facilities

The City has not received any development applications at this time for medical cannabis growing facilities. In order to fully assess the potential environmental impacts associated with the proposed zoning code additions/amendments, the City has estimated the nature and extent of additional medical cannabis growing facilities. This estimate of future medical cannabis growing facilities within the City, as listed below, is intended to provide the basis for the maximum probable ("worst-case") assessments of potential impacts of the cumulative development of these facilities within this document.

- 4 Type 2A (all artificial light) greenhouse buildings (10,000 square foot plant canopy within a 13,000 square foot structure)
- 13 Type 2B (mixed light) greenhouse buildings (10,000 square foot plant canopy within a 13,000 square foot structure)
- 8 Type 3A (all artificial light) greenhouse buildings (22,000 square foot plant canopy within a 28,000 to 30,000 square foot structure)
- 34 Type 3B (mixed light) greenhouse buildings (22,000 square foot plant canopy within a 28,000 to 30,000 square foot structure)
- 6 Manufacturing Facilities
- 4 Nurseries (25,000 s.f.)

- 4 Security Offices
- 6 Plantonics Stores and Storage Facilities
- 4 Executive and Administrative Offices

(Note: The Type 2A and 3A greenhouse buildings are allowed pursuant to the previously approved (January, 2016) zoning modifications discussed above but are included in order to provide the maximum probable (“worst-case”) assessments of potential project impacts).

Type 2 greenhouse structures will cover a total of 13,000 square feet. Of this total, 10,000 square feet will be devoted to cannabis growing areas. Type 3 greenhouse structures will cover a total of 28,000 to 30,000 square feet. Of this total, 22,000 square feet will be devoted to cannabis growing areas. An additional 3,000 square feet in Type 2 greenhouses and an additional 6,000 to 8,000 square feet in Type 3 structures which will be devoted to the following functions: 1) trimming room, 2) drying room, 3) watering and mixing station, and 4) office space, bathrooms and employee break area. In addition, Type 2 greenhouses will have approximately 9,000 square feet devoted to exterior landscaping and parking while Type 3 greenhouses will have approximately 12,000 to 15,000 square feet devoted to exterior landscaping and parking. The greenhouse buildings will have glass roofs and side walls consisting of solid materials (i.e. brick, metal, wood, etc.) in order to provide security and eliminate a potential attractive nuisance.

Lighting will be provided by natural sunlight and/or artificial lighting. Artificial lighting will utilize energy efficient lighting systems with a finely tuned light spectrum which promotes the highest possible plant production rates. Type 2 greenhouses will have approximately 400 lights while Type 3 greenhouses will have 880 lights and Type 4 nurseries will have 1,000 lights.

Power use is primarily associated with lighting and cooling of the greenhouse structures. It is estimated that the total maximum electrical load for lighting the entire proposed future development of medical cannabis facilities is 53,760 amperes. The total maximum electrical load for air conditioning the entire proposed future development of medical cannabis facilities is 81,468 amperes. This results in a total maximum electrical load for the entire proposed future development of medical cannabis facilities of 135,228 amperes.

It is estimated that future project development will require a total of 193,890 gallons of water per day or 70,769,920 gallons (or 217 acre-feet) per year. This water will be used for cultivation in greenhouses and propagation in nursery facilities. Water demand is estimated to total approximately 20 million gallons (or 62 acre-feet) per year within the first year (2017) of operations and approximately 44 million gallons (or 135.5 acre-feet) by the year 2020. It is estimated that future project development will generate a total of 16,393 gallons (or 16.4 MGD) of wastewater per day or 5,983,528 gallons (or 5.98 MGD) of wastewater per year. This wastewater will

contain a variety of nutrients typically found in commercial nursery facilities. Wastewater generation is estimated to total approximately 1.80 million gallons per year within the first year (2017) of operations and approximately 3.78 million gallons per year by the year 2020.

It is estimated that the development of all future medical cannabis growing facilities will generate a total 3,720 vehicle trips per day. Vehicle trip generation is estimated to total 1,114 vehicle trips per day within the first year (2017) of operations and 2,316 vehicle trips per day the year 2020.

This Initial Study/Mitigated Negative Declaration has been prepared in a manner which provides complete and adequate California Environmental Quality Act (CEQA) coverage for all actions and approvals associated with the proposed project as currently described herein. However, this Initial Study/Mitigated Negative Declaration may not be the final environmental document for the proposed project. In the event that future development applications for the commercial cultivation of medical cannabis contain specific design or operational elements not addressed by this Initial Study, additional, more detailed environmental documentation may be necessary at that time. When applications for individual projects are submitted, they will be subject to additional environmental review by the City in order to 1) determine the nature and extent of any potentially significant impacts not addressed in this document and 2) insure that the individual project does not exceed the maximum development levels and cumulative impacts identified in this analysis. These individual projects will be approved by the City through the approval and issuance of Conditional Use Permits ("CUP's"),

IV. EXISTING CONDITIONS

The City of King is located in the southern end of Salinas Valley along the US Highway 101 approximately in the center of Monterey County. King City is the hub of the southern part of the agricultural industry of the Salinas Valley. The Salinas Valley is one of the most productive agricultural valleys in the world, producing many of the fruits and vegetables consumed throughout the United States. It is also at the northern edge of the Paso Robles Wine Region. The Highway 101 corridor connects the San Francisco Bay Area and the Central Coast.

The City is approximately 50 miles south of the City of Salinas, 150 miles south of San Francisco, 105 miles south of San Jose, 50 miles north of Paso Robles and 300 miles north of Los Angeles. The City of King is important for its proximity to Pinnacles National Park and as the hub of the south Salinas Valley agricultural center. It is a relatively small agriculture-based community located south of the small towns of Greenfield, Soledad, and Gonzales, other agricultural communities in the Salinas Valley.

The topography of the City and surrounding valley is flat alluvial plane between mountain ranges to the east and west of the City. San Lorenzo Creek and Salinas River floodplains are a potential hazard, bordering the southwestern portion of the City and traversing the City in a northeasterly direction to intersect the Salinas River. The City is located near the border of the Pacific and Continental Plates and is within an area known to have frequent seismic movement.

The properties covered impacted by the proposed cultivation of medical cannabis are located in the northeastern and eastern parts of the City. The area affected is partially developed with industrial and commercial uses, with numerous interspersed vacant properties. Approximately 75 percent of the area is developed. Surrounding land uses generally include agricultural uses to the north and east and commercial, industrial and residential uses to the south and west. The area has an existing street system providing access to major transportation corridors such as Highway 101. Products from the cultivated medical cannabis facilities would likely be shipped to processing facilities located in other areas of the State.

V. ENVIRONMENTAL EVALUATION

The environmental factors checked below would be potentially affected by the proposed project, involving at least one impact that is a "Significant", "Unknown Potential Significant" or "Potential Significant and Mitigated" Impact as indicated by the Environmental Checklist:

X	1. Aesthetics		9. Land Use/Planning
	2. Agricultural Resources		X 10. Noise
X	3. Air Quality/Greenhouse Gas Emissions		11. Population/Housing
	4. Biological Resources		X 12. Public Services
X	5. Cultural Resources		13. Recreation
X	6. Geology/Soils		X 14. Transportation/Circulation
X	7. Hazards/Hazardous Materials		X 15. Utility/Service Systems
X	8. Hydrology/Water Quality		16. Mandatory Findings of Significance

The following checklist indicates the potential level of impact and based upon the following categories:

Known Significant: Known significant environmental impacts.

Unknown Potentially Significant: Unknown potentially significant impacts, which require further review to determine significance level.

Potentially Significant and Mitigable: Potentially significant impacts which can be mitigated to less than significant levels.

Not Significant: Impacts which are not considered significant.

Impact Reviewed in Previous Document: Adequate previous analysis exists regarding the issue; further analysis is not required due to tiering process (Section 21094 of CEQA and Section 15162 of the State CEQA Guidelines). Discussion should include reference to the previous documents and identification of mitigation measures incorporated from those previous documents. Where applicable, this box should be checked in addition to one indicating significance of the potential environmental impact.

1.	AESTHETICS:	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
	Would the project:					
a.	Have a substantial adverse effect on a scenic vista?				X	
b.	Substantially damage scenic resources, including but not limited to, trees, rock outcroppings, and historic buildings within view of a state scenic highway?				X	
c.	Substantially degrade the existing visual character or quality of the site and its surroundings?			X		
d.	Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area?			X		

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will involve the construction of greenhouse structures which will range in size from approximately 13,000 to 30,000 square feet. The greenhouse buildings will have glass roofs and sidewalls consisting of solid materials (i.e., brick, metal, wood, etc.).

In addition, other structures necessary to house manufacturing facilities, security offices, storage facilities and administrative offices will also be constructed.

All structures and other project facilities will be subject to the City's design standards applicable to the M-1 and M-2 zoning or the East Ranch Business Park. These proposed facilities will also be visually compatible with the existing industrial and commercial uses in adjacent areas.

None of the proposed structures or other project facilities will have a substantial adverse effect upon any scenic vistas or scenic resources nor will they degrade the visual character or quality of the site or its surroundings.

Lighting within the greenhouses will be provided by natural sunlight and/or artificial lighting systems. All lighting shall be directed downward and oriented in a manner to mitigate potential light and glare impacts upon surrounding areas.

Mitigation Measures:

1-1 – All proposed project structures and facilities shall be subject to the City's design standards applicable to the M-1 and M-2 zoning or the East Ranch Business Park.

1-2 –As part of the Conditional Use Permit application process, the project applicant shall submit to the City for review and approval a Lighting Plan which describes all proposed interior and exterior lighting and provides feasible methods by which all light is directed downward which prevents substantial light and glare impacts to adjacent areas.

2.	<p>AGRICULTURAL RESOURCES:</p> <p>In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland.</p> <p>Would the project:</p>	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
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a.	Convert prime farmland, unique farmland, or farmland of statewide importance, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?					X	
b.	Conflict with existing zoning for agricultural use, or a Williamson Act contract?					X	
c.	Involve other changes in the existing environment, which, due to their location or nature could result in conversion of farmland, to non-agricultural use?					X	

Impacts: Areas designated for future development of medical cannabis cultivation, manufacturing and testing facilities are either developed or highly disturbed and do not contain existing agricultural operations nor any areas designated as prime farmland, unique farmland, or farmland of statewide importance. These proposed future uses will, therefore, not conflict with any areas zoned for agricultural use or covered by a Williamson Act contract nor will they result in any conversion of existing farmland to non-agricultural use.

Mitigation Measures: Given the lack of potentially significant impacts to agricultural resources, no mitigation measures are required.

3.	AIR QUALITY/GREENHOUSE GAS EMISSIONS	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
	Would the project:					
a.	Conflict with or obstruct implementation of the applicable air quality plan?				X	
b.	Exposure of sensitive receptors to substantial pollution concentrations (emissions from direct, indirect, mobile and stationary sources)?				X	
c.	Violate any air quality standard or contribute substantially to an existing or projected air quality violation?				X	
d.	Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is in non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions, which exceed quantitative thresholds for ozone precursors)?				X	
e.	Create objectionable smoke, ash, dust or odors affecting a substantial number of people?			X		
f.	Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?				X	
g.	Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?				X	

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will generate additional motor vehicle trips

associated with employee travel to and from the facilities as well as occasional truck trips associated with facility operations. This generation of additional motor vehicle trips is not expected to conflict with any applicable air quality plans or regulations or violate any established air quality standards or substantially contribute to a projected air quality violation. These proposed future uses will not result in any cumulative net increase of any pollutant for which the region is in non-attainment.

The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will not generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment nor will they conflict with any applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases.

Medical cannabis cultivation, manufacturing and testing facilities have the potential to generate odors that can become a source of complaints from local residents adjacent to the facility. The high degree of humidity and moisture required for the cultivation and production of medical cannabis can result in the generation of mold.

Mitigation Measures:

3-1 – All proposed project structures and facilities shall be subject to permit conditions that monitor and prevent the production of odors outside of the building as well as the monitoring and prevention of mold within and near the buildings by the inclusion of air filters, recirculation of internal air or other appropriate means of filtering odors that may otherwise escape from the subject facilities.

4.	BIOLOGICAL RESOURCES	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
	Would the project:					
a.	Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?				X	
b.	Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife service?				X	
c.	Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc) through direct removal, filling, hydrological interruption, or other means?				X	
d.	Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?				X	

e.	Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				X	
f.	Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional or state habitat conservation plan?				X	

Impacts: Areas designated for future development of medical cannabis cultivation, manufacturing and testing facilities are either developed or highly disturbed and do not include areas containing any rare or endangered plant or animal species. These proposed future uses will, therefore, not result in any modification to sensitive biological habitats nor will they impact any species identified as a candidate, sensitive or special status species. No significant impacts to existing riparian habitats or other sensitive natural communities, Federally protected wetlands, or established migratory wildlife corridors are anticipated. Future project facilities will not conflict with any local policies or ordinances protecting biological resources or provisions of any approved local, regional or state habitat conservation plan.

Mitigation Measures: Given the lack of potentially significant impacts to biological resources, no mitigation measures are required.

5. CULTURAL RESOURCES		Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
Would the project:						
a.	Cause a substantial adverse change in the significance of a historical resource as defined in CEQA Guidelines Section 15064.5?			X		
b.	Cause a substantial adverse change in the significance of an archaeological resource pursuant to CEQA Guidelines Section 15064.5?			X		
c.	Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?			X		
d.	Disturb any human remains, including those interred outside of formal cemeteries?			X		

Impacts: Areas designated for future development of medical cannabis cultivation, manufacturing and testing facilities are either highly developed or highly disturbed and do not contain any known archaeological sites, paleontological resources or historical structures.

However, significant archaeological, paleontological or historic resources may be discovered during project grading or construction. In that event, these resources will either be excavated or protected in a manner consistent with all applicable State and local laws, and all work will be halted and the resources will be evaluated by a qualified professional.

Mitigation Measures:

5-1 - In the event of an accidental discovery or recognition of any human remains, archaeological resources, paleontological resources or historical resources on the

project site, if said resources are found during excavation or construction, work will be halted at a minimum of 30 feet from the find and the area will be staked off. There shall be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie cultural resources, paleontological resources, historical resources or, in the case of adjacent human remains until the coroner of Monterey County is contacted to determine that no investigation of the cause of death is required. If the coroner determines the remains to be Native American, the coroner shall contact the Native American Heritage Commission within 24 hours. A qualified professional (to be hired by the applicant and accepted by the City) in cultural resources, paleontological resources or historical resources shall evaluate the resources discovered at the site and provide recommendations for disposition of those resources. In the case of human remains, the Native American Heritage Commission shall identify the person or persons it believes to be the most likely descendent ("MLD") from the deceased Native American. The MLD may then make recommendations to the landowner or the person responsible for the excavation work, for means of treating or disposing of, with appropriate dignity, the human remains and associated grave goods as provided in Public Resources Code Section 5097.98. The landowner or it's authorized representative shall rebury the Native American human remains and associated grave goods with appropriate dignity on the property in a location not subject to further disturbance if: a) the Native American Heritage Commission is unable to identify a MLD or the MLD failed to make a recommendation within 24 hours after being notified by the commission; b) the descendent identified fails to make a recommendation; or c) the landowner or it's authorized representative rejects the recommendation of the descendent, and the mediation by the Native American Heritage Commission fails to provide measures acceptable to the landowner.

5-2 - Pursuant to CEQA requirements, mitigation measures shall be required in the event that unique archaeological resources are not preserved in place or not left in an undisturbed state. The project applicant shall provide a guarantee to the City, as Lead Agency, to pay one half the estimated cost of mitigating the significant effects of the project on any unique archaeological resources. In determining payment, the City shall give due consideration to the in-kind value of project design or expenditures that are intended to permit any or all archaeological resources or California Native American culturally significant sites to be preserved in place or left in an undisturbed state. When a final decision is made to carry out or approve the project, the City shall, if necessary, reduce the specified mitigation measures to those which can be funded with the money guaranteed by the project applicant plus the money voluntarily guaranteed by any other person or persons for those mitigation purposes. In order to allow time for interested persons to provide funding, a final decision to carry out or approve a project shall not occur sooner than sixty (60) days after completion of any required environmental documentation pursuant to applicable CEQA requirements.

5-3 - Excavation as mitigation shall be restricted to those parts of the unique archaeological resource that would be damaged or destroyed by the project. Excavation as mitigation shall not be required for a unique archaeological resource if

the City determines that testing or studies already completed have adequately recovered the scientifically consequential information from and about the resource.

6.	GEOLOGY /SOILS	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant or Not Applicable	Impact Reviewed in Previous Document
	Would the project:					
a.	Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:			X		
i)	Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist or based on other substantial evidence of a known fault (Refer to Division of Mines and Geology Publication 42)				X	
ii)	Strong seismic ground shaking?			X		
iii)	Seismic-related ground failure, including liquefaction?				X	
iv)	Landslides?				X	
b.	Result in substantial erosion or the loss of topsoil?				X	
c.	Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?				X	
d.	Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?				X	
e.	Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?				X	

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities is not expected to significantly affect the geologic and soils conditions found in areas designated for these proposed future uses. Future project facilities are not expected to expose people or structures to substantial geologic risks due to rupture of a known earthquake fault, strong seismic ground shaking or seismic related ground failure. Given the relatively flat topography of areas designated for these future uses, little in the way of substantial erosion or exposure to unstable or expansive soils are expected to occur.

Mitigation Measures:

6-1 - All future structures will be required to meet the requirements of the applicable criteria contained in the City Building Code.

7.	HAZARDS/HAZARDOUS MATERIALS	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
	Would the project:					
a.	Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?				X	

b.	Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?				X	
c.	Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?				X	
d.	Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would create a significant hazard to the public or the environment?			X		
e.	Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				X	
f.	Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?				X	

Impacts: Areas designated for future development of medical cannabis cultivation, manufacturing and testing facilities currently contain nine identified subsurface sites that are contaminated. These known contaminated sites as well as any unknown contaminated locations will require subsurface investigations in order to determine the need for remediation measures.

The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will not utilize or transport any hazardous materials which are capable of creating a significant hazard to the public or the environment. These proposed future uses will not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan and will not expose people or structures to significant risk of loss, injury or death involving wildfires.

Mitigation Measures:

7-1 - In the event that subsurface contamination is discovered in the review or construction phase of a project, work shall cease and the contamination shall be remediated in a manner acceptable to California Environmental Protection Agency and the California State Water Resources Control Board. The Environstor Geotracker system can identify sites and determine what measures, if any, are required to mitigate subsurface contamination.

8.	HYDROLOGY/WATER QUALITY	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
	Would the project:					
a.	Violate any water quality standards or waste discharge requirements?				X	

b.	Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?				X	
c.	Substantially alter the existing drainage pattern on the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on or off-site?				X	
d.	Substantially alter the existing drainage pattern on the site or area, including through the alteration of the course of a stream or substantially increase the rate or amount of surface runoff in a manner, which would result in flooding on- or off-site?			X		
e.	Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff or fail to meet the new CCRWQCB standards for stormwater control?			X		
f.	Otherwise substantially degrade water quality?				X	
g.	Place housing within a 100-year flood hazard area as mapped on a federal flood hazard boundary or flood insurance rate map or other flood hazard delineation map?				X	
h.	Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?				X	
i.	Inundation by seiche, tsunami, or mudflow?				X	

Impacts:

The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will involve grading and construction for greenhouse structures which will range in size from approximately 13,000 to 30,000 square feet. In addition, other structures necessary to house manufacturing facilities, security offices, storage facilities and administrative offices will also be constructed

Project grading and construction may potentially impact surface stormwater quality. Developers are required to meet all measures for stormwater pollution control, waste management, and provide public utility connections that comply with the City and other service providers pursuant to the requirements of Municipal Code Section 17.56.100 Stormwater Pollution Prevention. These standards protect against stormwater pollution during the grading and construction. No discharge runoff from areas devoted to cultivation will be allowed during post construction stages of each project. Given adherence to these requirements as noted below, proposed future uses will not violate any water quality standards or waste discharge requirements or substantially alter existing drainage patterns or create or contribute runoff water which would exceed the capacity of existing or planned stormwater discharge systems or otherwise degrade water quality. In addition, future project development will not place any housing within a 100-year floodplain hazard area or expose people or structures to significant loss, injury or death involving flooding. Future project facilities will not be exposed to inundation due to a seiche, tsunami or mudflow.

Mitigation Measures:

8-1 - Development shall minimize stormwater runoff by implementing one or more of the following site design measures identified by the Regional Water Quality Control Board:

- (1) Direct roof runoff into cisterns or rain barrels for reuse;
- (2) Direct roof runoff onto vegetated areas safely away from building foundations and footings, consistent with California Building Code;
- (3) Direct runoff from sidewalks, walkways, and/or patios onto vegetated areas safely away from building foundations and footings, consistent with the City Building Code;
- (4) Direct runoff from driveways and/or uncovered parking lots onto vegetated areas safely away from building foundations and footings, consistent with City Building Code;
- (5) Construct bike lanes, driveways, uncovered parking lots, sidewalks, walkways, and patios with permeable surfaces;
- (6) The directing of runoff to bioretention basins and
- (7) Other similar measures as identified by the City Engineer.

9.	LAND USE AND PLANNING	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
	Would the project:					
a.	Physically divide an established community?				X	
b.	Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to, the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?				X	
c.	Conflict with any applicable habitat conservation plan or natural community conservation plan?				X	

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will not divide an established community. As a result of the previously-approved (January, 2016) modifications to the City Zoning Code (see Section III. Project Description) and the currently proposed Zoning Code Additional Amendments, these proposed future uses will not conflict with any applicable land use plans, policies or regulations adopted by the City or any other agency that has jurisdiction over the areas designated for future project facilities nor will they conflict with any applicable habitat conservation plan or natural community conservation plan.

Mitigation Measures: Given the lack of potentially significant land use and planning impacts, no mitigation measures are required.

10.	NOISE	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
	Would the project:					
a.	Expose people to, or generate, noise levels exceeding established standards in the local general plan, coastal plan, noise ordinance or other applicable standards of other agencies?			X		
b.	Expose persons to or generate excessive ground borne vibration or ground borne noise levels?			X		
c.	Cause a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?				X	
d.	Cause a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?				X	

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will generate construction noise which would impact surrounding areas. Construction noise represents a short-term impact on ambient noise levels. The primary source of construction noise is heavy equipment, including trenching equipment, trucks, graders, bulldozers, concrete mixers and portable generators that can reach high levels. The peak noise level for most of the heavy equipment that will be used during project construction is 70 to 95 dBA at a distance of 50 feet. At 200 feet, the peak construction noise levels range from 58 to 83 dBA. At 400 feet, the peak noise levels range from 52 to 77 dBA. These noise levels are based upon worst-case conditions. Typically, construction-related noise levels near the construction site will be less.

Areas designated for future development of medical cannabis cultivation, manufacturing and testing facilities are currently developed with industrial and commercial facilities and with one exception do not contain any noise sensitive uses. The sole exception is the 20-acre parcel located at the northeast intersection of First Street and Lonoak Road. Existing residential uses are located within one-quarter mile of this parcel. Any potential noise impacts upon these noise-sensitive uses can be mitigated through compliance with the City Noise Ordinance.

Mitigation Measures:

10-1 - All project construction activities shall comply with the City Noise Ordinance which limits the hours of noise-generating construction activities.

11.	POPULATION AND HOUSING	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
	Would the project:					

a.	Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				X	
b.	Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				X	
c.	Induce substantial growth in an area either directly (for example, by proposing new homes and businesses) or indirectly (e.g. through extension of roads or other infrastructure)?				X	

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities is estimated to require a total of 1,860 employees. This employee generation will likely generate demand for housing within or adjacent to the King City area. The extent of this additional demand is difficult to accurately estimate without knowing the number of future employees that currently reside in the area and the number of employees that will be new residents. Employees from outside the area are expected to create additional housing demand. However, this potential impact is offset by the benefits of providing employment for a significant number of local residents. Future development of proposed project facilities is not expected to result in any displacement of population or existing housing in the area.

Mitigation Measures: Given the lack of potentially significant population and housing impacts, no mitigation measures are required.

12. PUBLIC SERVICES		Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
Would the project result in a substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the following public services:						
a.	Fire protection?			X		
b.	Police protection?				X	
c.	Schools?				X	
d.	Parks or other recreational facilities?				X	
e.	Other governmental services? (Power)			X		

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities is estimated to require a total of 1,860 employees. As previously noted, this employee generation will likely generate demand for housing within or adjacent to King City. This additional housing demand, the extent of which is difficult to accurately estimate, will likely result in an incremental increase in demand for fire and police protection services as well as an indirect increase in demand for schools, parks, or other governmental facilities.

According to FEMA and the U.S. Fire Administration, indoor medical cannabis growing facilities pose safety risks for fire and emergency personnel due to the

potential for inhalation of chemical fumes or the ignition of flammable materials in the event of a fire.

The cultivation of medical cannabis within buildings will require a significant amount of electrical power in order to support the cultivation operations. The two primary sources of energy demand are lighting and air conditioning. Greenhouses will either utilize mixed lighting (a combination of sunlight and artificial lighting) or all artificial lighting. It is estimated that the total maximum electrical load for lighting the entire proposed future development of medical cannabis growing facilities is 53,760 amperes. The total maximum electrical load for air conditioning the entire proposed future development of medical cannabis growing facilities is 81,468 amperes. This results in a total maximum electrical load for the entire proposed future development of medical cannabis growing facilities of 135,228 amperes. According to their representatives, Pacific Gas & Electric has recently completed major upgrade work on the transmission lines into King City and has upgraded the King City substation. They have further indicated that with these improvements, P.G. & E should have available capacity to accommodate future growth in the area.

Mitigation Measures:

12-1 - As part of the Conditional Use Permit application process, the project applicant shall submit to the City for review and approval site plans that address and reduce where feasible safety risks for fire and emergency personnel.

12-2 - As part of the Conditional Use Permit application process, the project applicant shall submit to the City of review and approval a Lighting Plan which includes the use of low energy lighting systems and other energy conserving methods.

12-3 - As part of the Conditional Use Permit application process, the project applicant shall submit to the City for review and approval a Power Plan which indicates projected power demands of the project, identifies the source of power and provides evidence of adequate availability of power supply and sufficient infrastructure to supply the project.

13. RECREATION		Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
Would the project:						
a.	Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?				X	
b.	include recreational facilities or require the construction or expansion of recreational facilities, which might have an adverse physical effect on the environment?				X	

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will not directly generate any additional demand for recreation

facilities or services. However, these proposed future uses will likely generate additional new employees (an estimated total of 1,860 employees) that will require housing and an indirect demand for additional recreation facilities within or adjacent to the King City area. The extent of this additional demand is difficult to accurately estimate without knowing the number of future employees that currently reside in the area and the number of employees that will be new residents. Employees from outside the area are expected to indirectly generate demand for recreation facilities and services. However, this potential impact is offset by the benefits of providing employment for a significant number of local residents. Future development of the proposed project facilities is not expected to result in the substantial physical deterioration of any existing recreational facilities nor generate enough demand that would require the construction or expansion of existing recreation facilities and the provision of additional recreation services.

Mitigation Measures: Given the lack of potentially significant impacts to recreation facilities, no mitigation measures are required.

14. TRANSPORTATION/CIRCULATION		Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
Would the project:						
a.	Cause an increase in traffic, which is substantial in relation to the existing traffic load and capacity of the street system (i.e. result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?				X	
b.	Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?				X	
c.	Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?			X		
d.	Substantially increase hazards due to a design feature (e.g. limited sight visibility, sharp curves or dangerous intersections) or incompatible uses (e.g. farm equipment)?				X	
e.	Result in inadequate emergency access?			X		
f.	Result in inadequate parking capacity?			X		
g.	Conflicts with adopted policies supporting alternative transportation (e.g. bus turnouts, bicycle racks)?				X	

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities will generate additional motor vehicle trips associated with employee travel to and from the facilities as well as occasional truck trips associated with facility operations.

It is estimated that future project development will generate a total of 3,720 vehicle trips per day. Vehicle trip generation is estimated to total 1,114 vehicle trips per day within the first year (2017) of operations and 2,316 vehicle trips per day by the year 2020.

According to the project Traffic Engineer, based on a comparison of the “per acre” trip generation rates, the proposed future development of medical cannabis growing facilities could generate daily trips in the range of 40 to 60 daily trips per acre while the uses or combination of uses permitted under the current zoning would generate trips in the range of 51.8 to 61.17 daily trips per acre for lands designated for industrial uses and as high as 149.79 daily trips per acre for parcels designated for business park uses. Based on this comparative analysis, the proposed project use types would involve daily trip generation rates within the approximate anticipated range for uses permitted under the City’s current zoning for the subject lands. As such, traffic generation totals associated the proposed future development of medical cannabis growing facilities would not generate any additional traffic -related impacts upon adjacent roadways or other street and roads in the King City area.

Future project development will be required to meet all access and parking requirements of the City.

Mitigation Measures:

14-1 - As part of the Conditional Use Permit application process, the project applicant shall submit project plans to the City for review and approval site plans which insure compliance with all access and parking requirements of the City.

15. UTILITIES & SERVICE SYSTEMS			Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
	Would the project:					
a.	Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?			X		
b.	Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X	
c.	Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X	
d.	Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?			X		
e.	Result in a determination by the wastewater treatment provider, which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?			X		
f.	Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?				X	
g.	Comply with federal, state, and local statutes and regulations related to solid waste?				X	

Impacts: The proposed future development of medical cannabis cultivation, manufacturing and testing facilities at full development in the year 2025 will generate demand for water as well as additional demand for wastewater treatment services. It is estimated that future project development will require a total of 193,890 gallons of water per day or 70,769,920 gallons (or 217 acre-feet) per year. This water will be used for cultivation in greenhouses and propagation in nursery facilities. Water demand is estimated to total approximately 20 million gallons (or 62 acre-feet) per year within the first year (2017) of operations and approximately 44 million gallons (or 135.5 acre-feet) per year by the year 2020. This use of irrigation water is similar to other indoor nursery crops. In addition, a minor amount of water will be needed for exterior landscaping. The California Water Service (or Cal Water) prepared an Urban Water Management Plan (UWMP) in 2015. Within the UWMP, Cal Water provided estimates of projected future water use by land use/zoning categories. The projected estimate for water demand within areas zoned Industrial (without the proposed project) totaled 72 acre-feet in the year 2020 and 76 acre-feet in the year 2025. Projected project water demands for proposed future development of medical cannabis growing facilities, therefore, represent a 188% increase in industrial water demand in 2020 and a 285% increase in 2025. According to well level records, the groundwater level in the King City area has been relatively consistent over time.

It is estimated that future project development will generate a total of 16,393 gallons (or 16.4 MGD) of wastewater per day or 5,983,528 gallons (or 5.98 MGD) of wastewater per year. This wastewater will contain a variety of nutrients typically found in commercial nursery facilities. Wastewater generation is estimated to total approximately 1.80 million gallons per year within the first year (2017) of operations and approximately 3.78 million gallons per year by the year 2020.

The City Public Works Department has indicated that the chemicals and nutrients contained in the wastewater generated by individual projects are common to wastewater released from other typical wastewater sources. It should also be noted that the City Public Works Department samples wastewater on a daily basis, provides samples to a testing laboratory weekly and performs a wastewater audit twice a year. Given this level of monitoring coupled with the anticipated dilution of wastewater generated by these projects, the City does not anticipate any major issues with wastewater treatment.

Individual projects will also be required to submit project plans to the City in order to assess individual project water demands in relation to the available water supplies and infrastructure and individual project wastewater generation in relation to the existing wastewater transmission and treatment facilities at that time. In addition, individual projects will also be responsible for the extension of public water system lines to their project facilities.

Mitigation Measures:

15-1 - As part of the Conditional Use Permit application process, the project applicant shall submit to the City for review and approval a Water Plan which indicates projected water demands of the project, identifies the source of water and provides evidence of adequate availability of water supply and sufficient infrastructure to supply the project.

15-2 - As part of the Conditional Use Permit application process, the project applicant shall submit site plans to the City for review and approval which indicate projected wastewater generation of the project, identifies the existing wastewater transmission and treatment facilities and provides evidence of sufficient wastewater transmission facilities and treatment capacity to serve the project.

15-3 - The proposed future development of medical cannabis growing facilities shall be required to extend public water system lines to the project facilities as needed.

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VI. MANDATORY FINDINGS OF SIGNIFICANCE

A project may have a significant effect on the environment and thereby require an focused or full environmental impact report to be prepared for the project where any of the following conditions occur (CEQA §15065):

	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
Potential to degrade: Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?				X	
Cumulative: Does the project have impacts that are individually limited but cumulatively considerable? (Cumulatively considerable means that incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?				X	
Substantial adverse: Does the project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly?				X	

a. The proposed future development of medical cannabis growing facilities does not have the potential to substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of an endangered, rare, or threatened species. It is possible during grading and construction activities that unknown cultural resources may be unearthed, which may result in a potentially significant impact. Implementation of the mitigation measures for Cultural Resources would ensure the proposed project would not eliminate important examples of the major periods of California history or prehistory.

b. Construction-related activities of the proposed future medical cannabis growing facilities have the potential to generate storm-related runoff pollutants. These future projects will be required to prepare a plan that addresses all potential pollutants, including but not limited to soil erosion and sediment which shall be followed during grading and construction as well as maintained for the entire term of their use. Other measures to address the protection against all subsurface and surface pollution shall also be implemented during construction and for the full duration of the use of the properties.

c. The proposed future development of medical cannabis growing facilities could potentially result in the generation of construction dust and equipment exhaust emissions and noise will be required to reduce air quality and noise impacts to less than significant levels.

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VII. ENVIRONMENTAL DETERMINATION

On the basis of the facts contained within this Initial Study:

I find that the proposed project COULD NOT have a significant effect on the environment and a NEGATIVE DECLARATION will be prepared.	<input type="checkbox"/>
I find that although the project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described in this document have been added to the project. A NEGATIVE DECLARATION will be prepared.	<input checked="" type="checkbox"/>
I find that the project MAY have a significant effect on the environment and an ENVIRONMENTAL IMPACT REPORT is required.	<input type="checkbox"/>
I find that the project MAY have a significant effect(s) on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards and 2) has been addressed by mitigation measures based on an earlier analysis. If the effect is a potentially significant impact or potentially significant unless mitigated, an ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that need to be addressed.	<input type="checkbox"/>
I find that although the proposed project could have a significant effect on the environment, there WILL NOT be a significant effect in this case because all potentially significant effects (a) have been analyzed adequately in an earlier EIR pursuant to applicable standards and (b) have been avoided or mitigated pursuant to that earlier EIR, including project revisions or mitigation measures that are imposed upon the proposed project.	<input type="checkbox"/>



Steven Adams
City Manager
City of King

8/25/16

Date

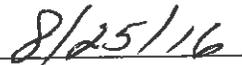
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VIII. CERTIFICATION

I hereby affirm to the best of my knowledge, based on available information provided to me through specialist's technical reports, public documents and original research, analysis and assessments, the statements and information contained within this environmental document are true and correct to the degree of accuracy necessary for public disclosure purposes in accordance with Public Resources Code Section 21003, 21061 and 21100.



Steven Adams
City Manager
City of King



Date