

AGENDA

REGULAR MEETING OF THE PLANNING COMMISSION

TUESDAY, DECEMBER 5, 2017
6:00 P.M.

Council Chambers, City Hall
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. Minutes of November 7, 2017 Planning Commission Meeting
Recommendation: Approve and file.

7. PUBLIC HEARINGS

- A. Project Name: King City Farms, LLC
- Case No.: CUP 2017-010
- Applicant: Brandon Gesicki
- Location: 325 Airport Road., King City, CA.
- Consideration: CUP 2017-010 Cannabis Cultivation (CA TYPE 3B), Cannabis Nursery (CA TYPE 4) Manufacturing (TYPE 7); and Transportation/Distribution (CA TYPE 11) 325 Airport Drive (APN 026-351-016)
- Recommendation: Staff recommends the Planning Commission: 1) review Conditional Use Permit Application, 2) receive public comment; and 3) adopt the attached Resolution approving Conditional Use Permit 2017-010

Environmental
Determination:

The City previously prepared and certified (September 2016) a Mitigated Negative Declaration (MND) for the amendment of the City's Zoning Ordinance and the amendment of the East Ranch Business Park Specific Plan (ERBP Specific Plan) (Ordinances Nos. 2016-728, 2016-729 and 2016-730) to allow new land uses in the Manufacturing Districts (M-1, M-2, M-3) and in the ERBP Specific Plan. Ordinances Nos. 2017-745 and 746 amended the Municipal Code to allow CA Type 7 Manufacturing and CA Type 11 Distribution.

Staff has conducted an Initial Study related to this proposed project (CUP 2017-010) and has determined the project is fully within the scope of the prior analysis by the MND. The Adoption of a Finding of Consistency has been recommended per CEQA Guidelines Section 15162 and has been noticed for Public Review.

- B. Project Name:** MD BioDesigns
- Case No.:** CUP 2017-008
- Applicant:** Ron Glantz
- Location:** 1000 Industrial Way, APN 026-351-024
- Consideration:** CUP 2017-008, Medical Cannabis Manufacturing Level 2 (CA TYPE 7):
- Recommendation:** Staff recommends the Planning Commission: 1) review Conditional Use Permit Application, 2) receive public comment; and 3) adopt the attached Resolution approving Conditional Use Permit Case No. 2017-010.

Environmental
Determination:

The City previously prepared and certified (September 2016) a Mitigated Negative Declaration (MND) for the amendment of the City's Zoning Ordinance and the amendment of the East Ranch Business Park Specific Plan (ERBP Specific Plan) (Ordinance Nos. 2016-728, 2016-729 and 2016-730) to allow new land uses in the Manufacturing Districts (M-1, M-2, M-3) and in the ERBP Specific Plan. The Municipal Code was amended in June and August of 2017 to allow Manufacturing Level 2 (CA Type 7 and Distribution (CA Type 11.))

Staff has conducted an Initial Study related to this proposed project (CUP Case No. 2016-008) and has determined the project is fully within the scope of the prior analysis by the MND. The Adoption of a Finding of Consistency has been recommended per CEQA Guidelines Section 15162 and has been noticed for Public Review.

8. NON-PUBLIC HEARINGS

None

9. PLANNING COMMISSIONER REPORTS

10. DIRECTOR'S REPORT

11. WRITTEN CORRESPONDENCE

12. ADJOURNMENT

UPCOMING REGULAR MEETINGS

<u>December 2017</u>		
December 5 th	6:00 p.m.	Planning Commission
December 11 th	6:00 p.m.	Airport Advisory Committee
December 12 th	6:00 p.m.	City Council
December 18 th	6:00 p.m.	Recreation Commission
December 19 th	6:00 p.m.	Planning Commission
December 26 th	6:00 p.m.	City Council (Canceled)
<u>January 2018</u>		
January 2 nd	6:00p.m.	Planning Commission (Canceled)
January 8 th	6:00 p.m.	Airport Advisory Committee
January 9 th	6:00 p.m.	City Council
January 15 th	6:00 p.m.	Recreation Commission
January 16 th	6:00 p.m.	Planning Commission
January 23 rd	6:00 p.m.	City Council

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

CAT: Cap and Trade is one method for regulating and ultimately reducing the amount of pollution emitted into the atmosphere.

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)

MIMTC: 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

November 7, 2017

1. Call to Order

Chairperson Nuck called the regular meeting of the Planning Commission of the City of King to order at 6:04 p.m.

2. Pledge of Allegiance

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

3. Roll Call

Chairperson David Nuck X Vice Chair David Mendez X
Michael Barbree A Margaret Raschella X Ralph Lee A

Vice Chair Mendez made a motion to excuse Planning Commissioner Barbree and Commissioner Lee, Seconded by Commissioner Raschella. Motion carried 3-0

Staff present: Principal Planner, Don Funk; Assistant Planner, Maricruz Aguilar-Navarro; Admin. Asst./Deputy City Clerk, Erica Sonne.

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: October 17, 2017

Action: Motion made by Commissioner Raschella to approve minutes of October 17, 2017. Seconded by Commissioner Mendez. Motion carried 4-0.

7. Public Hearing Items

- A. Project Name: Santa Maria Seeds Warehouse
- Case No.: Conditional Use Permit Case No. CUP 2017-005
Architectural Review Case No. AR 2017-002
- Applicant: Santa Maria Seeds (Manny Silva III, Representative)
- Location: 111 E. San Antonio Drive, King City, CA. 93930
- Consideration: Conditional Use Permit and Architectural Review for Construction of a New 14,510 Square Foot Vegetable Seed Storage Warehouse at 111 E. San Antonio Drive, King City, CA.

Recommendation: Staff recommends that Planning Commission conduct the public hearing and adopt Resolution No. 2017-200, which approves CUP Case No. 2017-005 and AR Case No. 2017-002 for the construction of a 14,510-square foot warehouse at 111 E. San Antonio Drive, based on Findings of Fact, subject to Conditions of Approval and Mitigated Measures.

Environmental Determination: Mitigated Negative Declaration ("MND") in accordance with the California Environmental Quality Act ("CEQA"), the City of King, California, is the Lead Agency. A MND has been prepared for the project identified above. A Notice of Intent ("NOI") was made available for public review on October 18, 2017. The purpose of this NOI is to solicit comments on the environmental analysis contained in the MND. There are no known environmental impacts that cannot be satisfactorily mitigated. There are no known regional environmental issues.

Principal Planner Funk introduced this item with a power point presentation.

Bryan Ridley, architect for the applicant was present to answer any questions.

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

Action: Motion made by Commissioner Raschella to adopt Resolution No. 2017-200, which approves CUP Case No. 2017-005 and AR Case No. 2017-002 for the construction of a 14,510-square foot warehouse at 111 E. San Antonio Drive, based on Findings of Fact, subject to Conditions of Approval and Mitigated Measures. Seconded by Commissioner Mendez. Motion carried 3-0.

8. Non-Public Hearing Items –

A. Discussion on lot sizes and ordinance requirements for minimum new lots

Recommendation: Discuss lot size requirements and provide direction.

Principal Planner Funk introduced this item. He handed out some handouts for this item on lot sizes.

Does the Planning Commission want to change the lot size to 6000 sq. ft. or keep it where the applicant needs to come in and do a variance?

Chair Nuck would like to bring this back when there is a full Planning Commission.

This item will be continued to the January meeting.

9. Regular Business- None

10. Planning Commission Report –

11. Director Reports- O'Reilly, Wind Sculptures, Stripping Broadway, Façade Program, Amgen tour,

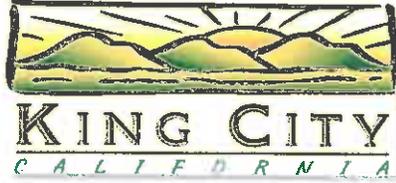
12. Written Correspondence– None

13. Adjournment

There being no further business, the Planning Commission meeting was adjourned at 6:59 p.m.

David Nuck
Planning Commission Chairperson
City of King

Erica Sonne
Planning Commission Secretary
City of King



Item No. 7(A)

REPORT TO THE PLANNING COMMISSION

DATE: DECEMBER 05, 2017

TO: HONORABLE CHAIR AND MEMBERS OF THE PLANNING COMMISSION

FROM: DOREEN LIBERTO BLANCK, COMMUNITY DEVELOPMENT DIRECTOR;

BY: SCOTT BRUCE, PRINCIPAL PLANNER

RE: CUP 2017-010, CANNABIS CULTIVATION (CA TYPE 3B), CANNABIS NURSERY (CA TYPE 4) MANUFACTURING (TYPE 7); and TRANSPORTATION / DISTRIBUTION (CA TYPE 11). 325 AIRPORT DRIVE (APN 026-351-016)

RECOMMENDATION:

Staff recommends the Planning Commission: 1) review Conditional Use Permit Application, 2) receive public comment; and 3) adopt the attached Resolution approving Conditional Use Permit 2017-010.

BACKGROUND:

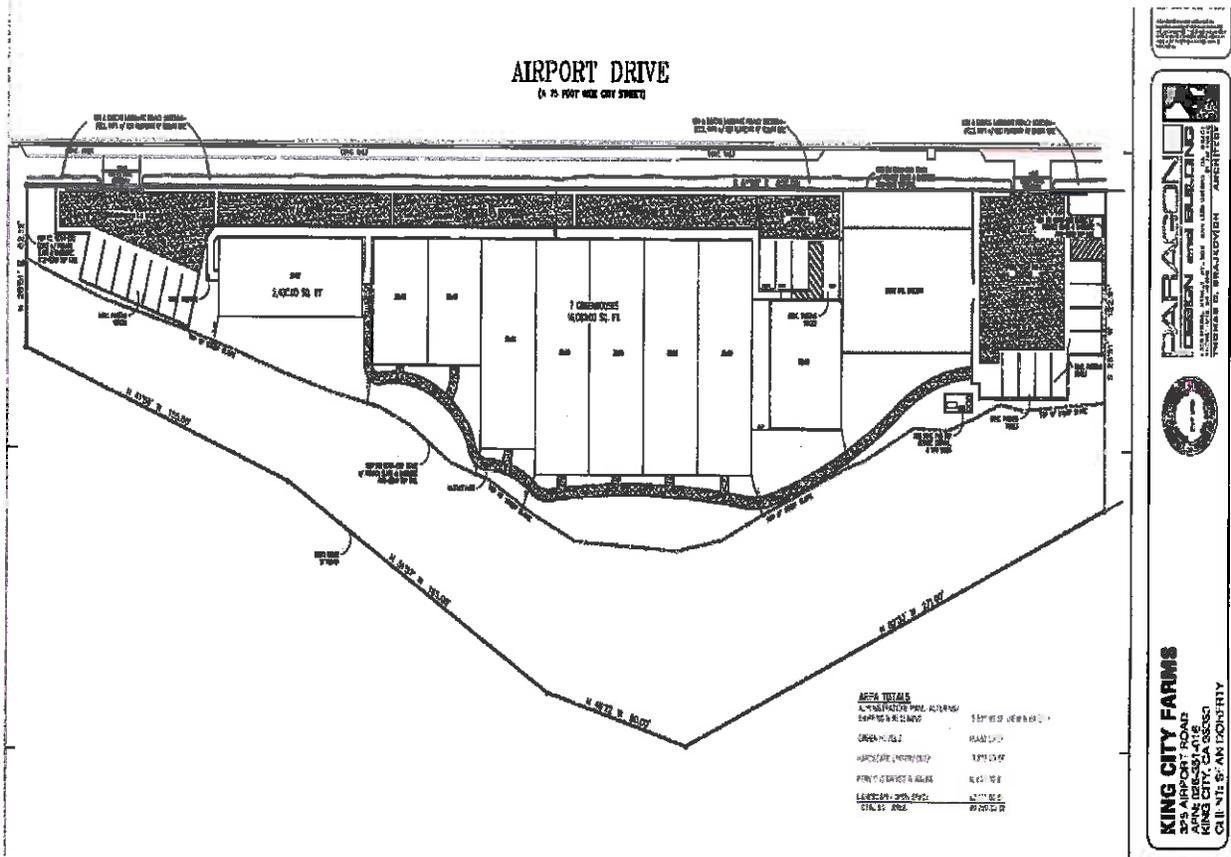
In September 2016 the City Council approved an amendment to the City's Zoning Code and to the East Ranch Business Park (ERBP) Specific Plan, authorizing expansion of land uses related to Medical Cannabis. As a result of that action, Indoor Cultivation under artificial or mixed light, Medical Cannabis Nurseries, Manufacturing and Testing are allowed in the M-1, M-2 and M-3 Districts and in the ERBP. Since that time, the Code has been amended twice (June and August 2017) and a number of projects have been processed / permitted through the CUP and Operations Permits processes. This current application is for a new greenhouse structure to allow Cannabis Cultivation and the renovation of / addition to an existing structure to allow Manufacturing (Level 2, CA Type 7) and Distribution (CA Type 11).

The Planning Commission's primary role in the process is to make a determination regarding the Conditional Use Permit. Community Development Staff has been tasked by the City Manager with reviewing and evaluating the Application for Operating Permit and the Building Department will approve the appropriate building permit.

While not required for the CUP, the Permit Application process provides much information that informs the CUP process and potentially makes the Commission's determination easier and more complete.

As noted above, CUP 2017-010 is a proposal to expand development on a parcel located on Airport Drive (APN 026-351-016) as generally depicted in the attached diagram, below. The projected development is on approximately 2.1 acres and includes approximately 17,000 sf of new greenhouse structures for Cultivation (CA Type 3B) and a new addition (2,000 sf) onto the 3,000-sf structure for Level 2 Manufacturing (CA Type 7) and Distribution (CA Type 11) Uses. New parking, landscaping and fencing will be part of the project.

DISCUSSION:



Overview:

The proposed structures are located on a 2.06-acre site. The site and the surrounding area are located in the East Ranch Business Park Specific Plan (ERBP SP). Airport Drive is located to the north with the industrial use and the Airport Beyond.

- To the south is Industrial Use (proposed for Cannabis in an existing structure)

expanded by 2,000 sf to provide space for offices and production. The total impervious area (structures, parking and staging) will be approximately 8 % of the site.

Building Setbacks: Buildings are a maximum of 20' in height and will be set back 20' from the Airport Drive Right of Way (equivalent to the setback of the existing). Because the existing fence is located in the Right of Way it will be moved to the property line. Existing vegetation will be removed and split faced block wall (with security wrought iron at the top) will be placed along the street frontage to screen the Cultivation greenhouses from view. Landscaping will be per proposed plan.

Proposed Cultivation Operations: Will utilize natural light, LED lights, hydroponics / aeroponics and organic fertilizers / pesticides

Proposed Manufacturing and Distribution Operations: Have water and power requirements very similar to other typical manufacturing uses

CUP Information:

Architecture:

The proposed Cultivation structures can be described as "Greenhouses" of rigid construction using steel frame and heavy duty acrylic panels to allow light transmission. Walls with fans will be composed of metallic panels. Roofs will be acrylic panels. All buildings on site will be a maximum 20'0" in height.

The existing structure is metal, standing seam, and tan in color. Addition to the existing will coordinate with the existing. Color for trim will be "Cool Dark Bronze" with wall panels being "Cool Straw Gold", both by Varco Pruden. **See Exhibit 5**

Floor Plan and Interior Uses:

As noted above, maximum canopy space (plant tip to plant tip) for the entire structure will be 16,100 sf, divided into seven permits. The greenhouses will be placed on concrete slabs, any internal runoff will be directed to the City's Sanitary Sewer. A SWPPP is being prepared for submittal to the Regional Water Quality Control Board. Ultimate implementation of the CUP Site Plan and of the Operating Permit will be subject to the conditions of Water Board Approval.

Please refer to **Exhibit 4** for floor plan / internal uses of the Manufacturing and Distribution operations in the existing / expanded structure.

Landscape:

The site will be landscaped per plans as submitted. The primary landscaped areas will be along Airport Drive and at the rear of the property adjacent to the slope bank. Existing vegetation on the slope bank will remain. All drainage will be directed to a storm drain system and underground cisterns which percolate, no bio basins are proposed.

New runoff will be caught on site, directed to the on-site cistern in the northeast and will percolate. Planter areas in the drive / parking area and building fronts will be present. Landscaped area and open space is approximately 47,617 sf or 53% of the site.

Proposed landscaping includes: Oleander Shrubs, Heavenly Bamboo, Deer Grass, Coffeeberry, Creeping Oregon Grape, Pink Winter Currant, Sugar Bush, Manzanita, Dwarf Coyote Bush, Lowfast Cotton Easter, Acacia Redolens "Low Boy", Incense Cedar, Purple Robe Locust, Island Oak. **See Exhibit 6.**

Grading:

The usable area of the site is generally flat, draining from south to north. Grading will be minimal – resulting in the estimated movement of less than 500 cubic yards of material. Over excavation and re-compaction will occur in the areas of the access drive, new parking, and new structures

Access, Parking, Paving:

Two access points are proposed from Airport Drive – one at the east end and one at the west end of the site. Gates will be present at both locations. Parking is located to the east and west, a 20' wide (existing dimension) **See Exhibit 3.**

A total of (21) (20 plus a handicapped space) parking spaces are provided. A minimum of 15 spaces (2 per 3 employees on largest shift but not less than 1 per 3,000 sf of floor area). Employees on site will be between 5 and 20 on any shift with 3 shifts per day.

Signage:

Building signage will be limited to address, on-site (if any) will be limited to directional signage for deliveries and emergency response personnel. Future signage will be approved per King City Municipal Code.

Security:

The applicant (Cultivation) has prepared an Operations and Security Plan. A security firm has been retained to finalize and implement the Security Plan. The Plan provides direction regarding the amount of security personnel to provide safety; locations of cameras and protocols for employees; monitoring of parking areas; product tracking, and safety. The Plan also addresses entrance security. A concept camera location plan has been provided.

The site will be secured with an armed guard who is housed in the guard shack located at the Manufacturing building and who will routinely walk the property.

Fencing: Fencing along Airport Drive will consist of six feet of split face block with two feet of curved wrought iron at the top. The remainder of the buildable area of the site including the top of bank to the south will be fenced with no climb chain link with privacy slats and two feet of barbed wire, angled out. The entire site will be fenced with no climb chain link, slats are not required in the unbuildable area.

Exterior Lighting: The parking areas and building exteriors will be illuminated with LED powered lighting placed to eliminate shadows and / or dark areas. Lights will include building mounted and poles. Lighting will be designed to present spread beyond the property boundaries and / or into the night sky. Poles will not exceed thirty (30) feet in height.

Cameras: Security cameras with motion sensors and night vision will be mounted on all exterior doors, perimeter fencing and entry gates. Interior motion / night vision cameras will be placed per the Application Package concept. The 24/7 surveillance will be accessible by the City of King Police Department through real time live access feed. A City of King camera will be placed by applicant at the Industrial Way gate. The document also proposes internal security camera locations.

Solid Waste: One locked dumpster location is located near the Cultivation facility and one near the Manufacturing facility. A 50-gallon recycling bin will also be present. For Cultivation operations, plant waste will be approximately 21 to 85 lbs. of material per week. **See Site Plan Exhibit 3.**

Bio waste in the form of buds / flowers that meet quality standards will be processed as for sale. Buds and flowers that do not meet quality standards will be used for extraction. Non-flowered plant material as a non-controlled substance will be combined with at least 51% non-cannabis organic material and disposed in green waste or as directed by the City.

Any waste containing psychoactive cannabinoids will be separated from regular waste in labeled containers and mixed with other media to render it unusable and / or handled by a medical waste service.

For Manufacturing, typical waste will be approximately 5 cubic yards per week. Organic material will be processed per the document, and will be mixed with at least 51% non-cannabis organic material. Any waste material with psychoactive cannabinoids will be separated from regular waste in labeled containers, mixed with other material to render it unusable and / or handled by a medical waste service. **Application Section J.**

Water: The Mitigated Negative Declaration (MND) that resulted from the Initial Study prepared during evaluation of the Zone Change estimated water use for Cultivation at 2,640 gallons per day (gpd). Water use for Nurseries was estimated at 6,314 gpd. Water use as indicated by the applicant for this total project will be approximately 1,920 gallons per day (gpd) for Cultivation and 607 gpd for Nursery, both within the estimated usage range, adjusted for size. It is anticipated that water saving systems will reduce water use by approximately 25%.

Manufacturing uses have water use similar to other business/ industrial park uses.

Water (Landscaped Area): The applicant has prepared a detailed landscaping plan with irrigation and detailed water analysis in conformance with the State of California's Department of Water Resources.

A number of water conservation measures are employed including drip irrigation, weather or moisture based controllers, non-invasive/ climate appropriate species and similar. The estimated yearly water use is 172,690 gallons (.53 ac/ft.). This number is not included in the analysis of water use under the previous MND – outdoor / landscaping water is common for all sites in the ERBP, regardless of land use.

On-site plumbing to access future recycled water (purple pipe) in Airport Drive will be required. All on site irrigation for landscape and cultivation will require connection to recycled water at such time as it becomes available.

Power: Cultivation: The applicant estimates 830 Amps as the 80% power allocation for lighting and air conditioning (1,040 Amps as the 100% power allocation). Note that because of the greenhouse configuration (natural light and lower heat gain) the maximum power use will be limited in duration. 900-watt LED lights will be used in place of 1,000-watt High Pressure Sodium lights. Power use is anticipated to be less than 55% of that of an all artificial light (3B) facility with High Pressure Sodium lights.

Manufacturing Use will be similar to that of an 8,000sf Business / Industrial Park office building.

Noise: Given the nature of greenhouse and manufacturing operations no noise related issues have been identified.

Volatile Substances: Three primary extraction techniques are used: Extraction with n-Butane; Extraction with Ethanol (alcohol); and, Extraction with Carbon Dioxide (CO₂). Manufacturing Operations will occur within a pre-fabricated, sealed facility designed with an industrial hygienist and built to Class 1 Division 2 Building NFPA specifications and equipped with Lower Explosive Limit leak detectors.

Amount/ type of gases, location of storage and safety precautions will be as identified in the Application Package and approved by Police / Fire.

Regulatory Permit Related Information:

The item before the Commission is the consideration of a Conditional Use Permit to allow construction of a 16,800 sf of greenhouse for Cultivation and Nursery, conversion of 3,535 sf for Manufacturing and Distribution Use and a 2,000-sf expansion of the existing structure to allow support administrative and production uses. A site plan and floor plan has been provided. A separate Operations Permit will be required for each use.

The Cultivation process will grow, dry, trim and package Cannabis for shipment to Manufacturers. Much of the product will go through the manufacturing / oil producing process on-site. Oils, topicals and edibles (not food product) will be prepared.

The Manufacturing Operation will process their Cannabis into extracts for use in tinctures, edibles, topicals, and vape cartridges using water, ethanol, butane, carbon dioxide, and other consumer-safe solvents.

The Distribution / Transportation Operation will provide secure transportation services to and from California licensed / permitted businesses.

Employee Traffic: There will be three shifts per day. The maximum number of employees on any one shift will be 20, the minimum will be 5.

Total number of employees on site per day may reach a maximum of 60 although a maximum of 30 to 40 is anticipated.

Standard employee generation rates for an Industrial Use are approximately 61 employees per acre with Business Park rates higher.

Shipping and Transport: Cannabis bud will be transported from the facility in unmarked vehicles tracked via GPS. Transactions will be recorded on a manifest with details regarding the driver, vehicle, weight and / or count of all products. Delivery vehicles will be loaded inside the structure with cars traps and security personnel present. Cameras will be placed to record shipping from the facility.

Twice a week a total of 4 to 6 pallets of Fertilizers and Cultivation Materials for Cultivation and Nursery will be delivered by UPS or Fed-Ex truck or secure delivery services.

2,000 to 4,000 lbs. of plant material will be delivered 1 to 2 times per week via commercial van or box truck.

4 to 8 50 – 150 lb. tanks of CO₂, ethanol, butane and similar will be delivered, per the approval of police and fire.

2 to 4 pallets of packaging materials will be delivered 2 to 3 times per week.

2 to 4 pallets of materials to be distributed will be delivered 1 to 2 times per week via commercial van or box truck.

Manufacturing Operations: Stored Cannabis will be approximately 2,000 lbs. of plant material product and 200 extracted cannabis products. Estimated trips by delivery vehicles (SUV size) include one to two trips per week to deliver product. **See Application Sections E and F.**

Odor Control: Cultivation: The Odor Control Program will operate in conformance with the requirements of Municipal Code Section 17.03.210 (i). It Includes an exhaust air filtration system with odor control and a system that creates negative air pressure between the facility's interior and exterior. Fans and carbon filters will be used. **See Application Section I.**

Volatile Substances: Three primary extraction techniques are used: Extraction with n-Butane; Extraction with Ethanol (alcohol); and, Extraction with Carbon Dioxide (CO₂). Amount of gases and location of storage will be as identified in the Application Package.

n-Butane: Uses a closed loop extractor that recovers up to 100% of the butane. The extractor is located inside a NFPA Class 1, Division 1 extraction room, specifically built for use in hydrocarbon base extraction.

Ethanol: Considered one of the safest solvents to use for food grade and pharmaceutical extraction processes. Ethanol was allowed in small amounts in the previous version of the Zoning Code.

CO₂ (Superficial Fluid Extraction): The applicant will use a system built by Clean Room Extractions (CRE), being ASME Compliant. The system can process approximately 5 lbs. of cannabis in a single extraction cycle and

See Application Section G.

Site Security: The primary entrance to the site is the southern / eastern entrance near the existing structure. The entrance to the north / west is primarily for employees. Gates will be opened by code or from inside the structure. A manned (24 /7) guard station will be located at the northeast corner of the existing structure. The facility will be closed to the public and doors and windows will be designed to minimize views into the structure from the outside.

Visitors will be buzzed into the reception area by a security guard or employee. The visitor will be check in to the security / verification counter, provide identification and be provided with a visitor's badge.

Roving security personnel will be required to patrol the site at all times that employees are not present.

Visitors will be accompanied by authorized personnel at all times during their visit. Persons under the age of 21 will not be allowed on site. Cameras will be located in each structure, with placement acceptable to King City Police Department and the City's consultant. **See Application Section H.**

Employee Vetting: No person under 21 years of age will be employed on this site. It is anticipated that a third party will receive fingerprints and provide the City of King Police

Department with background review. The Department will verify and the employee will sign, under oath, an agreement that verifies the accuracy of the background check and that delineates the responsibilities of and expectations for the employee. **See Application, Section M.**

Employee Training: Cultivation: Initial and on-going training in preventing contamination, grow techniques (including approved pesticide application in conformance with the requirements of the Monterey County Ag Commissioner) and inventory security/control. OSHA and personal protective equipment requirements, documentation, testing, hazard response, chemical handling, labeling documentation and emergency procedures. The training will provide information to employees enabling them to maintain compliance with the State's evolving Cannabis regulations and the Tribe's hydroponic/aeroponic growing process, systems and methods.

Manufacturing: All Staff will go through initial and ongoing training as defined in the Quality Management Section of the Operations Manual. **See Application Section C.** Training will include secure facility protocols.

Quality Control: All cultivated and processed material will be tested internally and by a Type 8 laboratory for pesticides, fungus, pests, molds and contaminants. before distribution to a Dispensary. Extracts shall, at a minimum be tested for concentration, potency and purity.

If a product were to be called into question the remaining inventory will be quarantined and all customers notified. All material will be returned.

Source or final products failing to meet the established specifications or any other relevant quality and safety criteria are rejected, disposed of or re-processed.

See Application, Section C.

Compliance with Evolving State and Local Regulations: The applicant's operating procedures will comply with State and local regulations. The applicant engages a team of lawyers, community relations staff and industry advisors to assist with governance, compliance, legal adherence and updates to laws and regulations. In addition, the applicant has executed the City's required Indemnification Agreement.

ENVIRONMENTAL COMPLIANCE:

King City previously prepared and certified (September 2016) a Mitigated Negative Declaration (MND) for the amendment of the City's Zoning Ordinance and the amendment of the East Ranch Business Park Specific Plan (ERBPSP) (Ordinances 2016-728, 2016-729 and 2016-730) to allow new land uses in the Manufacturing Districts (M-1, M-2, M-3) and in the ERBP Specific Plan. Ordinances 2017-745 and 746 amended the Municipal Code to allow CA Type 7 Manufacturing and CA Type 11 Distribution.

Staff has conducted an Initial Study related to this proposed project (CUP Case No. 2017-010) and has determined the project is fully within the scope of the prior analysis by the MND. The Adoption of a Finding of Consistency has been recommended per CEQA Guidelines Section 15162 and has been noticed for Public Review.

ALTERNATIVES:

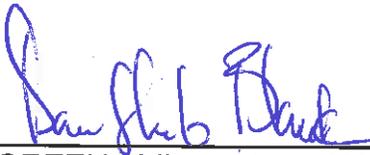
1. Hear the item, invite public comment and approve the item as presented.
2. Deny the item. If the Planning Commission wishes to deny the CUP, the item needs to be continued, directing Staff to return with a Resolution of Denial.
3. Provide alternative direction to Staff.

EXHIBITS:

1. Site Location
2. Site Photos
3. Site Plan
4. Floor Plans
5. Elevations and Exterior
6. Landscape Plans
7. Conditions of Approval
8. Resolution 2017 – 202
9. Initial Study
10. Application Package

Exhibits may be made available for public review at front counter, City of King City Hall, 212, South Vanderhurst, King City, CA

Submitted by: 
SCOTT BRUCE, PRINCIPAL PLANNER

Approved by: 
DOREEN LIBERTO-BLANCK, AICP, COMMUNITY DEVELOPMENT DIRECTOR

CUP 2017-010

EXHIBIT 1: SITE LOCATION



CUP 2017-010
EXHIBIT 2: SITE PHOTOS



CUP 2017-010

EXHIBIT 2: SITE PHOTOS



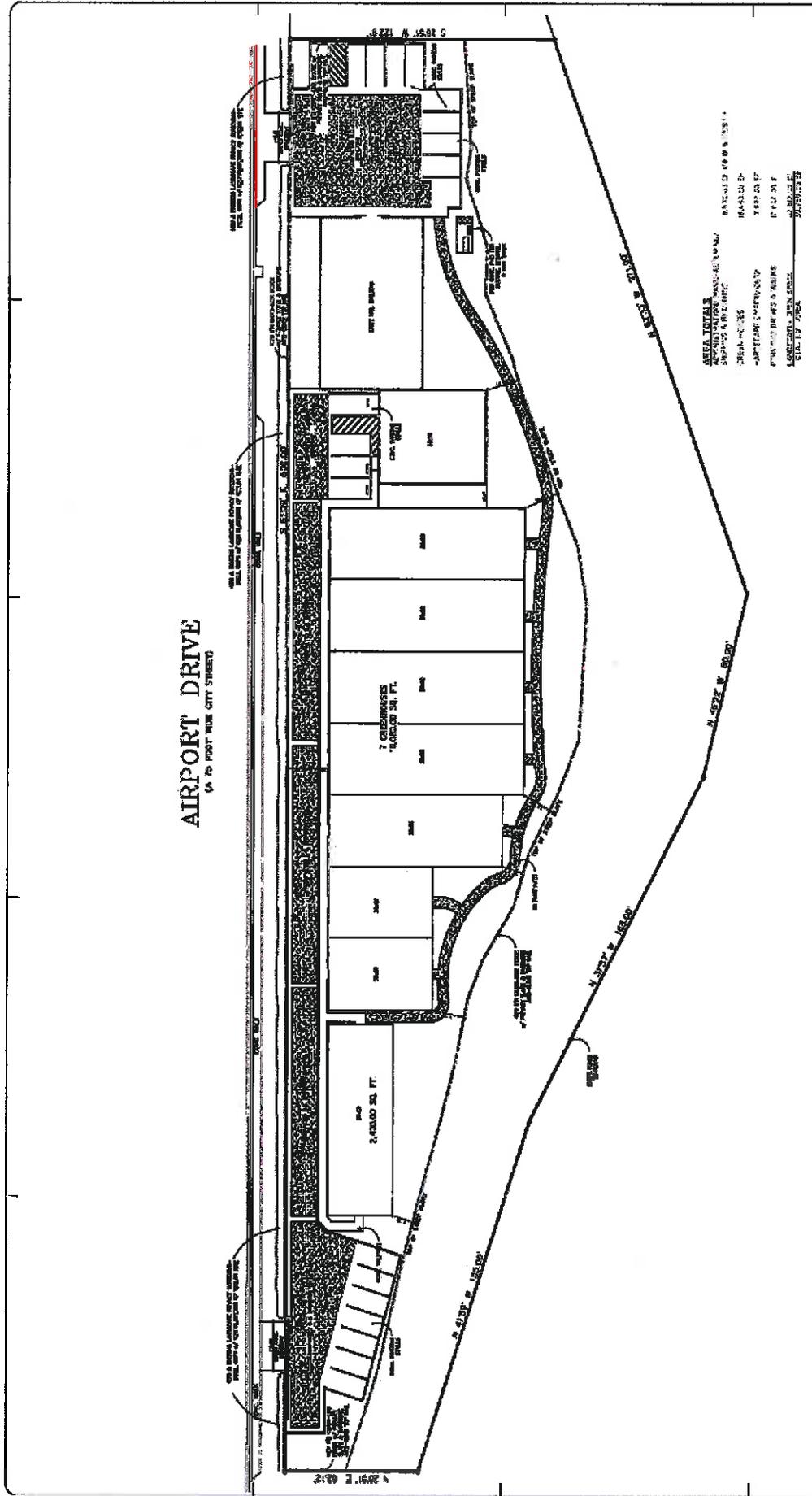
Rear Slope

Northwest Corner



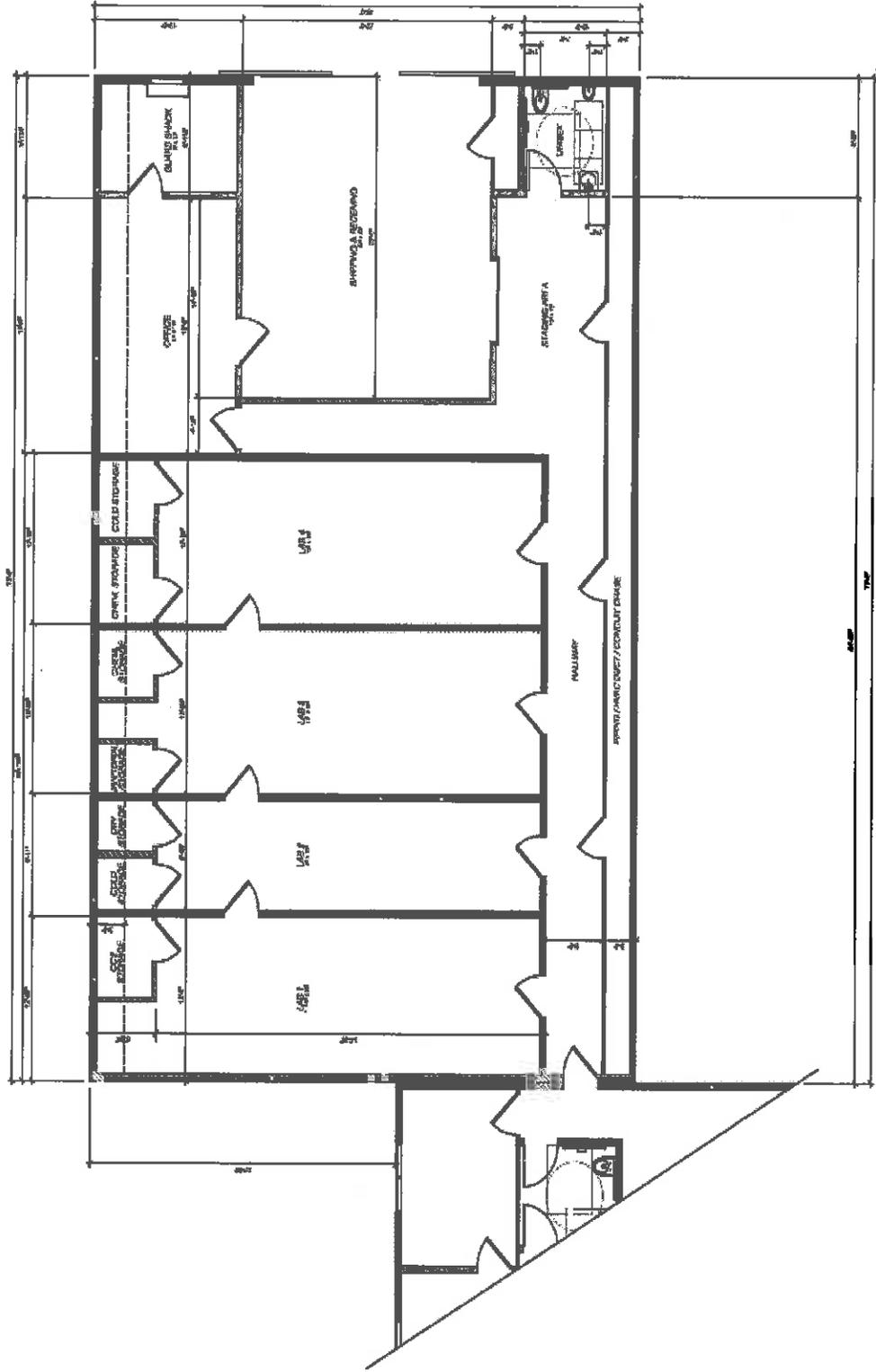
CUP 2017-010

EXHIBIT 3: SITE PLAN



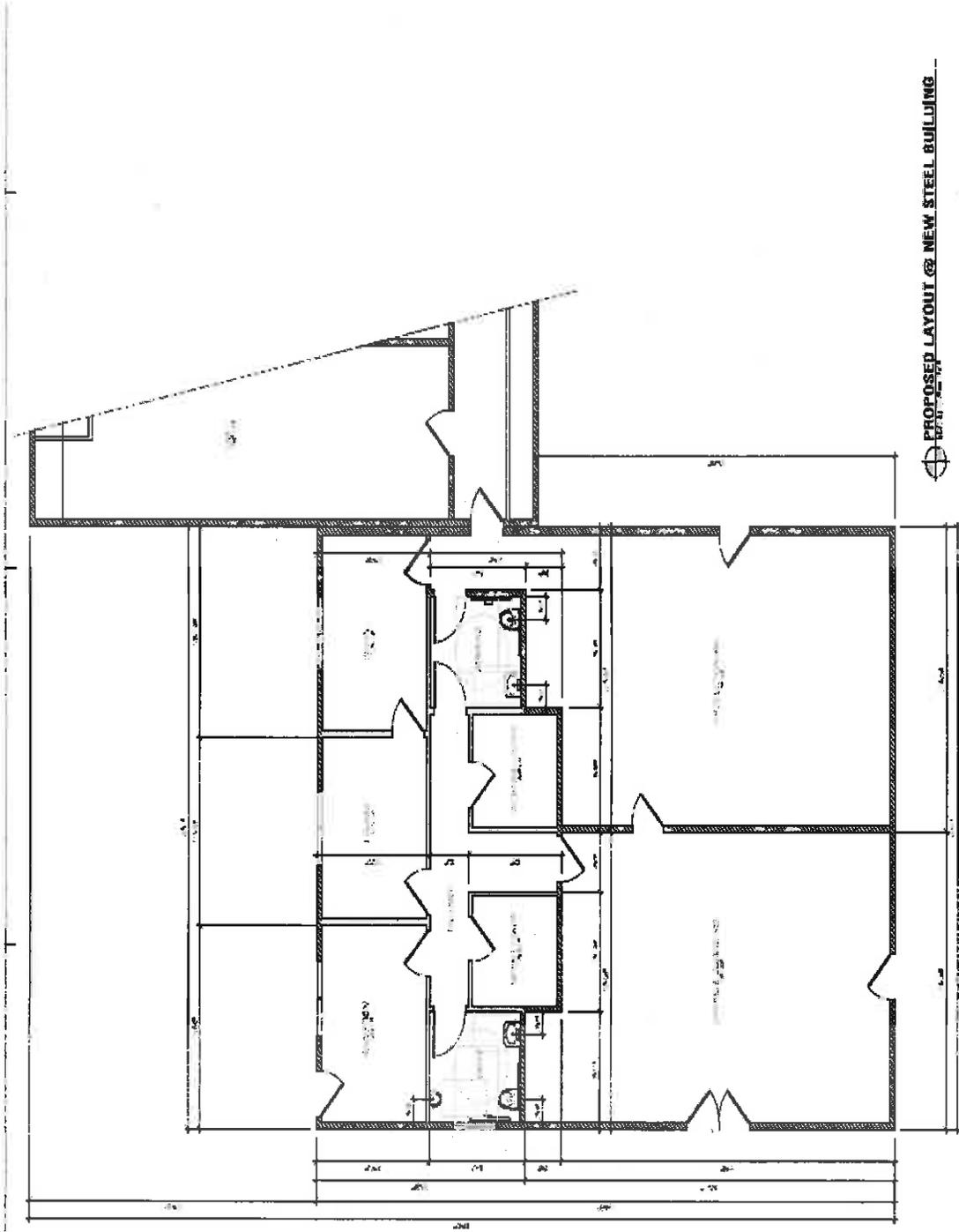
CUP 2017-010

EXHIBIT 4: FLOOR PLANS



COA 2017-010

EXHIBIT 4: FLOOR PLANS



PROPOSED LAYOUT @ NEW STEEL BUILDING

CUP 2017-010

EXHIBIT 5: ELEVATIONS AND EXTERIOR

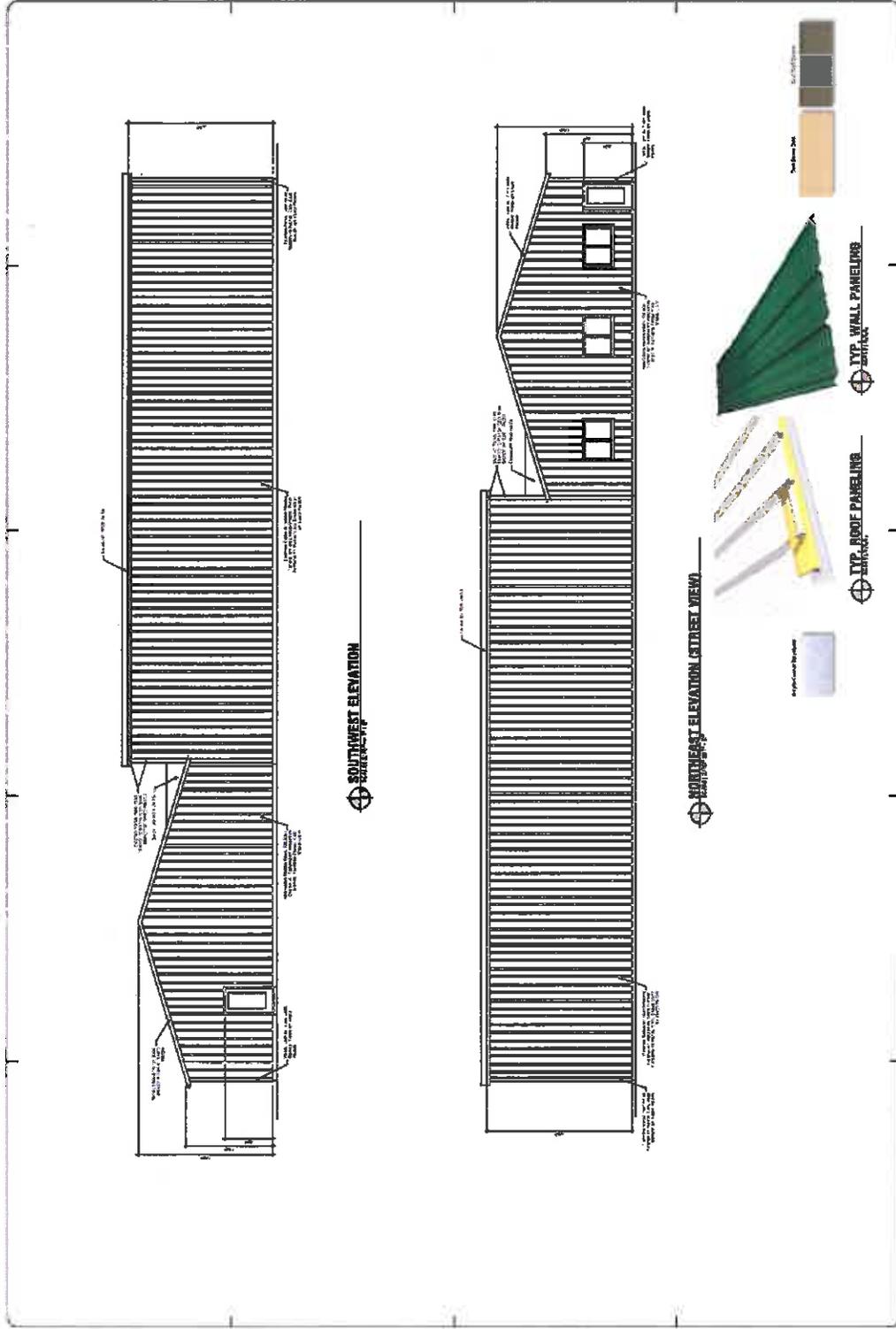
DATE: _____	PROJECT: _____
SCALE: _____	CLIENT: _____
DESIGNER: _____	ARCHITECT: _____
DRAWN BY: _____	DATE: _____

PAPA RENO
DESIGN & BUILD
ARCHITECTS

THOMAS B. SHAFER, AIA
ARCHITECT

KING CITY FARMS
325 AIRPORT ROAD
KING CITY, CA 95300
CLIENT: 953A DOWNEY

A3.1



CUP 2017-010

EXHIBIT 5: ELEVATIONS AND EXTERIOR

The drawing set includes two elevation views of a building. The Northwest Elevation shows a structure with a gabled roof, a central door, and a window. The Southeast Elevation (Street View) shows a similar structure with a prominent diamond-shaped window. To the right of the elevations are material and color swatches: a green swatch for 'TYP. ROOF PANELING', a yellow swatch for 'TYP. WALL PANELING', and a brown swatch for 'TYP. WALL PANELING'. A north arrow is located between the two elevation drawings.

PARSONS
DESIGN AND BUILDING
1000 W. BROADWAY, SUITE 1000
DENVER, CO 80202
TEL: 303.733.1000
WWW.PARSONS.COM

KING CITY FARMS
325 APPROX. ROAD
KING CITY, CA 95130
C/O WISMAN CO-OP

A3.2
OF 5 SHEETS

DATE	NOV 14 2017
PROJECT	CUP 2017-010
SCALE	AS SHOWN
BY	ARCHITECT
CHECKED	ARCHITECT
DATE	NOV 14 2017

CUP 2017-010

EXHIBIT 5: ELEVATIONS AND EXTERIOR



COA 2017-010

EXHIBIT 6: LANDSCAPE



Photo 1: Mature Tree in Landscape



Photo 2: Mature Tree in Landscape



Photo 3: Mature Tree in Landscape



Photo 4: Mature Tree in Landscape



Photo 5: Mature Tree in Landscape



Photo 6: Mature Tree in Landscape



Photo 7: Mature Tree in Landscape



Photo 8: Mature Tree in Landscape



Photo 9: Mature Tree in Landscape



Photo 10: Mature Tree in Landscape



Photo 11: Mature Tree in Landscape



Photo 12: Mature Tree in Landscape

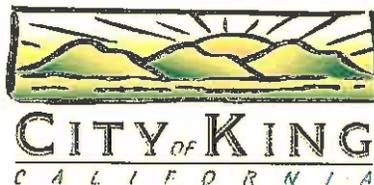


Photo 13: Mature Tree in Landscape



Photo 14: Mature Tree in Landscape

PLANT PHOTOS



PART A - PROJECT INFORMATION: KING CITY FARMS

1. Assessor's Parcel No(s): 026-351-016
2. Job Address: 325 Airport Drive
3. Street Location: Airport Drive
4. Existing Zoning: PD / SP East Ranch Business Park Specific Plan (ERBP SP)
5. Planned Land Use: General Plan: LI (Light Industrial);
6. Plan Area: East Ranch Business Park Specific Plan
7. Project Description: Conditional Use Permit 2017-010 (CUP) requests permission to expand development on a parcel located on Airport Drive (APN 026-351-016) as generally depicted in the attached diagram, below. The projected development is on approximately 2.1 acres and includes approximately 17,000 sf of new greenhouse structures for Cultivation (CA Type 3B) and a new addition (2,000 sf) onto the 3,000 sf structure for Level 2 Manufacturing (CA Type 7) and Distribution (CA Type 11) Uses. New parking, landscaping and fencing will be part of the project.

PART B – GENERAL CONDITIONS AND REQUIREMENTS

An environmental assessment/initial study was conducted and resulted in a Finding of Consistency to the previously prepared Mitigated Negative Declaration for the amendment of the City's Zoning Ordinance and the amendment of East Ranch Business Park Specific Plan (ERBPSP (Ordinance Nos. 2016-728, 2016-729 and 2016-730) adopted by the City Council on **September 27, 2016**. In August 2017 Ordinances 2017- 745 and 746 amended the Municipal Code to allow Manufacturing Level 2 (CA Type 2) and Distribution (CA Type 11). The Notice of Intent to adopt a Finding of Consistency was published in the King City Rustler commencing a 20 day public review and comment period on ending on **December 05, 2017**. This project is required to comply with all applicable mitigation from the Mitigated Negative Declaration and the City of King Municipal Code (including Chapter 17.03 (Medical Cannabis Activity), Title 17 (Zoning).

IMPORTANT: PLEASE READ CAREFULLY

Please note that this project may be subject to a variety of discretionary conditions of approval. These include conditions based on adopted City plans and policies, those determined through site plan review and environmental assessment essential to mitigate adverse effects on the environment including the health, safety, and welfare of the community, and recommended conditions for development that are not essential to health, safety, and welfare, but would on the whole enhance the project and its relationship to the neighborhood and environment.

In the event you wish to appeal the Planning Commission's decision or discretionary conditions of approval, you may do so by filing a written appeal with the Clerk. The appeal shall include a statement of your interest in or relationship to the subject property, the decision or action appealed and specific reasons why you believe the decision or action appealed should not be upheld. Your appeal must be filed within 15 days of the Planning Commission's decision. [SLC1] Please refer to City of King Municipal Code Chapter 2.12.050



Approval of this use permit shall be considered null and void in the event of failure by the applicant and/or the authorized representative, architect, engineer, or designer to disclose and delineate all facts and information relating to the subject property and the proposed development including, but not limited to, the following:

1. All existing and proposed improvements including but not limited to buildings and structures, signs and their uses, trees, walls, driveways, outdoor storage, and open land use areas on the subject property and all of the preceding which are located on adjoining property and may encroach on the subject property;
2. All public and private easements, rights-of-way and any actual or potential prescriptive easements or uses of the subject property; and
3. Existing and proposed grade differentials between the subject property and adjoining property zoned or planned for residential use.

Approval of this use permit may become null and void in the event that development is not completed in accordance with all the conditions and requirements imposed on this use permit and the Zoning Ordinance. This use permit is granted, and the conditions imposed, based upon the Applicant Package provided by the applicant. The Applicant Package is material to the issuance of this use permit. Unless the conditions of approval specifically require operation inconsistent with the Applicant Package, a new or revised use permit is required if the operation of this establishment changes or becomes inconsistent with the Applicant Package. Failure to operate in accordance with the conditions and requirements imposed may result in revocation of the use permit or any other enforcement remedy available under the law. The City shall not assume responsibility for any deletions or omissions resulting from the use permit review process or for additions or alterations to construction plans not specifically submitted and reviewed and approved pursuant to this use permit or subsequent amendments or revisions. (Include this note on the site plan.)

No uses of land, buildings, or structures other than those specifically approved pursuant to the approved site plan shall be permitted. (Include this note on the site plan.)

Please contact Scott Bruce via email at scottbruce11@gmail.com if you have any questions regarding the conditions of approval (COA).

PART C – SPECIFIC CONDITIONS AND REQUIREMENTS

COMMUNITY DEVELOPMENT DEPARTMENT:

1. **Allowed Use:** Cannabis Cultivation (CA Type 3B), Nursery (CA Type 4), Manufacturing (CA type 7) and Distribution (CA Type 11) uses are allowed.
2. **Site Development:** The existing 2.1 acre site is partially usable - 33,765 sf (.78 ac) includes a steep slope, sloping to the south. The site is partially developed – a 3,000 sf structure with dg parking, concrete slab and various metal outbuildings exist. The proposed project would add less than 20,000sf greenhouse cultivation and nursery area, and would reuse the existing structure, adding approximately 2,000 sf to it for cannabis level 2 Manufacturing and Distribution uses. Total impervious area will be approximately 8% of the site.

Building construction materials and colors will be as presented in the Application Package – to be approved by the Community Development Director (Director) or designee. Greenhouses will be of standing steel frames with heavy duty acrylic panels; the structure for Manufacturing and Distribution (existing structure and addition) is of metal construction. Colors are “Cool Dark Bronze and Cool Straw Gold as referenced in the Staff Report. Doors



and windows shall be per the requirements of the ERBPSP. Maximum structure height shall be 20' or as approved by Planning Commission at the public hearing.

Minor changes to the approved site plan and / or interior changes, which are determined by the Director to be substantially in conformity with the plans and Application Package as presented, may be granted by the Director.

Construction/Development shall conform to Application Package as presented, to the satisfaction of the Director or designee

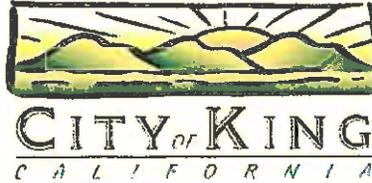
3. **Parking:** Parking will conform to the Plan and Application Package as submitted.
4. **Landscaping:** Landscaping is required to conform to plans and Application Package as submitted. Irrigation Plans shall be presented to and approved by Building Official, **prior to Landscape Installation**. The landscaping and water retention areas shall be maintained in a healthy condition in perpetuity.
5. **Lighting:** Security lighting is required to be mounted on the structures and on poles in the parking area not to exceed thirty feet (30') in height. A lighting plan must be approved by the Director before installation. All new outdoor lighting associated with the use shall be hooded and directed so as not to shine on public roads, onto surrounding properties or into the night sky.
6. **Signage:** One sign on the building to provide address has been requested. Any additional signage shall conform to the requirements of Municipal Code Chapter 17.03 and the requirements of the ERBPSP. Additional signage may be approved by the Community Development Department and may be submitted to the Planning Commission at the Director's discretion.
7. **Fencing:** Fencing abutting Airport Drive shall be moved out of the street right of way to be at or behind the Airport Drive property line. It shall six feet (6') in height and shall be split faced block with two feet (2') of wrought iron, angled out at the top for security purposes. All other fencing at the remainder of the perimeter shall be "no climb" chain link, six feet (6') in height with one foot of barbed wire, to a maximum of eight feet (8) with screening as presented. A similar fence shall be located at top of bank in the central portion of the property. Screening material shall be woven slates. .
8. **Security:** Cameras, site access and security personnel shall be as presented in the Application Package. One camera compatible with the City of King Surveillance System will be placed at the Industrial Way entrance to the site.

BUILDING AND SAFETY DEPARTMENT: (No application for Building Permit has been submitted). An application must be submitted after CUP approval, **prior to construction**. All construction methods and materials are subject to the approval of the City of King Building Official.

Building Plans: All Planning Commission COA shall be imprinted on plans submitted for building permits.

- 1 **Scope of Work Description:** Scope of work shall conform with that found in the CUP / Application Package. [SLC2]
- 2 **Sprinklers:** Buildings shall be sprinkled.
- 3 **Greenhouse Construction:** Greenhouses will have concrete slab floors with drains connected to the City's Sanitary Sewer system, accepting all runoff from indoor irrigation.
- 4 **Power:** The applicant shall show evidence of specific power source, **prior to**

01222.0005/381072.1



Occupancy/Operations.

PUBLIC WORKS DEPARTMENT: (The applicant should contact Octavio Hurtado, Hanna & Brunetti 408-842-2173, ohurtado@hannabrunetti.com.) to discuss the following COAs as needed.)

- 1 **Scope of Work Description:** Grading, utilities, parking and drainage are subject to City Engineer review and approval. Grading, drainage and site improvement shall conform to the Storm Water Pollution Prevention Plan (SWPPP) as approved by Central Coast Regional Water Quality Control Board. Site Drainage will be directed to a cistern in the northwest corner of the property via an onsite drainage system. Any water not percolating from the cistern (as in 100 year event) will be directed from cistern to City's storm drain system in Airport Drive.
- 2 **Right of Way Improvements:** Curb, gutter and sidewalks must be installed along the Airport Drive frontages with two percent (2%) maximum cross-fall, per ADA requirements (including areas of Driveway Approaches, to satisfaction of the City Engineer.
- 3 **Recycled Water Connection:** A connection shall be available at the sidewalk, sufficient to access and utilize the City's recycled "Purple Pipe" system at such time as it made available. "Purple Pipe" will be located in the Airport Drive right-of-way. Building(s) shall connect to and utilize recycled water for all landscaping and cannabis irrigation water use at such time that the City and/or local water purveyor makes recycled water available through a dedicated main distribution line adjacent to the property.
- 4 **Recycled Water, Water Quality Assessment:** The City may require a future water quality assessment to evaluate mass loading/nutrient balance, based upon the results of regular, ongoing analysis.
- 5 **Private Drive Structural Section:** The structural section of the private drive shall conform to the recommendation of a Registered Soils Engineer, licensed in the State of California.
- 6 **Private Drive Geometry:** Gate locations, queuing space and turning dimensions shall be submitted to the City Engineer and Police and Fire and receive approval from the same.
- 7 **Airport Land Use Commission Approval:** Issuance of a building permit is subject to the approval of the Monterey County Airport Land Use Commission.
- 8 **Grant of Avigation Easement and Release:** Before issuance of a building permit, a Grant of Avigation Easement and Release shall be recorded by the Applicant against the property within the boundary of the project, substantially in the form provided by the Deputy City Clerk, if found needed by City Attorney. Revisions to the Grant of Avigation Easement and Release must be approved by the City Attorney. A reference to the Grant of Avigation Easement and Release shall be placed in on the final construction plans.

[SLC3]**COMMERCIAL CANNABIS PERMIT:** New Construction shall comply with and Operations be subject to full compliance with Section 17.03 of the City of King Municipal Code as amended and with the Application Package as approved.

- A. **Regulatory Permit:** Cultivation, Nursery, Manufacturing and Distribution Operations must each obtain and maintain a commercial cannabis permit from the City Manager. Each commercial cannabis permit is in force for the period of one year. It shall be renewed annually. No operations shall occur without a current permit. The Distribution Permit will not allow for this site to be used as a "hub".



- B. **Security Cameras:** Security cameras shall be installed in quantity and location per the Application[SLC4]. Package City of King Police personnel shall have access to the system for real time review. One camera that is part of the City's City wide system shall be installed at each driveway access from or exit to the street.
- C. **On-Site Security:** A guard will be present 24 /7 in the guard station at the northeast corner of the existing structure. A security guard will be required to patrol the site at all times that employees are not present.
- D. **Solvents:** The Applicant has indicated that Butane, CO2 and Ethanol will be used in the extraction process. Volume, storage techniques, deliveries and safety pre-cautions must be to the satisfaction of the City of King Fire and Police Departments.
- E. **Internal Runoff:** All interior runoff from irrigation from the project site (if any) shall drain into the City's Sanitary Sewer system.
- F. **Solid Waste:** Solid waste disposal from the project site shall be in compliance with County of Monterey Health Department and Waste Management, Inc. requirements, as applicable.
- G. **Odor Control:** Odor shall be controlled per the Regulatory Application Section I and Section 17.03.210 (i) of the City of King Municipal Code. At the beginning of operations, applicant shall obtain an inspection from the City for odor not less than once monthly for a period of no less than three months. In the event that compliance has not been achieved as determined by the City, mechanical equipment will be reviewed. In the event that compliance is still not achieved, City Staff may make a recommendation to City Council per Section 17.03.240 of the City Municipal Code.

Odor caused by outdoor dumpsters will be addressed in a similar manner. Regardless, the project must comply with the current odor control requirements of the City King Municipal Code until an amendment takes effect.
- H. **Air Quality:** Venting of CO2 and/or Ethanol / Alcohol shall be in compliance with Monterey County Air Resources Board Standards, as applicable.
- I. **Pesticides and Fertilizers:** Shall comply with requirements of the Monterey County Agricultural Commissioner and in substantial conformance with the materials and quantities presented in the Application Package.
- J. **Employee Background Checks:** Employees shall be vetted (background checks) to the satisfaction of the City of King Chief of Police and in compliance with the Regulatory Application Package and Section 17.03.210 (k) of the City's Municipal Code. A third party acceptable to the City shall perform the check. Results will be provided to Applicant, the City's monitoring consultant and City of King Police Chief. The Police Chief for a determination as to satisfaction.
- K. **Hours of Operation and Employees:** The applicants have indicated that the entire site will potentially be in operation 24 hours a day 7 days a week. Manufacturing Operations will observe quiet hours from 9:01 pm to 6:00 am. A maximum of 20 persons per shift may be present . On-site parking will be sufficient to cover overlap periods. No persons under the age of 21 shall be allowed on site.
- L. **Work Permits and Fees:** Work Permits shall be required in conformance with Section 17.03.070 (a) of the Municipal Code, as may be amended. Fees shall be set by the City Council and updated from time to time.



- M. Indemnification Agreement:** A signed Indemnification Agreement shall be in place, **prior to issuance of the each commercial cannabis permit.** Such agreement shall be approved by the City Attorney and conform to the requirements of Municipal Code Section 17.03.160. Said agreement shall supersede the Hold Harmless and Indemnification Clause attached hereto.

- N. Record Keeping:** Financial and Product Record for the project shall comply with the Regulatory Application Package and the requirements of Municipal Code Section 17.03.180.



HOLD HARMLESS AND INDEMNIFICATION CLAUSE:

The applicant agrees, as part of and in connection with each and all the applications and approvals, to defend, indemnify, and hold harmless the City of King ("**City**") and its elected officials, officers, contractors, consultants (including Earth Design International, Aleshire & Wynder, LLP attorneys; and Hanna & Brunetti,), employees and agents from any and all claim(s), action(s), or proceeding(s) (collectively referred to as "*proceeding*") brought against City or its officers, contractors, consultants, attorneys, employees, or agents to challenge, attack, set aside, void, or annul:

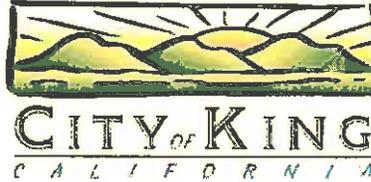
- a. *Any approvals issued in connection with all approvals, actions and applications by City covered by the conditions of approval and/or mitigation measures; and/or*
- b. *Any action or approvals taken related to the California Environmental Quality Act of 1970, as amended ("**CEQA**") by City's advisory agencies, boards or commissions; appeals boards or commissions; Planning Commission, or City Council. The applicant's indemnification is intended to include, but not be limited to, damages, fees and/or costs awarded against or incurred by City, if any, and costs of suit, claim or litigation, including without limitation attorneys' fees and other costs, liabilities and expenses incurred in connection with such proceeding whether incurred by the applicant, City, and/or parties initiating or involved in such proceeding.*

The applicant agrees to indemnify City and its elected officials, officers, contractors, consultants, attorneys, employees and agents for all of City's costs, fees, and damages incurred in enforcing the **indemnification** provisions of this Agreement.

The applicant agrees to defend, indemnify and **hold harmless** City, its elected officials, officers, contractors, consultants, attorneys, employees and agents from and for all costs and fees incurred in additional investigation or study of, or for supplementing, redrafting, revising, or amending, any document (including, but not limited to, an environmental impact report, sphere of influence amendment, annexation, pre-zoning, general plan amendment, specific plan, vesting tentative tracts, sign applications, variances, conditional use permits, architectural review, etc.), if made necessary by said proceeding, and if the applicant desires to pursue such City approvals and/or clearances, after initiation of the proceeding and that are conditioned on the approval of these documents.

In the event that the applicant is required to defend City in connection with such proceeding, City shall have and retain the right to approve which approval shall not be unreasonably withheld, conditioned or delayed:

- a. *The counsel selected by applicant to so defend City, which approval shall not be unreasonably withheld, delayed or conditioned;*
- b. *All significant decisions concerning the manner in which the defense is conducted, which approval shall not be unreasonably withheld, delayed or conditioned; and*
- c. *Any and all settlements.*



d. *Any motions or court documents filed on behalf of the city.*

City shall have and retain the right to have the City attorney defend the City and indemnified parts in connection with such proceeding. City shall also have and retain the right to not participate in the defense, except that City agrees to reasonably cooperate with the applicant in the defense of the proceeding. If City chooses to have counsel of its own defend any proceeding where the applicant has already retained counsel to defend City in such matters, the fees and expenses of the additional counsel selected by City shall be paid by City. Notwithstanding the immediately preceding sentence, if City's Attorney's Office participates in the defense, any and all City Attorney, Staff and consultants' actual and reasonable fees and costs arising from their support of the defense shall be paid by the applicant.

The applicant's defense and indemnification of City set forth herein shall remain in full force and effect throughout all stages of litigation including any and all appeals of any lower court judgments rendered in the proceeding. Notwithstanding the preceding, this obligation to indemnify shall not apply to any claim to the extent arising from the gross negligence or willful misconduct of the indemnified party or of any agent, employee or licensee of the indemnified party.

Conditional Use Condition Agreement:

The conditional use permit is **not** valid until all Conditions of Approval ("**COA**") and mitigated measures imposed by the Planning Commission are signed for and agreed to by the applicant.

I have received a copy of the conditional use permit conditions of approval and mitigated measures and agree with them. I understand that if I do not abide by them the Planning Commission has the authority to revoke my conditional use permit, pursuant to the Municipal Code. (**Reference Municipal Code §17.64.040.**)

Applicant Signature: _____ Date: _____

RESOLUTION NO. 2017- 202**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF KING,
APPROVING CONDITIONAL USE PERMIT CASE NO. CUP 2017-010**

WHEREAS, on **October 31, 2017**, **King City Farms LLC** submitted application to allow Cannabis Cultivation (CA Type 3B) and Nursery (CA Type 4) in greenhouses and Manufacturing Level 2 (CA Type 7) with Distribution / Transportation (CA Type 11) in an existing structure with addition, located at 325 Airport Drive;

WHEREAS, on **November 27, 2017**, **after numerous discussions**, a formal Letter of Completeness was provided by the City to the applicant;

WHEREAS, the proposed use is consistent with the General Plan and is allowed in the East Ranch Business Park Specific Plan (ERBPSP) with the approval of a Conditional Use Permit (**Ordinance Nos. 2017-745 and 746, dated August 22, 2017**).

WHEREAS, the proposed project conforms to the requirements of Municipal Code Chapter 17.03;

WHEREAS, an Initial Study was prepared and a Public Notice filed indicating Intent to Find Consistency with the certified Mitigated Negative Declaration (MND), and demonstrating it was prepared addressing potential cumulative impacts of the **September 27, 2016** changes to the Municipal Code;

WHEREAS, the project has been evaluated in relation to the previously prepared MND for the amendment of the City's Zoning Ordinance and the amendment of ERBPSP (Ordinances 2016-728, 2016-729 and 2016-730) to allow new land uses in the Manufacturing Districts (M-1, M-2, M-3) and designation the ERBPSP. An Initial Study was prepared for the project, which determined that the project is fully within the scope of the prior analysis of the MND, such that the adoption of a Finding of Consistency is warranted;

WHEREAS, all notices have been provided as required by law;

WHEREAS, on **December 5, 2017**, the Planning Commission (Commission) reviewed the staff report, provided an opportunity for public testimony, and considered all other relevant information during the duly noticed public hearing; and

WHEREAS, after due consideration of the administrative record, the Commission desires to adopt a Finding of Consistency with the MND and approve **CUP No. 2017-010**.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Planning Commission of the City of King as follows:

Section 1: The recitals are true and correct and are incorporated herein as if set forth in full.

Section 2: The City has conducted an initial study of the project and has determined the project is fully within the scope of the prior analysis of the MND. There is no substantial new evidence in the record that this project may have additional significant impacts that were not analyzed in the MND. Additionally, there is no substantial new evidence of potentially significant off-site impacts or cumulative impacts that were not discussed in the MND, and no potentially significant adverse effects peculiar to the project. There are no previously identified significant effects, which as a result of substantial new information which was not known at the time the MND was adopted, determined to have a more severe adverse impact than discussed in the MND. The Commission further finds:

- a. The General Plan Land Use Map designates this area as LI (Light Industrial) and the City Zoning Map designates this area as PUD/SP (Planned Unit Development/Specific Plan) with underlying LI zoning. Ordinance Nos. 2017-746 (August 22, 2017) specifically allows the proposed Cannabis Cultivation, Nursery, Manufacture and Distribution / Transportation use in the ERBPSP. The subject property is proposed to be developed at an intensity and scale that is permitted in the ERBPSP and is compatible with surrounding uses.
- b. The future development of the subject property will not adversely impact existing City service systems or the traffic circulation system that serves the subject property beyond those analyzed by the MND.

- c. There are no unique topographic, soil, or geologic conditions at the site that will be impacted by this project, and no aspects of this project that will result in impacts to air quality, water supply or quality, plant life or animal life beyond those analyzed in the MND.
- d. There are no hazards or hazardous materials at the site or which would be created by the project beyond those analyzed by the MND.
- e. There is no evidence that the site contains any habitats for wildlife, unique, rare, or endangered plants or animals, or historic buildings or resources.
- f. All applicable MND mitigation measures from the MND have been applied to this project.

As this project does not fall within any of the categories identified by CEQA Guidelines Section 15162, no subsequent environmental review is required. Therefore, the Planning Commission adopts a Finding of Consistency with the MND.

Section 3: The Planning Commission makes the following Findings of Facts:

- a. The purpose of the proposed use (Cannabis cultivation and nursery, manufacture cannabis oils and related products, cannabis distribution) is in accordance with the description, process and standards provided in the Application Package as reviewed by Staff and presented at the public hearing.
- b. The establishment, operation and maintenance of the use as presented will not be detrimental to the property, improvements, health, safety, morals and general welfare of persons in the surrounding area and / or the City;
- c. The proposed use is consistent with the General Plan Land Use Designation (LI) Light Industrial and the Uses and Standards of the ERBPSP.
- d. The proposed uses will be contained within new greenhouse construction of less than 20,000 sf; reuse of an existing structure of approximately 3,000sf and addition to that structure of approximately 2,000sf. All will be no more than 20' in height.
- e. The entire lot will be fenced – existing fencing will be improved and / or replaced and new screening will be installed. New fencing will be installed at the top of bank on the south side of the property. Existing fencing along Airport Drive will be moved out of the Right of Way to a point at or behind the property line
- f. The lot will be accessed (gated) from two points of entry off of Airport Drive.
- g. Landscaping will be installed per the Application Package.
- h. All processes and interior construction/building improvements, security/operating procedures will be in conformance with the CUP/ Application Package, as submitted and/or as conditioned (see COA's Exhibit 1: Attached) and with Municipal Code Chapter 17.03 (Commercial Cannabis Activity).
- i. Power and water are available and are required to be provided, **prior to/concurrent with building construction.**
- j. Based on the foregoing and evidence in the administrative record, the Commission determines that the establishment, maintenance or operation of the use applied for will, under the circumstances of the particular case, will not be detrimental to the health, safety morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use. The Commission further determines that the use will not will be injurious or detrimental to property and improvements in the neighborhood or the general welfare of the City. Therefore, the Planning Commission approves Conditions Use Permit Case No. CUP 2016-009.

This resolution was passed and adopted this **5th day of December 2017** by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

DAVID NUCK, CHAIRPERSON

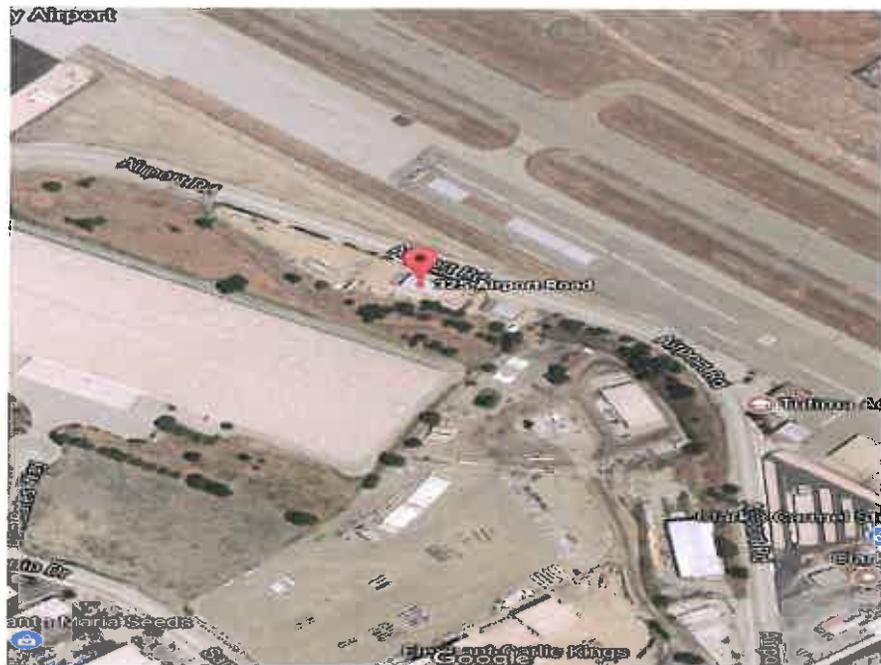
ATTEST: _____
ERICA SONNE DEPUTY CITY CLERK

**INITIAL STUDY CHECK LIST (OCTOBER 31, 2017)
CUP 2017-010**

A. BACKGROUND INFORMATION

1. **Lead Agency:** City of King
2. **Project Representative / Owner:** King City Farms, LLC (Brandon Gesicki)
3. **Project Location:** 325 Airport Drive
4. **Project, Project History and Approved Mitigated Negative Declaration Description:**

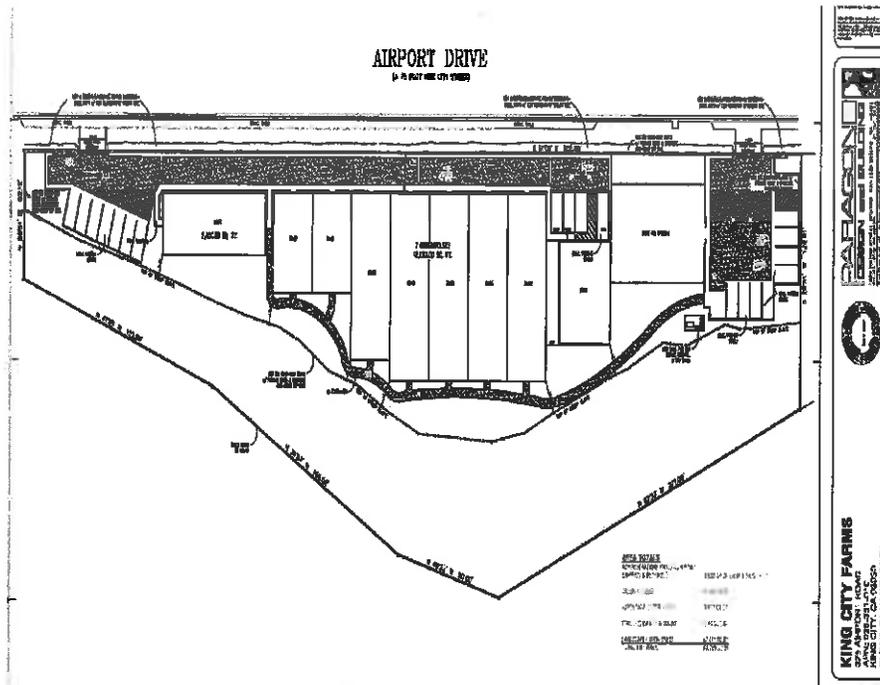
Project
The Applicant has applied for Conditional Use Permit 2017-010 (CUP) to develop a parcel located at 325 Airport Road (APN 026-351-016) as generally depicted in the attached diagram, below. The projected development is on approximately 2.06 acres and proposes approximately 20,000 sf of new greenhouse structures, reconditioning of the existing 3,000 sf structure and a 2,000 sf addition onto that existing structure. The existing structure with addition will be used for Level 2 (CA type 7) Manufacturing and Distribution (CA Type 11.) New parking and landscaping will be added. There is not intent to subdivide the parcel at this time.



History

In 2016, the City of King amended the Zoning Code and the East Ranch Business Park Specific Plan to allow Medical Cannabis Uses including Cultivation (CA Types 2A,2B,3A,3B) Nursery (CA Type 4), Manufacturing (CA Type 6) and Testing (CA Type 8). Level 2 Manufacturing CA (Type 2) and Distribution were allowed in August 2017, (Ordinances 2017-745 and 746).

The potential impacts of the uses, their proposed land use and zoning designations, development densities and potential locations were evaluated. As a result of the analysis a Mitigated Negative Declaration was prepared. It was certified on September 26, 2016.



- | | |
|---|--|
| 5. Certified MND Project Description: | The Certified MND Project Description is attached as Exhibit 1. |
| 6. Public Review Period: | 20 Days |
| 7. Other Public Agencies Requiring Approval: | N/A |
| 8. Address Where Written Comments May be Sent: | City of King
Community Development Department
212 South Vandenhurst Avenue
King City, CA 93930 |
| 9. Purpose For Initial Study: | The purpose for the initial study is to determine whether the findings needing to be made pursuant to CEQA Guidelines §15162 (Subsequent EIR and Negative Declaration) can be made in the affirmative. |

10. Proposed Findings:

The City of King is the custodian of the documents and other material that constitute the record of proceedings upon which this decision is based. There was a Mitigated Negative Declaration ("**MND**") certified by the City Council on **September 26, 2016**.

As noted above, the purpose for the initial study is to determine whether the findings needing to be made pursuant to CEQA Guidelines §15162 (Subsequent EIRs / ND's) can be made in the affirmative. The City must determine that on the basis of substantial evidence in the record, one or more of the following *paraphrased* findings does not exist:

1. There are no substantial changes to the proposed project that will require major revisions to the certified MND or increase the severity of previously identified significant effects;
2. There are no substantial changes due to circumstances under which the proposed project is undertaken that require modifications to the certified MND, due to new significant environmental effects or increase in severity of previous impacts; or
3. There is no new information that was not analyzed in the certified MND.

Based on the initial study, the above findings of fact can be made and the Proposed Project will not have the potential to result in significant adverse environmental impacts. All the mitigation measures adopted in 2016 will apply. Therefore, the issues associated with the Proposed Project are adequately addressed in the 2016 certified MND.

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

III. ENVIRONMENTAL SETTING

The Proposed Project is located on Airport Drive, south of the Regional Airport. The lots along Airport Drive are partially developed with industrial and business uses. The Proposed Project site is currently vacant.

Table 2 Surrounding Land Use all M-3 (Heavy Industrial)			
North:	Industrial Way	East:	Industrial Use
South:	Industrial Use	West:	Vacant

C. ENVIRONMENTAL CHECKLIST

The following checklist indicates the potential level of impact and is abbreviated as follows:

Known Significant:	Known significant environmental impacts.
Unknown Potentially Significant:	Unknown potentially significant impacts, which need 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 that are not considered significant.
Impact Reviewed in Previous Document:	Adequate previous analysis exists regarding the issue; further analysis is not required (§15162 of the State CEQA Guidelines). The following Table includes reference to the Certified MND and identifies potential impacts as noted in that Document.

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	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	X
c. Substantially degrade the existing visual character or quality of the site and its surroundings?			X		X
d. Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area?			X		X

Aesthetics Resources Discussion: Impacts as discussed in the 2016 certified MND analysis.

2. AGRICULTURAL RESOURCES:					
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.					
Would the project:					
	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
a.				X	X
b.				X	X
c.				X	X

Agricultural Resources Discussion: Impacts as discussed in the 2016 certified MND analysis.

3. AIR QUALITY					
Would the project:					
	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
a.				X	X
b.				X	X
c.				X	X
d.				X	X
e.			X		X
f.				X	X
g.				X	X

Air Quality Discussion: Impacts as discussed in the 2016 certified MND analysis.

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	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	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	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	X
e.	Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				X	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	X

Biological Resources Discussion: Impacts as discussed in the 2016 certified MND analysis.

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 §15064.5?			X		X
b.	Cause a substantial adverse change in the significance of an archaeological resource pursuant to CEQA Guidelines §15064.5?			X		X
c.	Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?			X		X
d.	Disturb any human remains, including those interred outside of formal cemeteries?			X		X

Cultural Resources Discussion: Impacts as discussed in the 2016 certified MND analysis.

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 for the are or based on other substantial evidence of a known fault? (Refer to Division of Mines and Geology Publication 42)				X	X
ii)	Strong Seismic ground shaking?			X		X
iii)	Seismic-related ground failure, including liquefaction?				X	X
iv)	Landslides?				X	X
b.	Result in substantial erosion or the loss of topsoil?				X	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	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	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	X

Geology/Soils Discussion: Impacts as discussed in the 2016 certified MND analysis.

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		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	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	X
d.	Be located on a site that 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		X

7. HAZARDS/HAZARDOUS MATERIALS		Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
Would the project:						
e.	Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				X	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	X

Hazards/Hazardous Materials Discussion: Impacts as discussed in the 2016 certified MND analysis.

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	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	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 that would result in substantial erosion or siltation on or off-site?				X	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		X
e.	Create or contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?			X		X
f.	Otherwise substantially degrade water quality?				X	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	X
i.	Inundation by seiche, tsunami, or mudflow?				X	X

Hydrology/Water Discussion: Proposed building coverage and impervious area conform to ERBP SP standards. A SWPPP has been prepared. Impacts as discussed in the 2016 certified MND analysis.

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	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	X
c. Conflict with any applicable habitat conservation plan or natural community conservation plan?				X	X

Land Use and Planning Discussion: Impacts as discussed in the 2016 certified MND analysis.

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	X
b. Expose persons to or generate excessive groundborne vibration or groundborne noise levels?				X	X
c. Cause a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?				X	X
d. Cause a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?				X	X

Noise Discussion: Impacts as discussed in the 2016 certified MND analysis.

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	X
b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				X	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	X

Populations and Housing Discussion: Impacts as discussed in the 2016 certified MND analysis.

12. PUBLIC SERVICES 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:	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
a. Fire protection?				X	X
b. Police protection?				X	X
c. Schools?				X	X
d. Parks or other recreational facilities?				X	X
e. Water Service System?				X	X
f. Sewer System?				X	X
g. Other governmental services? (power)				X	X

Public Services Discussion:

Impacts as discussed in the 2016 certified MND analysis.

13. TRANSPORTATION/CIRCULATION Would the project:	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
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 ration on roads, or congestion at intersections)?				X	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	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		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	X
e. Result in inadequate emergency access?			X		X
f. Result in inadequate parking capacity?			X		X

13. TRANSPORTATION/CIRCULATION	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
Would the project:					
g. Conflicts with adopted policies supporting alternative transportation (e.g. bus turnouts, bicycle racks)?				X	X

Transportation/Circulation Discussion:

Impacts as discussed in the 2016 certified MND analysis.

14. UTILITIES & SERVICE SYSTEMS	Significant	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		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	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	X
d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?			X		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	X
f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?				X	X
g. Comply with federal, state, and local statutes and regulations related to solid waste?				X	X

Utilities & Service Systems Impact Discussion:

Impacts as discussed in the 2016 certified MND analysis.

D. INFORMATION SOURCES:

A. County/City/Federal Departments Consulted:			
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	PRC	
B. General Plan			
Land Use Elements			
	Housing Element		Conservation Element
	Circulation Element		Noise Element
	Seismic Safety/Safety Element		Land Use
	Economic Development		
C. Zoning Ordinance & Specific Plan			
<input checked="" type="checkbox"/>	Specific Plan and Zoning		
<input checked="" type="checkbox"/>	East Ranch Business Park Specific Plan	<input checked="" type="checkbox"/>	Title 17, Section 17.03
D. Project Plans			
<input checked="" type="checkbox"/>	Site Plans and CUP Submittal		
E. Other Sources of Information			
<input checked="" type="checkbox"/>	Field Work/Site Visit		Ag. Preserve Maps
<input checked="" type="checkbox"/>	Calculations		Flood Control Maps
		<input checked="" type="checkbox"/>	Other studies, reports (e.g., environmental documents) <input checked="" type="checkbox"/> Certified MND September 2016
<input checked="" type="checkbox"/>	Traffic Study	<input checked="" type="checkbox"/>	Topographic maps
	Records	<input checked="" type="checkbox"/>	Soils Maps/Reports
<input checked="" type="checkbox"/>	Grading Plans		Plant maps
<input checked="" type="checkbox"/>	Elevations/architectural renderings		Archaeological maps and reports
	Published geological maps		(Others)

EXHIBIT 1

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), Sections 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”).



Item No. 7(B)

REPORT TO THE PLANNING COMMISSION

DATE: DECEMBER 05, 2017

TO: HONORABLE CHAIR AND MEMBERS OF THE PLANNING COMMISSION

FROM: DOREEN LIBERTO BLANCK, COMMUNITY DEVELOPMENT DIRECTOR

BY: SCOTT BRUCE, PRINCIPAL PLANNER

**RE: CUP CASE NO. 2017-008, MEDICAL CANNABIS MANUFACTURING
LEVEL 2 (CA TYPE 7): 1000 INDUSTRIAL WAY APN 026-351-024**

RECOMMENDATION:

Staff recommends the Planning Commission: 1) review Conditional Use Permit Application, 2) receive public comment; and 3) adopt the attached Resolution approving Conditional Use Permit Case No. 2017-008.

BACKGROUND:

In September 2016, the City Council approved an amendment to the City's Municipal Code and to the East Ranch Business Park Specific Plan (ERBPSP), authorizing expansion of land uses related to Medical Cannabis. As a result of that action, Indoor Cultivation under artificial or mixed light, Medical Cannabis Nurseries, Manufacturing and Testing are allowed in the M-1, M-2 and M-3 Districts and in the ERBPSP. Since that time, the Municipal Code has been amended twice (June and August 2017) and a number of Permits have been approved through the conditional use permit (CUP) and Operations Permits processes. This current application is for use of an existing structure for Cannabis Manufacturing on a lot at 1000 Industrial Drive.

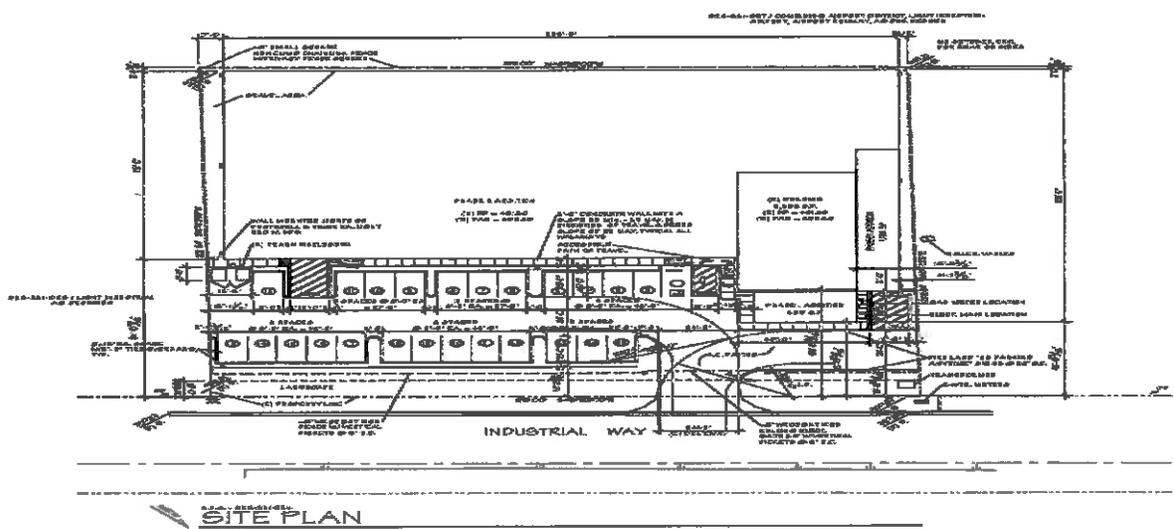
The Planning Commission's (Commission) primary role in the process is to make a determination regarding the CUP. Community Development Staff has been tasked by the City Manager with reviewing and evaluating the Application for Operating Permit. The Building Department will approve the appropriate building permit.

While not required for the CUP, the Permit Application process provides much information that informs the CUP process and potentially makes the Commission's determination easier and more complete.

As noted above, CUP Case No. 2017-008 is a proposal to add to existing development on parcel located on Industrial Way (APN 026-351-024) as generally depicted in the attached diagram, below. The projected development is on approximately 1.0 acres which currently includes an existing structure of approximately 2,600 sf with gravel / decomposed granite parking. Some outdoor storage is present and will be removed. The current proposal would add approximately 1,725 sf of floor area in one floor. New paved parking and landscaping will be included. The building will be used for Level 2 Manufacturing (CA Type 7) which allows the use of volatile solvents.



DISCUSSION:



Overview:

The existing structure is located on a 1.0-acre site. The site and the surrounding area are located M-3 District (Industrial) on the north side of the Airport, accessed from the south side of Industrial Way.

- Industrial Way is located to the north with Vineyard beyond.
- The Airport is located to the south.
- To the east is industrial use.
- To the west is industrial use.

The site is partially developed (2,592 sf Building) and generally flat. The site sits slightly above Industrial Drive; minor improvements to the frontage (curb, gutter and sidewalk) will be required. Site access will be from Industrial Drive. A 1,728-sf addition will be added to the western side of the existing structure to house modular clean rooms for manufacturing.

The existing structure and the addition will be single story. The use will be Cannabis Level 2 (CA Type 7) Manufacturing. Cannabis oil will be produced for cannabis oils for use in capsules, tinctures, creams and edibles.

Future improvements (Not part of this CUP) will include new construction of a two-story concrete tilt up structure with a foot print of 25,184 sf.

CUP Information:

Building setbacks will be as exists, 45' 6" at the front and approximately 4' at the west property line – the existing building line does not run parallel with the lot line. The M-3 District has a zero foot (0') setback at the side and rear property lines.

Architecture:

The existing structure is metal with metal roof, Phase 1 expansion will also be metal with metal roof. New construction will be concrete tilt up with concrete cap and aluminum windows. Colors are: Body- DEC 758 "Cashmere" and Trim DEC 779 "Woodlawn Green", both by Dunn Edwards. The existing structure will be repainted to match. **See Exhibit 4.**

Floor Plan and Interior Uses:

As noted above, the proposed use is Cannabis Manufacturing Level 2 (CA Type 7), with support administrative uses. Manufacturing will occur in modular clean rooms

Landscape:

Parking and landscaping for the development at build out will be included with the first phase. Although areas for landscaping have been identified and examples of plant material presented no specific plant types and quantities have been presented. 9.9% of the lot will be landscaped.

Landscaped area will be between the Industrial Drive right-of-way and the parking area with planter islands in the parking area. Plant materials will be similar to those shown in

the Application Package. Materials and quantities and irrigation will be consistent with other approved Cannabis projects in the East Ranch Business Park / M Districts, to the satisfaction of the Community Development Director or designee. **See Exhibit 6.**

Grading:

The site is generally flat, draining from north to south. Grading will be minimal to accommodate the new addition and the new parking. A minimal amount of material will be moved, most related to parking lot construction.

Access, Parking, Paving:

A single access point (existing access location) is proposed, including a rolling electric gate for security. Paved parking will be present along the majority of the Industrial Drive frontage with delivery / loading area to the west. 24 spaces are shown with 1 ADA space. Parking is more than sufficient for currently proposed operations. **See Exhibit 3**

Signage:

Proposed signage is currently limited to single 18" high internally lit sign on the building face, showing address. Colors will be compatible with the building. Signage will conform to the King City Municipal Code including Municipal Code Chapter 17.03 which addresses signs related to Cannabis Operations.

Signage must be approved by Community Development Director or designee, per City requirements, prior to construction.

Security:

Fencing: Fencing along the Industrial Drive will be 8' wrought iron curved to the exterior for security. The remainder of the property will be fenced with 6' high non-climbing chain link to include a maximum of 2' barbed wire at the top for security.

Exterior Lighting: The parking area and building exterior will be illuminated with LED powered lighting placed to eliminate shadows and / or dark areas. Lights will include building mounted and poles. Lighting will be designed to present spread beyond the property boundaries and / or into the night sky. Poles will not exceed thirty (30) feet in height.

Cameras: Security cameras with motion sensors and night vision will be mounted on all exterior doors, perimeter fencing and entry gates. Interior motion/night vision cameras will be placed per the Application Package concept. The 24/7 surveillance will be accessible by the City of King Police Department through real time live access feed. A City of King camera will be placed by applicant at the Don Bates Way gate. The document also proposes internal security camera locations.

Solid Waste: One locked dumpster location is located at the east end of the property. Maximum daily plant waste will be approximately 150 lbs. or 1,050 lbs. per week. This

equates to approximately 2 cubic yards per week. Dimensions of a six yard dumpster are approximately 6'8"W, 6'6"L, 5'4" H.

The process uses 99% of the cannabinoids so that there is only a trace amount (if any) left in the waste. The remaining material is combined with non-cannabis material to a ration of no more than 50%. When mixed with a compostable material it will be sent to a composting facility, when mixed with a non-compostable material it will be picked up by Waste Management.

Conversation with Waste Management indicates that, there are currently no State of California regulations for solid waste. **See Document, Pages 28 and 29.**

Water: Water use in Manufacturing Operations is similar to or less than water use for other uses in an industrial or business setting. Water will be primarily for cleaning purposes.

Water (Landscaped Area): The applicant has not yet prepared a detailed landscaping plan with irrigation and detailed water analysis in conformance with the State of California's Department of Water Resources. Such plan will be required prior to final landscaping approval.

A number of water conservation measures will be employed including drip irrigation, weather or moisture based controllers, non-invasive/ climate appropriate species and similar. Water for landscaping irrigation is not included in the analysis of water use under the previous MND – outdoor / landscaping water is common for all sites in the ERBP, regardless of land use.

On-site plumbing to access future recycled water (purple pipe) in San Antonio Drive will be required.

Power: The applicant estimates 16 hours per day of power use. Light and air conditioning / heating requirements are consistent with standard industrial / business park use. Approximately 960 Amps (80 % load) are anticipated for Phase 1 operations.

Noise: Given the nature of manufacturing operations no noise related issues have been identified.

Regulatory Permit Related Information:

The item before the Commission is the consideration of a Conditional Use Permit to allow Cannabis Manufacturing Level 2 (CA Type 7). The existing 2,592 sf structure will be renovated to F-1 / H-1 Occupancy Type. 1,728 sf of the same structural / occupancy type will be added. Manufacturing Operations will occur in modular National Fire Protection Agency (NFPA) Class I Division 1 Clean Rooms.

Employee Traffic:

The applicant has indicated that maximum employee count will run between 10 and 30 per shift. There will be a maximum of 3 eight-hour shifts.

Standard employee generation rates for an Industrial Use are approximately 61 employees per acre with Business Park rates higher.

Shipping and Transport: A total of approximately 3,000 lbs. per month of plant material (mix of bud and shake) will be delivered to the facility. Deliveries will be twice weekly.

Outbound transport will vary based on sales of product (transdermal patches, lozenges, tinctures, ointments) but is anticipated to be twice weekly. Storage space for finished product is approximately 750sf.

Product will be transported from the facility in unmarked vehicles. Transactions will be recorded on a manifest with details regarding the driver, vehicle, weight and / or count of all products. Delivery vehicles will be loaded inside the structure with cars traps and security personnel present. Cameras will be placed to record shipping from the facility.

Volatiles

CO2: Up to 5 times/week delivered by a 25 foot open flatbed truck in 1-2 secure skids of up to 8 tanks holding up to 150lbs of CO2 each or as allowed by King City Municipal Code. Empty tanks will be removed by the same vendor.

BUTANE: 24 and 116 lb. containers will be delivered as often as once per week accompanying the CO2 deliveries. Empty tanks will be removed by the vendor.

ETHYL ALCOHOL: Up to a 50-gallon barrel or as allowed by the King City Municipal Code will be delivered as often as once per week by a cargo truck with a lift gate. No more than 100 gallons or as allowed by the KCMC will be on site at any given time

ISOPROPYL ALCOHOL: 8-gallon containers will be delivered as often as once per week accompanying the ethyl alcohol

Volatiles Storage: The applicant has not yet provided the storage / use plan for volatiles. The plan will be reviewed and approved by Fire / Police during the Building Permit process, before Occupancy.

Odor Control: The Odor Control Program will operate in conformance with the requirements of Municipal Code Section 17.03.210 (i). It includes odor absorbing ventilation, an exhaust filtration system and a negative air pressure system.

Waste Disposal:

Packaging Waste: Under cGMP standards, all packaging and labels must be accounted for. Damaged or used packaging will be rendered un-usable and recycled or thrown into the secure trash. Damaged or broken capsules that are unfilled will be thrown into the secure trash.

Product / Production Waste: Production waste will follow typical waste rates for food, pharmaceutical or other commercial production. Where a product that contains medical cannabis fails quality assurance checks, it will be accounted for and logged into our QA database as well as MJ Freeway, and disposed of in a secure and controlled manner to render the product un-recognizable and un-usable.

Alcohol Waste: Most ethanol used in the processing is recycled and reused. What cannot be recycled or reused is disposed of by sanitary sewer mixed with tap water

CO2 Waste: CO2 is recycled and reused by our closed loop, recirculating CO2 extraction system. A small amount of CO2 is released into the air safely upon completion of the extraction. There is no onsite storage of CO2 waste.

Butane Waste: Butane is recycled and reused by our closed loop, recirculating Butane extraction system. A small amount of Butane is released into the air safely upon completion of the extraction. When butane becomes saturated or contaminated through extraction recycling, it will be disposed of through a licensed 3rd party chemical waste handling company. Waste butane will be stored in class 1 div 1, flammable materials storage/cabinets until properly disposed of.

Security, Interior: The rolling gate for access from Industrial Drive is security code controlled and access limited to employees and delivery. The building has 2 doors and an additional roll up gate. A door on the South end of North-East facing side is the building's main entrance and the only access point for visitors. Deliveries occur to a loading dock or roll up doors on the North side of the North-East face of the building for safety purposes. The remaining doors are alarmed emergency exits. The emergency exits open only from the inside using push bars that activate a battery powered alarm.

All roll up doors are securely locked at all times except for deliveries and do not provide entrance or egress. All entries will be coded and non-employees will have to correspond via intercom prior to admittance. Any non-employee must be escorted at all times while onsite.

Two armed guards will be on site during hours of operation. After hours, local armed security services will be on call. **See Document Page 32.**

Employee Vetting: No person under 21 years of age will be employed on this site. It is anticipated that a third party will receive fingerprints and provide the City of King Police Department with background review. The Department will verify and the employee will sign, under oath, an agreement that verifies the accuracy of the background check and that delineates the responsibilities of and expectations for the employee. **See Page 67.**

Employee Training: MJ Freeway conducts extensive training on the tracking software that will be in use to document and monitor movement of cannabis material. Training will also include secure facility protocols to ensure against theft and diversion.

All managers and supervisors will be trained in basic cGMP principles, and on how to administer cGMP practices for training, production, documentation and product tracking in their areas.

Quality Control: All of our source materials are to be tested for pesticides, fungus, pests, molds, and other contaminants throughout processing using an internally built Quality Assurance system that meets cGMP standards for good manufacturing practices and processes to guard against adulteration. We will source from only the most responsible cultivators to ensure that cannabis material is clean and pure, and will deploy a vendor auditing program that meets cGMP standards for materials sourcing. We will track all inbound and outbound materials (component and manufactured product) using the MJ Freeway platform in addition to our internal Quality Assurance database.

A product recall is indicated when a product we manufacture is found to fall outside of our product specifications or standards, or could represent a hazard to the consumer. Our recall program will effectively remove that product from circulation using an internally built Quality Assurance system that meets pharmaceutical industry cGMP standards for an Adverse Event/Recall tracking database. **See Page 19.**

Compliance with Evolving State and Local Regulations: The applicant's operating procedures will comply with State and local regulations. The applicant engages a team of lawyers, community relations staff and industry advisors to assist with governance, compliance, legal adherence and updates to laws and regulations. In addition, the applicant has executed the City's required Indemnification Agreement.

ENVIRONMENTAL COMPLIANCE:

King City previously prepared and certified (September 2016) a Mitigated Negative Declaration (MND) for the amendment of the City's Zoning Ordinance and the amendment of the East Ranch Business Park Specific Plan (ERBP Specific Plan) (Ordinances 2016-728, 2016-729 and 2016-730) to allow new land uses in the Manufacturing Districts (M-1, M-2, M-3) and in the ERBP Specific Plan. The Municipal Code was amended in June and August of 2017 to allow Manufacturing Level 2 (CA Type 7 and Distribution (CA Type 11.)

Staff has conducted an Initial Study related to this proposed project (CUP 2017-008) and has determined the project is fully within the scope of the prior analysis by the MND. The Adoption of a Finding of Consistency has been recommended per CEQA Guidelines Section 15162 and has been noticed for public review.

ALTERNATIVES:

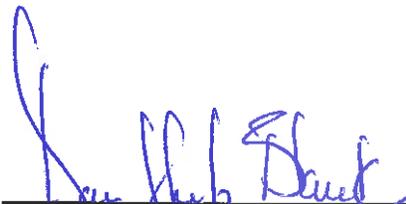
1. Hear the item, invite public comment and approve the item as presented.
2. Deny the item. If the Planning Commission wishes to deny the CUP, the item needs to be continued, directing Staff to return with a Resolution of Denial.
3. Provide alternative direction to Staff.

EXHIBITS:

1. Location
2. Photos of Existing Site
3. Site Plan
4. Elevations
5. Floor Plan
6. Landscape and Fencing
7. Conditions of Approval
8. Resolution 2017 – 201
9. Initial Study
10. Application Package

Exhibits are available for public review at front counter, City of King City Hall, 212, South Vanderhurst, King City, CA

Submitted by: 
SCOTT BRUCE, PRINCIPAL PLANNER

Approved by: 
DOREEN LIBERTO-BLANCK, AICP, COMMUNITY DEVELOPMENT
DIRECTOR

CUP 2017-008

EXHIBIT 1: SITE LOCATION



CUP 2017-008

EXHIBIT 2: SITE PHOTOS

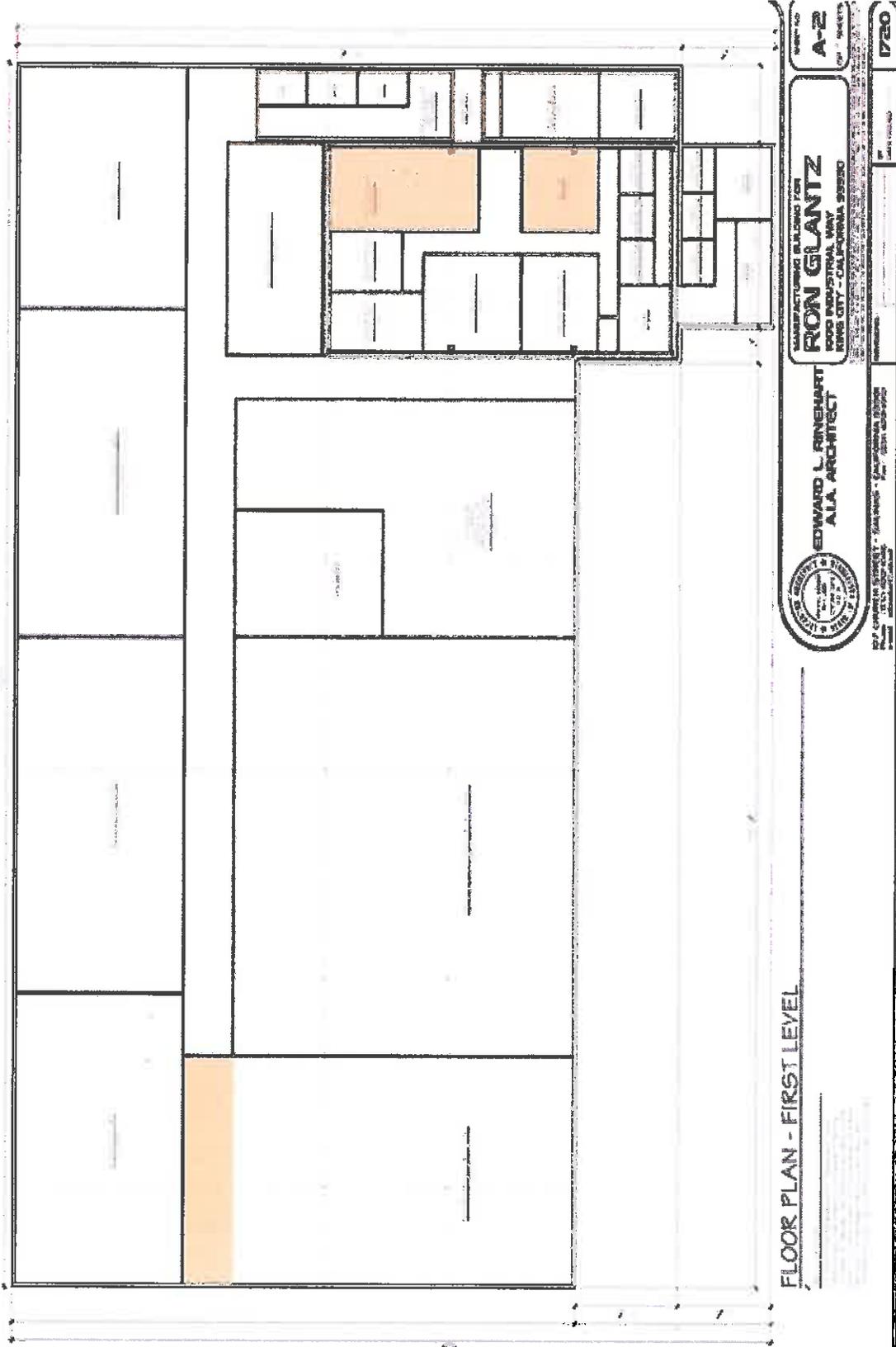


CUP 2017-008

EXHIBIT 2: SITE PHOTOS



CUP 2017-008:
EXHIBIT 5: FLOOR PLAN



FLOOR PLAN - FIRST LEVEL



EDWARD L. RINEHART
AIA ARCHITECT

MANUFACTURED BUILDING FOR
RON GLANTZ
1000 10TH AVENUE, SUITE 100
SAN FRANCISCO, CA 94118

DATE: 10/1/17
DRAWN BY: [Name]
CHECKED BY: [Name]
SCALE: AS SHOWN
SHEET NO: A-2
OF 2 SHEETS

1720

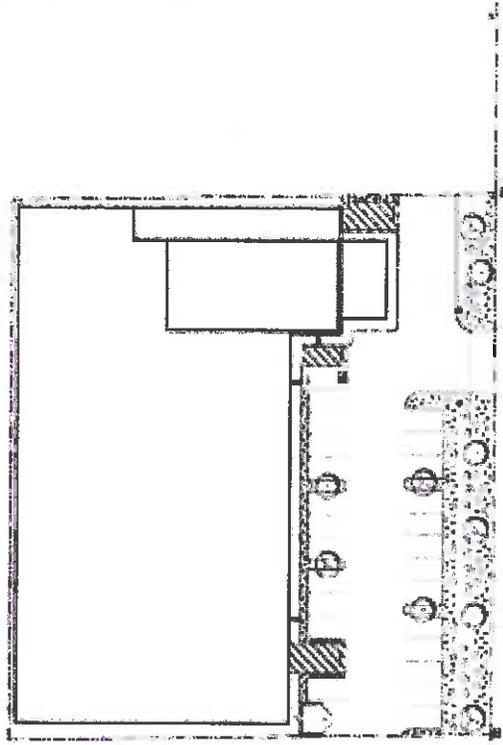
CUP 2017-008
EXHIBIT 6: LANDSCAPE AND FENCING



Plant Notes

PLANT LIST

- 1. [Symbol] [Plant Name]
- 2. [Symbol] [Plant Name]
- 3. [Symbol] [Plant Name]
- 4. [Symbol] [Plant Name]
- 5. [Symbol] [Plant Name]
- 6. [Symbol] [Plant Name]
- 7. [Symbol] [Plant Name]
- 8. [Symbol] [Plant Name]



LANDSCAPE PLAN


EDWARD L. BENHAM
 AIA ARCHITECT
 1000 S. GARDEN ST., SUITE 100
 ANAHEIM, CA 92805
 TEL: 714.944.8888
 FAX: 714.944.8888
 WWW: EDWARDL.BENHAM.COM

LANDSCAPE ARCHITECTURE FIRM
RON GLANTZ
 1000 INDUSTRIAL WAY
 IRVINE, CA 92614
 TEL: 949.261.1111
 FAX: 949.261.1112
 WWW: RONGLANTZ.COM

SHEET NO. **L-1**
 OF **1780**

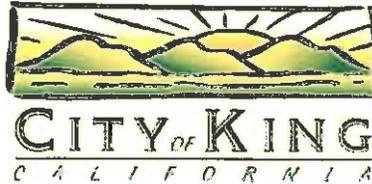


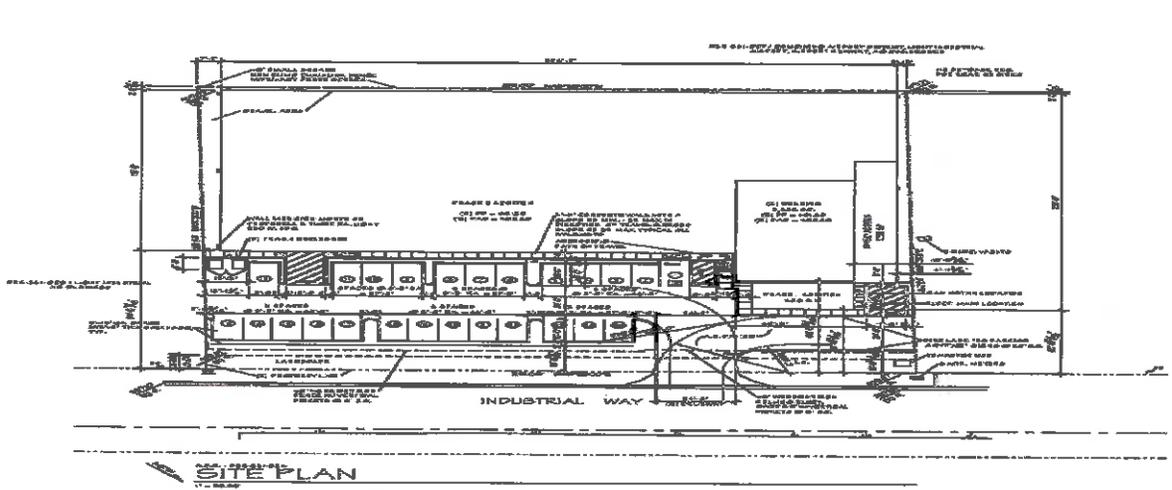
EXHIBIT No. 7

**Case Number: COA 2017 – 008
CONDITIONS OF APPROVAL**

NOTICE TO PROJECT APPLICANT

In accordance with the provisions of Government Code Section 66020(d)(1), the imposition of fees, dedication, reservations or exactions for this project are subject to protest by the project applicant at the time of approval or conditional approval of the development or within 90 days after the date of imposition of fees, dedications, reservation, or exactions imposed on the development project.

This notice does not apply to those fees, dedications, reservations, or exactions which were previously imposed and duly noticed; or, where no notice was previously required under the provisions of Government Code Section 66020(d)(1) in effect before January 1, 1997.



PART A - PROJECT INFORMATION: ELITE MOLECULAR LLC.

1. Assessor's Parcel No(s): 026-351-024
2. Job Address: 1000 Industrial Drive
3. Street Location: 1000 Industrial Drive
4. Existing Zoning: M-3 Heavy Industrial
5. Planned Land Use: General Plan: GI (General Industrial);
6. Plan Area: Adjacent to ERBP SP
7. Project Description: CUP 2017-008 is a proposal to add to existing development on parcel located on Industrial Drive (APN 026-351-024) as generally depicted in the attached diagram, below. The projected development is on approximately 1.0 acres which currently includes an existing structure of approximately 2,600 sf with gravel / decomposed granite parking. Some outdoor storage is present and will be removed. The current proposal would add approximately 1,725 sf of floor area in one floor. New paved parking and landscaping will be included. The building will be used for Level 2 Manufacturing (CA Type 7) which allows the use of volatile solvents.



PART B – GENERAL CONDITIONS AND REQUIREMENTS

On September 27, 2016, the City Council approved Ordinance Nos. 2016-728, 2016-729 and 2016-730, amending Municipal Code Section 17.03 to allow Medical Cannabis cultivation, nursery, manufacturing and testing uses (Types 2A,2B, 3A,3B, 4, 6 and 8). The M-1, M-2 and M-3 Districts and the East Ranch Business Park Specific Plan (ERBPSP) were amended at that time to allow the uses in those specific zoning districts

A Mitigated Negative Declaration (MND) was also prepared to evaluate potential and cumulative impacts of the proposed use types. It was approved on September 27, 2016 at the time that the change to the Zoning Code was approved. In August 2017, Ordinance Nos. 2017- 745 and 2017-746 amended the Municipal Code to allow Manufacturing Level 2 (CA Type 2) and Distribution (CA Type 11).

Staff review of the proposed use and its impacts indicates that the use as proposed is consistent with the evaluation and findings of the previously approved MND with no potentially significant impacts. It is therefore exempt from additional CEQA review per CEQA Guidelines Section 15332 (infill development projects).

IMPORTANT: PLEASE READ CAREFULLY

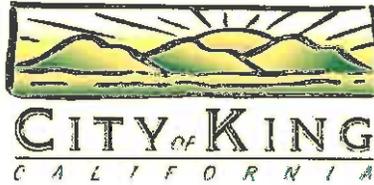
Please note that this project may be subject to a variety of discretionary conditions of approval. These include conditions based on adopted City plans and policies, those determined through site plan review and environmental assessment essential to mitigate adverse effects on the environment including the health, safety, and welfare of the community, and recommended conditions for development that are not essential to health, safety, and welfare, but would on the whole enhance the project and its relationship to the neighborhood and environment.

In the event you wish to appeal the Planning Commission's decision or discretionary conditions of approval, you may do so by filing a written appeal with the City Clerk. The appeal shall include a statement of your interest in or relationship to the subject property, the decision or action appealed and specific reasons why you believe the decision or action appealed should not be upheld. Your appeal must be filed within 15 days of the Planning Commission's decision [SLC1] Please refer to City of King Municipal Code Section 2.12.050

Approval of this use permit shall be considered null and void in the event of failure by the applicant and/or the authorized representative, architect, engineer, or designer to disclose and delineate all facts and information relating to the subject property and the proposed development including, but not limited to, the following:

1. All existing and proposed improvements including but not limited to buildings and structures, signs and their uses, trees, walls, driveways, outdoor storage, and open land use areas on the subject property and all of the preceding which are located on adjoining property and may encroach on the subject property;
2. All public and private easements, rights-of-way and any actual or potential prescriptive easements or uses of the subject property; and
3. Existing and proposed grade differentials between the subject property and adjoining property zoned or planned for residential use.

Approval of this use permit may become null and void in the event that development is not completed in accordance with all the conditions and requirements imposed on this use permit and the Zoning Ordinance. This use permit is granted, and the conditions imposed, based upon the Applicant Package provided by the applicant. The Applicant Package is material to the issuance of this use permit. Unless the conditions of approval specifically require operation inconsistent with the Applicant Package, a new or revised use permit is required if the operation of this establishment changes or becomes inconsistent with the Applicant Package. Failure to operate in accordance with the conditions and requirements imposed may result in revocation of the use permit or any other enforcement remedy available under the law. The City shall not assume responsibility for any deletions or omissions resulting from the use permit review process or for additions or alterations to construction plans not specifically submitted and reviewed and approved



pursuant to this use permit or subsequent amendments or revisions. (Include this note on the site plan.)

No uses of land, buildings, or structures other than those specifically approved pursuant to the approved site plan shall be permitted. (Include this note on the site plan.)

Please contact Scott Bruce via email at scottbruce11@gmail.com if you have any questions regarding the conditions of approval (COA).

COMMUNITY DEVELOPMENT DEPARTMENT:

1. **Allowed Use:** Manufacturing Level 2 (CA Type 7)
2. **Interior Renovation and Exterior:** The existing structure is a 2,600 metal structure, accessed from Industrial Drive at one location. Approximately 1,725 sf will be added. Phase 1 construction will be metal with metal roof and will house modular clean rooms for cannabis manufacturing purposes. Colors will be: Body- DEC 758 "Cashmere" and Trim DEC 779 "Woodlawn Green", both by Dunn Edwards. These colors are consistent with the surrounding area. Minor interior changes, which are determined by the Community Development Director to be substantially in conformity with the plans and Application Package as presented may be granted by the Community Development Director (Director).

Construction / Development shall conform to Application Package as presented, to the satisfaction of the Community Development Director or designee

3. **Parking:** Parking will conform to the Plan and Application Package as Submitted. New parking and paving area will be installed. Parking shall drain to landscaped areas – post development runoff shall not exceed the existing condition.
4. **Landscaping:** Landscaping will conform to plans and Application Package as submitted. Irrigation Plans shall be presented to and approved by Building Official prior to Landscape Installation. The landscaping shall be maintained in a healthy condition in perpetuity.
5. **Lighting:** Security Lighting is proposed to be mounted on the structure and on two poles in the parking area not to exceed 30 feet in height. A lighting plan must be approved before installation. All new outdoor lighting associated with the use shall be hooded and directed so as not to shine on public roads, onto surrounding properties or into the night sky.
6. **Signage:** No signage has been requested at this time with the exception of property address. Any additional signage shall conform to the requirements of Municipal Code Chapter 17.03 of the City of King Zoning Code. Additional signage may be approved by the Community Development Department and may be submitted to the Planning Commission at the Director's discretion.
7. **Fencing:** New fencing along Industrial Way shall be wrought iron and eight (8) feet in height. All other perimeter fences shall be "no climb" chain link, six (6') foot in height with barbed wire, to a maximum of eight (8) feet with vertical slats woven into the chain link.

BUILDING AND SAFETY DEPARTMENT: (No application for a building permit has been submitted. An application must be submitted after CUP approval and **prior to any interior renovations**).

Building Plans: All Planning Commission COA shall be imprinted on plans submitted for building permits.

1. **Scope of Work Description:** Scope of work shall conform with that found in the CUP / Regulatory Permit Package
2. **Sprinklers:** The building will be improved with sprinklers.
3. **Address Assignment:** As part of the building permit submittal, Applicant to submit for an Address Assignment Request to officially assign an address to the property.



PUBLIC WORKS DEPARTMENT: (The applicant should contact Octavio Hurtado, Hanna & Brunetti 408-842-2173, ohurtado@hannabrunetti.com.) to discuss the following COA as needed.)

- 1 **Scope of Work Description:** Scope of work shall conform with that found in the CUP / Regulatory Permit Package.
- 2 **Sidewalk:** Sidewalk (to match existing / to satisfaction of City Engineer will be extended along the entire Industrial Drive frontage.
- 3 **Driveway Approach Revisions:** Sidewalk to be at two (2%) percent maximum cross fall, per ADA requirements.
- 4 **Recycled Water Connection:** At such time as the irrigation for the landscaped area is improved or installed, a connection shall be available at the sidewalk, sufficient to access and utilize the City's recycled "Purple Pipe" system at such time as it made available. "Purple Pipe" will be located in the Industrial Way Right-of-Way. A lateral line to the subject property will be installed by the City.
- 5 **Recycled Water, Water Quality Assessment:** The City may require a future water quality assessment to evaluate mass loading / nutrient balance, based upon the results of regular, ongoing analysis.
- 6 **Grant of Avigation Easement and Release:** Before issuance of a building permit, a Grant of Avigation Easement and Release shall be recorded by the Applicant against the property within the boundary of the project, substantially in the form provided by the Deputy City Clerk, if found needed by City Attorney. Revisions to the Grant of Avigation Easement and Release must be approved by the City Attorney. A reference to the Grant of Avigation Easement and Release shall be placed in on the final construction plans.

REGULATORY PERMIT:

Renovations shall comply with and Operations be subject to full compliance with Municipal Code Chapter 17.03 of the City of King Zoning Code as amended and the Regulatory Application Package.

- A. **Regulatory Permit:** The Regulatory shall be approved by the City Manager and is in force for the period of one year. It shall be renewed annually. No operations shall occur without a current permit.
- B. **Security Cameras:** Security cameras shall be installed in quantity and location per the Regulatory Application. City of King Police personnel shall have access to the system for real time review. One camera that is part of the City's Citywide system shall be installed at the driveway access to the street.
- C. **Security Systems:** Security systems shall be in conformance with those presented in the Application Package, to the satisfaction of the Chief of Police and the City's Consultant.
- D. **Solvents:** The applicant has indicated that Butane, CO2 and Ethanol will be used in the extraction process. Volume, storage techniques, deliveries and safety pre-cautions must be to the satisfaction of the City of King Fire and Police Departments in compliance with Section 17.03.270 (a) and (b)
- E. **Solid Waste:** Solid waste disposal shall be in compliance with County of Monterey Health Department and Waste Management, Inc. requirements.
- F. **Odor Control:** Odor shall be controlled per the Regulatory Application Section I and Municipal Code Section 17.03.210 (i) of the City of King Zoning Code. At the beginning of operations City Staff shall inspect for odor not less than once monthly for a period of no less than three months. In the event that compliance has not been achieved, mechanical equipment and the City Code will be reviewed. In the event that compliance is not achieved, Staff shall make a recommendation to City Council per Municipal Code Section 17.03.240 of the City Zoning Code. Odor caused by outdoor dumpsters will be addressed in a similar manner.
- G. **Air Quality:** Venting of Solvents, CO2 and / or Ethanol / Alcohol shall be in compliance with



Monterey County Air Resources Board Standards.

- H. **Pesticides and Fertilizers:** Shall comply with requirements of the Monterey County Agricultural Commissioner and in substantial conformance with the materials and quantities presented in the Application Package.

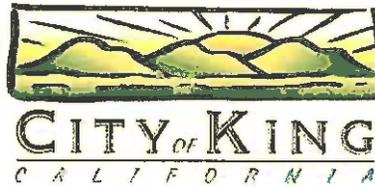
- I. **Employee Background Checks:** Employees shall be vetted (background checks) to the satisfaction of the City of King Chief of Police and in compliance with the Regulatory Application Package and Municipal Section 17.03.210 (k) of the City's Zoning Code. A third party perform the check, that Party suggested by City's Consultant (HdL) and accepted by the applicant and City of King. Results will be provided to the applicant, HdL and City of King Police Chief. The Police Chief shall verify.

- J. **Hours of Operation and Employees:** The applicant has indicated that the facility will be potentially be in operation between 24 hours per day. Shifts of between 5 and 20 employees will be on site during this period. Onsite parking will be sufficient to cover overlap periods. No persons under the age of 21 will be allowed on site.

- K. **Work Permits and Fees:** Work Permits shall be issued in conformance with Municipal Code Section 17.03.070 (a). Fees shall be as set by the City Council.

- L. **Indemnification Agreement:** A signed Indemnification Agreement shall be in place prior to Issuance of the Regulatory Permit. Such agreement shall be approved by the City Attorney and conform to the requirements of Municipal Code Section 17.03.160. Said agreement shall prevail over Hold Harmless and Indemnification Clause attached hereto.

- M. **Record Keeping:** Financial and Product Record shall comply with the Regulatory Application Package and the requirements of Municipal Code Section 17.03.180.



HOLD HARMLESS AND INDEMNIFICATION CLAUSE:

The applicant agrees, as part of and in connection with each and all the applications and approvals, to defend, indemnify, and hold harmless the City of King ("**City**") and its elected officials, officers, contractors, consultants (including Earth Design International., Aleshire & Wynder, LLP attorneys; Hanna & Brunetti, Aleshire & Wynder, LLP attorneys), employees and agents (including Earth Design, International, and Hanna & Brunetti) from any and all claim(s), action(s), or proceeding(s) (collectively referred to as "*proceeding*") brought against City or its officers, contractors, consultants, attorneys, employees, or agents (including Earth Design, Inc, Aleshire & Wynder, LLP, and Hanna & Brunetti) to challenge, attack, set aside, void, or annul:

- a. *Any approvals issued in connection with all approvals, actions and applications by City covered by the conditions of approval and/or mitigation measures; and/or*
- b. *Any action and approvals taken to provide related environmental clearance under the California Environmental Quality Act of 1970, as amended ("**CEQA**") by City's advisory agencies, boards or commissions; appeals boards or commissions; Planning Commission, or City Council. The applicant's indemnification is intended to include, but not be limited to, damages, fees and/or costs awarded against or incurred by City, if any, and costs of suit, claim or litigation, including without limitation attorneys' fees and other costs, liabilities and expenses incurred in connection with such proceeding whether incurred by the applicant, City, and/or parties initiating or involved in such proceeding.*

The applicant agrees to indemnify City and its elected officials, officers, contractors, consultants, attorneys, employees and agents (including Earth Design, Inc., Aleshire & Wynder, LLP, Hanna & Brunetti,) for all of City's costs, fees, and damages incurred in enforcing the **indemnification** provisions of this Agreement.

The applicant agrees to defend, indemnify and **hold harmless** City, its elected officials, officers, contractors, consultants (including Earth Design, Inc., Hanna & Brunetti, Aleshire & Wynder, LLP attorneys), attorneys, employees and agents (including Earth Design, Inc., and Hanna & Brunetti) from and for all costs and fees incurred in additional investigation or study of, or for supplementing, redrafting, revising, or amending, any document (including, but not limited to, an environmental impact report, sphere of influence amendment, annexation, pre-zoning, general plan amendment, specific plan, vesting tentative tracts, sign applications, variances, conditional use permits, architectural review, etc.), if made necessary by said proceeding, and if the applicant desires to pursue such City approvals and/or clearances, after initiation of the proceeding and that are conditioned on the approval of these documents.

In the event that the applicant is required to defend City in connection with such proceeding, City shall have and retain the right to approve which approval shall not be unreasonably withheld; conditioned or delayed:

- a. *The counsel selected by applicant to so defend City, which approval shall not be unreasonably withheld, delayed or conditioned;*
- b. *All significant decisions concerning the manner in which the defense is conducted,*



which approval shall not be unreasonably withheld, delayed or conditioned; and

- c. Any and all settlements.*
- d. Any motions or court documents filed on behalf of the city.*

City shall have and retain the right to have the City attorney defend the City and its staff in connection with such proceeding. City shall also have and retain the right to not participate in the defense, except that City agrees to reasonably cooperate with the applicant in the defense of the proceeding. If City chooses to have counsel of its own defend any proceeding where the applicant has already retained counsel to defend City in such matters, the fees and expenses of the additional counsel selected by City shall be paid by City. Notwithstanding the immediately preceding sentence, if City's Attorney's Office participates in the defense, any and all City Attorney, Staff and consultants' actual and reasonable fees and costs arising from their support of the defense shall be paid by the applicant.

The applicant's defense and indemnification of City set forth herein shall remain in full force and effect throughout all stages of litigation including any and all appeals of any lower court judgments rendered in the proceeding. Notwithstanding the preceding, this obligation to indemnify shall not apply to any claim to the extent arising from the gross negligence or willful misconduct of the indemnified party or of any agent, employee or licensee of the indemnified party.

Conditional Use Condition Agreement:

The conditional use permit is **not** valid until all Conditions of Approval ("**COA**") and mitigated measures imposed by the Planning Commission are signed for and agreed to by the applicant.

I have received a copy of the conditional use permit conditions of approval and mitigated measures and agree with them. I understand that if I do not abide by them the Planning Commission has the authority to revoke my conditional use permit, pursuant to the Municipal Code. (*Reference Municipal Code §17.64.040.*)

Applicant Signature: _____ Date: _____

RESOLUTION NO. 2017-201

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF KING,
APPROVING CONDITIONAL USE PERMIT CASE NO. CUP 2017-008**

WHEREAS, on **October 3, 2017**, **MD BioDesign** submitted an application to allow Commercial Cannabis Use: Manufacturing Level 2, (CA Type 7) in an existing structure located at 1000 Industrial Drive;

WHEREAS, on **November 28, 2017**, after numerous discussions, a formal Letter of Completeness was provided to the applicant;

WHEREAS, the proposed use is consistent with the General Plan and is allowed in the M-3 District with the approval of a Conditional Use Permit (**Ordinance No. 2016-745, dated August 22, 2017**);

WHEREAS, the proposed project conforms to the requirements of Municipal Code Chapter 17.03;

WHEREAS, an Initial Study was prepared and a Public Notice filed indicating Intent to Find Consistency with the certified Mitigated Negative Declaration (MND), and demonstrating it was prepared addressing potential cumulative impacts of the **September 27, 2016** changes to the Municipal Code;

WHEREAS, the project has been evaluated in relation to the previously prepared MND for the amendment of the City's Zoning Ordinance and the amendment of East Ranch Business Park Specific Plan (ERBPSP) (Ordinance Nos. 2016-728, 2016-729 and 2016-730) to allow new land uses in the Manufacturing Districts (M-1, M-2, M-3) and designation the ERBPSP. An Initial Study was prepared for the project, which determined that the project is fully within the scope of the prior analysis of the MND, such that the adoption of a Finding of Consistency is warranted;

WHEREAS, all notices have been provided as required by law;

WHEREAS, on **December 5, 2017**, the Planning Commission (Commission) reviewed the staff report, accepted public testimony, and considered all other relevant information during the duly noticed public hearing;

WHEREAS, the establishment, operation and maintenance of the use as presented will not be detrimental to the property, improvements, health, safety, morals and general welfare of persons in the surrounding area (M-3 District / neighborhood) and / or the City; and

WHEREAS, the Commission makes the followings Findings of Facts:

1. The purpose of the proposed Commercial Cannabis Use (Manufacture) is in accordance with the description, process and standards provided in the Application Package as reviewed by Staff and presented at the Public Hearing.
2. The proposed use is consistent with the General Plan Land Use Designation (GI) General Industrial and the Uses and Standards of the Heavy Manufacturing (M-3) Zoning District.
3. The proposed use will be largely contained within an existing structure that includes 2,592 sf of floor area on one floor. 1,792 sf will be added.
4. The entire lot will be fenced – existing fencing will be improved and / or replaced, new screening will be installed and a wrought iron fence will be placed along Industrial Drive.
5. The existing lot will be accessed through one gate. New pavement and parking area will occur per the Application Package.
6. New landscaping will be installed per the Application Package with additional detail and approval by the Community Development Director as indicated in the Staff Report.
7. All processes and interior construction / building improvements, exterior painting and, security/operating procedures will be in conformance with the CUP / Regulatory Permit

Application Package, as submitted and / or as conditioned (See COA's Exhibit 1: Attached) and with City of King Municipal Code Chapter 17.03.

8. The building will be sprinkled.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Planning Commission of the City of King adopts a finding of a Class 32 Categorical Exemption per CEQA Guidelines Section 15332 and approves Conditional Use Permit Case No. CUP 2016-008.

This resolution was passed and adopted this **05th day of December, 2017** by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

DAVID NUCK, CHAIRPERSON

ATTEST: _____

ERICA SONNE DEPUTY CITY CLERK

**INITIAL STUDY CHECK LIST (OCTOBER 31,2017)
CUP 2017-008**

A. BACKGROUND INFORMATION

1. **Lead Agency:** City of King
2. **Project Representative / Owner:** MD BioDesigns; Ron Glantz
3. **Project Location:** 1000 Industrial Way

4. **Project, Project History and Approved Mitigated Negative Declaration Description:**

Project

The Applicant has applied for Conditional Use Permit 2017-008 (CUP) to add to existing development on parcel located on Industrial Way (APN 026-351-024) as generally depicted in the attached diagram, below. The projected development is on approximately 1.0 acres which currently includes an existing structure of approximately 2,600 sf with sand / gravel / decomposed granite parking. Some outdoor storage is present and will be removed. The current proposal would add approximately 1,150 sf of floor area in one floor. New paved parking and landscaping will be included. The building will be used for Level 2 Manufacturing (CA Type 7) which allows the use of volatile solvents.

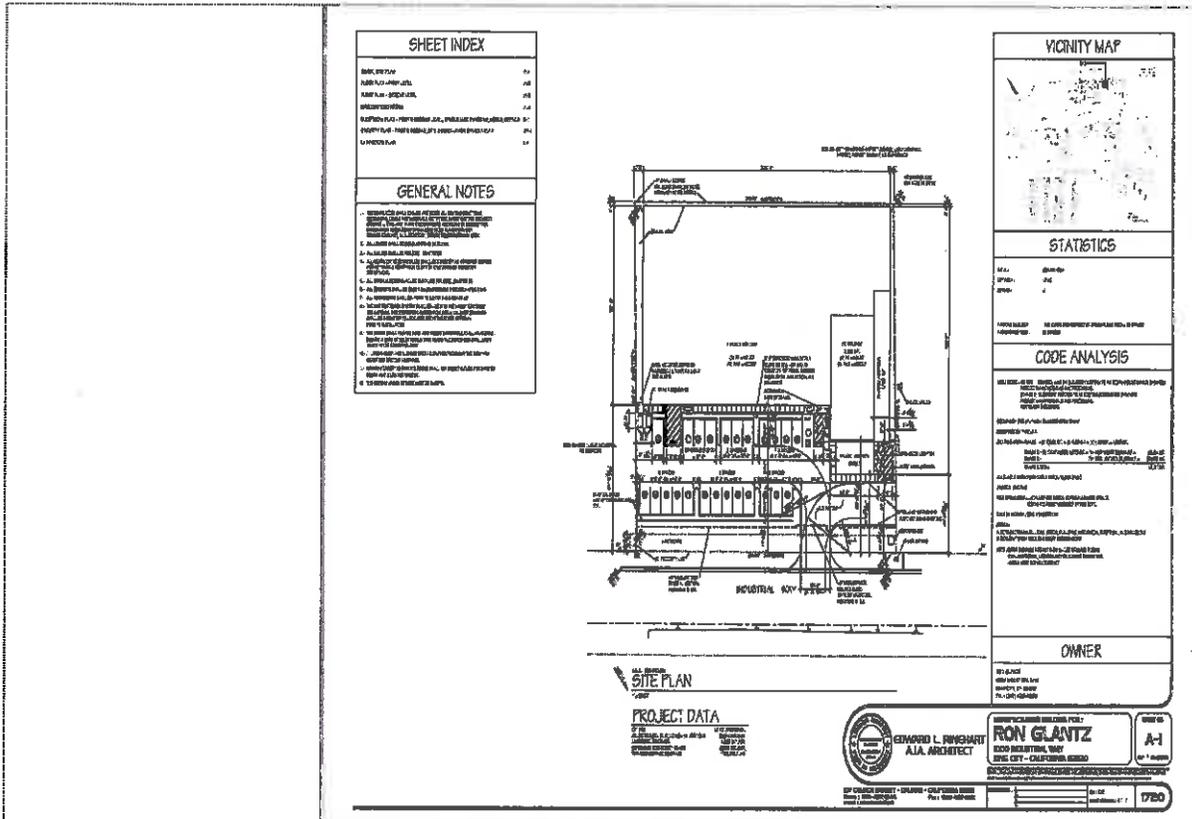
Future building expansion is being considered, bringing the total floor area to approximately 50,000 sf. Future expansion is not part of the current project.



History

In 2016, the City of King amended the Zoning Code and the East Ranch Business Park Specific Plan to allow Medical Cannabis Uses including Cultivation (CA Types 2A,2B,3A,3B) Nursery (CA Type 4), Manufacturing (CA Type 6) and Testing (CA Type 8). Level 2 Manufacturing CA (Type 2) and Distribution were allowed in August 2017, (Ordinances 2017-745 and 746).

The potential impacts of the uses, their proposed land use and zoning designations, development densities and potential locations were evaluated. As a result of the analysis a Mitigated Negative Declaration was prepared. It was certified on September 26, 2016.



5. **Certified MND Project Description:**

The Certified MND Project Description is attached as Exhibit 1.

6. **Public Review Period:**

20 Days

7. **Other Public Agencies Requiring Approval:**

N/A

8. **Address Where Written Comments May be Sent:**

City of King
Community Development Department
212 South Vandenhurst Avenue
King City, CA 93930

9. **Purpose For Initial Study:**

The purpose for the initial study is to determine whether the findings needing to be made pursuant to CEQA Guidelines §15162 (Subsequent EIR and Negative Declaration) can be made in the affirmative.

10. Proposed Findings:

The City of King is the custodian of the documents and other material that constitute the record of proceedings upon which this decision is based. There was a Mitigated Negative Declaration ("**MND**") certified by the City Council on **September 26, 2016**.

As noted above, the purpose for the initial study is to determine whether the findings needing to be made pursuant to CEQA Guidelines §15162 (Subsequent EIRs / ND's) can be made in the affirmative. The City must determine that on the basis of substantial evidence in the record, one or more of the following *paraphrased* findings does not exist:

1. There are no substantial changes to the proposed project that will require major revisions to the certified MND or increase the severity of previously identified significant effects;
2. There are no substantial changes due to circumstances under which the proposed project is undertaken that require modifications to the certified MND, due to new significant environmental effects or increase in severity of previous impacts; or
3. There is no new information that was not analyzed in the certified MND.

Based on the initial study, the above findings of fact can be made and the Proposed Project will not have the potential to result in significant adverse environmental impacts. All the mitigation measures adopted in 2016 will apply. Therefore, the issues associated with the Proposed Project are adequately addressed in the 2016 certified MND.

**Table 1
Environmental Impacts**

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

III. ENVIRONMENTAL SETTING

The Proposed Project is located on Industrial Way, north of the Regional Airport. The lots along Industrial Way are partially developed with industrial and business uses. The Proposed Project site is partially vacant as described above.

Table 2 Surrounding Land Use all M-3 (Heavy Industrial)			
North:	Industrial Way	East:	Industrial Use
South:	Mesa del Rey Regional Airport	West:	Industrial Use

C. ENVIRONMENTAL CHECKLIST

The following checklist indicates the potential level of impact and is abbreviated as follows:

Known Significant:	Known significant environmental impacts.
Unknown Potentially Significant:	Unknown potentially significant impacts, which need 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 that are not considered significant.
Impact Reviewed in Previous Document:	Adequate previous analysis exists regarding the issue; further analysis is not required (§15162 of the State CEQA Guidelines). The following Table includes reference to the Certified MND and identifies potential impacts as noted in that Document.

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	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	X
c.	Substantially degrade the existing visual character or quality of the site and its surroundings?			X		X
d.	Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area?			X		X

Aesthetics Resources Discussion: Impacts as discussed in the 2016 certified MND analysis.

2. AGRICULTURAL RESOURCES:					
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.					
Would the project:					
	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
a.				X	X
b.				X	X
c.				X	X

Agricultural Resources Discussion: Impacts as discussed in the 2016 certified MND analysis.

3. AIR QUALITY					
Would the project:					
	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
a.				X	X
b.				X	X
c.				X	X
d.				X	X
e.			X		X
f.				X	X
g.				X	X

Air Quality Discussion: Impacts as discussed in the 2016 certified MND analysis.

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	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	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	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	X
e.	Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				X	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	X

Biological Resources Discussion: Impacts as discussed in the 2016 certified MND analysis.

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 §15064.5?			X		X
b.	Cause a substantial adverse change in the significance of an archaeological resource pursuant to CEQA Guidelines §15064.5?			X		X
c.	Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?			X		X
d.	Disturb any human remains, including those interred outside of formal cemeteries?			X		X

Cultural Resources Discussion: Impacts as discussed in the 2016 certified MND analysis.

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 for the are or based on other substantial evidence of a known fault? (Refer to Division of Mines and Geology Publication 42)				X	X
ii)	Strong Seismic ground shaking?			X		X
iii)	Seismic-related ground failure, including liquefaction?				X	X
iv)	Landslides?				X	X
b.	Result in substantial erosion or the loss of topsoil?				X	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	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	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	X

Geology/Soils Discussion: Impacts as discussed in the 2016 certified MND analysis.

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		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	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	X
d.	Be located on a site that 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		X

7. HAZARDS/HAZARDOUS MATERIALS		Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
Would the project:						
e.	Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				X	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	X

Hazards/Hazardous Materials Discussion: Impacts as discussed in the 2016 certified MND analysis.

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	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	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 that would result in substantial erosion or siltation on or off-site?				X	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		X
e.	Create or contribute runoff water that would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?			X		X
f.	Otherwise substantially degrade water quality?				X	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	X
i.	Inundation by seiche, tsunami, or mudflow?				X	X

Hydrology/Water Discussion: Proposed building coverage and impervious area conform to ERBP SP standards. A SWPPP has been prepared. Impacts as discussed in the 2016 certified MND analysis.

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	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	X
c. Conflict with any applicable habitat conservation plan or natural community conservation plan?				X	X

Land Use and Planning Discussion: Impacts as discussed in the 2016 certified MND analysis.

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	X
b. Expose persons to or generate excessive groundborne vibration or groundborne noise levels?				X	X
c. Cause a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?				X	X
d. Cause a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?				X	X

Noise Discussion: Impacts as discussed in the 2016 certified MND analysis.

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	X
b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				X	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	X

Populations and Housing Discussion: Impacts as discussed in the 2016 certified MND analysis.

12. PUBLIC SERVICES 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:	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
a. Fire protection?				X	X
b. Police protection?				X	X
c. Schools?				X	X
d. Parks or other recreational facilities?				X	X
e. Water Service System?				X	X
f. Sewer System?				X	X
g. Other governmental services? (power)				X	X

Public Services Discussion:

Impacts as discussed in the 2016 certified MND analysis.

13. TRANSPORTATION/CIRCULATION Would the project:	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
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 ration on roads, or congestion at intersections)?				X	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	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		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	X
e. Result in inadequate emergency access?			X		X
f. Result in inadequate parking capacity?			X		X

13. TRANSPORTATION/CIRCULATION	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
Would the project:					
g. Conflicts with adopted policies supporting alternative transportation (e.g. bus turnouts, bicycle racks)?				X	X

Transportation/Circulation Discussion:

Impacts as discussed in the 2016 certified MND analysis.

14. UTILITIES & SERVICE SYSTEMS	Significant	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		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	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	X
d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?			X		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	X
f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?				X	X
g. Comply with federal, state, and local statutes and regulations related to solid waste?				X	X

Utilities & Service Systems Impact Discussion:

Impacts as discussed in the 2016 certified MND analysis.

D. INFORMATION SOURCES:

A. County/City/Federal Departments Consulted:			
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	PRC	
B. General Plan			
Land Use Elements			
	Housing Element		Conservation Element
	Circulation Element		Noise Element
	Seismic Safety/Safety Element		Land Use
	Economic Development		
C. Zoning Ordinance & Specific Plan			
<input checked="" type="checkbox"/>	Specific Plan and Zoning		
<input checked="" type="checkbox"/>	Title 17, Section 32 Heavy Industrial District	<input checked="" type="checkbox"/>	Title 17, Section 17.03
D. Project Plans			
<input checked="" type="checkbox"/>	Site Plans and CUP Submittal		
E. Other Sources of Information			
<input checked="" type="checkbox"/>	Field Work/Site Visit		Ag. Preserve Maps
<input checked="" type="checkbox"/>	Calculations		Flood Control Maps
		<input checked="" type="checkbox"/>	Other studies, reports (e.g., environmental documents) <input checked="" type="checkbox"/> Certified MND September 2016
<input checked="" type="checkbox"/>	Traffic Study	<input checked="" type="checkbox"/>	Topographic maps
	Records		Soils Maps/Reports
	Grading Plans		Plant maps
<input checked="" type="checkbox"/>	Elevations/architectural renderings		Archaeological maps and reports
	Published geological maps		(Others)

EXHIBIT 1

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), Sections 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").