



Item No. 7(E)

**REPORT TO THE PLANNING COMMISSION**

**DATE: JANUARY 16, 2018**

**TO: HONORABLE CHAIR AND MEMBERS OF THE PLANNING COMMISSION**

**FROM: DOREEN LIBERTO BLANCK, COMMUNITY DEVELOPMENT DIRECTOR;**

**BY: SCOTT BRUCE, PRINCIPAL PLANNER**

**RE: CUP AMENDMENT 2016-008(c)18; NURSERY OPERATIONS (CA Type 4), PHASED OPERATIONS; 151 AIRPORT DRIVE, CITY OF KING**

**RECOMMENDATION:**

Staff recommends that Planning Commission 1) review request for Conditional Use Permit Amendment, 2) receive public comment, and 3) provide Staff with comment and direction; and (4) continue action on the Amendment (Conditional Use Permit 2016-008(c)18) to February 6, 2018.

**BACKGROUND:**

In September 2016 the City Council approved 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 were allowed in the M-1, M-2 and M-3 Districts and in the ERBP. In August 2017, the City Council approved changes to the Zoning Code to allow Manufacturing Level 2 (CA Type 7) and Distribution / Transportation (CA Type 11). On May 16, 2017, the Planning Commission approved CUP 2016-008 to allow Cannabis Cultivation (CA Type 3A) on this site. On June 30, 2017 an Operations Permit was approved by the City Manager. Occupancy and Operations may not occur until all the Conditions of Approval (CUP and Operations Permit Approval) have been met.

In October 2017 CUP 2016-008(a)17 Amendment added Manufacturing Level 2 (volatiles) (CA Type 7) to the allowed use(s) on this site.

On December 19, 2017 (CUP 2016-008(b)17 the Commission approved Distribution (CA Type 11) use on the site

On December 20, 2018 Operations Permits for Manufacturing and Distribution were approved by the City Manager.

**DISCUSSION:**

**Overview:**

The previous approvals allow Cannabis related uses in existing 15,952 sf structure, on a 1.08 ac lot (47,192 sf), located on the west side of Airport Drive. The building has been vacant for approximately one year. A second floor (15,572 sf) as well as an addition to the west side of the structure were proposed and approved with the original CUP. The addition has a footprint of approximately 4,800 sf. With a second floor the total area of the new construction is slightly over 9,500 sf. It should be noted that the existing building height is 33 feet – maximum height per the zoning code for the M-1 District is 30 feet. The existing roof will remain.

- The parcel to the north is vacant and also owned by Zayrich Properties, LLC – an Application is in process for cultivation and manufacturing.
- Airport Road bounds the subject parcel on the east
- The parcel to the south is developed and the structure is vacant.
- An access and utility easement (serving the parcels to the north) bounds the subject parcel on the west. The parcels beyond it are also in the M-1 Zoning District with the East Ranch beyond them



The October 17, 2017 Amendment allowed the Applicant to replace approximately 1,900 sf of Cultivation Area (1,356 sf of canopy) with Level 2 Manufacturing, located in the northwest corner of the building on the 1<sup>st</sup> floor.

The December 19, 2017 Amendment allowed the Applicant to replace approximately 6,000 sf of Cultivation with Distribution uses (office and storage) **See Exhibit 2**

As noted above, currently approved uses are now Commercial Cannabis Cultivation, compliant with future State License 3A (indoor, artificial light) and Level 2 Manufacturing compliant with future State License 7 and, Distribution compliant with future state License 11.

***The Current Amendment proposes temporary options that create a phased path to Distribution and Manufacturing Operations. The Phase 1 Development proposal is as follows:***

- *Locate one secure shipping container inside the existing structure for storing product related to Distribution Operations*
- *Locate one modular pod for manufacturing inside the existing structure*
- *Locate one secure shipping container inside the existing structure for storing product related to Manufacturing Operations.*
- *Use the existing modular office located at the south face of the structure for administrative functions related to Distribution and Manufacturing uses*

***No revisions to previously approved improvements to the structure and / or the site will occur. A limited number of amendments to the Conditions of Approval have been prepared. These amendments do not impact the ultimate result of the currently approved CUP. See Exhibit 5.***

***The Amendment also places the Veg Rooms and Mother Room on the 2<sup>nd</sup> floor under a Nursery Permit as shown on Exhibit 4.***

**CUP Information: See Exhibit 6 for Staff Reports giving Baseline information, from CUP 2016-008 and 008(a)). Please refer to Exhibit X for DRAFT Conditions of Approval related to this request.**

**Architecture:**

This Amendment does not impact size, height or color. Refer to previous Staff Report to see photos of the existing structure.

**Floor Plan and Interior Uses:**

This amendment does not change the layout of the interior at buildout. The Nursery Permit will affect the area devoted to Veg Room and Mother Room on the 2<sup>nd</sup> floor. In this Phase the applicant proposes to locate modular units as noted above. **See Exhibit 4.**

A phased use plan that coordinates with approved building construction must be provided. The phased plan must be to the approval of the Building Official, specifically addressing potential safety concerns.

**Landscape:**

The ultimate landscaped area will not change.

**Parking, Paving:**

No new access, parking or paving is proposed for buildout. This Phase of development is not anticipated to impact parking

**Signage:**

Signage will not change, being limited to an address / street number for identification by emergency response personnel and deliveries, located at the south entry to the building.

**Security:**

A final Operations and Security Plan will be reviewed and approved by HdL prior to beginning Operations.

**Fencing:** Fencing at buildout will not change. Fencing as approved by the original CUP will be required prior to beginning any Operations.

**Exterior Lighting:** Lighting at buildout will not change. Exterior lighting as approved by the original CUP will be required prior to beginning any Operations.

**Cameras:** Security cameras at buildout will not change – the final camera plans are being prepared and will be reviewed / approved by HdL. In this Phase, cameras will be as approve by HdL, based upon the Security Plan for this Phase. **See Exhibit XX.**

**Fertilizer and Storage:**

This Amendment does not impact Cultivation / fertilizers. No Cultivation / Nursery operations will occur in this Phase.

**Solvents:**

Storage safety and use processes will not be impacted. Quantities, storage, use and disposal of solvents in this Phase (related to Phased Manufacturing use) will be approved by Fire prior to beginning Operations.

**Solid Waste:** This amendment does not impact ultimate solid waste production at buildout or the location of the trash enclosure. In this Phase, the secure solid waste dumpster should be located as approved by the CUP.

**Water:** The amendment does not increase water use or impact it in a way not included in the previous evaluation. Water is available to the existing site.

**Sanitary Sewer:** The site is not currently served by Sanitary Sewer. The previous approval indicates that no Operations shall occur without connection to Sanitary Sewer. The City Engineer has received plans for the Sanitary Sewer extension to San Antonio Drive. Estimated time to connection is 2 -3 months.

**Right of Way Improvements:** Curb and gutter improvements as required by CUP 2016-008 should be part of this Phase.

**Power.** The amendment does increase power use or impact it in a way not include in the previous evaluation.

**Operations Permit Related Information:**

Boutique Unlimited proposes to accelerate the process to begin those Operations / Uses that were approved by CUP 2016-008 and previous Amendments (Cultivation, Manufacturing and Distribution. Nursery is proposed by this Amendment and is in effect "insurance" to ensure that there is enough grow space to ensure most efficient use of the structure.

**Shipping and Transport:**

This amendment does not impact procedures or quantity of product in / product out. In this Phase the previous application package indicates that *One Distribution Related trip in and out per day is anticipated.*

**Odor Control:**

This Amendment does not impact the approved Odor Control Program. In this Phase, Odor Control requirements, per Municipal Code remain. Distribution Operations are anticipated to produce minimal odor. Odor associated with the proposed level of Manufacturing should be clearly identified and addressed.

**Security:**

An armed guard will be on site at all a times. Visitor and Operations protocols will not change. The physical and product tracking / transference Security Program has not yet been finalized and approved by HdL. A Security Plan for this Phase will be reviewed and approved by HdL prior to beginning any operations. The Chief of Police will have the opportunity to comment.

**Employee Vetting:**

No person under 21 years of age will be employed on this site. The employee vetting process (as described in the CUP and Amendments) is being finalized at this time and the approved process will be used in the interim. No Operations will occur prior to employee vetting.

**Employee Training:**

This Amendment does not impact employee training procedures.

**Quality Control:**

This Amendment does not impact quality control procedures. They will be as addressed by the previous approval.

**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 City requires that an Indemnification Agreement be executed (draft completed, in process).

**ENVIRONMENTAL COMPLIANCE:**

On September 27, 2016 the City Council approved Ordinances 2016- 728, 729 and 730, amending Municipal Section 17.03 of the Zoning Code 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.

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 §15332 (infill development projects).

**ALTERNATIVES:**

1. Hear the item, invite public comment
2. Discuss, provide direction to Staff and continue action to February 06, 2018.
3. Approve the item as presented.
4. 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.
5. Provide alternative direction to Staff

**ATTACHMENTS:**

1. Site Plan – Original CUP
2. Floor Plan – CUP 2016-008(a)(b)18
3. Floor Plan – Phase 1
4. Floor Plan - Nursery
5. DRAFT - Conditions of Approval
6. Previous Staff Reports

Submitted by:

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SCOTT BRUCE, PRINCIPAL PLANNER

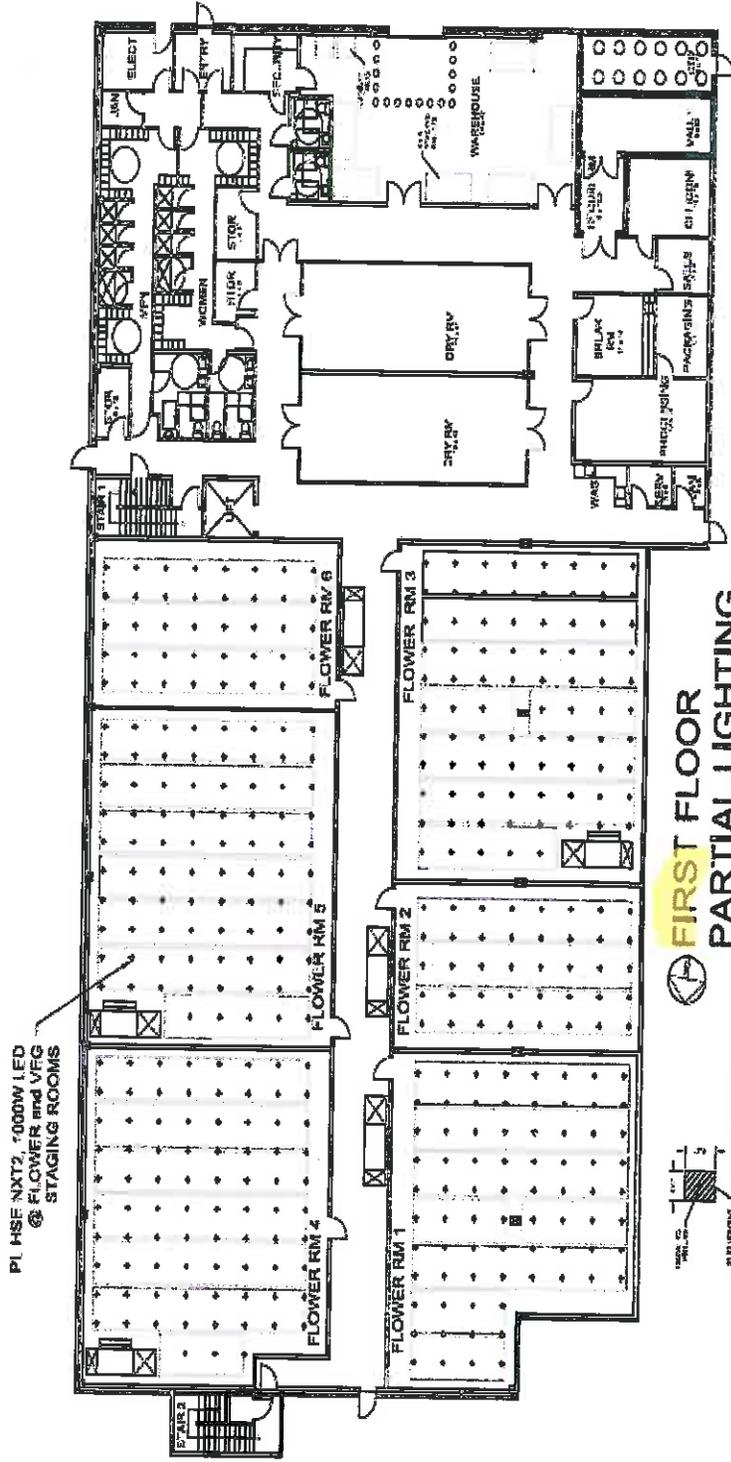
Approved by:

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DOREEN LIBERTO-BLANCK, AICP, COMMUNITY DEVELOPMENT  
DIRECTOR



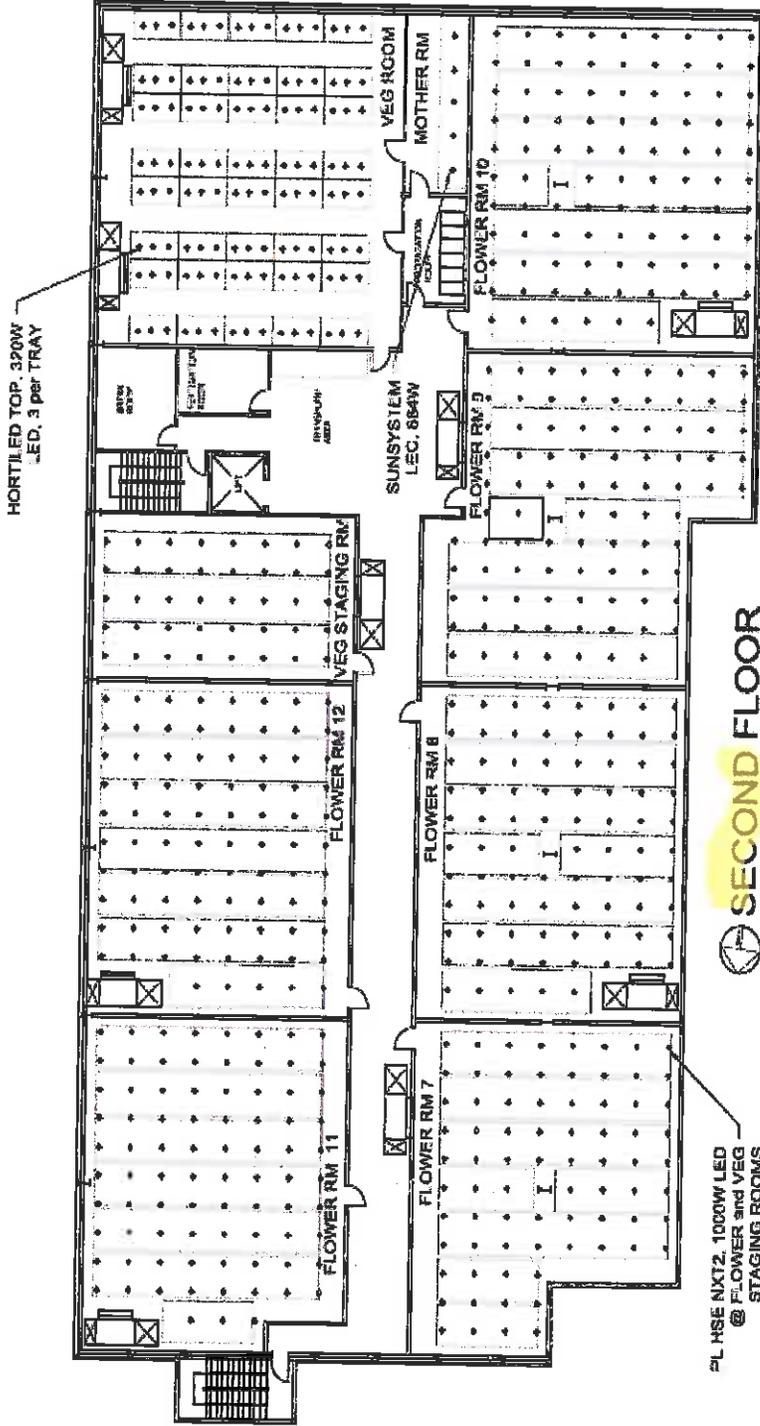


CUP 2016-008(c)18  
 EXHIBIT 2: ORIGINAL FLOOR PLAN



**LIGHTING NOTE**  
 PLAN IS SHOWN FOR MAJOR LIGHTING LOAD  
 AT GROWING ROOMS. OTHER INTERIOR LIGHTING  
 AT CORRIDORS AND ANCILLARY ROOMS IS  
 STANDARD HIGH EFFICACY LIGHTING. REFERENCE:  
 FACILITY LOAD CALCULATIONS

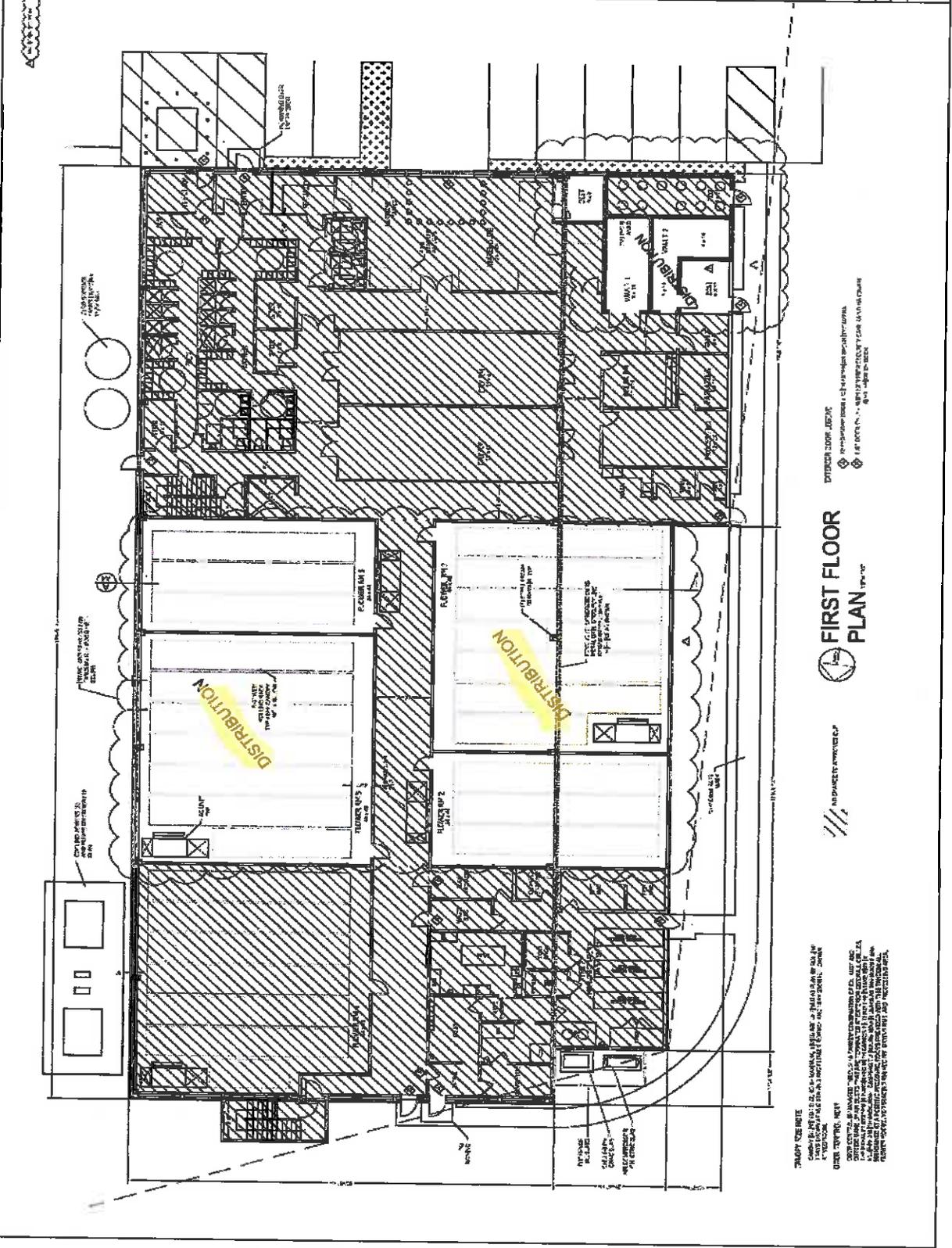
A NEW PROJECT for  
**BOUTIQUE UNLIMITED**  
 151 AIRPORT DR  
 KING CITY, CA.




**SECOND FLOOR**  
 PARTIAL LIGHTING  
 PLAN

PL HSE NXT2, 1000W LED  
 @ FLOWER and VEG  
 STAGING ROOMS

A NEW PROJECT for  
**BOUQUETTE UNLIMITED**  
 151 AIRPORT DR  
 KING CITY, CA.



**EXTERIOR DOOR LEGEND**  
 (Symbol) REVISIONS FROM 10/10/10 ARCHITECTURE  
 (Symbol) 1/8" DOOR - 1" ARCHITECTURE SCALE AND 1/4" SCALE

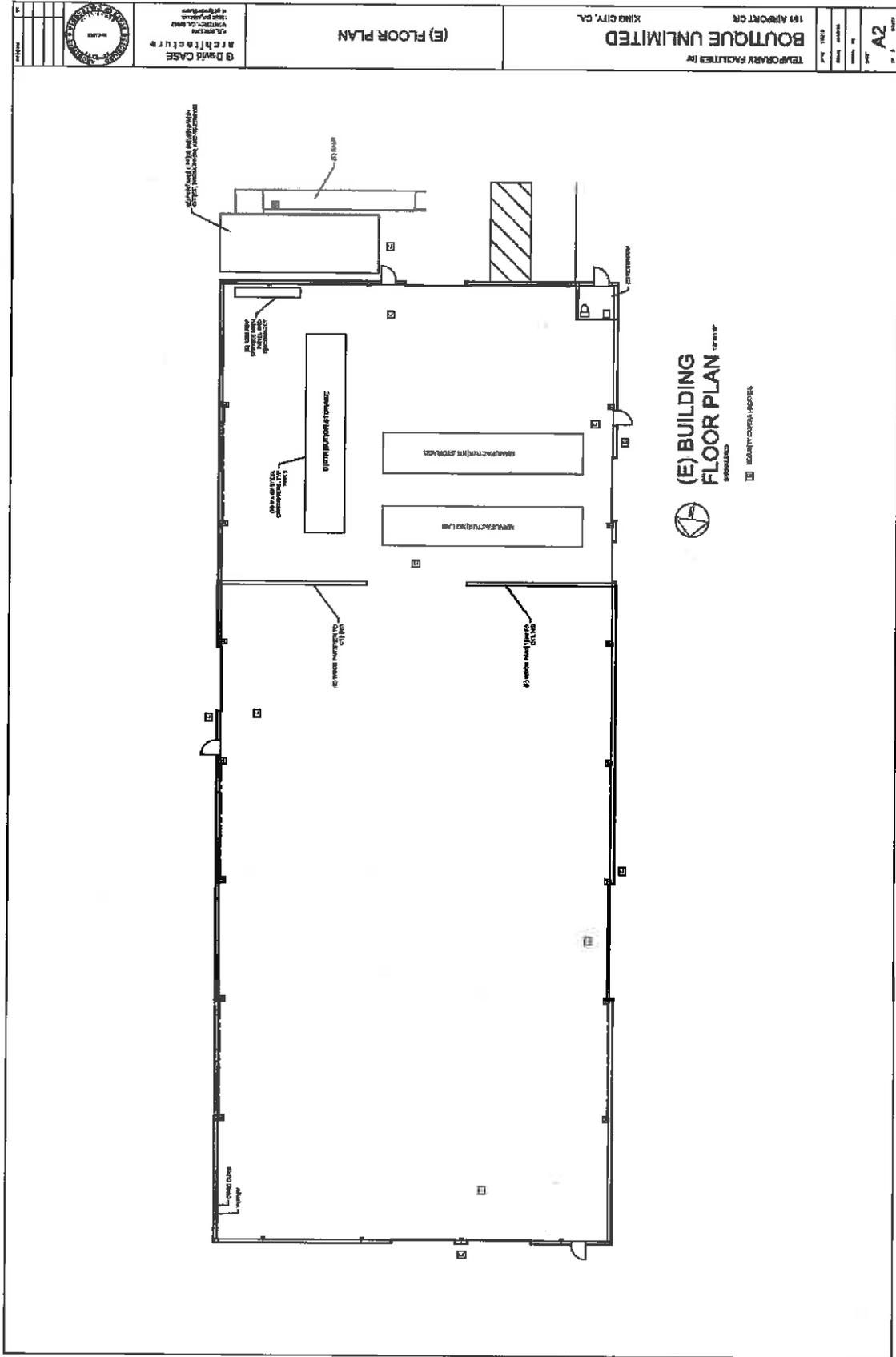
**FIRST FLOOR PLAN**  
 1/8" = 1'-0"

**ARCHITECTURE**  
 J. B. BROWN

**TRADE NOTES**  
 1. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2007 CALIFORNIA BUILDING CODE AND ALL APPLICABLE LOCAL ORDINANCES.  
 2. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2007 CALIFORNIA MECHANICAL CODE AND ALL APPLICABLE LOCAL ORDINANCES.  
 3. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2007 CALIFORNIA ELECTRICAL CODE AND ALL APPLICABLE LOCAL ORDINANCES.  
 4. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2007 CALIFORNIA PLUMBING CODE AND ALL APPLICABLE LOCAL ORDINANCES.  
 5. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2007 CALIFORNIA FIRE AND SAFETY CODE AND ALL APPLICABLE LOCAL ORDINANCES.  
 6. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2007 CALIFORNIA LANDMARK PRESERVATION ACT AND ALL APPLICABLE LOCAL ORDINANCES.  
 7. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2007 CALIFORNIA HISTORIC PRESERVATION ACT AND ALL APPLICABLE LOCAL ORDINANCES.  
 8. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2007 CALIFORNIA ANTI-DISCRIMINATION ACT AND ALL APPLICABLE LOCAL ORDINANCES.  
 9. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2007 CALIFORNIA ENVIRONMENTAL QUALITY ACT AND ALL APPLICABLE LOCAL ORDINANCES.  
 10. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2007 CALIFORNIA PUBLIC ACCESS TO INFORMATION ACT AND ALL APPLICABLE LOCAL ORDINANCES.

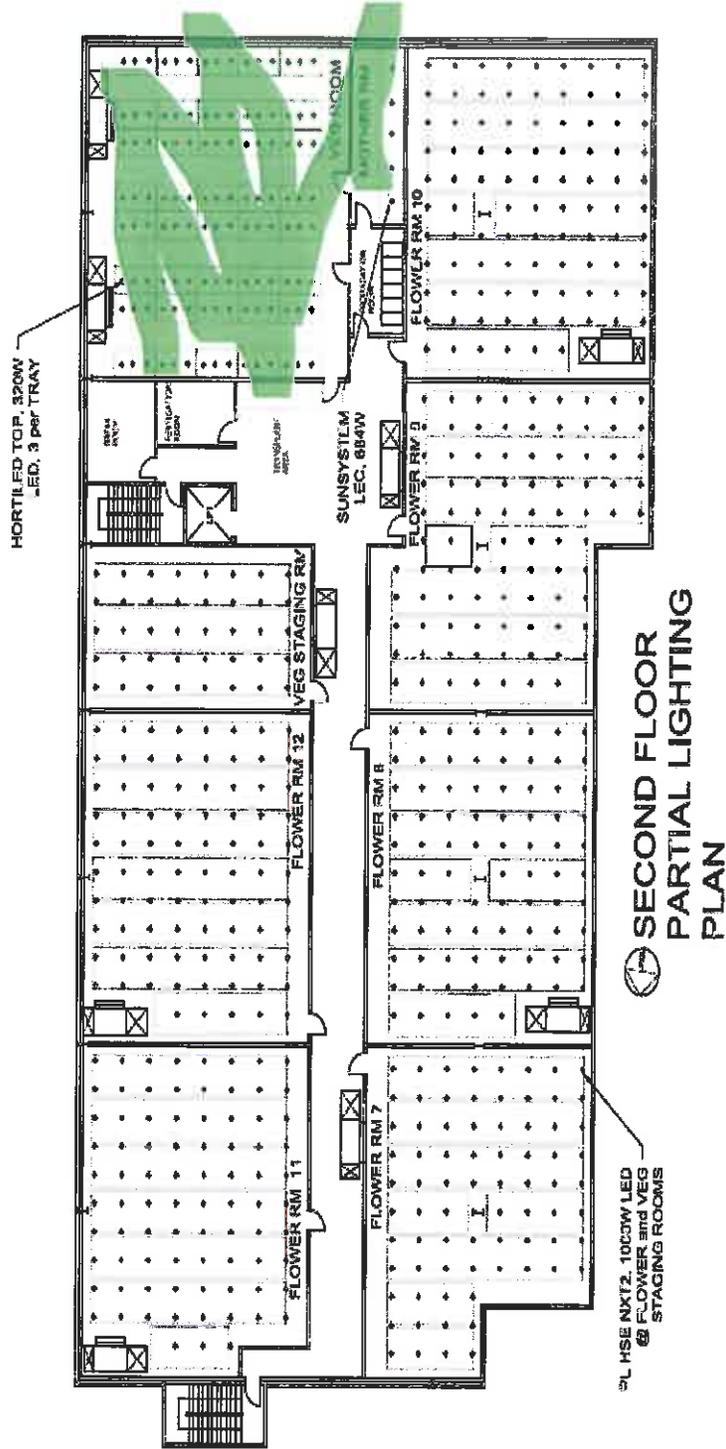


CUP 2016-0008(c)18  
 EXHIBIT 3: PHASE 1 FLOOR PLAN



TEMPORARY FACILITIES for		BOUTIQUE UNLIMITED		151 AIRPORT CIR KING CITY, CA	
G Davis CASE		ARCHITECTURE		DATE: 11/11/16	
PROJECT NO: 16-0008(c)18		SHEET NO: 18		SCALE: AS SHOWN	
DRAWN BY: [Name]		CHECKED BY: [Name]		DATE: 11/11/16	
PROJECT NO: 16-0008(c)18		SHEET NO: 18		SCALE: AS SHOWN	
DRAWN BY: [Name]		CHECKED BY: [Name]		DATE: 11/11/16	

CUP 2016-008(c)18  
 EXHIBIT 4: FLOOR PLAN CUP 2016-008(c)8  
 NURSERY



SECOND FLOOR  
 PARTIAL LIGHTING  
 PLAN

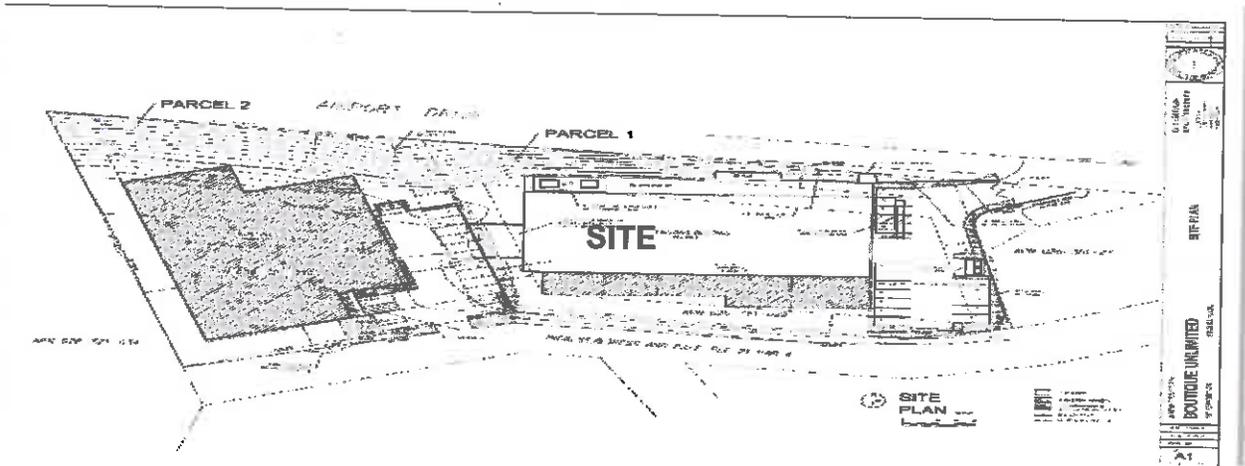
A NEW PROJECT for  
**BOUTIQUE UNLIMITED**  
 151 AIRPORT DR  
 KING CITY, CA.



**EXHIBIT No. 5**

**Case Number: COA 2016-008(b)17  
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: BOUTIQUE UNLIMITED**

1. Assessor's Parcel No(s): 026-351-022
2. Job Address: 151 Airport Drive
3. Street Location: 151 Airport Drive
4. Existing Zoning: M-1 Light Industrial
5. Planned Land Use: General Plan: LI (Light Industrial);
6. Plan Area: Adjacent to ERBP SP



7. Project Description:

A Streamlined path to Operations is proposed for Distribution and Operations use. The proposed uses are located in a portion of an existing 15,952 sf structure, on a 1.08 ac lot (47,192 sf), located on the west side of Airport Drive. The building has been vacant for approximately one year. A second floor (15,572 sf) as well as an addition to the west side of the structure were proposed and approved with the original CUP. The addition has a footprint of approximately 4,800 sf. With a second floor the total area of the new construction is slightly over 9,500 sf. It should be noted that the existing building height is 33 feet – maximum height per the zoning code for the M-1 District is 30 feet. The existing roof will remain.

The Applicant proposes to utilize the existing modular unit at the south end of the structure for Distribution Office space. Storage related to Distribution and Modular Units for Manufacturing are to be located as shown on the attached floor plan. Approximately XXX sf of floor area will be utilized for these uses.

### **PART B – GENERAL CONDITIONS AND REQUIREMENTS**

On September 27, 2016 the City Council approved Ordinances 2016- 728, 729 and 730, amending Municipal Code Section 17.03 of the Zoning Code 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.

(Ordinances 2017- 745 and 746 August 22, 2017 allowed Manufacturing (Type 7) and Distribution (Type 11) uses).

On October 17, 2017 CUP 2016-008(a)17 allowed Level 2 Manufacturing. On December 19, 2017 CUP 2016-008(b)17 allowed Distribution .

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 §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 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. (To include on 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](mailto:scottbruce11@gmail.com) if you have any questions regarding the conditions of approval (COA).

#### **GENERAL CONDITIONS:**

1. All Conditions of Approval associated with CUP 2016-008, 2016-008(a)17 and 2016-008(b)17 remain in force unless specifically amended herein.
2. Additional information regarding the Distribution process, including product tracking, transfer and storage will be provided to the satisfaction of the Community Development Director and Fire and Police chiefs.
3. Additional information regarding the use, storage and disposal of solvents / volatiles shall be provided to the satisfaction of the Community Development Department and the Fire Chief or Designee.
4. Construction / Development shall conform to Application Package as presented, to the satisfaction of the Community Development Director or designee
5. A time frame for Phase 1 Operations, a plan for construction of the permanent building while Phase 1 Operations are in place and a plan for removing Phase 1 uses / completing approved Site Plan shall be provided
6. All HdL approvals specific to this Phase shall be in place prior to beginning Operations.
7. A Performance Bond or Letter of Credit, in the amount of \$ XXX, to the satisfaction of the City Attorney and City Manager, shall be provided.



## **PART C – SPECIFIC CONDITIONS AND REQUIREMENTS**

### **COMMUNITY DEVELOPMENT DEPARTMENT :**

1. **Allowed Use During Phase 1 Operations:** Distribution (CA Type 11), Level 2 Manufacturing (uses previously approved as noted above).
2. **Interior Renovation and Exterior:** This amendment is limited to use of the existing modular unit, use of one shipping container (40' x xx') for product storage as part of the Distribution Operation, one modular unit for Manufacturing Purposes and one shipping container for storage of product manufactured on site. Loading and unloading of product will occur inside the existing structure, using the existing roll up door on the south side of the structure. No exterior changes are associated with this Amendment. ***Please see Exhibit X***
3. **Parking:** No amendment..
4. **Landscaping:** No amendment. Entry planting to occur prior to beginning Phase 1 Operations.
5. **Lighting:** No amendment.
6. **Signage:** No amendment.
7. **Fencing:** No amendment. To occur prior to beginning Phase 1 Operations.

**BUILDING AND SAFETY DEPARTMENT:** (No application for 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 **Building Plans:** Building Plans as submitted for Plan Check / Occupancy shall include revisions to identify areas for Level 2 Manufacturing, Distribution and Nursery at build out. Plans shall also show areas to be used for Phase 1 OperationsUses. No Operations shall occur without approval of HdL, Fire Chief / assignee, Building Official and City Manager
- 3 **Sprinklers:** No Amendment

**PUBLIC WORKS DEPARTMENT:** (The Applicant should contact Octavio Hurtado, Hanna & Brunetti 408-842-2173, [ohurtado@hannabrunetti.com](mailto: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 / Operations Permit Package.
- 2 **Sidewalk:** No amendment. Improvements along Airport Drive are to begin prior to Phase 1 Operations.
- 3 **Driveway Approach Revisions:** No amendment.
- 4 **Irrigation:** No amendment



- 5 **Sanitary Sewer:** Connection to City of King Sanitary Sewer system required

#### **OPERATIONS PERMIT:**

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

- A. Regulatory Permit:** The Regulatory Permits as approved by the City Manager on December 04, 2017 are in force for the period of one year. Phase 1 Operations shall operate under the authority of that Permit which must be renewed annually. Renewal is contingent upon continued compliance with all Conditions of Approval (CUP's 2016-008, 2016-008(a)17, 2016-008(b)17, 2016-008(17)c) and Conditions of Approval attached to Operations Permit approval(s). No operations shall occur without a current permit.
- B. Security Cameras and Lighting:** The previous camera location plan and lighting plan shall be revised for Phase 1 Operations to the satisfaction of the Chief of Police and the City's consultant, prior to commencing Operations. Cameras and lighting shall be installed to satisfaction of HdL prior to Operations.
- C. Security Operations:** The Security Plan shall be revised for Phase 1 Operations to the satisfaction of the City's consultant, prior to Operations. The Plan shall address physical operations and electronic product tracking.
- D. Fencing:** Fencing shall be placed per previous approval prior to beginning Operations
- E. Solid Waste:** Solid waste disposal shall be in compliance with County of Monterey Health Department and Waste Management, Inc. requirements.
- F. Odor Control:** No Amendment
- G. Solvents and Volatiles:** Quantity, types, use storage and disposal shall be to satisfaction of Fire Marshall.
- H. Air Quality:** No Amendment. Venting of Solvents, CO2 and / or Ethanol / Alcohol from the structure shall be in compliance with Monterey County Air Resources Board Standards.
- I. Employee Background Checks:** No Amendment
- J. Hours of Operation and Employees:** Hours of operation of the structure will remain 24 hours a day 7 days a week. The maximum number of total employees (48) has not changed nor has the maximum number per shift (16).
- K. Work Permits and Fees:** No Amendment
- L. Indemnification Agreement:** A signed Indemnification Agreement for this Distribution Operation 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.
- N. Transport and Shipping:** Trips per day are estimated at one in and one out. Activity shall be monitored by Community Development Department, amendment to the CUP may be required at the discretion of the Director / designee if there is, in the Director's / designee's opinion, significant deviation from this estimate. Vehicle loading / unloading shall occur inside the structure as described in the Application Package.



### **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, Inc., 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 International., 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: \_\_\_\_\_



Item No. 7(C)

**REPORT TO THE PLANNING COMMISSION**

**DATE:** DECEMBER 19, 2017

**TO:** HONORABLE CHAIR AND MEMBERS OF THE PLANNING COMMISSION

**FROM:** DOREEN LIBERTO BLANCK, AICP, COMMUNITY DEVELOPMENT DIRECTOR;

**BY:** SCOTT BRUCE, PRINCIPAL PLANNER

**RE:** CUP AMENDMENT 2016-008(b)17, CANNABIS DISTRIBUTION (CA TYPE 11); 151 AIRPORT DRIVE, CITY OF KING

**RECOMMENDATION:**

Staff recommends that the Planning Commission: 1) review the request for a Conditional Use Permit, 2) receive public comment, and 3) adopt the attached Resolution approving Conditional Use Permit Case No. 2016-008(b)17.

**BACKGROUND:**

In September 2016, the City Council (Council) approved amendment to the City's Zoning Code and to the East Ranch Business Park (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 were allowed in the M-1, M-2 and M-3 Districts and in the ERBPSP. In August 2017, the City Council approved changes to the Zoning Code to allow Manufacturing Level 2 (CA Type 7) and Distribution / Transportation (CA Type 11). On May 16, 2017, the Planning Commission approved CUP 2016-008 to allow Cannabis Cultivation (CA Type 3A) on this site. On June 30, 2017, an Operations Permit was approved by the City Manager. Occupancy and Operations may not occur until all the Conditions of Approval (CUP and Operations Permit Approval) have been met.

In October 2017, the CUP Case No. 2016-008(a)17 Amendment added Manufacturing Level 2 (volatiles) (CA Type 7) to the allowed use(s) on this site.

**DISCUSSION:****Overview:**

The proposed additional use is to be located in a portion of an existing 15,952 sf structure on a 1.08 ac lot (47,192 sf), which is located on the west side of Airport Drive. The building



*The Current Amendment is limited to new Distribution Use in the area, or portion of the area previously designated as Flower Rooms 2,3 and 5 on the previous Floor Plan. A maximum of 6,000 sf will be used for office and product storage. No revisions to exterior or site will occur. Please See Exhibit 2.*

**CUP Information:** *(Baseline information, from CUP 2016-008 and 008(a)). This Amendment occurs completely within the previously approved structure, does not increase floor area and does not impact the exterior or the site.*

**Architecture:**

The existing structure is a metal structure with the building entry facing south, accessed from Airport Road. It sits below Airport Road: Airport Road rises as it moves north in relation to the building pad. The north base of the structure is approximately 12' feet below Airport road at that point. The existing structure covers 33.8 % of the site, and the building as proposed will cover 43.4% of the site. Total impervious area will be reduced from 40,195 sf (85%) to 32,608 sf (69%). The parking area will not change but landscaping will expand and the loading dock in the rear (north) will be removed.

See **Exhibit 1** for photos of the existing structure. The existing materials will not change. The colors to be used are Sherwin Williams: Light Green – SW6162 Ancient Marble and Dark Green – SW7060 Attitude Gray. These colors will be consistent with those of the surrounding area.

**Floor Plan and Interior Uses:**

The Applicant proposes to add a second floor to interior of the structure (roof line will not change) and to expand the structure to the west. Note that the current height of the structure is 33' at the peak of the ridge line. The current floor area (15,572) will be expanded to 40,652 sf with the changes as proposed. Approximately 600 sf of the space will be administrative / office space with the remainder including various types of grow spaces, cutting and trimming space, warehousing, fertilizer storage, restrooms and similar. See **Exhibit 4**.

**Landscape:**

The primary landscaped area is on the west side and north sides of the structure. The bank to the east side of the structure (below Airport Drive) is currently landscaped and will be augmented with new planting to match existing per landscaping plan. New landscaping will be installed at the entry drive and to the west and north.

Landscaping covers 30% of the lot (approximately 14,384sf) Proposed landscaping includes Carmel and Howard McMinn Manzanita, Comprosmia "Verde Vista", Evergreen Miscanthus, Deer Grass, Indian Hawthorne, Rosemary, Coast Rosemary and Magnolia trees. See **Exhibit 7**. The Applicant will be required to utilize recycled water if made available to the site in the future when the City upgrades its wastewater treatment plant.

**Parking, Paving:**

No new access, parking or paving is proposed. The existing parking surface is asphalt and is located along the southern side of the building. One access drive is present to the south side of the structure. Paving will be removed to the west of and north of the structure, a sidewalk will be added to the west side, wrapping around and providing access to the north side.

**Signage:**

Signage will be limited to an address / street number for identification by emergency response personnel and deliveries, located at the south entry to the building.

**Security:**

**Fencing:** The facility will be surrounded on three sides by a non-climbing chain link fence with small square visibility with woven slats for screening and barbed wire tops, not to exceed 8' in height. Gate and fencing at the access drive facing Airport Drive will consist will be screened similarly. The parking / loading area will be gated.

**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 be mounted on the building and on 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. **See Document, Section H.**

**Cameras:** Security cameras will be mounted on all exterior doors, and will view all perimeter fencing and entry gates. At least 8 exterior motion sensor / night vision cameras will be placed with at least 11 interior motion / night vision cameras. Camera quantity and location will be to the satisfaction of the City of King and its consultant. The 24/7 surveillance will be accessible by the City of King Police Department through real time live access feed. **See Document, Section H, Exhibit 10.**

**Fertilizer and Storage:**

The only pesticides to be applied will be those pesticides on an approved chemicals list as supplied by the State Compliance Board and / or Department of Agriculture and be in compliance with the requirements of the Monterey County Department of Environmental Health.

**Solvents:**

N-Butane, Liquid CO<sub>2</sub> and Ethanol (Ethyl Alcohol) will be used in manufacturing procedures. All solvents will be stored in a locked and seismically secure location. Butane and CO<sub>2</sub> will each have independent storage locations. Ethanol will be stored in a locked

medical cabinet inside of the manufacturing lab. Final quantities, deliveries and safety components must be approved by Fire and Police.

The Applicant has provided the following information regarding the handling and storage of volatiles:

LP-Gas will be used as the solvent for the closed-loop Butane and Propane extraction equipment only in the C1D1 extraction room. All LPG will be recollected in the collection vessel and pressured down before product is removed from the extraction equipment.

Liquid CO<sub>2</sub> will be used as a solvent for the closed-loop CO<sub>2</sub> extraction equipment only in a C1D2 extraction room. All CO<sub>2</sub> will be recollected in the an accumulation vessel to be reused on future extraction operations.

Ethanol alcohol is used as a solvent for post-extraction processing and further product refinement (winterization). This will be introduced to the product that is removed from the LPG and CO<sub>2</sub> extraction equipment, inserted into a spark-resistant freezer, filtered, and further refined by rotary evaporation. Rotary evaporation will introduce heat, vacuum, and agitation to evaporate and recapture the ethanol alcohol.

#### **LPG Storage and Handling:**

An appropriate lockable, ventilated enclosure of metal exterior will be installed for the outside storage of LP-Gas tanks. This will also have vehicle protection via bollards around the storage area as well as restriction of public-access via fencing.

LP-Gas will be stored at least 10 feet from all building ingress/egress, HVAC intakes, and sidewalks.

If the outside storage and transfer area of LP-Gas is above the maximum allowable quantity of flammable gas, it shall be located a minimum of 25 feet away from other buildings, building openings, property lines, public streets, and other storage/transfer areas.

#### **Ethanol Storage and Handling:**

Storage shall be in approved flammable liquid cabinet and stored in amounts limited to the minimum required for operations. If storage volume exceeds the maximum allowable quantity, outside storage will be required with the same vehicle and public restriction and clearance from building openings, HVAC intakes, property lines, and public streets.

#### **CO<sub>2</sub> Storage and Handling:**

Liquid CO2 will be stored and anchored in the same CO2 room as the adjacent cultivation operations. The liquid CO2 tanks will have a dedicated distribution line that only feeds the CO2 extractors in the manufacturing area.

**Solid Waste:**

Cultivation: Daily plant waste will be about 120 lbs. (approximately 8 cubic feet after grinding). Cannabis waste will be ground with a minimum 51% other organic material and includes stems and stalk which do not have a psychoactive profile. The entire plant and the waste material will contain less than 1% cannabinoids. are removed. Dumpsters will be located to the south side of the structure in a concrete block enclosure with locked gates.

Manufacturing: Waste material from Manufacturing is estimated at 1 or 2 cubic yards per week – similar in volume to the existing condition. Any waste (less than 2%) of waste that includes psychoactive cannabinoids will be mixed with other material (more than 50%) to render it unusable. Non-organic materials will be disposed of separately.

Conversation with Waste Management indicate that, currently, there are no State of California regulations for solid waste. **See Document, Section J, Site Plan Section R.**

**Water:** The Mitigated Negative Declaration (MND) that resulted from the Initial Study prepared during evaluation of the Zone Change estimated water use at 2,640 gallons per day (gpd). Water use as indicated by the Applicant for this project will be 3,888 gpd. However, approximately 2,527 gpd will be provided through reclamation from dehumidification leaving net use of 1,361 gpd, significantly below the estimate from the MND. A drip irrigation method for water / fertilizer will be used.

***The October Amendment reduced the amount of water being used by reducing area in Cultivation and replacing it with Manufacturing. This Amendment will further reduce water use – up to 6,000 sf of cultivation area will now be used for cultivation.***

**Power.** The Applicant estimates 2,550 Amps as the 80% power allocation for lighting and air conditioning (3,200 Amps as the 100% power allocation. A 4,000 Amp service upgrade is required for this license. 1,000 watt lights (High Pressure Sodium) will be located every 22 sf. Two cooling towers and pumps are proposed to be placed on existing concrete at the northeast corner of the structure. Towers will be 12' 4" in height. Internal temperature for grow rooms will range between 70 and 78 degrees.

***The October Amendment reduced the amount of water being used by reducing area in Cultivation and replacing it with Manufacturing. This Amendment will further reduce power use – up to 6,000 sf of cultivation area will now be used for cultivation.***

**Regulatory Permit Related Information:**

Boutique Unlimited proposes to grow, dry, trim and package Cannabis grown for shipment to Manufacturers – most of them outside the City of King. Those manufacturers will prepare oils, topicals and may prepare food products. The Applicant proposes a “Mother Room” -- propagation of new plants will be internal.

***The October Amendment added Manufacturing Use. Oils for creams, tinctures, topicals and vapor products will be produced. Some cannabis material from outside cultivators may be processed at this location. This Distribution Amendment converts area to include storage and office space for distribution use.***

**Shipping and Transport:** Cannabis bud and Manufactured products will be transported from the facility in unmarked vehicles *owned by the Applicant. Note that Distribution will be limited primarily to distribution of Cannabis Product rather than Plants themselves.*

***Oils from others for use in the Manufacturing Process may be included.*** 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. ***One Distribution Related trip in and out per day is anticipated. See Document, Section G.***

**Odor Control:** The Odor Control Program will operate in conformance with the requirements of Municipal Code Section 17.03.210 (i) including an exhaust filtration system and an air filtration system that creates negative air pressure between the interior and exterior building area. Filtered intake air will be passively brought into all Cultivation ***and Manufacturing*** rooms and supplied with a backdraft damper when the exhaust system is powered off. ***This Amendment should have minimal if any impact on odor. See Document, Section I.***

**Security, Interior:** There will be 1 or 2 armed guards on site at all times. Access to enter the facility and various portions of the facility, including the Manufacturing area, will be controlled by key-card access. All visitors will be required to fill out a questionnaire and sign in at the administrative office. Visitors will be accompanied by Boutique Unlimited personnel at all times during their visit. Persons under the age of 21 will not be allowed on site. Security personnel will monitor employee and guest access and record all visits and access to secure areas by identity. **See Document, Section H.**

**Employee Vetting:** No person under 21 years of age will be employed on this site. The employee vetting process is being finalized at this time. 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. All employees will be hired under a 90-day probation period. **See Document, Section C**

*This Amendment does not affect the Employee Vetting process.*

**Employee Training:** Initial and on-going training in preventing contamination, grow techniques (including approved pesticide application) and inventory security / control. OSHA and personal protective equipment requirements, documentation, testing, hazard response, chemical handling, labeling documentation and emergency procedures. **See Document, Section J.**

**Quality Control:** All material will be batch tested by a local laboratory for pesticides, fungus, pests, molds and contaminants. If a product were to be called into question the remaining inventory will be quarantined and all customers notified. All material will be returned.

Manufactured products will be spot checked internally and tested by an independent, licensed Type 8 testing facility.

*Items that are part of the distribution effort will have been tested previously.*

See Document, 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. **See Document, Section C** In addition, the City requires that an Indemnification Agreement be executed (draft completed, in process). **See Document, Section N.**

#### **ENVIRONMENTAL COMPLIANCE:**

On September 27, 2016, the City Council approved Ordinances Nos. 2016-728, 2016-729 and 2016-730, amending Municipal Code Chapter 17.03 of the Zoning Code 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 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 adopted on September 27, 2016 at the time that the change to the Zoning Code was approved.

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 §15332 (Class 32-infill development projects).

**ALTERNATIVES:**

1. Hear the item, invite public comment and approve the item as presented, with Categorical Exemption as described above.
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.

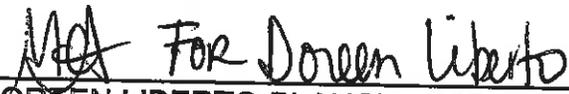
**ATTACHMENTS:**

1. Site Location and Photo
2. Floor Plan
3. Landscape
4. Camera Locations, Security Lighting
5. Signage
6. Conditions of Approval
7. Resolution No. 2017-204

Submitted by:

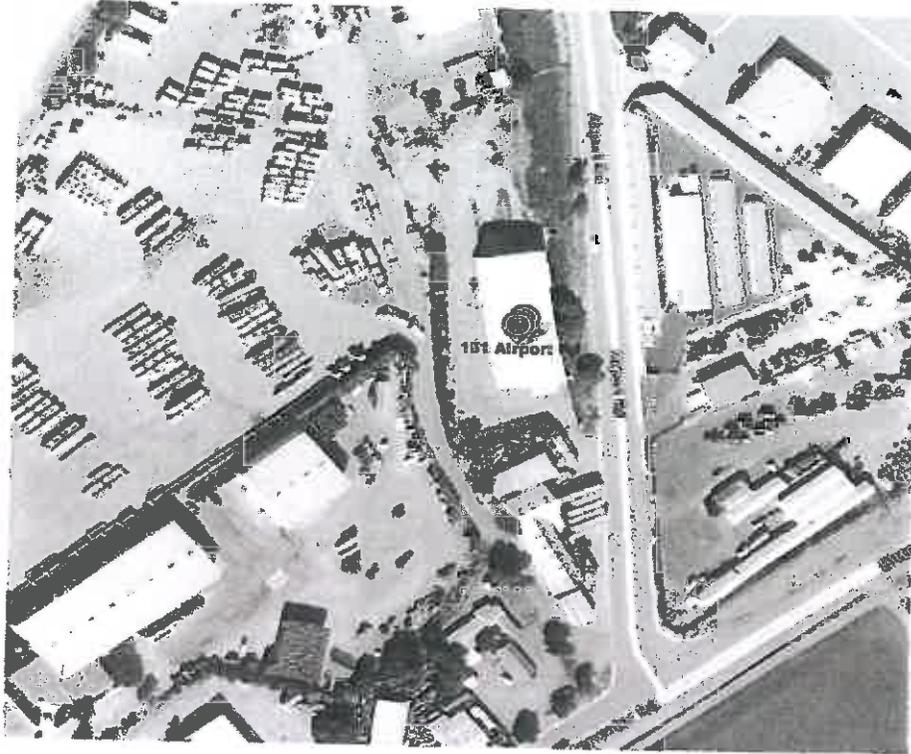
  
\_\_\_\_\_  
SCOTT BRUCE, PRINCIPAL PLANNER

Approved by:

  
\_\_\_\_\_  
DOREEN LIBERTO-BLANCK, AICP, COMMUNITY DEVELOPMENT  
DIRECTOR

COA 2016-008(b)17

EXHIBIT 1



View looking at front (west facing) of building

COA 2016-008(b)17

EXHIBIT 2

BOUTIQUE UNLIMITED, INC.

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REGULATORY PERMIT APPLICATION



LEGEND  
◆ KEYS ENTRY DOOR - WITH INTERNAL SECURITY CAMERA  
◆ KEY DOOR ONLY - WITH EXTERNAL SECURITY CAMERA - NO INTERNAL LOCKDOWN  
□ SECURITY CAMERA LOCATION

FIRST FLOOR  
SECURITY PLAN

A NEW PROJECT for  
**BOUTIQUE UNLIMITED**  
151 AIRPORT DR KING CITY, CA.

COA 2016-008(b)17

EXHIBIT 3

UE UNLIMITED, INC.

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REGULATORY PERMIT APPEAL

Plant List

Q	Size	Scientific Name	Common Name	Qty	Notes
1	12"	Adiantum sp. var. ...	...	...	...
2	12"	...	...	...	...
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Installation Notes

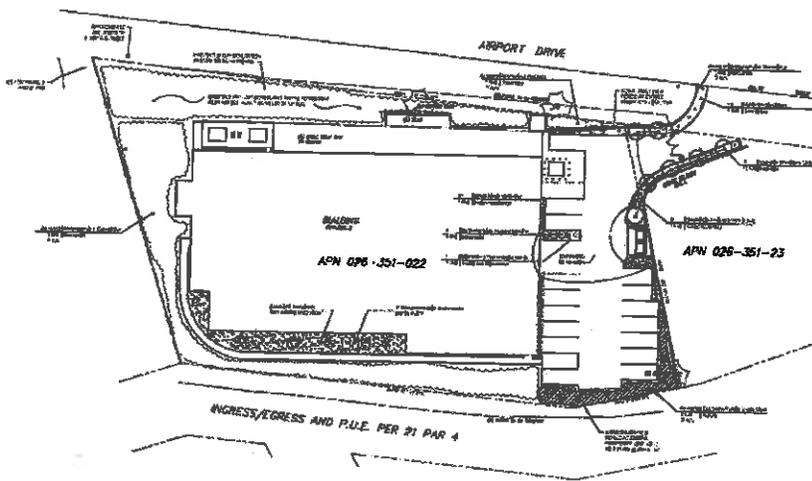
1. All plants shall be installed in accordance with the specifications and notes on this plan.
2. All plants shall be installed in accordance with the specifications and notes on this plan.
3. All plants shall be installed in accordance with the specifications and notes on this plan.
4. All plants shall be installed in accordance with the specifications and notes on this plan.
5. All plants shall be installed in accordance with the specifications and notes on this plan.

Planting Notes

1. All plants shall be installed in accordance with the specifications and notes on this plan.
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3. All plants shall be installed in accordance with the specifications and notes on this plan.
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Legend

- 1. All plants shall be installed in accordance with the specifications and notes on this plan.
- 2. All plants shall be installed in accordance with the specifications and notes on this plan.
- 3. All plants shall be installed in accordance with the specifications and notes on this plan.
- 4. All plants shall be installed in accordance with the specifications and notes on this plan.
- 5. All plants shall be installed in accordance with the specifications and notes on this plan.



LANDSCAPE PLAN

PROJECTED LANDSCAPE PLAN  
 APN 026-351-022  
 APN 026-351-23  
 BOUTIQUE UNLIMITED  
 323 Airport Road  
 Redondo Beach, CA 90260  
 (310) 305-1111  
 www.boutiqueunlimited.com

BOUTIQUE UNLIMITED  
323 Airport Road  
Redondo Beach



Photograph of tree specimen



Photograph of shrub specimen



Photograph of shrub specimen

BOUTIQUE UNLIMITED  
323 Airport Road  
Redondo Beach



Photograph of tree specimen

BOUTIQUE UNLIMITED  
323 Airport Road  
Redondo Beach



Photograph of tree specimen



Photograph of tree specimen



Photograph of tree specimen

BOUTIQUE UNLIMITED  
323 Airport Road  
Redondo Beach



Photograph of tree specimen



Photograph of tree specimen



Photograph of tree specimen

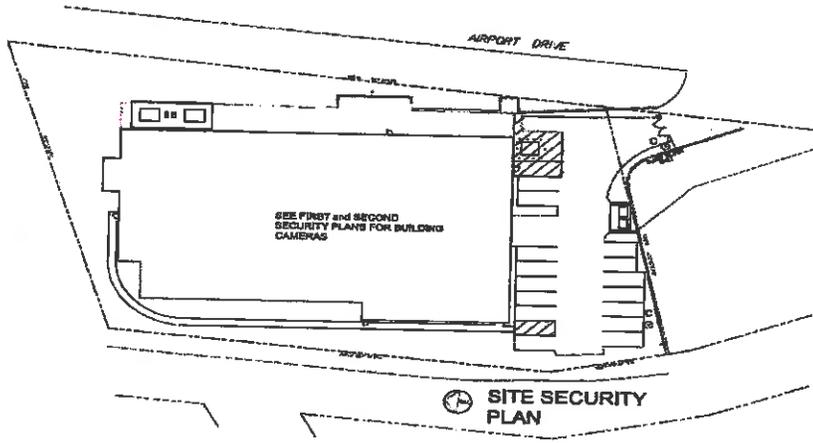
COA 2016-008(b)17

EXHIBIT 4

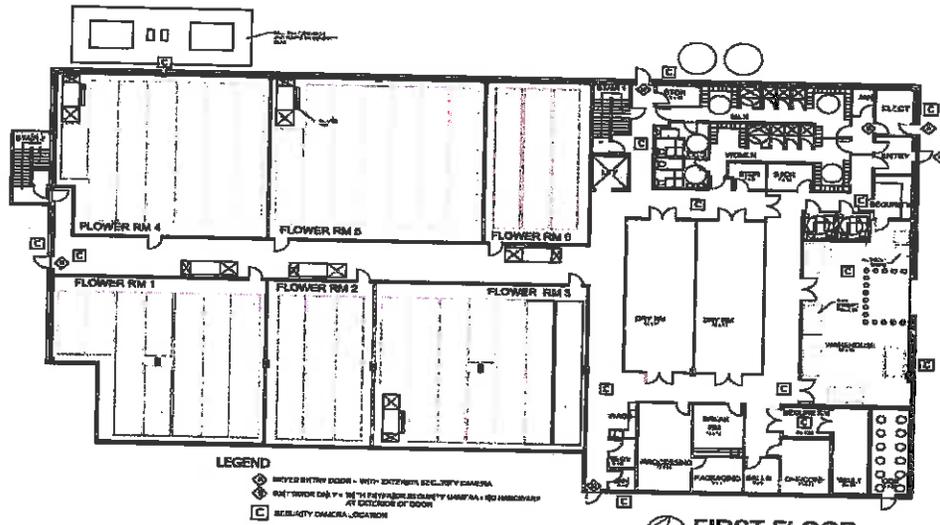
UNLIMITED, INC.

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REGULATORY PERMIT APPLICATION



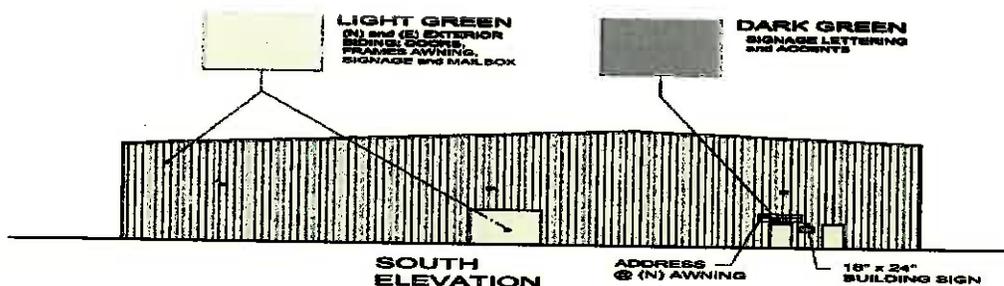
A NEW PROJECT for  
**BOUTIQUE UNLIMITED**  
 151 AIRPORT DR  
 KING CITY, CA.



⊕ FIRST FLOOR SECURITY PLAN

A NEW PROJECT for  
**BOUTIQUE UNLIMITED**  
 151 AIRPORT DR  
 KING CITY, CA.

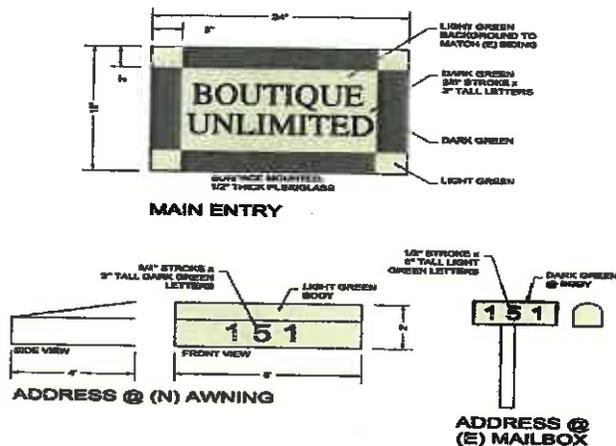
EXHIBIT 5



**BUILDING COLORS and SIGN PROGRAM**

SIGN PROGRAM CONSISTS OF 1) NEW BUILDING SIGN AFFIXED TO BUILDING AT ENTRY; 2) ADDRESS AT NEW AWNING; AND 3) REPAINTED ADDRESS AT EXISTING MAILBOX ON AIRPORT DRIVE. NO ADDITIONAL SIGNAGE WILL BE ADDED WITHOUT PRIOR APPROVAL FROM CITY.

A NEW PROJECT for  
**BOUTIQUE UNLIMITED**  
151 AIRPORT DR  
KING CITY, CA.



**BUILDING SIGN PROGRAM**

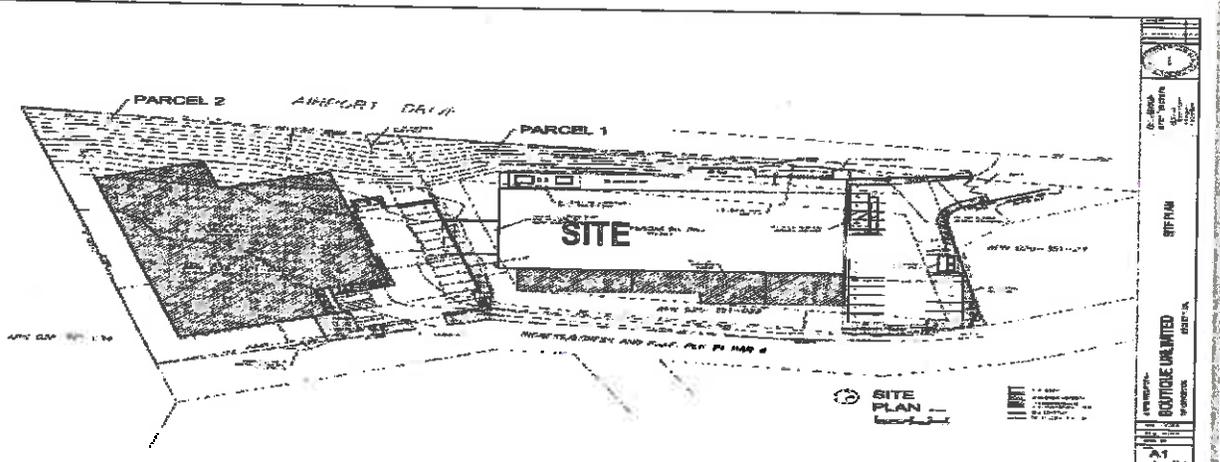
A NEW PROJECT for  
**BOUTIQUE UNLIMITED**  
151 AIRPORT DR  
KING CITY, CA.



**EXHIBIT No. 6**

**Case Number: COA 2016-008(b)17  
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: BOUTIQUE UNLIMITED**

1. Assessor's Parcel No(s): 026-351-022
2. Job Address: 151 Airport Drive
3. Street Location: 151 Airport Drive
4. Existing Zoning: M-1 Light Industrial
5. Planned Land Use: General Plan: LI (Light Industrial);
6. Plan Area: Adjacent to ERBP SP



7. Project Description:

The proposed use is located in a portion of an existing 15,952 sf structure, on a 1.08 ac lot (47,192 sf), located on the west side of Airport Drive. The building has been vacant for approximately one year. A second floor (15,572 sf) as well as an addition to the west side of the structure were proposed and approved with the original CUP. The addition has a footprint of approximately 4,800 sf. With a second floor the total area of the new construction is slightly over 9,500 sf. It should be noted that the existing building height is 33 feet – maximum height per the zoning code for the M-1 District is 30 feet. The existing roof will remain.

The Applicant proposes to replace approximately 6,000 sf of Cultivation Area with Level 2 Manufacturing, located in the central portion of the building on the 1<sup>st</sup> floor.

**PART B – GENERAL CONDITIONS AND REQUIREMENTS**

On September 27, 2016 the City Council approved Ordinances 2016- 728, 729 and 730, amending Municipal Code Section 17.03 of the Zoning Code 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.

(Ordinances 2017- 745 and 746 August 22, 2017 allowed Manufacturing (Type 7) and Distribution (Type 11) uses).

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 §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 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](mailto:scottbruce11@gmail.com) if you have any questions regarding the conditions of approval (COA).

#### **GENERAL CONDITIONS:**

1. All Conditions of Approval associated with CUP 2016-008 and 2016-008(a)17 remain in force unless specifically amended herein.
2. Additional information regarding the Distribution process, including product tracking, transfer and storage will be provided to the satisfaction of the Community Development Director and Fire and Police chiefs.
3. Construction / Development shall conform to Application Package as presented, to the satisfaction of the Community Development Director or designee

#### **PART C – SPECIFIC CONDITIONS AND REQUIREMENTS**

##### **COMMUNITY DEVELOPMENT DEPARTMENT :**

1. **Allowed Use:** Distribution (CA Type 11) Manufacturing in addition to Cannabis Cultivation (CA Type 3A) and Level 2 Manufacturing as previously approved.
2. **Interior Renovation and Exterior:** This amendment is limited to a new use in the previous Flower Rooms 2,3 and 5 in the central portion of the previously approved structure. No more than 6,000 sf of floor area will be now be used for Type 11 Distribution, including storage and office. The Distribution space will be physically separated from the remainder of the facility. No direct entry from outside the structure is permitted. No exterior changes are associated with this Amendment.



3. **Parking:** No amendment..
4. **Landscaping:** No amendment.
5. **Lighting:** No amendment.
6. **Signage:** No amendment.
7. **Fencing:** No amendment.

**BUILDING AND SAFETY DEPARTMENT:** (No application for 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:** No Amendment

**PUBLIC WORKS DEPARTMENT:** (The Applicant should contact Octavio Hurtado, Hanna & Brunetti 408-842-2173, [ohurtado@hannabrunetti.com](mailto: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:** No amendment
- 3 **Driveway Approach Revisions:** No amendment.
- 4 **Irrigation:** No amendment
- 5 **Sanitary Sewer:** No amendment. Connection to City of King Sanitary Sewer system shall be demonstrated to satisfaction of City Engineer prior to site operations.

**REGULATORY PERMIT:**

Renovations shall comply with and Operations be subject to full compliance with Section 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:** The previous camera location plan shall be revised to the satisfaction of the Chief of Police and the City's consultant.
- C. **Solid Waste:** Solid waste disposal shall be in compliance with County of Monterey Health Department and Waste Management, Inc. requirements.
- D. **Odor Control:** No Amendment
- E. **Air Quality:** No Amendment. Venting of Solvents, CO<sub>2</sub> and / or Ethanol / Alcohol from the structure shall be in compliance with Monterey County Air Resources Board Standards.
- F. **Employee Background Checks:** No Amendment
- G. **Hours of Operation and Employees:** Hours of operation of the structure will remain 24 hours a day, 7 days a week. The maximum number of total employees (48) has not changed nor has the maximum number per shift (16).



- H. Work Permits and Fees:** No Amendment
- I. Indemnification Agreement:** A signed Indemnification Agreement for this Distribution Operation 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.
- J. Record Keeping:** Financial and Product Record shall comply with the Regulatory Application Package and the requirements of Municipal Code Section 17.03.180.
- K. Transport and Shipping:** Trips per day are estimated at one in and one out. Activity shall be monitored by Community Development Department, amendment to the CUP may be required at the discretion of the Director / designee if there is, in the Director's / designee's opinion, significant deviation from this estimate. Vehicle loading / unloading shall occur inside the structure as described in the Application Package.



### **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, Inc., 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 International., 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- 204

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF KING,  
APPROVING CONDITIONAL USE PERMIT CASE NO. CUP 2016-008(b)17

**WHEREAS**, on **October 23, 2017**, **Boutique Unlimited** submitted an application to amend a previously approved Conditional Use Permit (**CUP 2016-008, May 16, 2017 and CUP 2016-008(a)17, October 17, 2017**) to add Distribution (CA Type 11) in an existing structure located at 151 Airport Drive

**WHEREAS**, on **December 13, 2017** a formal Letter of Completeness was sent to the applicant.

**WHEREAS**, the proposed use is consistent with the General Plan and is allowed in the M-1 District with the approval of a Conditional Use Permit (**Ordinances 2016-728 and 729, September 27, 2016 2017-745 and 746, August 22, 2017**).

**WHEREAS**, the proposed project conforms to the requirements of Section 17.03 of the City of King Zoning Code;

**WHEREAS**, an Initial Study and the resulting Mitigated Negative Declaration (MND) were prepared to address potential cumulative impacts of the **September 27, 2016** changes to the Zoning Code;

**WHEREAS**, the project has been evaluated in relation to the previously prepared MND. No potentially significant impacts have been identified; no endangered, rare or threatened species are present; approval of the proposed use will not result in significant impacts to traffic, noise, air quality or water; the site can be adequately served by all required utilities and services; none of the exceptions to the exemption under CEQA Guidelines §15300.2 are applicable; and, the Project is Categorically Exempt under CEQA §15332 (Infill Development),

**WHEREAS**, the Commission has reviewed the staff report, accepted public testimony, and considered all other relevant information during the duly noticed public hearing on **December 19, 2017**;

**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-1 District / neighborhood) and / or the City;

**WHEREAS**, the Commission makes the followings Findings of Facts:

1. The purpose of the proposed use (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.
2. The proposed use is consistent with the General Plan Land Use Designation (LI) Light Industrial and the Uses and Standards of the Light Manufacturing (M-1) Zoning District.
3. The proposed use will be replace a maximum of 6,000 square feet of previously approved Cultivation with Distribution, all contained within the previously approved floor area . No new floor area is added.
4. The entire lot will remain fenced – existing fencing will be improved and / or replaced and new screening will be installed.
5. The existing lot will remain accessed at one point of entry. The southern portion of the lot is paved for parking. Total impervious area will decrease by approximately 7,500 sf. the eastern and northern portions of the lot are gravel. No vehicle access to the structure / deliveries will occur in these graveled areas. No new paving or laying of gravel will occur.
6. Existing landscaping will be removed and new landscaping will be installed per the previously approved CUP 2016-008 and 2016-008(a)17 Application Packages.

7. All processes and interior construction / building improvements, 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 Zoning Code section 17.03.

**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(a)17

This resolution was passed and adopted this **19th day of December, 2017** by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

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DAVID NUCK, CHAIRPERSON

ATTEST: \_\_\_\_\_  
ERICA SONNE DEPUTY CITY CLERK



Item No. 7(F)

**REPORT TO THE PLANNING COMMISSION**

**DATE: JANUARY 16, 2018**

**TO: HONORABLE CHAIR AND MEMBERS OF THE PLANNING COMMISSION**

**FROM: DOREEN LIBERTO BLANCK, COMMUNITY DEVELOPMENT DIRECTOR;**

**BY: SCOTT BRUCE, PRINCIPAL PLANNER**

**RE: CUP AMENDMENT 2017-009(a)18: PARKING LOT REVISIONS -  
101 AIRPORT DRIVE, CITY OF KING. APN 026-351- 023**

**RECOMMENDATION:**

Staff recommends that Planning Commission 1) review request for Conditional Use Permit, 2) receive public comment; 3) provide Staff with comment and direction; and, 4) continue action on the Amendment (Conditional Use Permit 2017-009(a)18) to February 6, 2018.

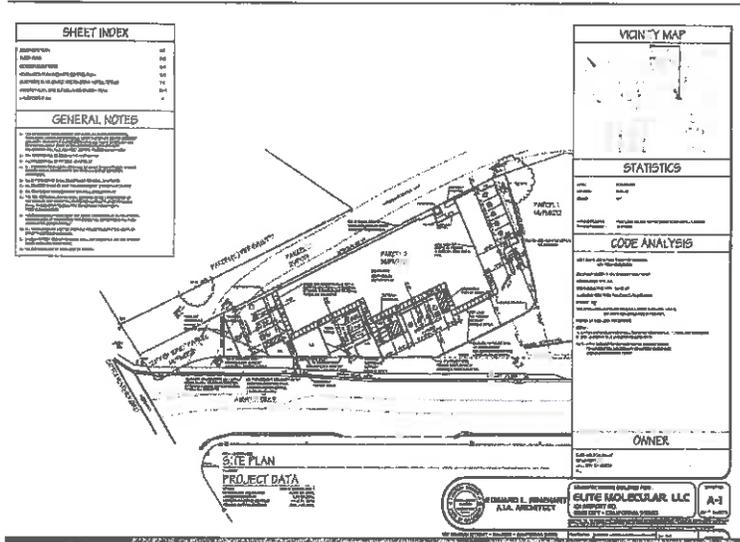
**BACKGROUND:**

In September 2016 the City Council approved 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 12 Permits have been approved through the CUP and Operations Permits processes. Staff has been in regular discussion with potential Medical Cannabis applicants. This current application is to renovate an existing 10,500 sf structure at 101 Airport Drive (Corner of Airport Drive and Bitterwater Road)

On October 17, 2017 the Planning Commission approved CUP 2017-009 which allowed Cannabis Cultivation (CA Type 3A), Nursery (CA Type 4), Level Two Manufacturing (CA Type 7) and Distribution (CA Type 11) on this site.

On December 04, 2017 the City issued Operations Permits for the above noted uses.

CUP 2017-009 was a request to allow four different Cannabis use types (Cultivation, Nursery, Manufacturing, Distribution) in an existing structure located at 101 Airport Drive, being in the M-1 Zoning District, outside of the East Ranch Business Park.



**DISCUSSION:**

**Overview:**

The proposed uses are to be located in an existing 10,492 sf structure, on a 1.09 ac lot (47,192 sf), (0.68ac effective size) located at the northwestern corner of Airport Drive and Bitterwater Road. The northern portion of the building (2,800 sf) will be reconstructed to bring it up to the same level of quality as the rest of the building.

**Exhibit 1  
Vicinity Map**



- The parcel to the north contains the building occupied by Boutique Unlimited (Cultivation and Manufacturing Uses)
- Airport Road bounds the subject parcel on the east
- A utility / access easement bounds the property to the west with Industrial Uses and the East Ranch Business Park beyond.
- A vacant City owned parcel and Bitterwater Road lie to the south.

As noted above, the proposed uses include four (4) Cannabis Use types Cultivation (CA Type 3A), Nursery (CA Type 4) Manufacturing Level 2 ( CA Type 7), Distribution (Type 11).

*The Current Amendment proposes revisions to the parking lot configuration / paving and drainage concept(s) that were approved as part of CUP 2017-009. The Amendment does not impact the structure, approved Uses and / or Operations or Security. A limited number of amendments / additions to the Conditions of Approval have been prepared.*

**CUP Information:** See Exhibit 5 for Staff Reports giving Baseline information, from CUP 2017-010 and 010(a)18. Please refer to Exhibit 4 for DRAFT Conditions of Approval related to this request

**Architecture:**

The proposed Amendment does not impact the approved Architecture, colors or materials.

**Floor Plan and Interior Uses:**

The proposed Amendment does not impact the approved Floor Plan or Interior Uses.

**Landscape:**

The proposed Amendment does not impact the approved plant type, levels of vegetative coverage or use of recycled water, per the approved CUP. Planting areas and parking will change per the attached site plan. **See previous Staff Reports Exhibit 5.**

**Parking, Paving:**

New asphalt parking and paving is the primary purpose of this Amendment. This amendment proposes that the front (southern) portion of the site be paved with the area to the rear of the site being "paved" with 6" of Decomposed Granite. 12 employees per shift are anticipated requiring a minimum of 8 spaces, all of which are accommodated in the area to be paved. Municipal Code Section 17.52.050. states that:

(b) In M or C-2 zones on-site parking areas requiring ten or less spaces may be surfaced with a minimum of six compacted inches of decomposed granite when serving a single building on an individual lot, or in multiple occupancy buildings on an individual lot that would cumulatively require ten or less spaces for the various occupancies. Should the usage of decomposed granite surfacing be in conflict with neighboring surfacing of parking areas; decomposed granite surfacing shall not be allowed. When an applicant proposes the usage of decomposed granite surfacing they must prove by drawings to scale that the minimum sizes of parking spaces and aisle widths provided for in Section 17.52.060 are met. (Ord. 454 § 1, 1983; Ord. 354 § 5.3.4, 1973)

The proposal, in Staff's opinion meets the requirements of the Code. For site / parking plan **See Exhibit 1.**

**Grading and Drainage:** The Applicant has not yet provided construction level documents, including a proposed grading plan and drainage plans.

**Signage:**

This Amendment does not impact previously approved signage.

**Security:**

The security program for buildout will be as approved - subject to additional HdL review / approval.

**Fertilizer and Storage:**

This Amendment does not impact previously approved operations, materials and storage and signage.

**Solid Waste:**

This Amendment does not impact previously approved solid waste production in quantity, makeup or disposal location / size.

**Water:**

The Amendment does not increase waste use for interior cultivation / operations and / or landscaping.

**Power.** The Amendment does not impact power use.

**Regulatory Permit Related Information:**

Elite Molecular proposes amend the parking lot configuration and type / quantity of parking / paving material. This Amendment does not impact uses approved by CUP 2017-009. On December 04, 2017 Conditioned Operations Permits were issued for Cultivation, Nursery, Level Two Manufacturing and Distribution Uses.

**Shipping and Transport:**

This amendment does not impact procedures or quantity of product in / product out.

**Odor Control:**

This Amendment does not impact the approved Odor Control Program.

**Inventory Control:**

This Amendment does not impact the approved Inventory Control Program.

**Security:**

This Amendment does not impact approved interior or site protocols, programs or personnel.

**Employee Vetting:**

The Amendment does not impact Employee Vetting. No person under 21 years of age will be employed on this site. The employee vetting process is being finalized at this time.

**Employee Training:**

This Amendment does not impact Employee Training procedures.

**Quality Control:**

This Amendment does not impact Quality Control standards or procedures.

**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 City requires that an Indemnification Agreement be executed.

**ENVIRONMENTAL COMPLIANCE:**

On September 27, 2016 the City Council approved Ordinances 2016- 728, 729 and 730, amending Municipal Section 17.03 of the Zoning Code 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. Ordinances 2017-743, 744, 7455 and 746 further amended the Municipal Code. Manufacturing Level Two and Distribution uses are uses allowed per those revisions.

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.

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 §15332 (infill development projects).

**ALTERNATIVES:**

1. Hear the item, invite public comment
2. Discuss, provide direction to Staff and continue action to February 06, 2018.
3. Approve the item as presented.
4. 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.
5. Provide alternative direction to Staff

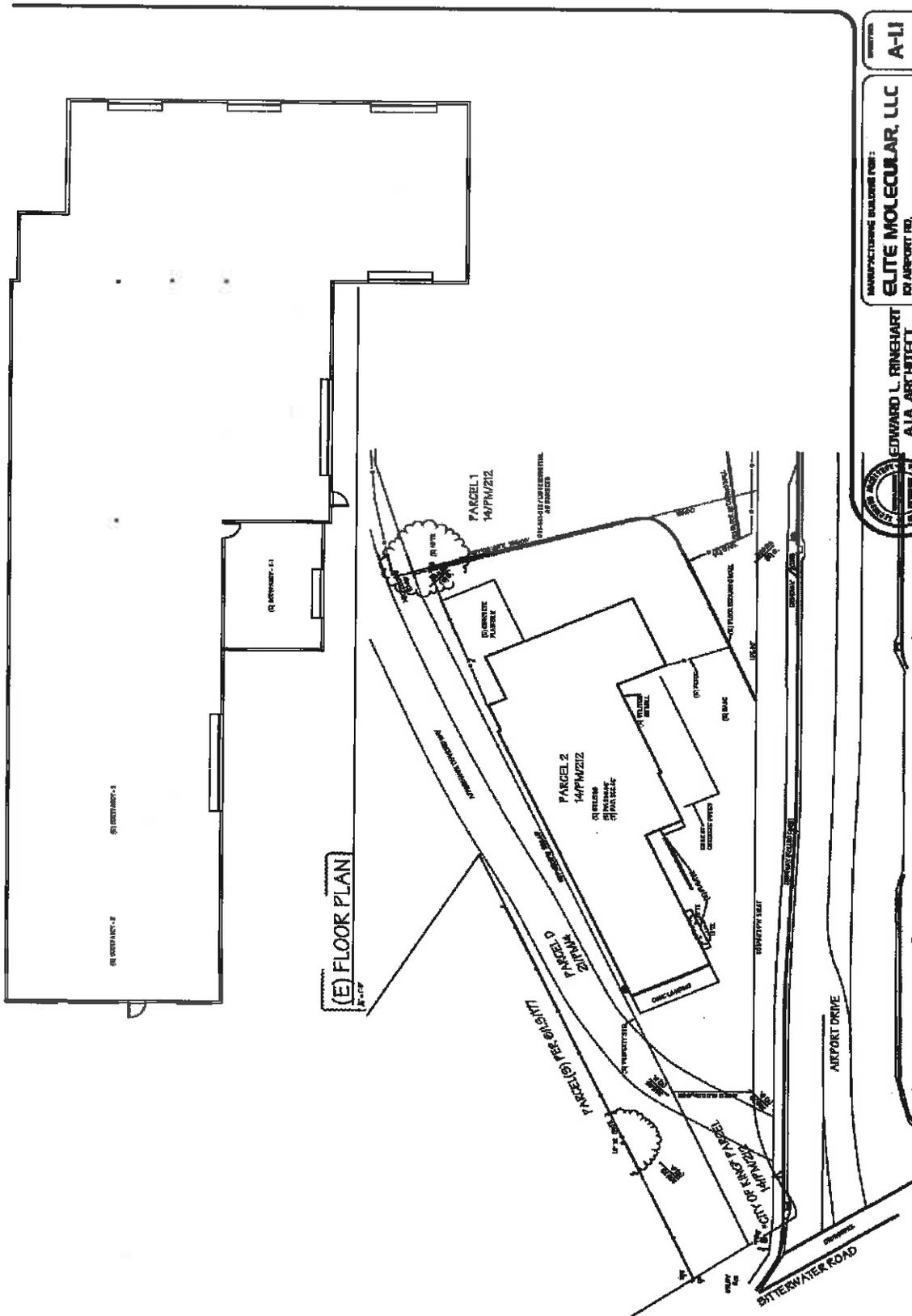
**ATTACHMENTS:**

1. Site Plan
2. Floor Plan
3. Landscape Concept – Original Submittal
4. DRAFT Conditions of Approval
5. Staff Report CUP 2017-009

Submitted by:   
SCOTT BRUCE, PRINCIPAL PLANNER

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





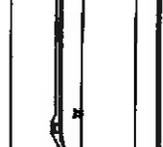
**(E) FLOOR PLAN**  
 1/2" = 1' - 0"

**(E) SITE PLAN**  
 1/8" = 1' - 0"

MANUFACTURING BUILDING FOOT:  
**ELITE MOLECULAR, LLC**  
 127 AIRPORT RD.  
 KING CITY - CALIFORNIA 95050

**EDWARD L. RINEHART**  
 AIA, ARCHITECT

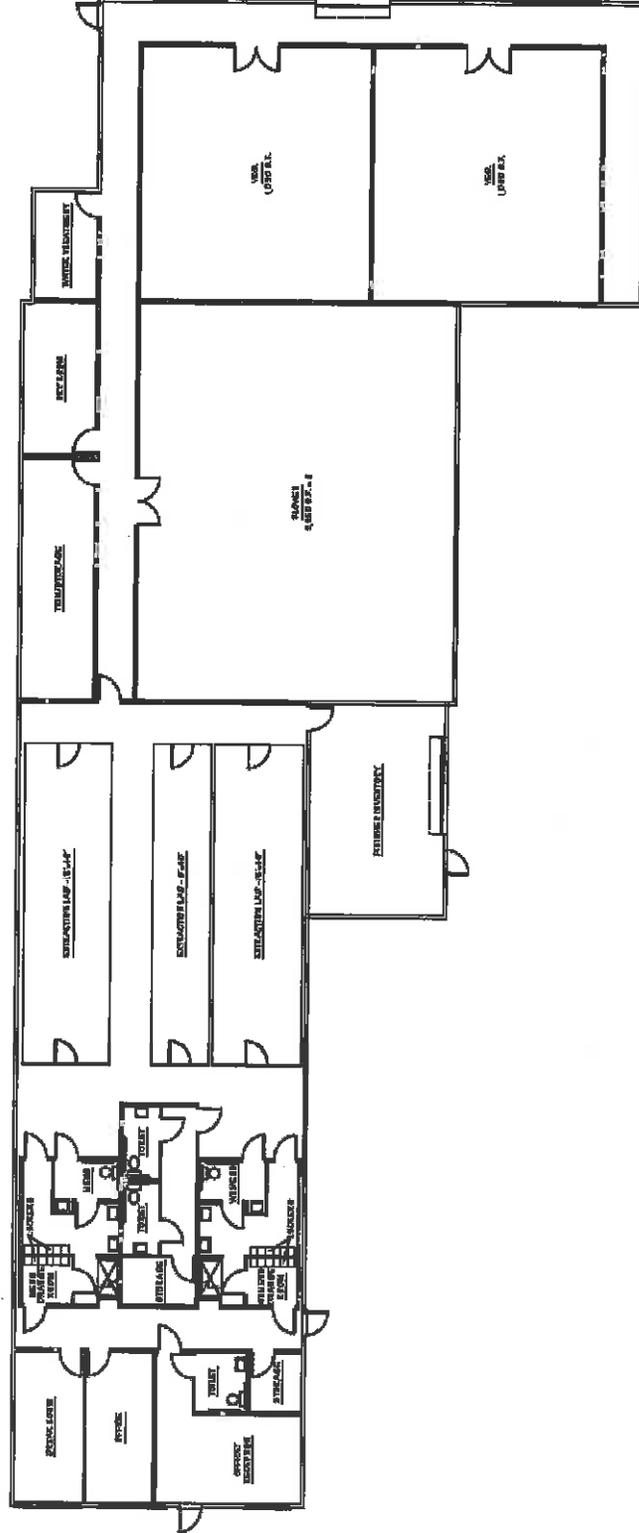
ALL RIGHTS RESERVED  
 PROJECT NO. 1789  
 DATE: 11/14/17



PROJECT NO.	1789
DATE	11/14/17
SCALE	1/8" = 1' - 0"
PROJECT NAME	ELITE MOLECULAR, LLC
PROJECT ADDRESS	127 AIRPORT RD., KING CITY, CA 95050
ARCHITECT	EDWARD L. RINEHART, AIA, ARCHITECT
ARCHITECT ADDRESS	1000 S. GARDEN ST., SUITE 100, SAN JOSE, CA 95128
PHONE	(408) 253-1111
FAX	(408) 253-1112
EMAIL	elr@edwardl.com
WEBSITE	www.edwardl.com

CUP 2017-009(a)18

EXHIBIT 2: Floor Plan



FLOOR PLAN

SCALE: 1/8" = 1'-0"  
 DATE: 08/15/17  
 DRAWN BY: [Name]  
 CHECKED BY: [Name]



EDWARD L. RINEHART  
 AIA, ARCHITECT

MANUFACTURING BUILDING PLAN:  
**ELITE MOLECULAR, LLC**  
 IN AIRPORT RD.  
 KING CITY - CALIFORNIA 95050

PROJECT NO.  
**A-2**  
 DATE: 8/15/17

1077 COLUMBIA STREET - SHERMAN - CALIFORNIA 94608  
 PHONE: 415-435-4300 FAX: 415-435-4300  
 WWW: ELITEARCHITECTURE.COM

DATE: 8/15/17  
 SHEET NO.: 1725

CUP 2017- 009(a)18

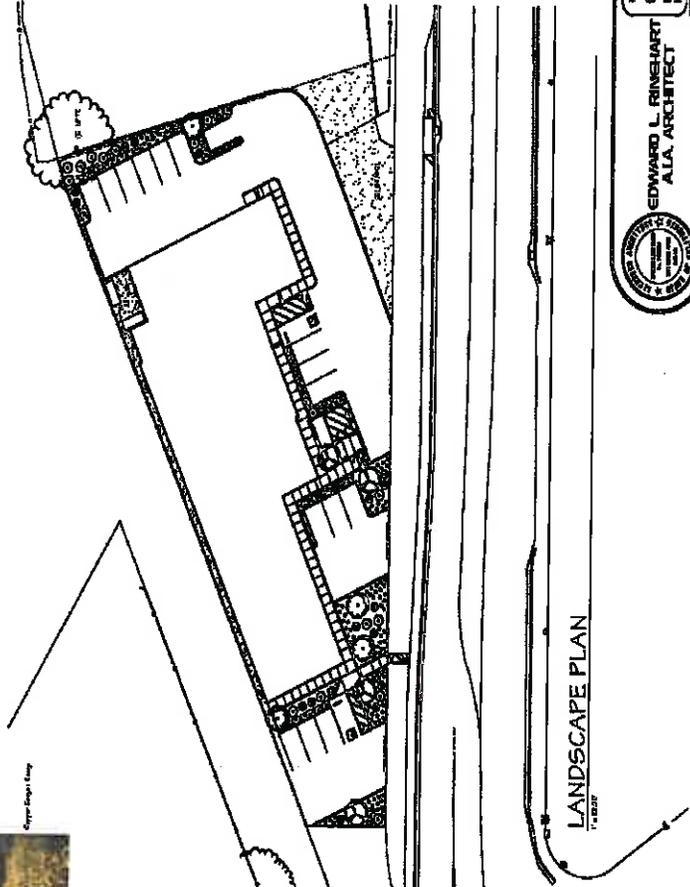
EXHIBIT 3: Landscape Concept



**Plant Notes**  
 1. All plants are to be installed by the contractor.  
 2. All plants are to be installed by the contractor.  
 3. All plants are to be installed by the contractor.  
 4. All plants are to be installed by the contractor.  
 5. All plants are to be installed by the contractor.  
 6. All plants are to be installed by the contractor.  
 7. All plants are to be installed by the contractor.  
 8. All plants are to be installed by the contractor.

**PLANT LIST**

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



MANUFACTURING BUILDING FOR:  
**ELITE MOLECULAR LLC**  
 101 AIRPORT RD.  
 IRVING CITY - CALIFORNIA 92630

**EDWARD L. RINEHART**  
 A.L.A. ARCHITECT

107 CHURCH STREET - SALINAS - CALIFORNIA 93906  
 TEL: 831.435.1100  
 FAX: 831.435.1101  
 WWW.ELRARCHITECT.COM

DATE: 07/2017  
 SHEET NO. 1 OF 1  
 1725

**EXHIBIT 4**  
**DRAFT COA's : ITEMS TO BE COVERED**  
**CUP 2017-009(a)18**  
**PHASE 1**

Conditions of Approval from CUP 2017-009 will be reviewed – as they regard grading and drainage, parking, fencing, landscape and lighting . Because this Phase 1 request occurs in the parking area, changes to the COA's will be minimal. Also, a separate Security and Operations

**Items to be covered include but are not limited to:**

- **Fencing:** Fencing as required by original CUP will not change
- **Lighting and Cameras:** Pole locations (if any) will be reviewed / amended.
- **Right of Way Improvements:** All improvements required by CUP 2017-010 must be provided.
- **Parking / Paving:** Detailed plans (not to the level of construction drawings) must be provided so that Staff can evaluate drainage, location, area and type of proposed parking material and transition to City ROW
- **Landscaping:** The plans as noted above will allow landscape review
- **Drainage / RWQCB:** Approvals must be in place prior to beginning of parking area construction

Note that once parking lot approval is in place construction may begin concurrent with plan review for the structure – per City Engineer / Building official approval of parking lot **construction plans.**



Item No. 7E

**REPORT TO THE PLANNING COMMISSION**

**DATE:** OCTOBER 17, 2017  
**TO:** HONORABLE CHAIR AND MEMBERS OF THE PLANNING COMMISSION  
**FROM:** DOREEN LIBERTO BLANCK, COMMUNITY DEVELOPMENT DIRECTOR;  
**BY:** SCOTT BRUCE, PRINCIPAL PLANNER  
**RE:** CUP 2017-009, APN 026-351- 023: MEDICAL CANNABIS CULTIVATION (CA TYPE 3A); NURSERY (CA TYPE 4); MANUFACTURING LEVEL 2 (CA TYPE 7); TRANSPORTATION / DISTRIBUTION (CA TYPE 11) .  
101 AIRPORT DRIVE, CITY OF KING.

**RECOMMENDATION:**

Staff recommends that Planning Commission 1) review request for Conditional Use Permit, 2) receive public comment, and 3) adopt the attached Resolution approving Conditional Use Permit 2017-009.

**BACKGROUND:**

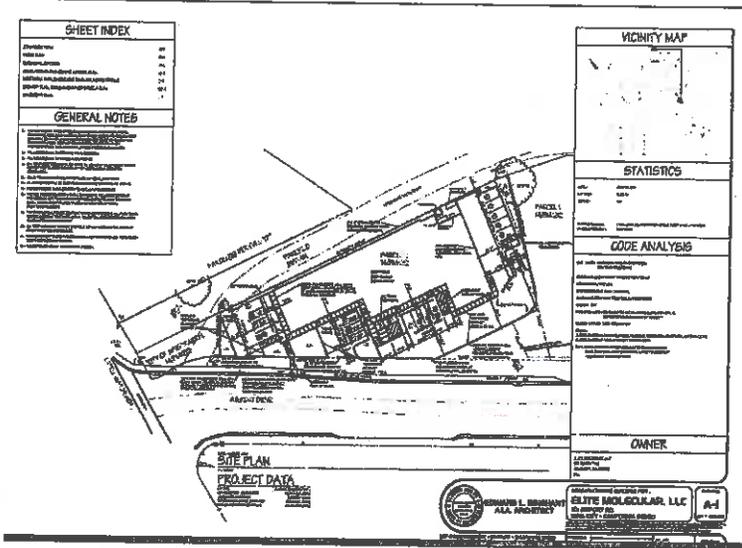
In September 2016 the City Council approved amendment to the City's Zoning Code and to the East Ranch Business Park (ERBP) Specific Plan, authorizing expansion of land uses related to Medical Cannabis. As a result of that action Indoor Cultivation under artificial or mixed light, Medical Cannabis Nurseries, 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 12 Permits have been approved through the CUP and Operations Permits processes. Staff has been in regular discussion with potential Medical Cannabis applicants. This current application is to renovate an existing 10,500 sf structure at 101 Airport Drive (Corner of Airport Drive and Bitterwater Road)

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.

CUP 2017-009 is a request to allow four different Cannabis use types (Cultivation, Nursery, Manufacturing, Distribution) in an existing structure located at 101 Airport Drive, being in the M-1 Zoning District, outside of the East Ranch Business Park.

**DISCUSSION:**



**Overview:**

The proposed uses will be located in an existing 10,492 sf structure, on a 1.09 ac lot (47,192 sf), (0.68ac effective size) located at the northwestern corner of Airport Drive and Bitterwater Road. The northern portion of the building (2,800 sf) will be reconstructed to bring it up to the same level of quality as the rest of the building.

Existing building height is 26 feet and the height of the building will not increase.

**Exhibit 1  
Vicinity Map**



Plants may be “stacked” within the existing / rebuilt structure however Cannabis canopy will not exceed 22,000 sf and nursery canopy will not exceed 25,000 sf. Estimated canopy spaces are 10,050sf and 1,800sf respectively.

- The parcel to the north contains the building occupied by Boutique Unlimited (Cultivation and Manufacturing Uses)
- Airport Road bounds the subject parcel on the east
- A utility / access easement bounds the property to the west with Industrial Uses and the East Ranch Business Park beyond.
- A vacant City owned parcel and Bitterwater Road lie to the south.

As noted above, the proposed uses include four (4) Cannabis Use types Cultivation (CA Type 3A), Nursery (CA Type 4) Manufacturing Level 2 ( CA Type 7), Distribution (Type 11) compliant with future State License 3A (indoor, artificial light). While total allowed plant canopy space under a future 3A license is limited to 22,000 sf, additional allowed activities include: harvesting, drying, curing and trimming of cannabis.

Cultivation: Occurring on two levels, this organic and hydroponic system will focus on organically cultivated, cannabinoid rich pest and disease-free cultivars covering a full spectrum of cannabinoids. Pesticides and pesticide used will be in conformance with State of California / Monterey County Agricultural Commissioner and the Colorado Department of Agriculture

Nursery: Provides organically cultivated, cannabinoid rich, pest and disease-free cuttings / plants to licensed cultivators in California

Manufacturing Level 2: Performed in an environment purpose built for the extraction procedures being performed, the process will provide the most pure and clean extract products available, certified by 3<sup>rd</sup> party governing bodies and audited by a certified hygienist. Elite Molecular regularly employs n-Butane to achieve mechanical separation. Heptane, Pentane, Ethyl Alcohol and Isopropyl Alcohol may be used. Extractions using volatiles will be performed in a Class 1, Division 1 closed loop environment. Purified oils terpenes and cannabinoids will be infused into a suite of products that includes non-alcohol based tinctures, creams, topical skin products and vaporization products. No kitchen will be included on site.

Transportation and Distribution: Act as a quality assurance, validation, and certification point for products being distributed to licensed entities. Inspect, analyze validate and engage 3<sup>rd</sup> party testing as well as hold products in preparation for movement to and from testing by other licensees. Provide secure Transportation services.

### **CUP Information:**

#### **Architecture:**

The existing structure is a metal structure, accessed from Airport Road at three locations. Airport Road rises as it moves north in relation to the building pad. The primary visitor entrance faces south, rollup doors for product movement / deliveries are present to the east and north. The existing structure covers 35% of the site. Total impervious area will be 12,802 sf (43%) Pervious and landscaped areas will be 6,762 sf (22%) Because of the various use types with the building, the existing neighbor access easement (lots to north), the retaining wall adjacent to Airport Road and the triangular configuration of the lot, the parking area covers a large portion of the site. Three access gates are proposed off of Airport Road.

The existing materials will not change – roof skin and fascia will be metal with metal doors. Windows will be anodized aluminum with clear glass bronze frames. The colors to be

used are Dunn Edwards: "Cashmere" DEC 758 with "Woodlawn Green" trim and awnings DEC 779. These colors are consistent with the surrounding area. **See Exhibit 2.**

**Floor Plan and Interior Uses:**

The applicant proposes to rebuild the southwest corner of the building (approximately 2,800 sf) to create consistent quality of construction. Cultivation and Nursery will be multiple architectural tiers covering 3,350 and 900 sf of floor area, respectively. Office, breakrooms and bathrooms will be near the front entrance of the facility (south). Extraction will be in the south central portion of the structure with grow areas to the north central and north. The current height of the structure is 26' at the **peak of the ridgeline** and will not change. **See Exhibit 3.**

**Landscape:**

Landscaped areas will be present along the north property line; on the eastern portion of the site near parking and between Airport Road and the structure; and, in the southern portion of the site between parking and the southern property line.

Landscaping will cover 11% of the lot (approximately 3,366 sf). Proposed landscaping includes Yellow Daley Bush, White Flowering Australian Fuschia and a mix of Yarrow, Daylily (evergreen) and Copper Canyon Daley. Trees will include Evergreen Pear and Purple Flowering Plum. **See Exhibit 5.**

The Applicant will be required to utilize recycled water if made available to the site in the future when the City upgrades its wastewater treatment plant and will provide an on-site access point to future "Purple Pipe" located in Airport Road.

**Parking, Paving:**

New asphalt parking and paving is proposed in the southern, eastern and northern areas of the site. The existing parking surface is compacted base material and is located along the southern side of the building. **See Exhibit 4.**

**Signage:**

Signage will be limited to an address / street number for identification by emergency response personnel and deliveries, located on the east side of and south entry to the building. **See Exhibit 7.** Additional signage if proposed will be submitted and reviewed in accordance with the City's Sign Permitting process.

**Security:**

**Fencing:** The facility will be surrounded on south, west and north by a non-climbing chain link fence with small square visibility with woven slats for screening and barbed wire tops, not to exceed 8' in height. Three gates are proposed off of Airport Road. Fencing along Airport Drive will be wrought iron, eight feet in height. **See Exhibit 6.**

**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 be mounted on the building and on 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:** Approximately 24 security cameras with night vision capability will be located to monitor all entrances and exits to and from the premises and to monitor all interior spaces, excluding restrooms and changing rooms. The 24/7 surveillance will be accessible by the City of King Police Department through real time live access feed. **See Document, Section H, Exhibit 10.**

One City of King camera will be located at each entry to the property from Airport Road.

**Fertilizer and Storage:**

The only pesticides to be applied will be those pesticides on an approved chemicals list as supplied by the State Compliance Board and / or Department of Agriculture and be in compliance with the requirements of the Monterey County Department of Environmental Health. A list of materials and

**Solid Waste:** Daily plant waste will be about 150 – 200 lbs. Cannabis waste will be ground with a minimum 51% other organic material and includes stems and stalk which do not have a psychoactive profile. The entire plant and the waste material will contain less than 1% cannabinoids. are removed. Dumpsters will be located to the east side of the structure in a concrete block enclosure with locked gates.

Conversation with Waste Management indicate that, currently, there are no State of California regulations for specific to Cannabis related solid waste.

**Other Waste from Production:** Controlled waste practices will be under the direct supervision of the Security Manager. Chemicals used in the Nursery / Cultivation environment will be handled according to OSHA standards. Wastewater from the reverse-osmosis system, the hydroponic environment and ethanol from cleaning will be released into the city's sanitary sewer system. Solvents used in the manufacturing process are recovered at a rate up to 98% by the closed loop hydrocarbon extraction system.

**Water:** The Mitigated Negative Declaration (MND) that resulted from the Initial Study prepared during evaluation of the Zone Change estimated water use at 2,640 gallons per day (gpd) for a 22,000 sf growing canopy and 6,321 gpd for a 25,000 sf nursery canopy. For a 10,050 sf growing canopy this would equal 8,442 gallons per week and 3,186 gallons per week for nursery. Therefore, total water use as indicated by the Applicant for this project is anticipated at 1,661 gpd or 11,628 per week, equivalent to the MND estimate. Water use in the Cultivation / Nursery environment leverages a reverse osmosis system to minimize water use. **See Document Section K.**

**Power.** The Applicant estimates 1,920 Amps as the 80% power allocation for lighting and air conditioning (2,400 Amps as the 100% power allocation). The Applicant indicates that they will be utilizing LED lights and fluorescent lighting technologies to reduce overall power consumption – including the amount of heat generated by lighting / need for cooling. Internal temperature for grow rooms will range between 75 and 85 degrees.

Power (lighting) for Nursery operations should be required approximately 18 hours per day. Cultivation operations should require power approximately 12 – 18 hours per day.

The Manufacturing operations require rather minimal power (300 amps) , consistent with typical business park use. The manufacturing area will be cooled to 74 degrees Fahrenheit, use is anticipated at 16 – 20 hours per day.

Distribution / Transportation use will be similar to standard office operations. **See Document Section L.**

**Regulatory Permit Related Information:**

Elite Molecular proposes to grow, dry, trim and package Cannabis grown for use in internal manufacturing as well as for shipment to outside Manufacturing Operations will prepare oils, topicals and vaporization products.

**Shipping and Transport:** All deliveries to the facility will be tracked and will include:  
Cultivation: nutrients, beneficial microbes, cloning hormones, etc.

Manufacturing: Botanical Cannabis material, extracted oils, laboratory grade solvents, hoses, glassware, cleaning solutions, etc. Packaging products will be included.

Cannabis and Cannabis products 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. **See Document, Sections E and F .**

**Odor Control:** The Odor Control Program will operate in conformance with the requirements of Municipal Code Section 17.03.210 (i) including an exhaust filtration system and an air filtration system that creates negative air pressure between the interior and exterior building area. All ventilation will pass through a series of HEPA charcoal and Syneco filtration systems, or similar. The systems work in conjunction with building climate control systems, abide by ISO 7 and 8 standards and include ventilation hoods in preparation areas that feature industrial level filtration systems. **See Document, Section I.**

**Inventory Control:** Processes are built to detect and protect against diversion through a comprehensive Diversion Prevention Program. This program includes physical controls,

personnel training and, control procedures for monitoring and auditing. **See Document Section D.**

**Security, Interior:** There are 4 pedestrian entrances and 2 roll up doors. All doors and windows are locked and alarmed. Access to the building is controlled by electronic audio and video communications technology. Interior access is controlled, per employee, by key fobs and access cards. Approximately 24 cameras with night vision capability will be located within the structure. The surveillance system is accessible by King City Police Personnel and monitored by a security service company. Cannabis product storage is secured. Security personnel will be on-site.

**See Document, Sections D and H.**

**Employee Vetting:** No person under 21 years of age will be employed on this site. The employee vetting process is being finalized at this time. 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. All employees will be hired under a 90 day probation period. **See Document, Section C**

**Employee Training:** Initial and on-going training in preventing contamination, grow techniques (including approved pesticide application) and inventory security / control. OSHA and personal protective equipment requirements, documentation, testing, hazard response, chemical handling, labeling documentation and emergency procedures. **See Document, Section J.**

**Quality Control:** All material will be batch tested by a local laboratory for pesticides, fungus, pests, molds and contaminants. If a product were to be called into question the remaining inventory will be quarantined and all customers notified. All material will be returned. **See Document, 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. **See Document, Section C** In addition, the City requires that an Indemnification Agreement be executed (draft completed, in process). **See Document, Section N.**

#### **ENVIRONMENTAL COMPLIANCE:**

On September 27, 2016 the City Council approved Ordinances 2016- 728, 729 and 730, amending Municipal Section 17.03 of the Zoning Code 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.

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 §15332 (infill development projects).

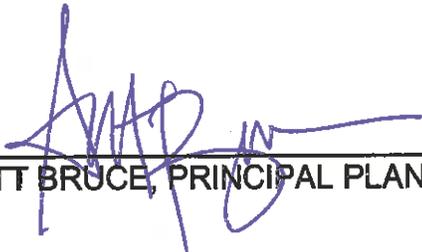
**ALTERNATIVES:**

1. Hear the item, invite public comment and approve the item as presented, with Categorical Exemption as described above.
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.

**ATTACHMENTS:**

1. Site Location
2. Site Plan
3. Floor Plan
4. Landscape
5. Elevations
6. Camera Locations
7. Indoor Cultivation
8. Conditions of Approval
9. Resolution 2017 - 199

Submitted by:

  
\_\_\_\_\_  
SCOTT BRUCE, PRINCIPAL PLANNER

Approved by:

\_\_\_\_\_  
DOREEN LIBERTO-BLANCK, AICP, COMMUNITY DEVELOPMENT  
DIRECTOR

CUP 2017- 009

EXHIBIT 1

LIFE 1701E

**Exhibit 1  
Vicinity Map**

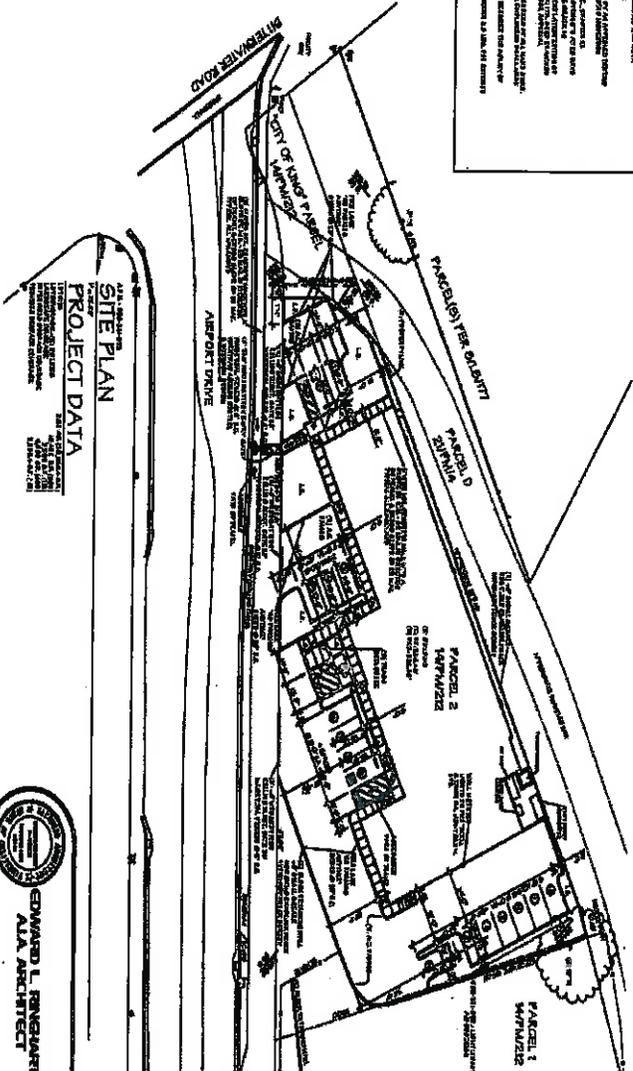


CUP 2017-009  
EXHIBIT 2

SHEET INDEX	
GENERAL PLAN	1
GENERAL NOTES	2
PARCEL 1	3
PARCEL 2	4
PARCEL 3	5
PARCEL 4	6
PARCEL 5	7

GENERAL NOTES

1. THE GENERAL PLAN IS A PRELIMINARY PLAN AND IS SUBJECT TO THE APPROVAL OF THE CITY OF SAN JOSE PLANNING DEPARTMENT AND THE CALIFORNIA STATE PLANNING BOARD.
2. THE GENERAL PLAN IS SUBJECT TO THE CITY OF SAN JOSE PLANNING DEPARTMENT'S REVIEW AND APPROVAL.
3. THE GENERAL PLAN IS SUBJECT TO THE CALIFORNIA STATE PLANNING BOARD'S REVIEW AND APPROVAL.
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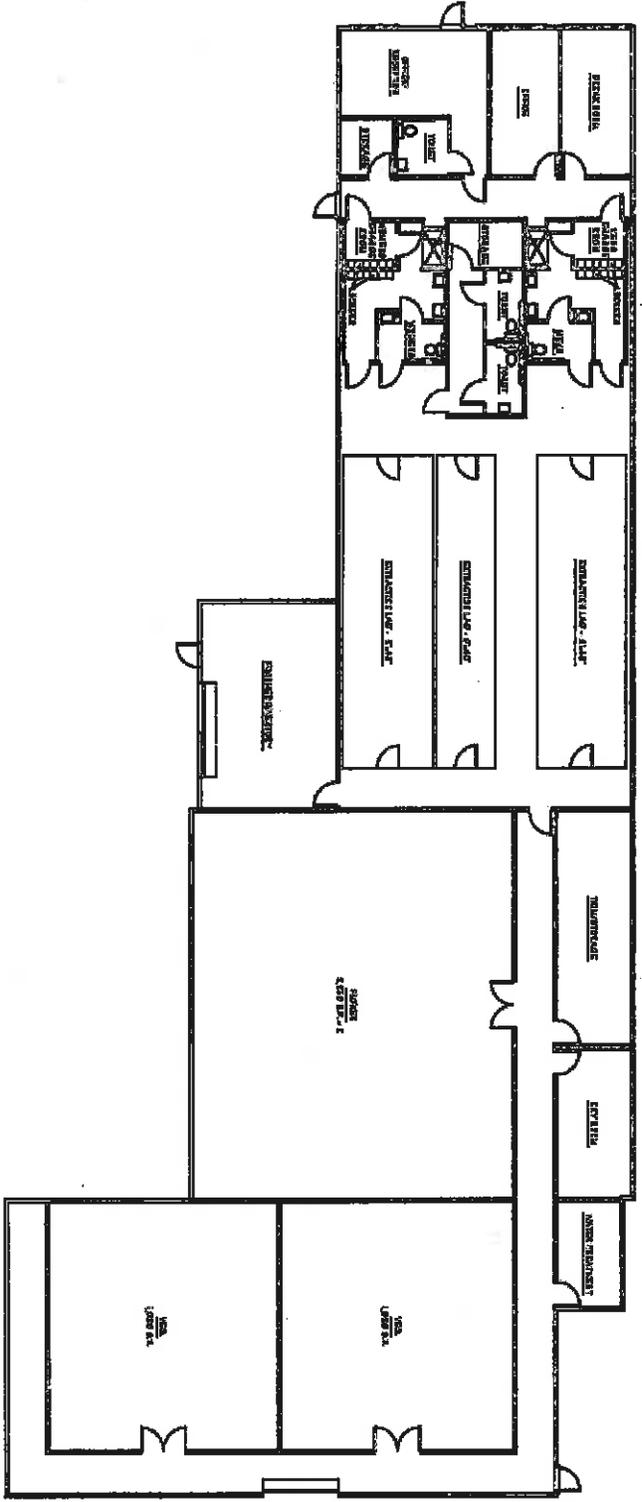
DATE: 10/10/17  
**SITE PLAN**  
**PROJECT DATA**  
 PROJECT: GILTE MOLECULAR LLC  
 OWNER: GILTE MOLECULAR LLC  
 ARCHITECT: EDWARD L. RINGBART  
 ALTA ARCHITECT



<p><b>VICINITY MAP</b></p>	
<p><b>STATISTICS</b></p> <p>AREA: 100,000 SQ FT          PERMITS: 100</p>	
<p><b>CODE ANALYSIS</b></p> <p>PROJECT: GILTE MOLECULAR LLC          OWNER: GILTE MOLECULAR LLC          ARCHITECT: EDWARD L. RINGBART, AIA ARCHITECT</p>	
<p><b>OWNER</b></p> <p>GILTE MOLECULAR LLC          1000 AVENUE OF LEARNING          SAN JOSE, CA 95128</p>	

CUP 2017- 009

EXHIBIT 3



FLOOR PLAN

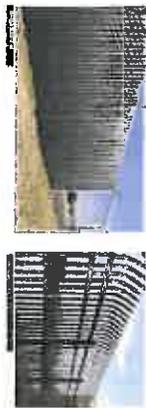
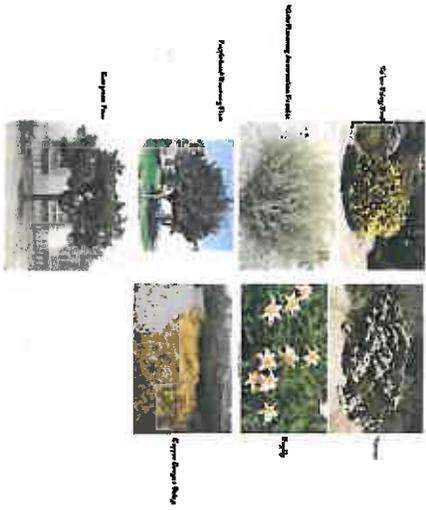
SCALE: 1/8" = 1'-0"  
DATE: 10/15/17  
BY: [Name]

**EDWARD L. RINEHART**  
AIA ARCHITECT

**ELITE MOLECULAR, LLC**

1725

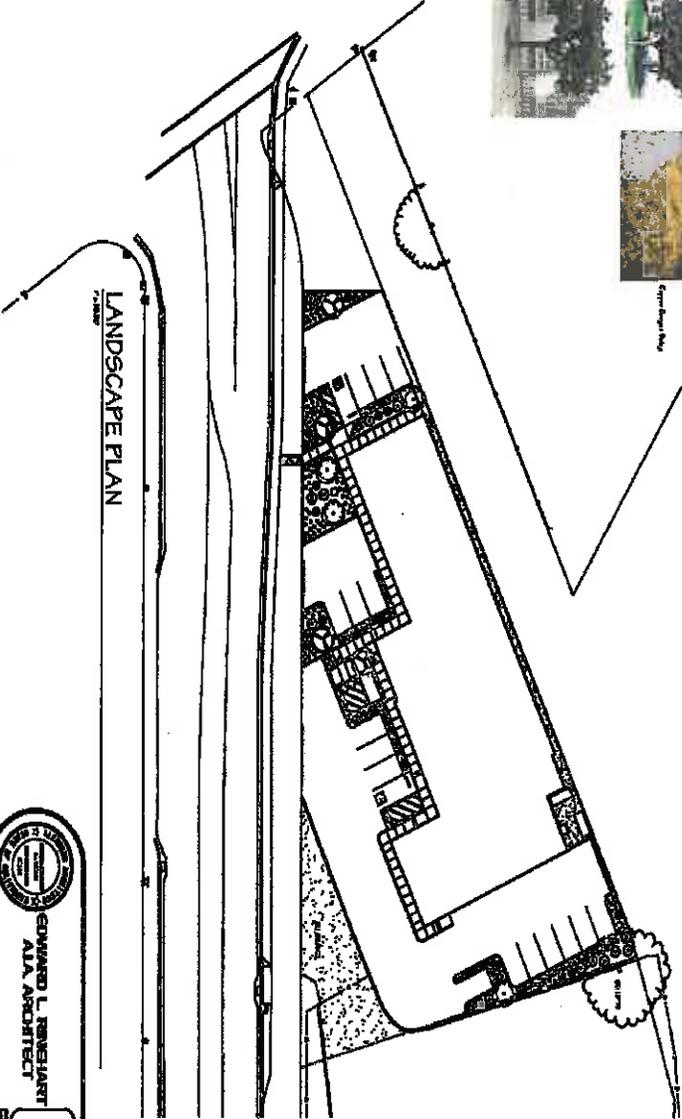
CUP 2017- 009  
 EXHIBIT 4



**Plant Notes**  
 The plants shown in this plan are for informational purposes only. The final selection of plants should be made by the contractor in consultation with the landscape architect. The plants should be selected from the list of plants provided in the plant list. The plants should be selected from the list of plants provided in the plant list. The plants should be selected from the list of plants provided in the plant list.

**PLANT LIST**

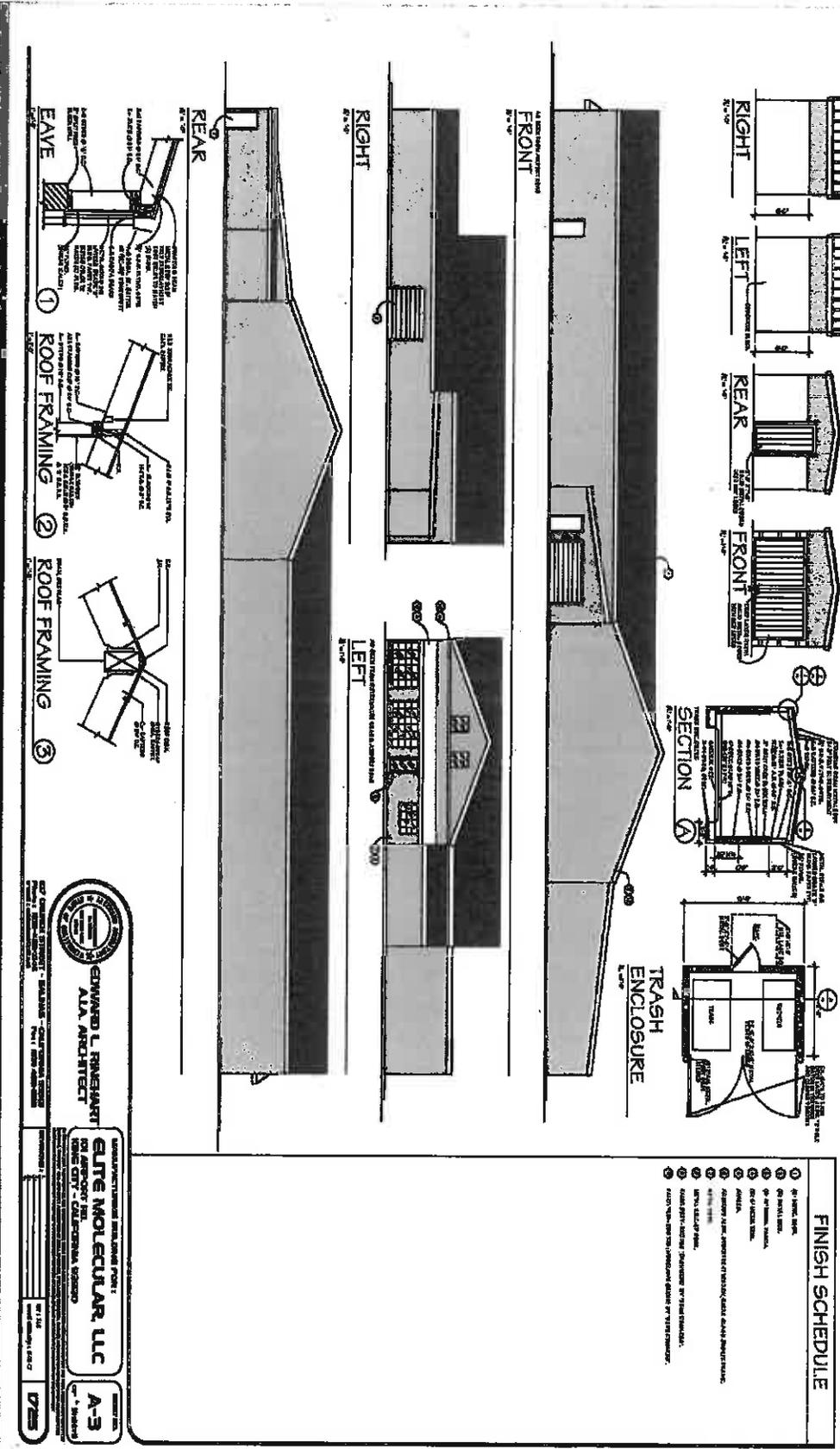
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- 7. [Symbol] [Plant Name]
- 8. [Symbol] [Plant Name]
- 9. [Symbol] [Plant Name]
- 10. [Symbol] [Plant Name]



EDWARD L. RENZI  
 AIA ARCHITECT

SUITE MOLECULAR, LLC  
 10000 SUITE MOLECULAR, LLC  
 10000 SUITE MOLECULAR, LLC  
 10000 SUITE MOLECULAR, LLC

DATE: 10/10/17  
 DRAWING NO: 17-0000

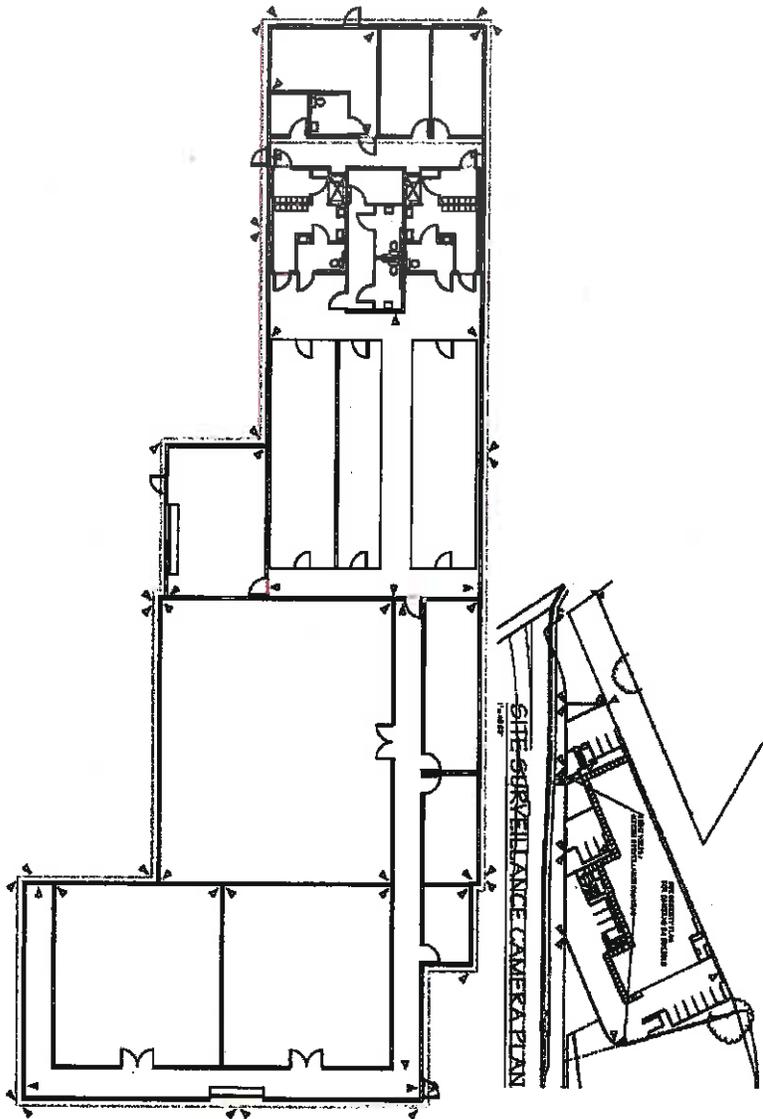


EDWARD L. RIVERMONT  
 AIA ARCHITECT

ELITE MOLECULAR, LLC  
 ARCHITECT

11/14/17

CUP 2017- 009  
EXHIBIT 6



**SECURITY PLAN**

- ROOMS
- ▲ ELEVATORS
- ▼ STAIRS
- SECURITY STATION
- SECURITY OFFICE

FOR OFFICIAL USE ONLY

EDWARD L. RINGBART  
ATA ARCHITECT

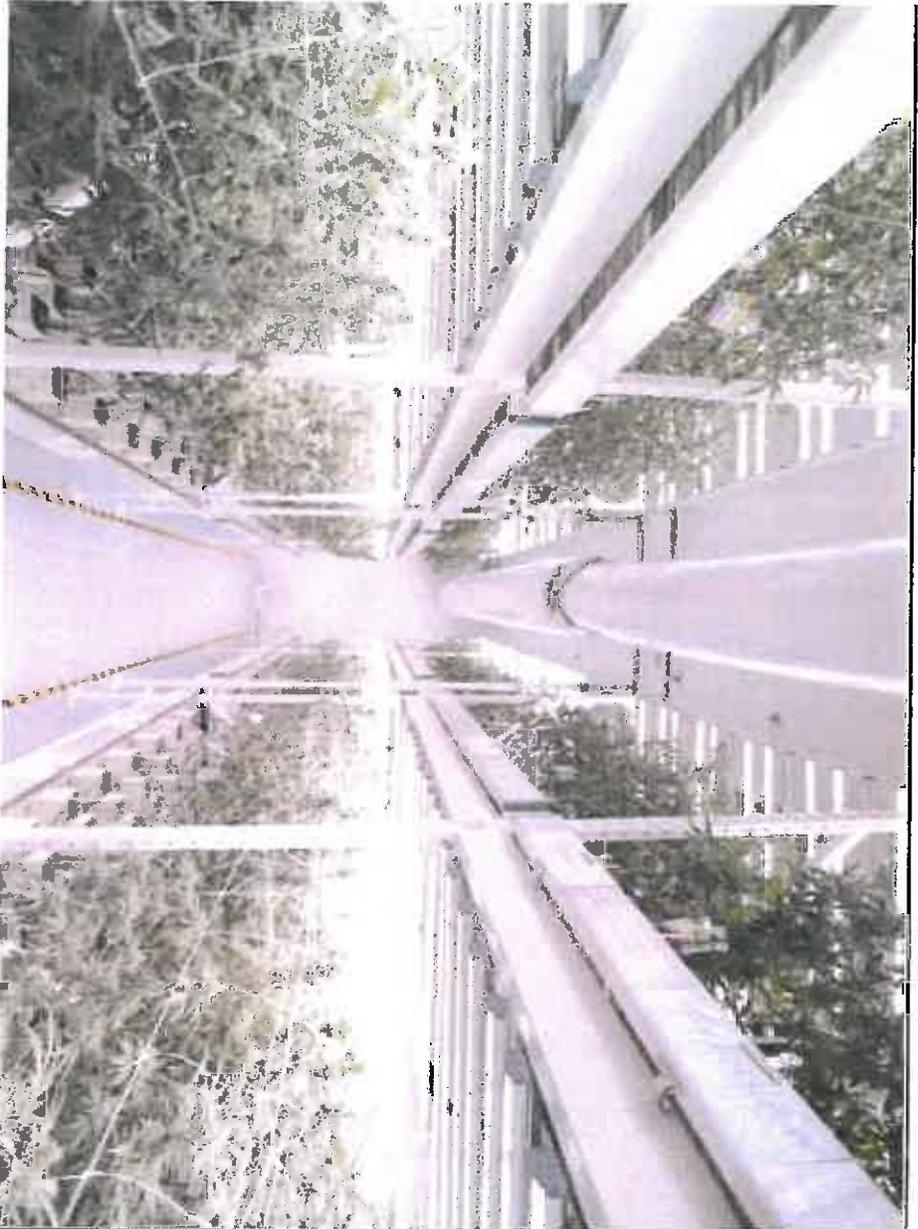
MANUFACTURING BUILDING PLAN 1  
IN ACCORDANCE WITH  
THE CITY OF CALIFORNIA

ELITE MOLECULAR, LLC  
SP-1

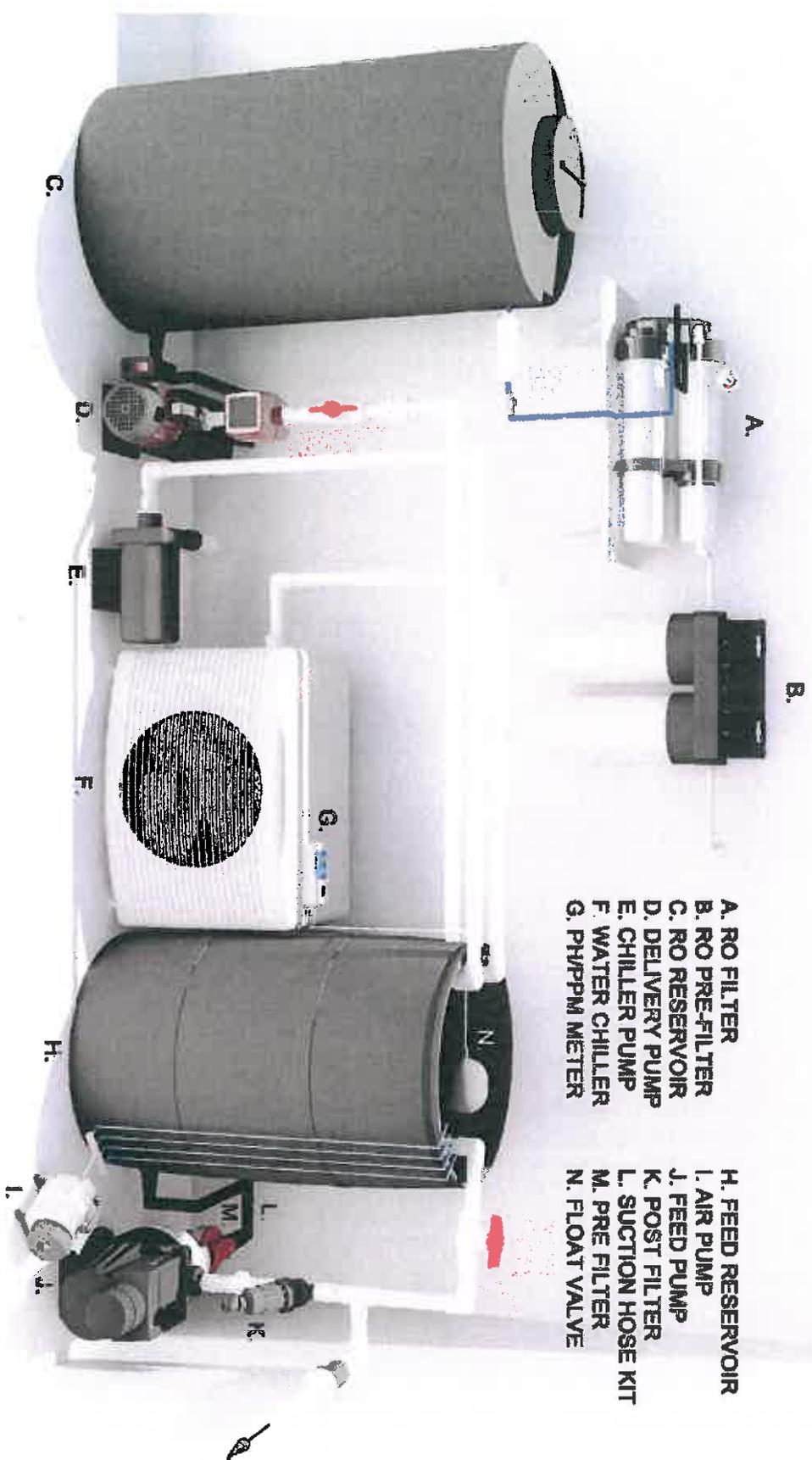
725

CUP 2017- 009

EXHIBIT 7



**Stacked Cultivation**



- A. RO FILTER
- B. RO PRE-FILTER
- C. RO RESERVOIR
- D. DELIVERY PUMP
- E. CHILLER PUMP
- F. WATER CHILLER
- G. PH/PPM METER
- H. FEED RESERVOIR
- I. AIR PUMP
- J. FEED PUMP
- K. POST FILTER
- L. SUCTION HOSE KIT
- M. PRE FILTER
- N. FLOAT VALVE

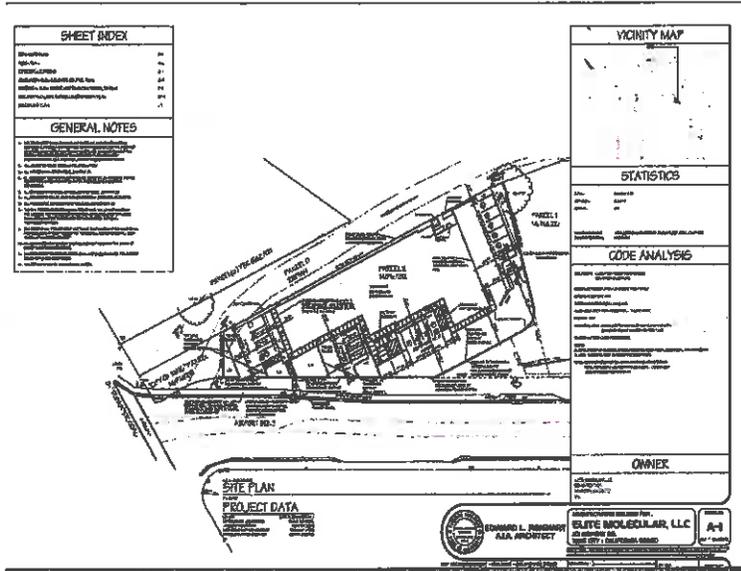
**FERTILIZATION and**



**EXHIBIT No. 8**

**Case Number: COA 2017 – 009  
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.

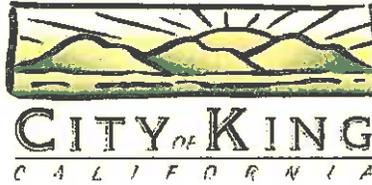
**PART A - PROJECT INFORMATION: ELITE MOLECULAR LLC.**

1. Assessor's Parcel No(s): 026-351-023)
2. Job Address: (No current address assigned; see diagram, above, for location)
3. Street Location: 101 Airport Drive
4. Existing Zoning: M-1 Light Industrial
5. Planned Land Use: General Plan: LI (Light Industrial);
6. Plan Area: Adjacent to ERBP SP
7. Project Description:

**PART B – GENERAL CONDITIONS AND REQUIREMENTS**

On September 27, 2016 the City Council approved Ordinances 2016- 728, 729 and 730, amending Municipal Section 17.03 of the Zoning Code 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.



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 §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 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. 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.

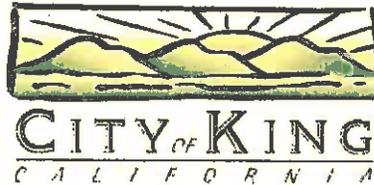
Approval of this use permit may become null and void in the event that development is not completed in accordance with all the conditions and requirements imposed on this use permit and the Zoning Ordinance. This use permit is granted, and the conditions imposed, based upon the Applicant Package provided 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](mailto:scottbruce11@gmail.com) if you have any questions regarding the conditions of approval (COA).

**COMMUNITY DEVELOPMENT DEPARTMENT :**

1. **Allowed Use:** Cannabis Cultivation (CA Type 3B), Nursery (CA Type 4), Manufacturing Level 2 (CA Type 7) and Transportation / Distribution (Type 11) uses are allowed.



2. **Interior Renovation and Exterior:** The existing structure is a metal structure, accessed from Airport Road at three locations. The existing materials will not change – roof skin and fascia will be metal with metal doors. Windows will be anodized aluminum with clear glass bronze frames. The colors to be used are Dunn Edwards: "Cashmere" DEC 758 with "Woodlawn Green" trim and awnings DEC 779. 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.

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 Section 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 Airport Road and facing Bitterwater Road 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. Screening material will be reviewed by Staff with a determination of condition / requirement for replacement of damaged areas to be presented to Planning Commission every three (3) years.

**BUILDING AND SAFETY DEPARTMENT:** (No application for 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:** Building will be improved with sprinklers.

**PUBLIC WORKS DEPARTMENT:** (The Applicant should contact Octavio Hurtado, Hanna & Brunetti 408-842-2173, [ohurtado@hannabrunetti.com](mailto: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) will be extended along the entire Airport Road frontage.
- 3 **Driveway Approach Revisions:** Sidewalk to be at 2% maximum cross fall per ADA requirements.



- 4 **Fencing:** The Applicant has indicated that fencing at the southwest corner of the site will accommodate the current geometrics of the travel way used by lot owners to the north as the access the access easement which lies to the west of this site. Prior to Building Permit approval the Applicant shall show to the satisfaction of City Engineer and City Attorney that an agreement has been executed which defines the conditions of travel way use among all lot owners / lessees using the easement as primary access to their site(s)
- 5 **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.
- 6 **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.
- 7 **Sanitary Sewer:** All interior runoff from irrigation and cleaning shall be directed to city sanitary sewer system.

#### **REGULATORY PERMIT:**

Renovations shall comply with and Operations be subject to full compliance with Section 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 City wide 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, CO<sub>2</sub> 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 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 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, CO<sub>2</sub> 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 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 Applicant and City of King. Results will be provided to Applicant, HdL and City of King Police Chief. Police Chief to verify.
- J. **Hours of Operation and Employees:** The Applicant has indicated that the facility will be in operation between the hours of 6am and 10pm. Two shifts of 8 to 16 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 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 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 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, Inc., 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. 2017-199

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF KING,  
APPROVING CONDITIONAL USE PERMIT CASE NO. CUP 2016-008

**WHEREAS**, on **September 7, 2017**, **Elite Molecular, LLC** submitted an application to allow Commercial Cannabis Uses: Cultivation (CA Type 3A); Nursery (CA Type 4) Manufacturing Level 2, (CA Type 7); Distribution and Transportation (CA Type 11) in an existing structure located at 101 Airport Drive

**WHEREAS**, on **September 26, 2017** a formal Letter of Completeness was provided.

**WHEREAS**, the proposed use is consistent with the General Plan and is allowed in the M-1 District with the approval of a Conditional Use Permit (**Ordinance 2016-745, August 22, 2017**);

**WHEREAS**, the proposed project conforms to the requirements of Section 17.03 of the City of King Zoning Code;

**WHEREAS**, an Initial Study and the resulting Mitigated Negative Declaration (MND) were prepared to address potential cumulative impacts of the **September 27, 2016** changes to the Zoning Code;

**WHEREAS**, the project has been evaluated in relation to the previously prepared MND. No potentially significant impacts have been identified; no endangered, rare or threatened species are present; approval of the proposed use will not result in significant impacts to traffic, noise, air quality or water; the site can be adequately served by all required utilities and services; none of the exceptions to the exemption under CEQA Guidelines §15300.2 are applicable; and, the Project is Categorically Exempt under CEQA §15332 (Infill Development),

**WHEREAS**, the Commission has reviewed the staff report, accepted public testimony, and considered all other relevant information during the duly noticed public hearing on **October 17, 2017**;

**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-1 District / neighborhood) and / or the City;

**WHEREAS**, the Commission makes the followings Findings of Facts:

1. The purpose of the proposed Commercial Cannabis Uses (Cultivate, Nursery, Manufacture and Distribution / Transportation) are 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 (LI) Light Industrial and the Uses and Standards of the Light Manufacturing (M-1) Zoning District.
3. The proposed use will be primarily contained within an existing structure that includes 10,492 sf of floor area on one floor.
4. The entire lot will be fenced – existing fencing will be improved and / or replaced, new screening will be installed and a wrought iron fenced will be placed along Airport Road. The Applicant has voluntarily determined to fence to the existing travel way which lies outside the existing access easement for lots to the north.
5. The existing lot will be accessed through three gates. New pavement and parking area will occur per the Application Package.
6. New landscaping will be installed per the Application Package.

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 Zoning Code section 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 **17th day of October, 2017** by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

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DAVID NUCK, CHAIRPERSON

ATTEST: \_\_\_\_\_

ERICA SONNE DEPUTY CITY CLERK for MARICRUZ AGUILAR-NAVARRO, ASSISTANT PLANNER /  
PLANNING COMMISSION SECRETARY



Item No. 7(G)

**REPORT TO THE PLANNING COMMISSION**

**DATE: JANUARY 19, 2018**

**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(a)18; PHASED OPERATIONS - 325 AIRPORT DRIVE (APN 026-351-016)**

**RECOMMENDATION:**

Staff recommends the Planning Commission 1) review Conditional Use Permit Amendment, 2) receive public comment; and 3) provide Staff with comment and direction; and (4) continue action on the Amendment (Conditional Use Permit 2017-010(a)18) to February 6, 2018.

**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).

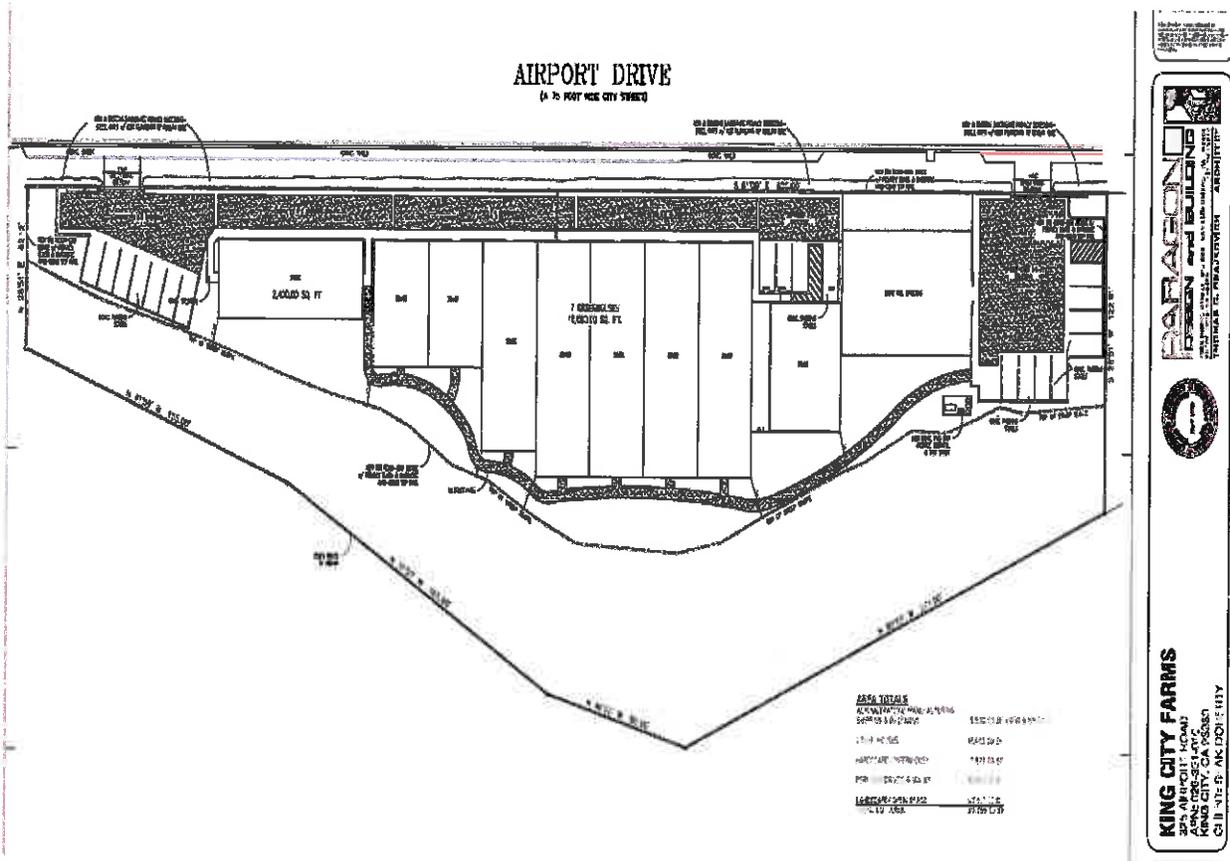
On December 06, 2017, the Planning Commission approved CUP 2017-010 which allowed Cannabis Cultivation (CA Type 3B), Nursery (CA Type 4), Level Two Manufacturing (CA Type 7) and Distribution (CA Type 11) on this site.

On December 18, 2017 the City issued Operations Permits for the above noted uses.

CUP 2017-010 has been approved 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.

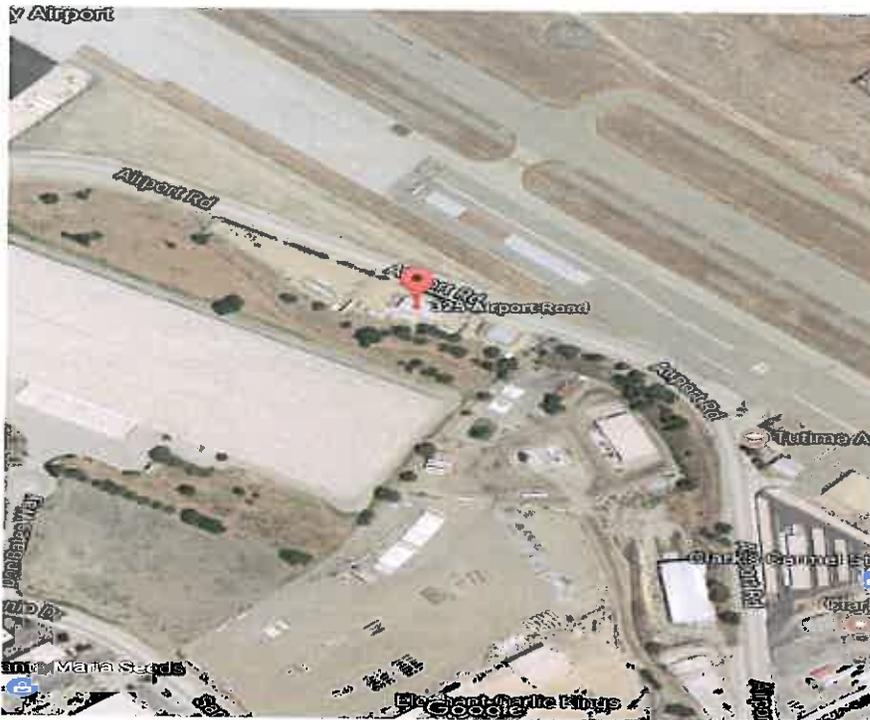
**DISCUSSION:**



**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)
- To the east is Industrial Use
- To the west is Industrial Use



The developable portion of the site is partially developed and generally flat. The southern portion of the site is unusable, sloping steeply to the south. Site access will be from two locations along Airport Drive. The site has been approved for new structures for Nursery (CA Type 4) and Cannabis Cultivation, compliant with future State License 3B (indoor, mixed light). While total allowed

plant canopy space under a future 3B license is limited to 22,000 sf, additional allowed activities include: harvesting, drying, curing and trimming of cannabis. The site is also approved for Manufacturing (Level 2, CA Type 7) and Distribution in the existing 3,500 structure which will be expanded by approximately 2,000 sf.

The on-site Manufacturing process will include the preparation of extracts for uses in tinctures, edibles topicals and vape cartridges using water, ethanol, butane, carbon dioxide and other consumer safe solvents. On site processing of raw materials from others may occur.

The Distribution / Transportation Operation will provide secure transportation services bringing product to these sites and providing it to other California licensed / permitted businesses.

#### Site Plan:

Because of topographic configuration only a portion of this site is usable. The CUP Plan Set Package indicated that a new 16,800 structure would be built to house Cannabis Cultivation Operations with a 2,400sf mixed light Nursery. Level 2 Manufacturing and Distribution will be housed in the existing 3,535 sf structure. The structure will be 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

***The Current Amendment proposes temporary options that create a phased path to Distribution and Manufacturing Operations. The Phased Development proposal is as follows:***

- *Locate one secure shipping container (40' length) inside the existing structure to house C1D1 manufacturing pods*
- *Locate one 9' x 20' pod inside the existing structure to store product manufactured on site*
- *Locate one 9' x 20' pod inside the existing structure to store product being distributed*
- *Locate a temporary modular unit on the existing pad to be used as Administrative office*

***No revisions to previously approved improvements to the structure and / or the site at buildout will occur. To address this proposal a limited number of amendments/ additions to the Conditions of Approval have been prepared. These amendments do not impact the ultimate result of the currently approved CUP.***

**CUP Information: See Exhibit 9 for Staff Reports giving Baseline information, from CUP 2017-010 and 010(a)18. Please refer to Exhibit 8 for DRAFT Conditions of Approval related to this request.**

**Architecture:**

This Amendment does not impact size, height, color, setbacks or number of buildings. **See previous CUP Staff Report** for photos of the existing site structure and for colors and materials. This Amendment proposes use within the existing structure and within a temporary modular space located on the existing concrete pad at the southwest corner of the site.

**Site Plan:**

As noted above, this Amendment proposes Phase 1 Development which places modular containers / pods in the existing structure and places a temporary modular office on the existing pad. **Exhibit 1** shows the Site Plan from the original CUP. **Exhibit 2** shows proposed Phase 1 development.

**Floor Plan and Interior Uses:**

This Amendment proposes that a shipping container be located in the southwest portion of the existing structure. The proposed use impacts the location of the southernmost manufacturing lab proposed by the original CUP. A phased construction plan must be approved by the Building Official for safety during construction and an Interim Security Plan must be approved by HdL.

Please refer to **Exhibit 3** for floor plan / internal uses of the Manufacturing and Distribution operations in the existing / expanded structure at buildout.

**Landscape:**

The site at buildout will be landscaped per plans as submitted. Drainage plans and SWPPP are being prepared and will be approved per the conditions of the CUP. A plan for Landscaping Phase 1 will be required. It is understood that future construction and landscaping must be coordinated. **See Exhibit 6** for the Landscape concept as approved with the original CUP.

**Grading:**

The grading concept does not change. Phase 1 uses do not require revision to the existing condition.

**Access, Parking, Paving:**

Access and parking at build out will not change. The interim uses in the existing structure will be accessed from the existing gate in the south, the modular unit will impact some of the spaces that will be constructed for buildout. Given the number of spaces shown in this concept a maximum of 6 employees per shift can be accommodated. Parking will be located in the existing parking area. **See Exhibit 2**

**Signage:**

The signage program will not change. Signage per the approved CUP must be installed prior to beginning Operations.

**Security:**

The Security Program will be as approved in concept at the CUP hearing. A detailed program for this Phase (including cameras and lighting locations) must be prepared and will be subject to HdL review / approval. A security program, approved by HdL, will be required for the Interim – cultivation uses / greenhouses are not part of the interim uses.

**Fencing:**

The applicant is requesting that they be able to revise the previous fencing program along Airport Drive, requiring split faced block along the entire length. The proposed fencing / screening program would combine the use of landscaping, an alternative material for the

panels and split faced block pilasters. Height will remain at eight feet. Fencing will be in place prior to beginning of Phase 1 operations.

**Exterior Lighting:**

Lighting at buildout will not change. An interim lighting program must be approved by HdL prior to Operations. This interim program should address the existing structure and the area of the proposed modular unit.

**Cameras:** Security cameras at buildout will not change – the final camera plans are being prepared and will be reviewed / approved by HdL. For this Phase a concept camera plan has been prepared. It will be submitted to HdL, for review and approval and will be provided to the Chief of Police for his comment.

**See Exhibit 5.**

**Solid Waste:**

This amendment does not impact ultimate solid waste production in quantity or makeup at buildout nor does it affect the location of the trash enclosure. For this Phase, the trash enclosure should be located in the permanent location.

**See Original Site Plan Exhibit 1.**

**Water:** The amendment does increase water use or impact it in a way not include in the previous evaluation. The existing structure is served.

**Sanitary Sewer:** The amendment does increase water use or impact it in a way not include in the previous evaluation. The existing structure is served.

**Power.** The amendment does increase power use or impact it in a way not include in the previous evaluation. The applicant indicates that existing power to the site will be sufficient for proposed Phase 1 operations.

**Volatile Substances:**

Storage safety and use processes will not be impacted. Quantities, storage, use and disposal of solvents related to Phase 1 Manufacturing will be approved by Fire prior to beginning Operations.

**Regulatory Permit Related Information:**

King City Farms seeks to accelerate the process to begin those Operations / Uses that were approved by CUP 2017-010. On December 18, 2017 Conditioned Operations Permits were issued for Cultivation, Nursery, Manufacturing and Distribution uses. Phase 1 operations are proposed to include Manufacturing and Distribution uses in the existing structure with office space in a modular unit on an existing concrete pad.

**Employee Traffic:**

Employee Traffic at buildout will not be impacted. Phase 1 employees are limited to 6 per shift based on the parking concept as submitted.

**Shipping and Transport:**

This amendment does not impact procedures or quantity of product in / product out at buildout. Phase 1 quantities will fall within those estimates established during CUP review.

**Odor Control:**

This Amendment does not impact the approved Odor Control Program. In Phase 1, Interim Odor Control requirements, per Municipal Code remain. Distribution Operations are anticipated to produce minimal odor. Odor associated with the proposed level of Manufacturing should be clearly identified and addressed.

**Volatile Substances:**

This Amendment does not impact storage of or processing with volatiles. Quantities, storage, use and disposal of solvents related to Interim Manufacturing use will be approved by Fire prior to beginning Operations.

**Security:**

An armed guard will be on site at all a times. Visitor and Operations protocols will not change. The physical and product tracking / transference Security Program has not yet been finalized and approved by HdL. A Security program for Phase 1 will be required and approved by HdL prior to beginning operations. The plan will be provided to the Chief of Police for his review.

**Employee Vetting:**

No person under 21 years of age will be employed on this site. The employee vetting process (as described in the CUP) is being finalized at this time and the approved process will be used to vette Phase one employees.

**Employee Training:**

This Amendment does not impact employee training procedures.

**Product Diversion and Inventory Control:**

This Amendment will use product diversion prevention as addressed by the previous approval. Product diversion control will be as approved by HdL.

**Quality Control:** This Amendment will use control procedures as addressed by the previous approval.

**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 City requires that the Applicant the City's required Indemnification Agreement prior to beginning Operations.

**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. Ordinances 2017-745 and 746 amended the Municipal Code to allow CA Type 7 Manufacturing and CA Type 11 Distribution.

Staff conducted an Initial Study related to CUP 2017-010 and to be within the scope of the prior analysis by the MND. At the public hearing of December 05, 2017, the Planning Commission adopted a Finding of Consistency as recommended per CEQA Guidelines Section 15162 and as noticed for Public Review. This proposed Amendment is within the scope of that review.

**ALTERNATIVES:**

1. Hear the item, invite public comment
2. Discuss, provide direction to Staff and continue action to February 06, 2018.
3. Approve the item as presented.
4. 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.
5. Provide alternative direction to Staff.

**EXHIBITS:**

1. Site Plan – Original CUP
2. Site Plan – Phase 1
3. Floor Plan – Phase 1
4. Modular Unit and Modular Office Examples
5. Concept Camera Locations
6. Landscape Plans – Original CUP
7. Distribution Operations Description
8. DRAFT Conditions of Approval
9. Previous Staff Reports

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

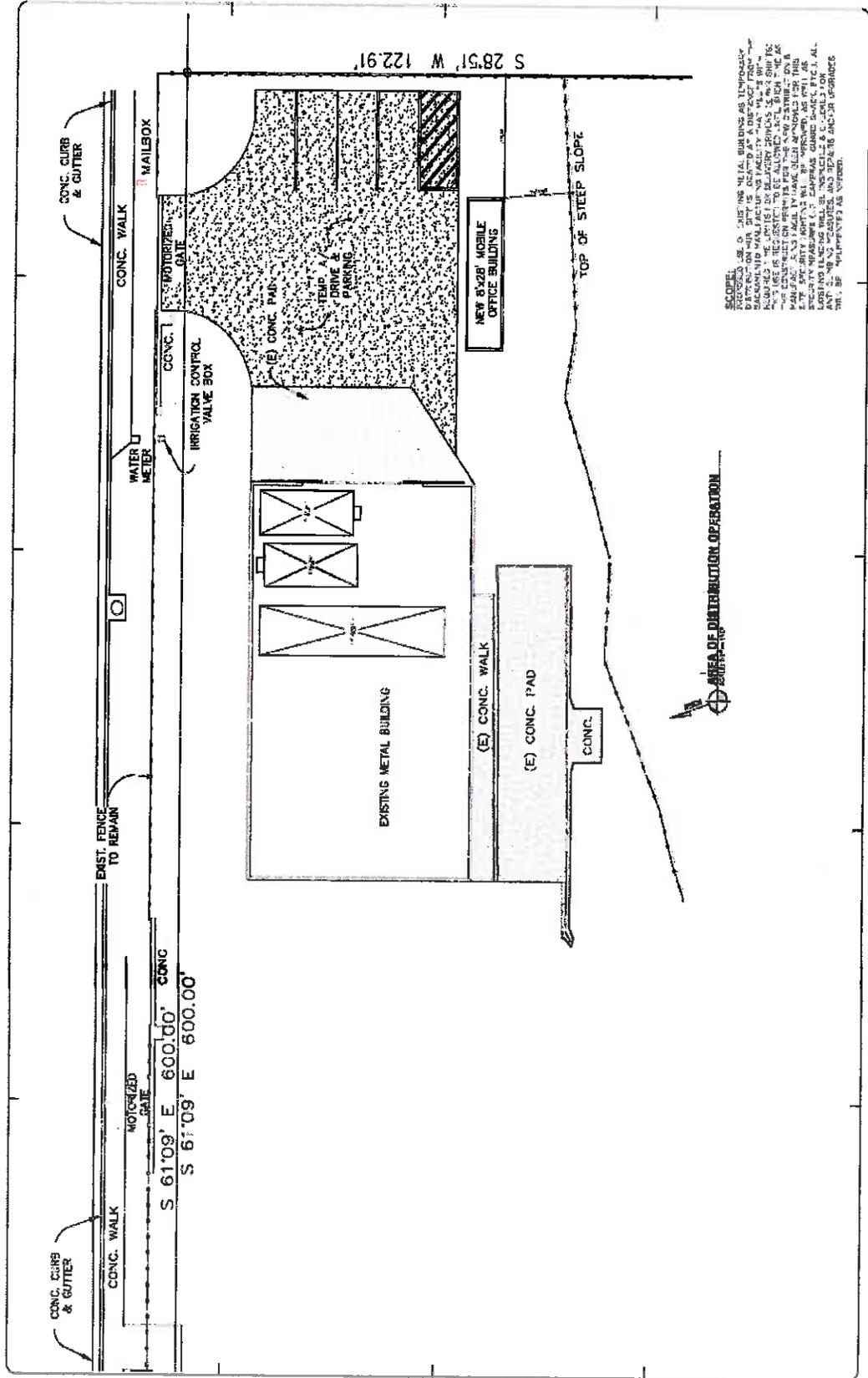
Submitted by: Ed for Scott Bruce  
SCOTT BRUCE, PRINCIPAL PLANNER

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





CUP 2017-010(a)18  
 EXHIBIT 2: PHASE 1 SITE PLAN



DATE	BY



**PARASOUND DESIGN AND BUILDING ARCHITECT**  
 THOMAS S. BRACKMAN  
 1000 W. COLTON AVE. SUITE 100  
 SAN JOSE, CA 95128  
 TEL: (415) 435-1111  
 FAX: (415) 435-1112  
 WWW.PARASOUND.COM



**KING CITY FARMS**  
 325 AIRPORT ROAD  
 APR-02-2018  
 KING CITY, CALIFORNIA  
 CLIENT: SEAN COLEBY

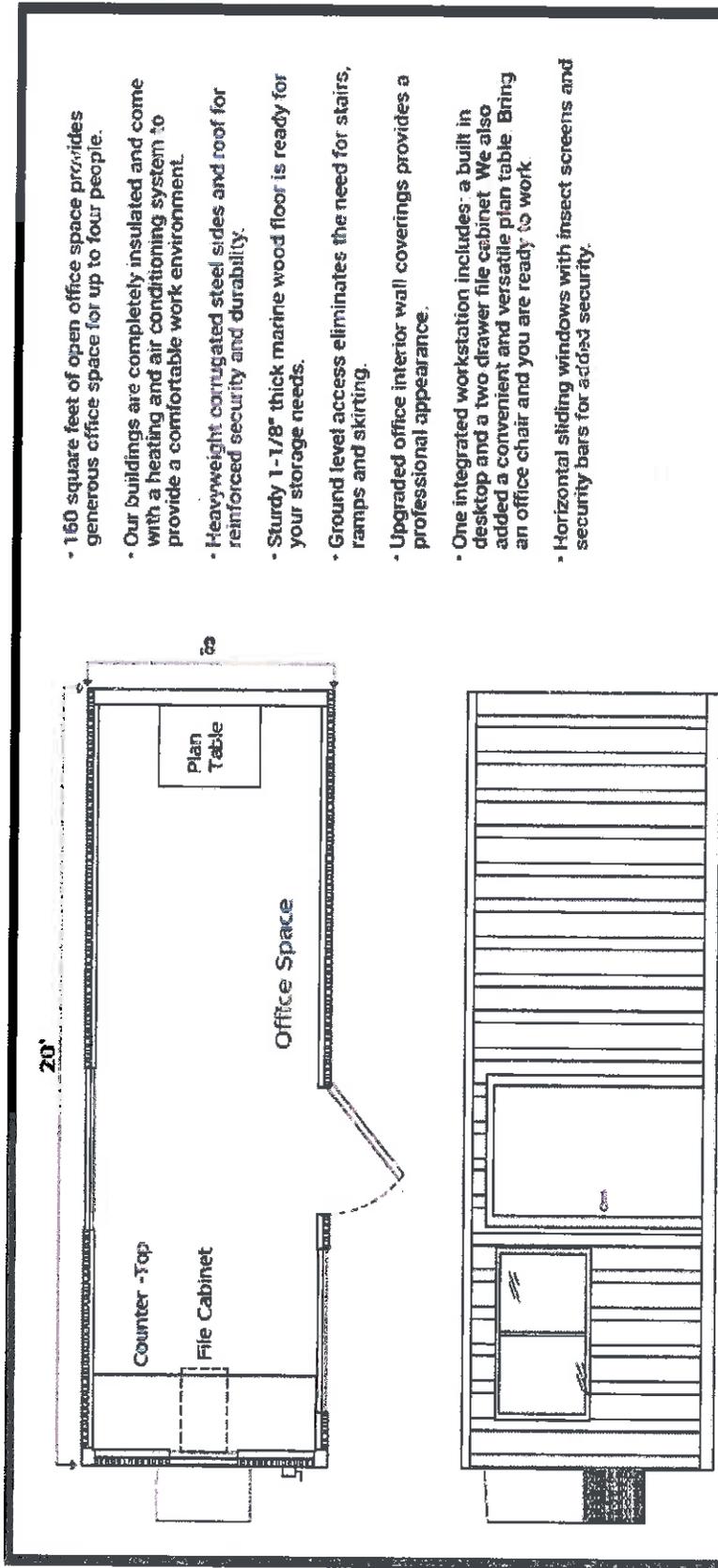
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**SCOPE:**  
 PROVIDE A SET OF METAL BUILDING AND TEMPORARY  
 OFFICE BUILDING PLANS AS SHOWN ON A DISTANCE FROM  
 PARASOUND'S DESIGN AND BUILDING ARCHITECT'S  
 DRAWINGS. THE APPLICABLE REGULATORY AGENCIES SHALL  
 BE RESPONSIBLE FOR OBTAINING ALL NECESSARY  
 PERMITS AND APPROVALS. PARASOUND SHALL NOT BE  
 RESPONSIBLE FOR OBTAINING ANY PERMITS OR  
 APPROVALS. PARASOUND SHALL NOT BE RESPONSIBLE FOR  
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 FOR OBTAINING ANY PERMITS OR APPROVALS.



CUP 2017-010(a)18

EXHIBIT 4: MODULAR EXAMPLES



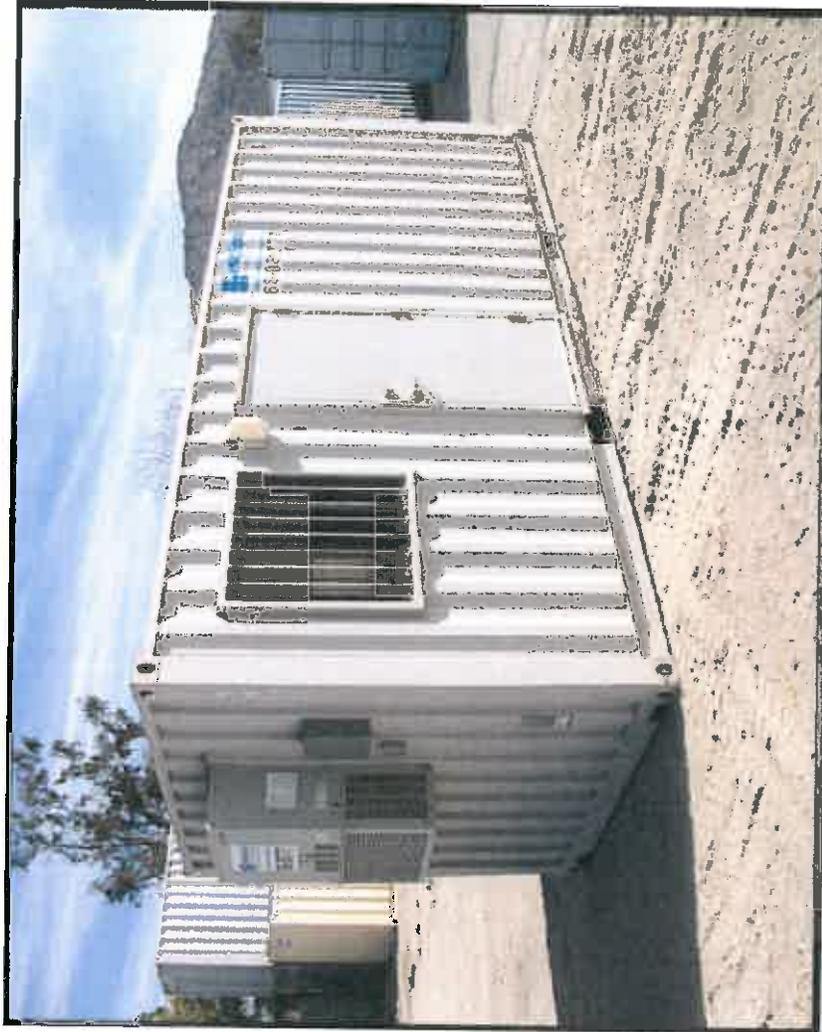
- 160 square feet of open office space provides generous office space for up to four people.
- Our buildings are completely insulated and come with a heating and air conditioning system to provide a comfortable work environment.
- Heavyweight corrugated steel sides and roof for reinforced security and durability.
- Sturdy 1-1/8" thick marine wood floor is ready for your storage needs.
- Ground level access eliminates the need for stairs, ramps and skirting.
- Upgraded office interior wall coverings provides a professional appearance.
- One integrated workstation includes: a built in desktop and a two drawer file cabinet. We also added a convenient and versatile plan table. Bring an office chair and you are ready to work.
- Horizontal sliding windows with insect screens and security bars for added security.

Note: Dimensions, and door & window locations shown are nominal. Actual dimensions, layout, and roof slope may vary depending on model or model year selected.

Your Local Sales Professional  
**Brad W. Fallentine**  
 Office: (559) 233-5598  
 Cell: (559) 832-1626

**8' x 20' Ground Level Office**  
 Delivered ready to use "On-Time and On-Budget"





*Your Local Sales Professional*

**Brad W. Fallentine**

Office: (559) 233-5596

Cell: (559) 832-1626

**8' x 20' Ground Level Office**  
Delivered ready to use "On-Time and On-Budget"

**Design Space**  
MODULAR BUILDINGS  
*From Water to Waste | On Time and On Budget*



Your Local Sales Professional

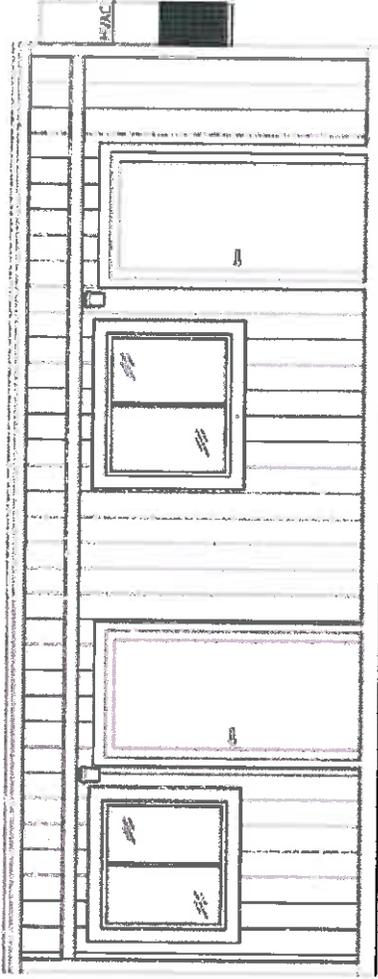
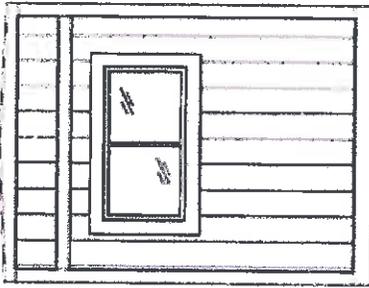
**Brad W. Fallentine**

Office: (559) 233-5596

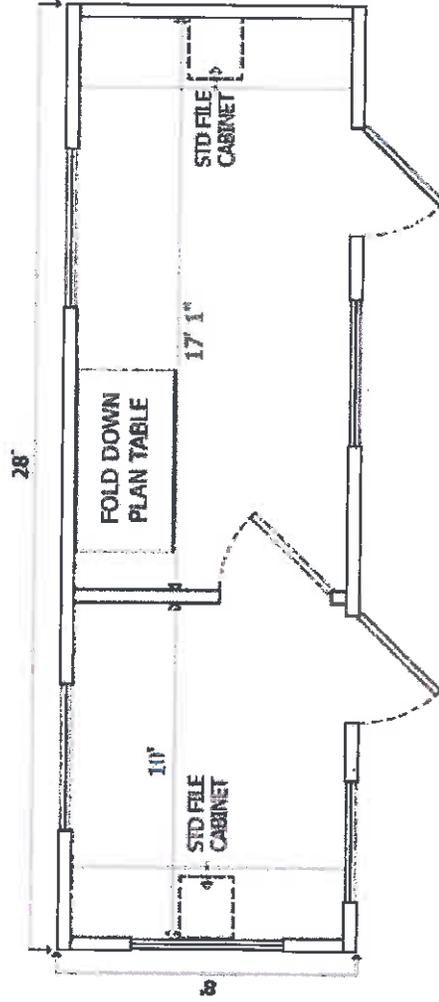
Cell: (559) 832-1626

**8' x 28' Mobile Office Building**  
Delivered ready to use "On-Time and On-Budget"

**Design Space**  
MODULAR BUILDINGS  
From Vision to Reality | On Time and On Budget



- 224 square feet of office space with one private office and a spacious open area with space for up to four people.
- Two integrated work stations with desktop and file cabinets as well as one plan table.
- Our buildings are completely insulated and come with a heating and air conditioning system for a comfortable work environment.
- Vinyl floors offer a near maintenance free office building
- Upgraded interior wall coverings & decorative wood siding for a professional appearance.



Note: Dimensions, and door & window locations shown are nominal. Actual dimensions, layout, and roof slope may vary depending on model or model year selected.

Your Local Sales Professional

**Brad W. Fallentine**

Office: (559) 232-5895

Cell: (559) 832-1828

**8' x 28' Mobile Office Building**  
 Delivered ready to use "On-Time and On-Budget"

**Design Space**  
 MODULAR BUILDINGS  
*From Values to Reality | On Time and On Budget*





CUP 2017-010(a)18

**EXHIBIT 7: DISTRIBUTION OPERATIONS**

**MEMORANDUM**

**12.15.17**

**TO:** *Scott Bruce, Senior Planner, King City Planning Department*

**FROM:** **Brandon Gesicki, Capitol Consulting**

**RE:** **PHASE 1 - DISTRIBUTION AT KING CITY FARMS (325 AIRPORT ROAD)**

**KING CITY FARMS DISTRIBUTION PROCESS DESCRIBED:**

Taking title of cannabis products through direct procurement from producers (i.e. cultivators or manufacturers) and trying to make a profit through a mark-up, as part of a resale price to manufacturers and retailers, is not part of the King City Farms business model.

We simply take possession of the goods and offer brokering (sales & marketing), compliance, warehousing & transportation, quality assurance & testing, and tax collection services; with the aim of properly remunerating cultivators for their product while leaving a fair and healthy profit margin for all the other actors across the Supply Chain.

King City Farms work with a 2-Tier testing process – First, we collect sample products for a pre-test to support the sales and marketing process. After a Sales Order has been placed, we then pick up the entire product batch and transport it to the Distribution Center (DC) for a required second and final official/legal test with independent samples selection conducted by a QA Lab Agent; which must be successfully passed before the product can be transported from the DC to the buyer's site.

For simplification purposes, we will now refer to “King City Farms” as the “Distributor”.

**Samples:** Once a sample product is successfully/satisfactorily pre-tested, the Distributor's Agent picks up the sample product(s) at the production site. The barcoded product is scanned, data is processed and inputted into the Track & Trace (T&T) system (Metric), and a specific Transport Manifest version (within Metric) for Samples transportation is created (both electronically in the T&T System and in paper form to be kept in the transport vehicle). An accurate count/reconciliation is always performed between the physical product loaded onto the vehicle and the product listed in the Transport Manifest before the driver can move the product. The product is placed in sealed containers secured to the inside of the vehicle (i.e. totes) by product type with a barcode attached to the container, together with the seal, and consistent with the individual packages' barcodes placed inside the container. The driver transports the sample product to the DC, where it is rescanned, unloaded from the vehicle, and placed separately and distinctly in a specific warehouse location. The scanned data are processed in the Warehouse Management/Inventory System and the barcode data are updated with the specific storage unit location details within the warehouse space. The properly labelled product is stored in a climatized storage space maintained within the legally required temperature and humidity limits (i.e. Refrigeration between 35F and 42F and Humidity no more than 60%) with no direct exposure to sunlight. The product is kept at the DC for showcasing to prospective buyers who may visit the DC (Showroom). If a Distributor's Agent picks up a sample from the DC for showing to a prospective buyer's site, the entire cycle of scanning, vehicle load, transport manifest, return to DC, vehicle offload and inventory reload is repeated.

**NB:** Unless the sample product has already been independently and successfully pre-tested by the producer, the Distributor's Agent performs the entire cycle of scanning, vehicle load, and transport manifest creation with a QA Lab location destination in the first place.

**Final Product (Licensed Production Site to DC):** After a Sales Order is placed with a buyer and processed in the Distributor's system, the buyer deposits the purchase transaction funds into an e-wallet account and the Distributor's Agent then proceeds with picking up the final product(s) at the production site. The barcoded product is scanned, data is processed into the T&T system (Metric), and a Transport Manifest (within Metric) is created (both electronically in the T&T System and in paper form to be kept in the vehicle). An accurate count/reconciliation is always performed between the physical product loaded onto the vehicle and the product listed in the Transport Manifest before the driver can move the product. The product is placed in sealed containers secured to the inside of the vehicle (i.e. totes) by product type with a barcode attached to the container,

together with the seal, and consistent with the individual packages' barcodes placed inside the container. The driver transports the product to the DC, where it is rescanned, unloaded from the vehicle, and placed separately and distinctly in a specific warehouse location. The scanned data is processed in the Warehouse Management/Inventory System and the barcode data is updated with the specific storage unit location details within the warehouse space. The properly labelled product is stored in a climatized storage space maintained within the legally required temperature and humidity limits (i.e. Refrigeration between 35F and 42F and Humidity no more than 60%) with no direct exposure to sunlight.

The Distributor also performs bi-weekly Inventory Reconciliations and maintains an Inventory Log in the T&T system containing the product owner's data, the storage area date of entry, the product data (i.e. unique identifiers, product description, weight or quantity), the product physical transfer data/documentation (i.e. bills of lading and warehouse receipts), and the storage location and condition details.

If material discrepancies are detected, the Distributor engages the competent Authorities via the T&T system in a full Audit in order to resolve the Inventory Reconciliation differences.

**Final Product (Testing):** After taking physical possession of the product, a Distributor's Agent contacts a QA Lab and arranges for a Lab Agent to come to the DC to select random samples for testing. Or, alternatively, a Distributor's Agent can transport the entire batch to the Lab. A Distributor's Agent must be present to observe the samples selection without interfering; and after selection, both parties must sign a document attesting to the selection. Following the testing samples selection, the Lab Agent then transports the samples back to the Lab and the entire product batch is kept at the DC to await the test results. A typical Lab SLA ranges between 2 to 3 days in order to obtain the test results. Only after a batch has successfully passed testing will the product(s) be cleared for transportation to the buyer's premises. If testing should fail, the batch has to be ordered for destruction unless it can be remediated (i.e. manufacturing can constitute a remediation option for flower testing failures) and the Distributor must report the destruction data into the T&T system. When a Pass Certificate is received (both in paper form and electronically via data interfaced through API from the Lab system into the Distribution system, where they are added to the Product Label data), before transporting, a Distributor's Agent must complete a Quality-Assurance Review and ensure that the Certificate matches the batch, the Label is fully consistent with the Certificate of Analysis, the Packaging complies with the law and is tamperproof.

the Weight or Count matches the data in the T&T system, and all Quality Testing events have been entered into the T&T system.

**Final Product (DC to Licensed Buyer's Site):** After testing is successfully passed and Quality Assurance has been completed, the Distributor's Agent picks up the final product(s) at the DC site. The barcoded product is scanned, data is processed into the T&T system (Metric), and a Transport Manifest (within Metric) is created (both electronically in the T&T System and in paper form to be kept in the vehicle). A set of Manifest electronic data is also transmitted to the buyer via the Metric system. An accurate count/reconciliation will be performed between the physical product loaded onto the vehicle and the product listed in the Transport Manifest, before the driver can move the product. The product is placed in sealed containers secured to the inside of the vehicle (i.e. totes) by product type with a barcode attached to the container, together with the seal, and consistent with the individual packages' barcodes placed inside the container. The driver transports the product to the buyer's site, where it is unloaded from the vehicle and Quality inspected. If the buyer successfully performs the Quality inspection, the Product is then rescanned, and data is uploaded into the buyer's Inventory System via API. The successful product inspection and buyer's approval also triggers the e-wallet payment transfer, invoice production, and invoice to payment matching. All financial transactions data are transferred to the Distributor accounting system, together with the e-wallet funds disbursement split between the Producer/Seller (products purchasing price), Distributor (distribution and brokering commission fees) and State (Taxes: see Tax section, i.e. Excise Tax).

Overall, the Distributor maintains the following Data types in the T&T system across the entire end-to-end transactional spectrum:

- Seller and Buyers (Cultivator, Manufacturer and Retailer) details
- Product (i.e. type, weight or count) and Unique Identifiers data
- Transaction date and time
- Contracts and product title holding and transfer details
- Quality Testing Data
- Cultivation and Excise Tax Billing, Collection and Payment data
- Product Sale, Shipment, Transportation, Receipt, Return and Destruction data/documentation
  - Specifically, Transport Manifests (for testing, sampling, sale or destruction) generated through the T&T system include:
    - Product (i.e. type, weight or count) and Unique Identifiers data
    - Transaction date and time

- Name, license number, and premises address of the originating licensee
  - Name, license number, and premises address of the transportation licensee
  - Name, licensee number, and premises address of the destination licensee
  - Date and time of departure
  - Arrival date and estimated time of arrival
  - Driver's license number and the make, model, and license plate number of the vehicle used for transport
- o Every key step of the "Pick-up – Move – Receive" transportation cycle is recorded in the T&T system, physical products and Transport Manifests are kept cross-checked and reconciled from origin to destination, and any discrepancies and error corrections are entered in the T&T system.

**Cultivation and Excise Taxes Collection, Tax Returns and Payment:** After a Sales Order for flower or flower bi-products (i.e. trim) is placed with a buyer (i.e. Dispensary), the Distributor takes physical possession of the product and transports it to the DC and initiates the QA Lab testing process. Once testing is passed and the product is Quality Assured, and before it can move any further steps down the Supply Chain, the product technically enters the commercial market and the Cultivation Tax becomes due. Before the product is transported to the buyer's site, the Distributor bills for and collects the Cultivation Tax from the Cultivator (\$9.25 per dry-weight ounce of cannabis flowers and \$2.75 per dry-weight ounce of cannabis leaves). Once the product is transported to the buyer's site (i.e. Dispensary) and the product delivery is accepted, the Distributor bills the buyer for the Excise Tax (wholesale price + ODTEA's mark-up x 15%) and then has 90 days to collect said Tax.

When flower or flower bi-products are sold to a manufacturer for extraction, once testing and quality assurance steps have been successfully taken by the Distributor at the DC (and before the product can be transported to the manufacturing site), the Distributor ensures that a cultivation tax bill is produced by the manufacturer and sent to the cultivator; and, that the cultivator pays the cultivation tax (\$9.25 per dry-weight ounce of cannabis flowers and \$2.75 per dry-weight ounce of cannabis leaves) to the manufacturer, who then holds the tax funds until the product is extracted and enters the commercial market.

After a Sales Order is placed for the manufactured product produced from and linked to the barcodes of the original flower or flower bi-products, the Distributor takes physical possession of the product, transports it to the DC, and initiates the QA Lab testing process. Once testing is passed and the product is Quality Assured, the Distributor bills the manufacturer for and collects the cultivation tax originally paid by the cultivator to the manufacturer. Once the product is transported to the buyer's site (i.e. Dispensary) and the product delivery is accepted, the Distributor bills the buyer for the Excise Tax (manufactured product wholesale price + CDTFA's mark-up x 15%) and then has 90 days to collect said Tax.

The Distributor files the Sales and Use Tax and Cannabis Tax Returns on a Monthly Reporting Basis. Returns and Payments are due at the end of the month for the Cultivation and Excise Taxes collected during the previous month.

NB: Although a Distributor, who does not take title of the product, generally does not have to pay a Sales Tax (unless for "Use", which can constitute an exception), the Distributor must still register for a Seller's Permit and a Cannabis Tax Permit. The Distributor also has to ensure and maintain that the Retailer or the Manufacturer always provides a Resale Certificate; and in turn a copy is always given to the Cultivator or the Manufacturer.

**EXHIBIT 8**  
**DRAFT COA's : ITEMS TO BE COVERED**  
**CUP 2017-010(a)18**  
**PHASE 1**

Conditions of Approval from CUP 2017-010 will be reviewed. Because this Phase 1 request occurs primarily inside the structure, changes to the COA's will be minimal. However, construction phasing must be taken into account.

Also, a separate Security and Operations Plan must be approved by HdL.

**Items to be covered include but are not limited to:**

- **Fencing:** Fencing as required by original CUP will be required prior to Phase 1 Operations
- **Lighting and Cameras:** A Phase 1 plan will be required
- **Solid Waste:** Phase 1 places a modular unit near the location of the ultimate Dumpster site. Note that this site may be revised by HdL for security purposes. Phase 1 dumpster location must be addressed.
- **Right of Way Improvements:** All improvements required by CUP 2017-010 must commence prior to Phase 1 Operations.
- **Parking / Paving:** Phase 1 Operations impact the ultimate parking plan. A plan coordinating parking and paving must be prepared.
- **Landscaping:** A Phase 1 landscaping plan must be prepared – taking into account future construction. Landscaping must commence prior to Phase 1 Operations.
- **Operations / Construction Coordination:** A time frame for Phase 1 Operations, a plan for construction of the permanent building(s) while Phase 1 Operations are in place and a plan for removing Phase 1 uses / completing approved Site Plan shall be provided
- **Performance Bond:**  
All HdL approvals specific to this Phase shall be in place prior to beginning Operations.  
A Performance Bond or Letter of Credit, in the amount of \$ XXX, to the satisfaction of the City Attorney and City Manager, shall be provided.



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:**

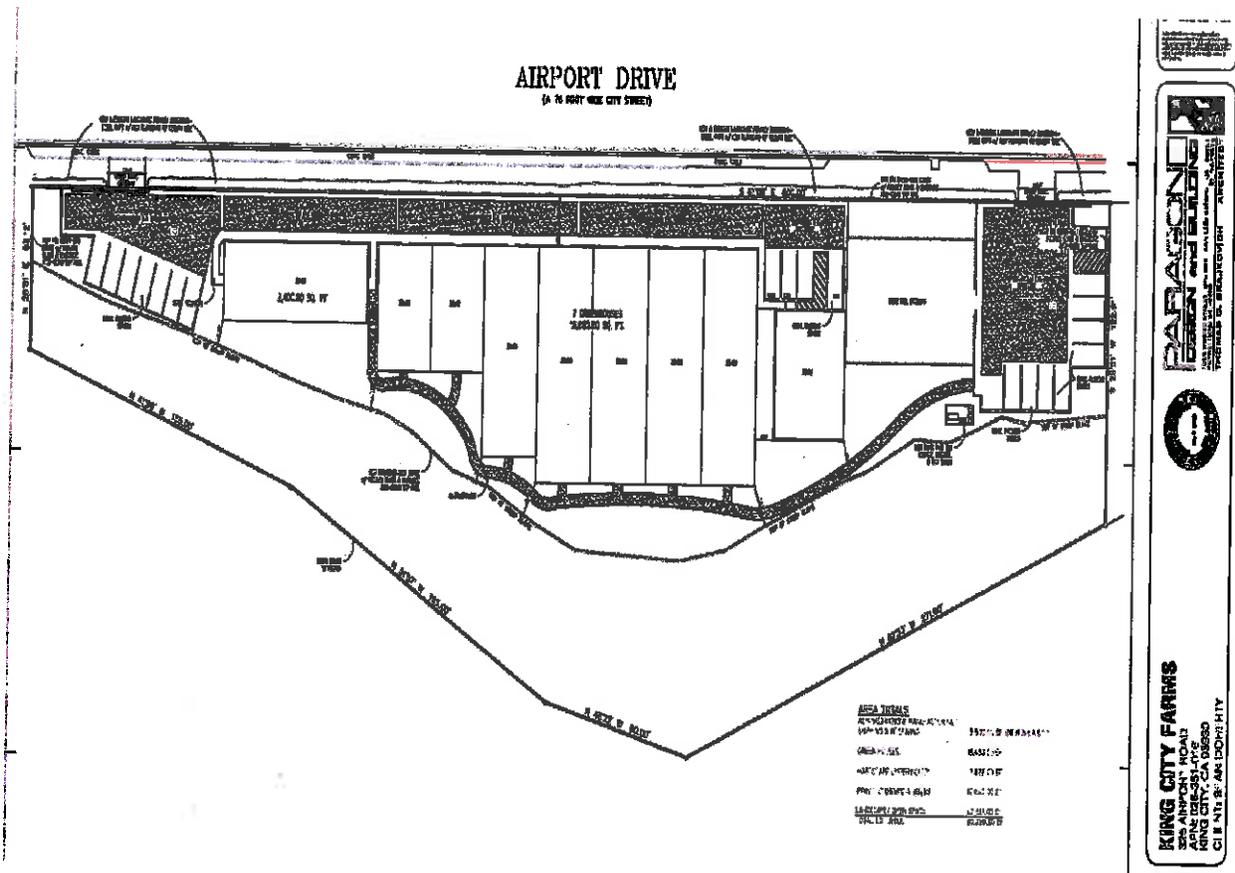
In September 2016 the City Council approved an amendment to the City's Zoning Code and to the East Ranch Business Park (ERBP) Specific Plan, authorizing expansion of land uses related to Medical Cannabis. As a result of that action, Indoor Cultivation under artificial or mixed light, Medical Cannabis 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:**

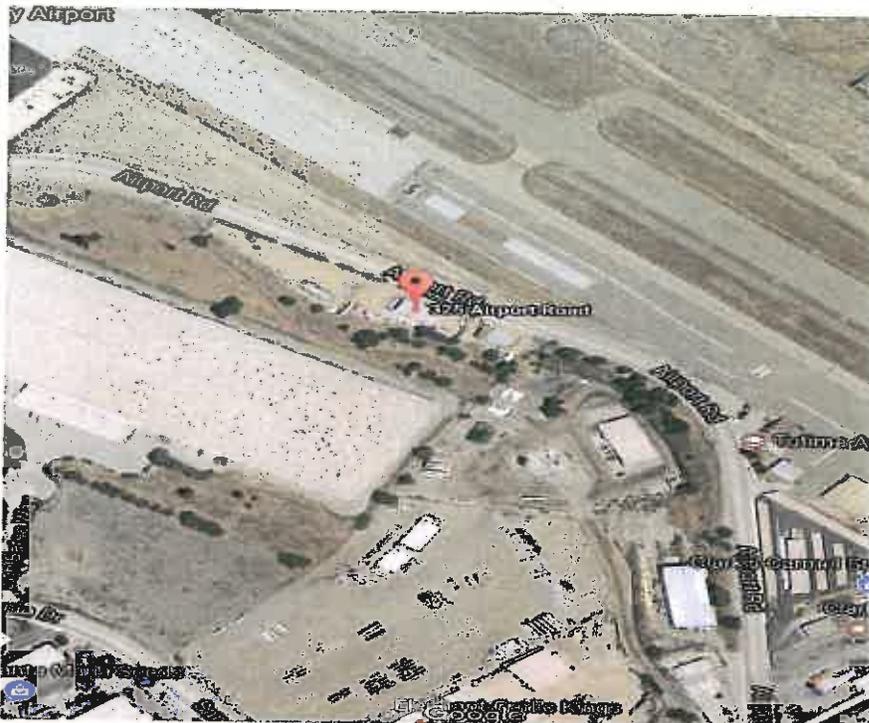


**Overview:**

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)

- To the east is Industrial Use
- To the west is Industrial Use



The developable portion of the site is partially developed and generally flat. The southern portion of the site is unusable, sloping steeply to the south. Site access will be from two locations along Airport Drive. The applicant proposes new structures for Nursery (CA Type 4) and Cannabis Cultivation, compliant with future State License 3B (indoor, mixed light). While total allowed

plant canopy space under a future 3B license is limited to 22,000 sf, additional allowed activities include: harvesting, drying, curing and trimming of cannabis. The applicant is also proposing Manufacturing (Level 2, CA Type 7) and Distribution in the existing 3,500 structure which will be expanded by approximately 2,000 sf.

The on-site Manufacturing process will include the preparation of extracts for uses in tinctures, edibles topicals and vape cartridges using water, ethanol, butane, carbon dioxide and other consumer safe solvents. On site processing of raw materials from others may occur. **See Shipping and Transport Staff Report Page 8.**

The Distribution / Transportation Operation will provide secure transportation services bringing product to these sites and providing it to other California licensed / permitted businesses.

#### Site Plan:

Because of topographic configuration only a portion of this site is usable. The CUP Plan Set Package indicates that a new 16,800 structure will be built to house Cannabis Cultivation Operations with a 2,400sf mixed light Nursery. Level 2 Manufacturing and Distribution will be housed in the existing 3,535 sf structure. The structure will be

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 (CO<sub>2</sub>). 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

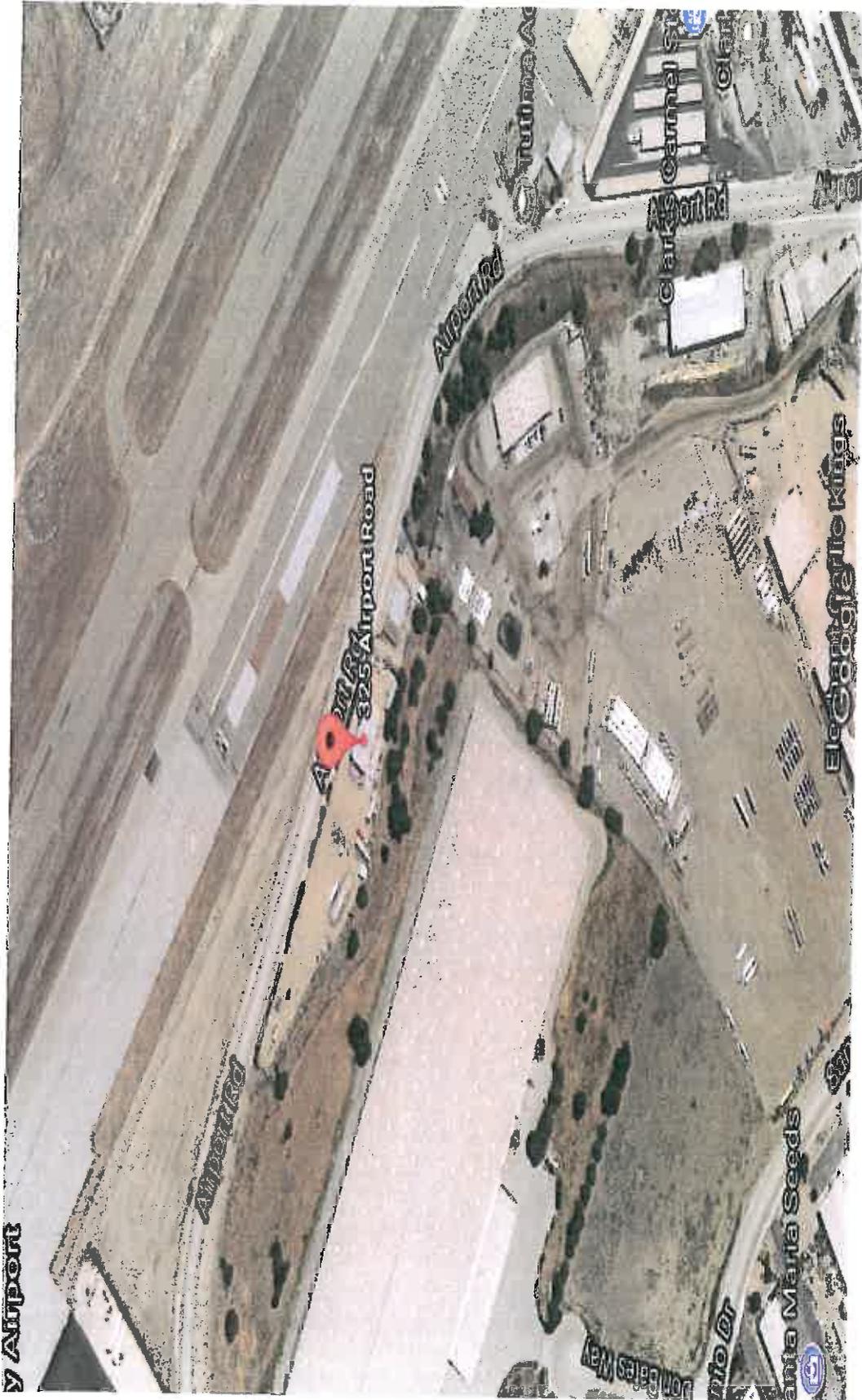
*Exhibits may be made available for public review at front counter, City of King City Hall, 212, South Vanderhurst, King City, CA*

Submitted by: *Ed for Scott Bruce*  
SCOTT BRUCE, PRINCIPAL PLANNER

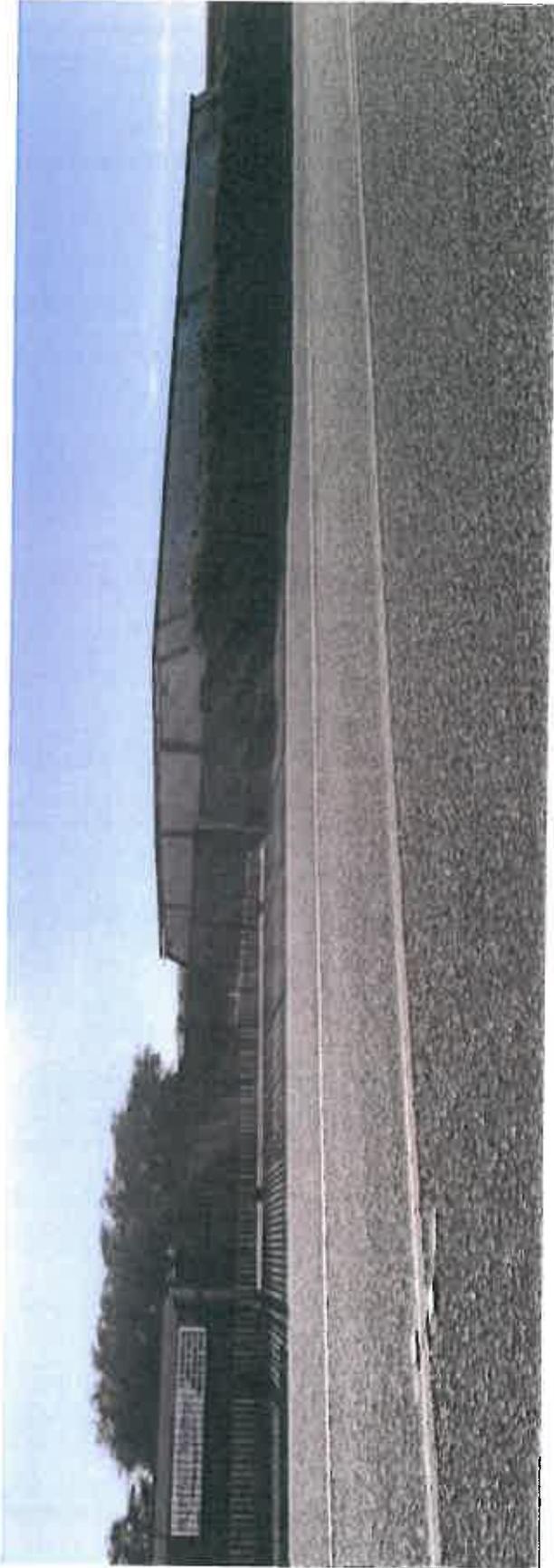
Approved by: *Doreen Liberto-Blanck*  
DOREEN LIBERTO-BLANCK, AICP, COMMUNITY DEVELOPMENT  
DIRECTOR

CUP 2017-010

EXHIBIT 1: SITE LOCATION



**CUP 2017-010**  
**EXHIBIT 2: SITE PHOTOS**



CUP 2017-010

EXHIBIT 2: SITE PHOTOS



Rear Slope

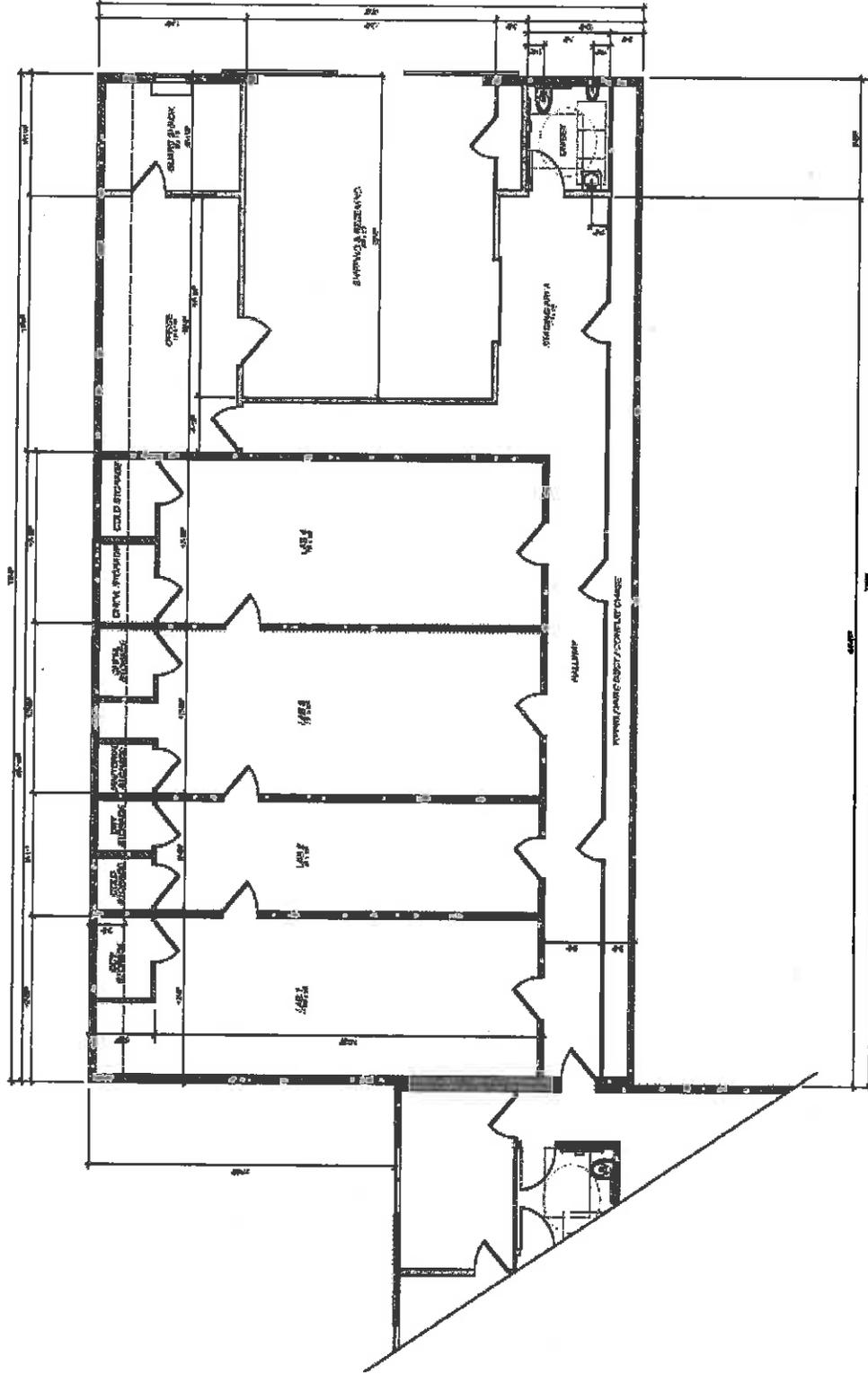
Northwest Corner





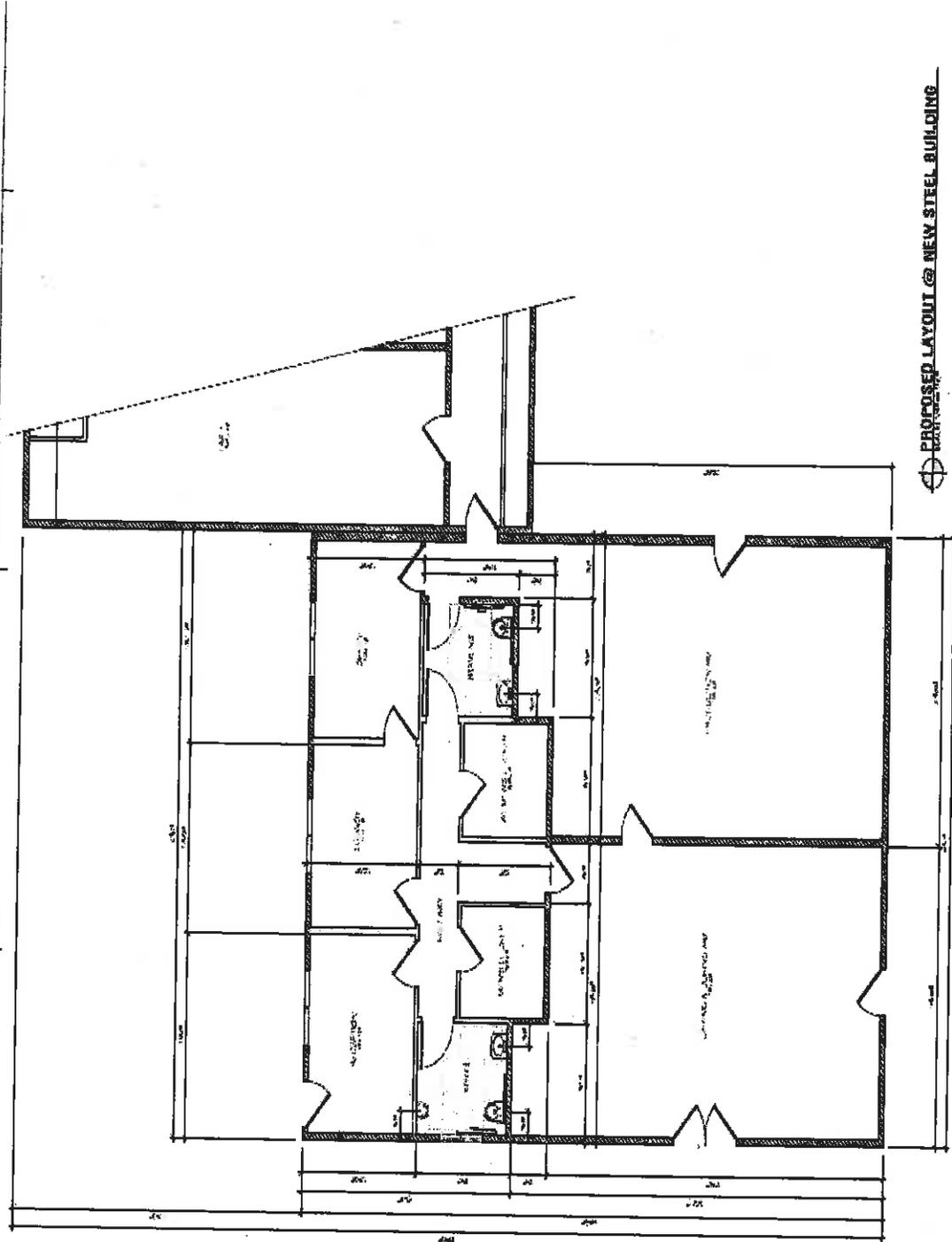
CUP 2017-010

EXHIBIT 4: FLOOR PLANS



COA 2017-010

EXHIBIT 4: FLOOR PLANS



PROPOSED LAYOUT @ NEW STEEL BUILDING

CUP 2017-010

EXHIBIT 5: ELEVATIONS AND EXTERIOR

**FRONT ELEVATION**

**SIDE ELEVATION (STREET VIEW)**

**LEGEND:**

- TYP. ROOF PANELING
- TYP. WALL PANELING
- TYP. FLOOR PANELING

**COMPANY INFORMATION:**

**DAVADSON ARCHITECTURE**  
CORPORATE & RESIDENTIAL ARCHITECTURE  
1000 W. 10TH ST. SUITE 100  
DENVER, CO 80202  
TEL: 303.733.1111  
WWW.DAVADSONARCHITECTURE.COM

**KING CITY FARMS**  
388 AIRPORT ROAD  
AIRBORNE, CO 80015  
CLIENT: SERRA POWER

**PROJECT INFORMATION:**

NO.	DATE	REVISION

**A3.1**

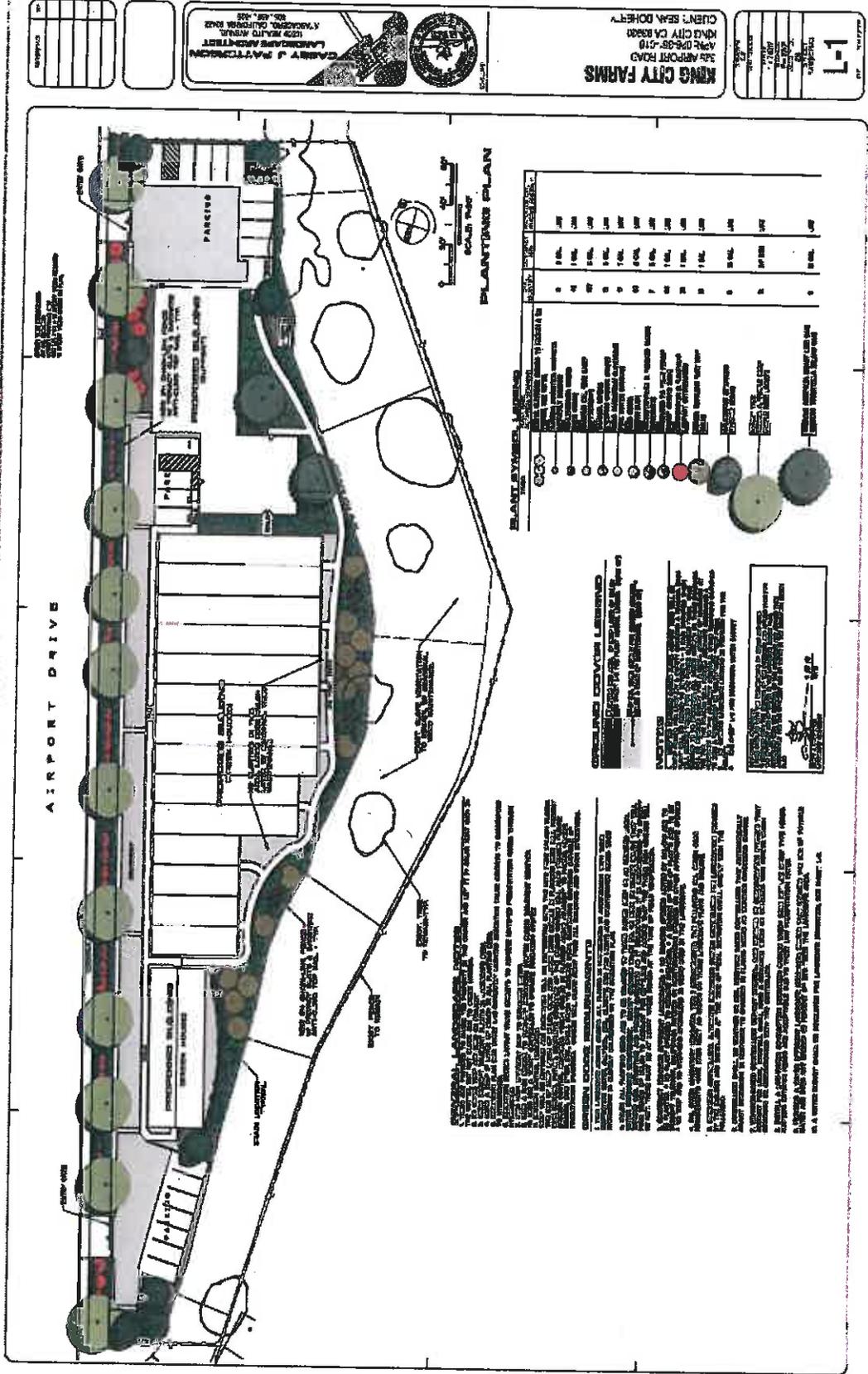


CUP 2017-010

EXHIBIT 5: ELEVATIONS AND EXTERIOR

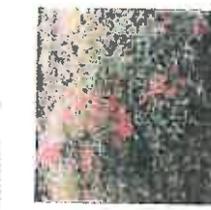
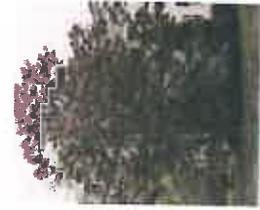


CUP 2017-010  
 EXHIBIT 6: LANDSCAPE



COA 2017-010

EXHIBIT 6: LANDSCAPE



PLANT SPECIES



**EXHIBIT No. 7**

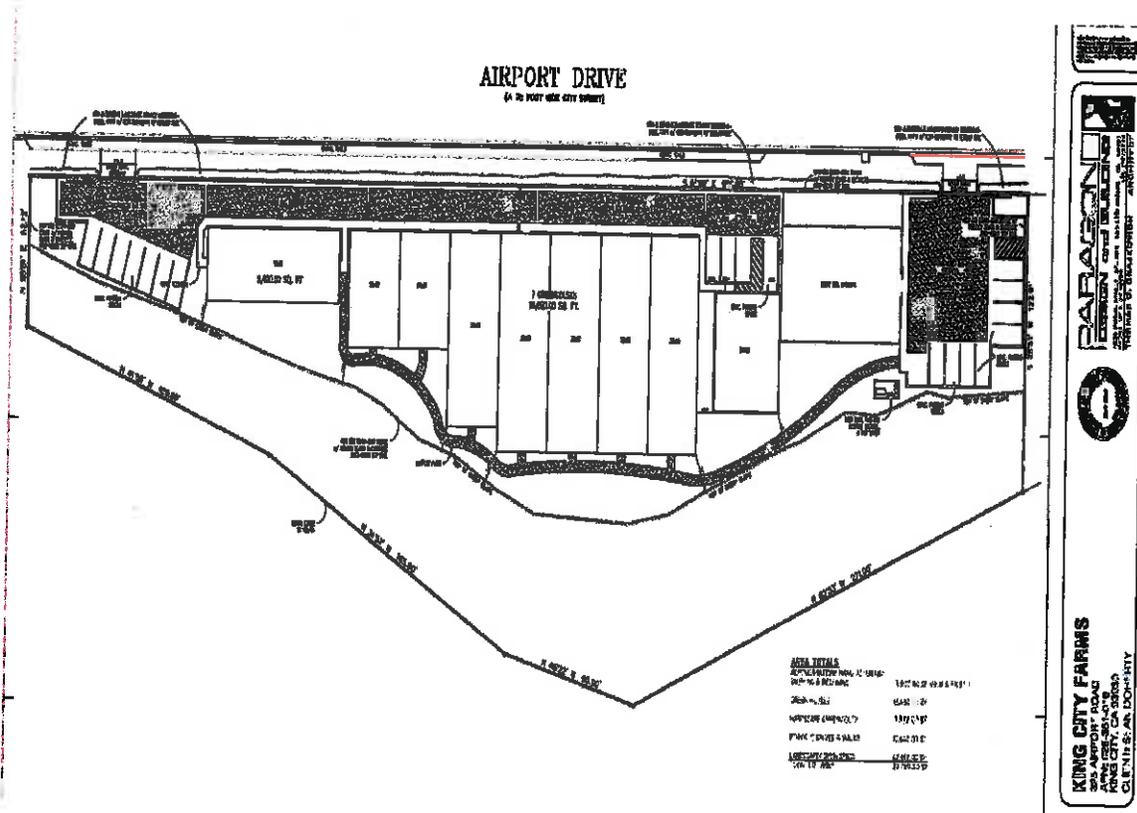
**Case Number: CUP 2017 - 010**

**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.



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212 S. VANDERHURST AVENUE • KING CITY, CA 93930  
 PHONE: (831) 385-3281 • FAX: (831) 385-6887  
 WWW.KINGCITY.COM



### **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.)

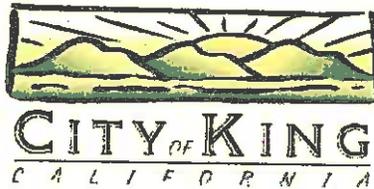
Please contact Scott Bruce via email at [scottbruce11@gmail.com](mailto:scottbruce11@gmail.com) if you have any questions regarding the conditions of approval (COA).

## **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**



### Occupancy/Operations.

**PUBLIC WORKS DEPARTMENT:** (The applicant should contact Octavio Hurtado, Hanna & Brunetti 408-842-2173, [ohurtado@hannabrunetti.com](mailto: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.

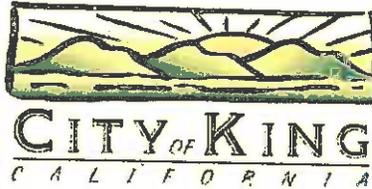
- A. **Regulatory Permit:** Cultivation, Nursery, Manufacturing and Distribution Operations must each obtain and maintain a commercial cannabis permit from the City Manager. Each commercial cannabis permit is in force for the period of one year. It shall be renewed annually. No operations shall occur 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:

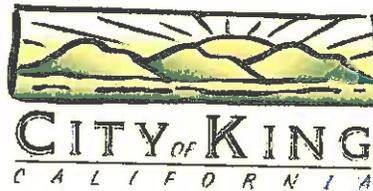
- a. *Any approvals issued in connection with all approvals, actions and applications by City covered by the conditions of approval and/or mitigation measures; and/or*
- b. *Any action or approvals taken related to the California Environmental Quality Act of 1970, as amended ("**CEQA**") by City's advisory 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:**

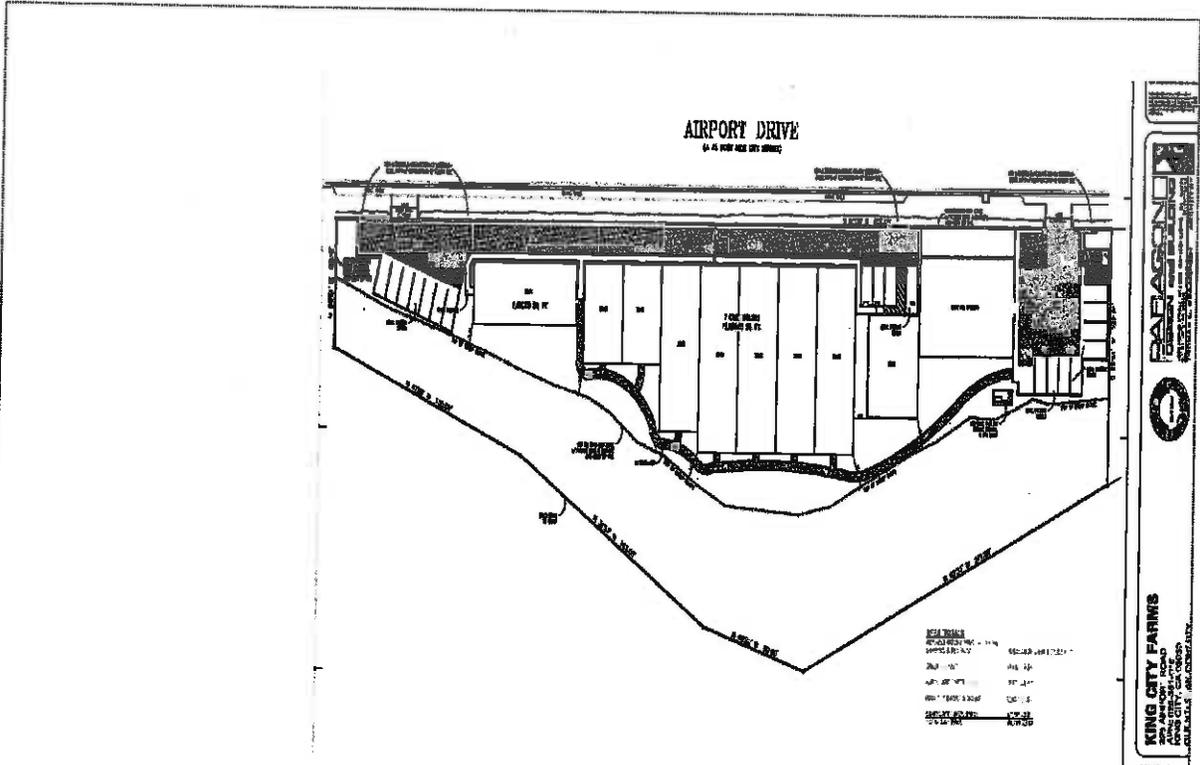
**Project**  
The Applicant has applied for Conditional Use Permit 2017-010 (CUP) to develop a parcel located at 325 Airport Road (APN 026-351-016) as generally depicted in the attached diagram, below. The projected development is on approximately 2.06 acres and proposes approximately 20,000 sf of new 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.



- |   |  |
|---|--|
| <b>5. Certified MND Project Description:</b>          | The Certified MND Project Description is attached as Exhibit 1.  |
| <b>6. Public Review Period:</b>                       | 20 Days  |
| <b>7. Other Public Agencies Requiring Approval:</b>   | N/A  |
| <b>8. Address Where Written Comments May be Sent:</b> | City of King<br>Community Development Department<br>212 South Vandenhurst Avenue<br>King City, CA 93930  |
| <b>9. Purpose For Initial Study:</b>                  | 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.

<b>North:</b>	Industrial Way	<b>East:</b>	Industrial Use
<b>South:</b>	Industrial Use	<b>West:</b>	Vacant

### C. ENVIRONMENTAL CHECKLIST

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

<b>Known Significant:</b>	Known significant environmental impacts.
<b>Unknown Potentially Significant:</b>	Unknown potentially significant impacts, which need further review to determine significance level.
<b>Potentially Significant and Mitigable:</b>	Potentially significant impacts which can be mitigated to less than significant levels.
<b>Not Significant:</b>	Impacts that are not considered significant.
<b>Impact Reviewed in Previous Document:</b>	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:					
Would the project:	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
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.

<b>2. AGRICULTURAL RESOURCES:</b>					
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.					
<b>Would the project:</b>					
	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
a. Convert prime farmland, unique farmland, or farmland of statewide importance, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?				X	X
b. Conflict with existing zoning for agricultural use, or a Williamson Act contract?				X	X
c. Involve other changes in the existing environment, which, due to their location or nature could result in conversion of farmland, to non-agricultural use?				X	X

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

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

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

<b>4. BIOLOGICAL RESOURCES</b>		Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
<b>Would the project:</b>						
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.

<b>5. CULTURAL RESOURCES</b>		Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
<b>Would the project:</b>						
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.

<b>6. GEOLOGY /SOILS</b>		Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant or Not Applicable	Impact Reviewed in Previous Document
<b>Would the project:</b>						
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.

<b>7. HAZARDS/HAZARDOUS MATERIALS</b>		Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
<b>Would the project:</b>						
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

<b>7. HAZARDS/HAZARDOUS MATERIALS</b>		Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
<b>Would the project:</b>						
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.

<b>8. HYDROLOGY/WATER QUALITY</b>		Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
<b>Would the project:</b>						
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.

<b>9. LAND USE AND PLANNING</b>	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
<b>Would the project:</b>					
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.

<b>10. NOISE</b>	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
<b>Would the project:</b>					
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.

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

<b>12. PUBLIC SERVICES</b> 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.

<b>13. TRANSPORTATION/CIRCULATION</b> 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

<b>13. TRANSPORTATION/CIRCULATION</b>	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
<b>Would the project:</b>					
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.

<b>14. UTILITIES &amp; SERVICE SYSTEMS</b>	Significant	Unknown Potential Significant	Potential Significant And Mitigated	Not Significant	Impact Reviewed in Previous Document
<b>Would the project:</b>					
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:**

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