



Item No. 7(E)

**REPORT TO THE PLANNING COMMISSION**

**DATE: FEBRUARY 06, 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(b)18: PHASED OPERATIONS -  
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, and 3) adopt the attached Resolution approving Conditional Use Permit 2017-009(b)18.

**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)

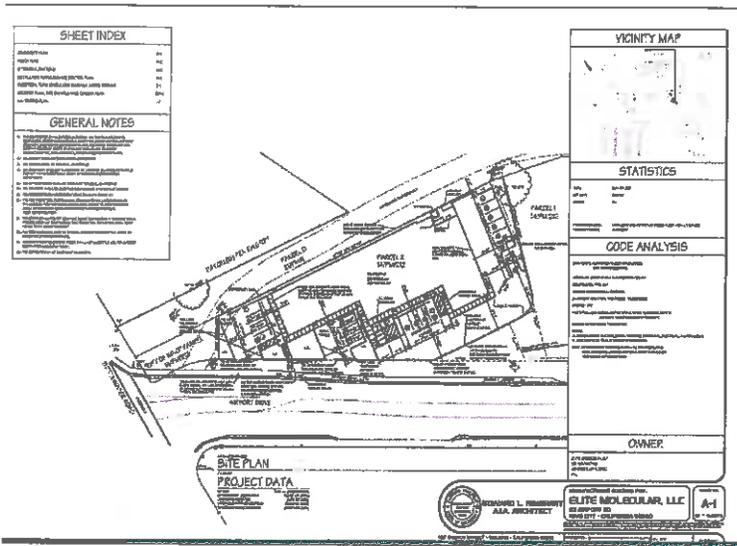
On October 17, 2017 the Planning Commission approved CUP 2017-009 which allowed Cannabis Cultivation (CA Type 3A), Nursery (CA Type 4), Level Two Manufacturing (CA Type 7) and Distribution (CA Type 11) on this site.

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

On January 16, 2018 the Planning Commission heard the Applicant's request for revisions to the Parking Lot paving materials, drainage and configuration. The Commission directed Staff to prepare Conditions of Approval specific to the revised

parking lot plans. The Commission is anticipated to take action on the request on February 6, 2018.

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.



**Exhibit 1**  
**Vicinity Map**



**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. temp

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

- *Locate one 8' x'20 container for storage of Manufactured Product*
- *Locate one 8' x 20' container for Bottling and Labeling*
- *Locate one 8' 20' container for Infusion / Purification / Distillation*
- *Locate one 100 sf container for small scale extraction (volatile, Type 7)*
- *Distribution cage / locked storage space*

***Phase 1 will occur within the existing structure. 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 5 for CUP 2017-009 Staff Report. Please refer to Exhibit 3 for 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 at buildout. In the interim, a portion of the existing structure will be used for Phase 1 Operations. Because a portion of the existing structure will be rebuilt and, the southern portion will be worked on during Phase 1 Operations a phased construction plan will be required, approved by Building Official and Fire Officials.

**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 Exhibit 6 .**

**Parking, Paving:**

New asphalt parking and paving is being considered as a primary purpose of CUP Amendment 2017-009(a)18. The 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.

Parking and paving will conform to the requirements of CUP 2017-009 or CUP 2017-009(a)18 if the latter is approved by the Commission. **See Exhibit 1 and Exhibit 5.**

**Grading and Drainage:** The Applicant has not yet provided construction level documents, including a proposed grading plan and drainage plans. Grading and drainage will be per CUP 2017-009 and CUP 2017-009(a).

**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. A Security / camera program for Phase 1 will be required.

**Fertilizer and Storage:**

This Amendment does not impact previously approved operations, materials and storage and signage. A plan for Phase 1 Manufacturing Operations must be provided that includes storage, use and disposal of volatile chemicals.

**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 seeks to accelerate the process to begin those uses that were approved by CUP 2017-009. On December 04, 2017 Conditioned Operations Permits were issued for Cultivation, Nursery, Distribution and Manufacturing uses. Phase 1 Operations are proposed to include Manufacturing and Distribution uses in the existing structure.

**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. Protocols, on-site personnel and cameras specific to this Phase 1 must be submitted and approved by HdL.

**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 and approve the item as presented, with CEQA Compliance 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:**

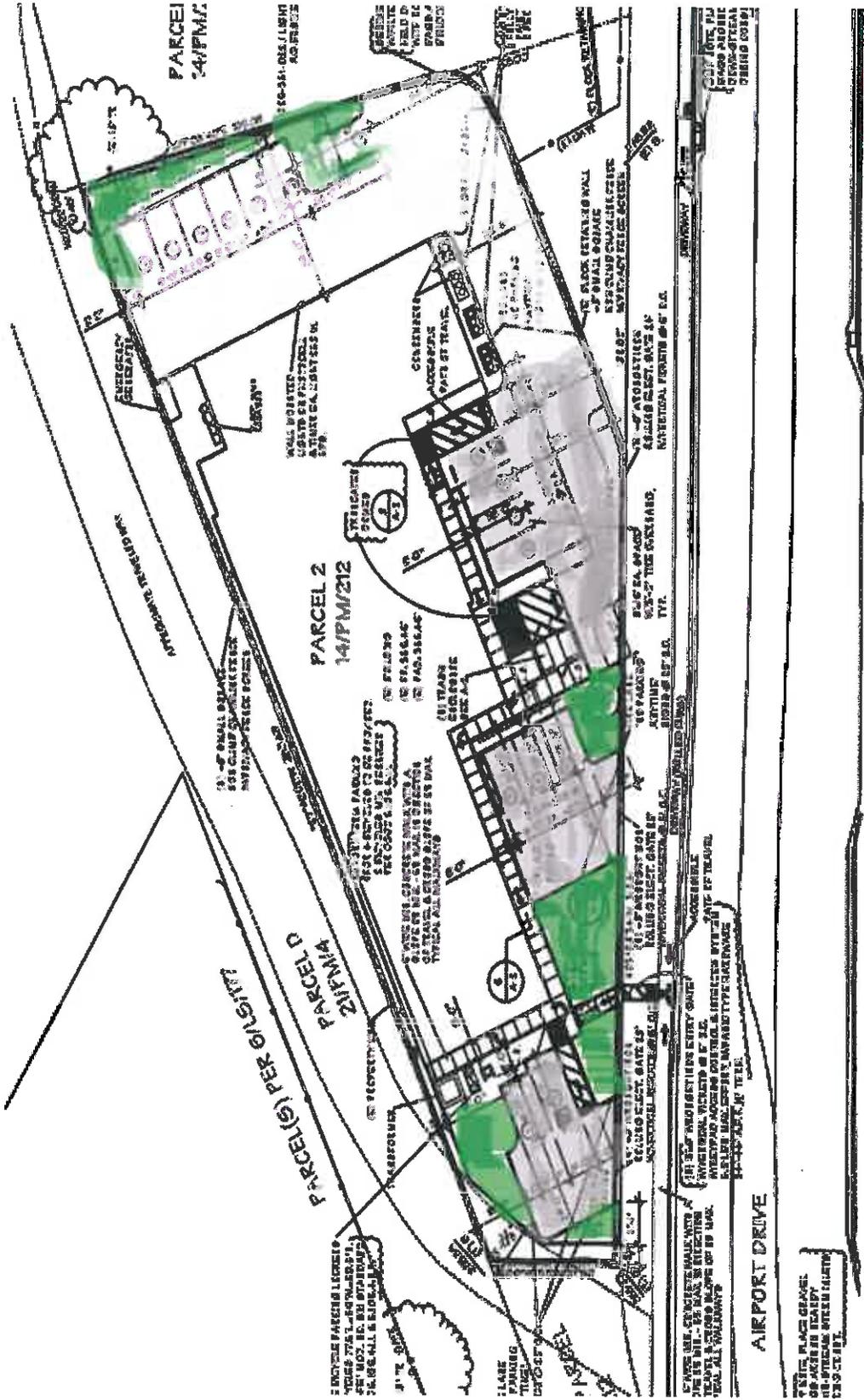
1. Site Plan
2. Phase 1 Floor Plan
3. Conditions of Approval
4. Resolution 2018-011
5. Staff Report CUP 2017-009
6. Landscape Concept CUP 2017-009

Submitted by: *Lucia L. Donne for*  
SCOTT BRUCE, PRINCIPAL PLANNER

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

CUP 2017- 009(a)18

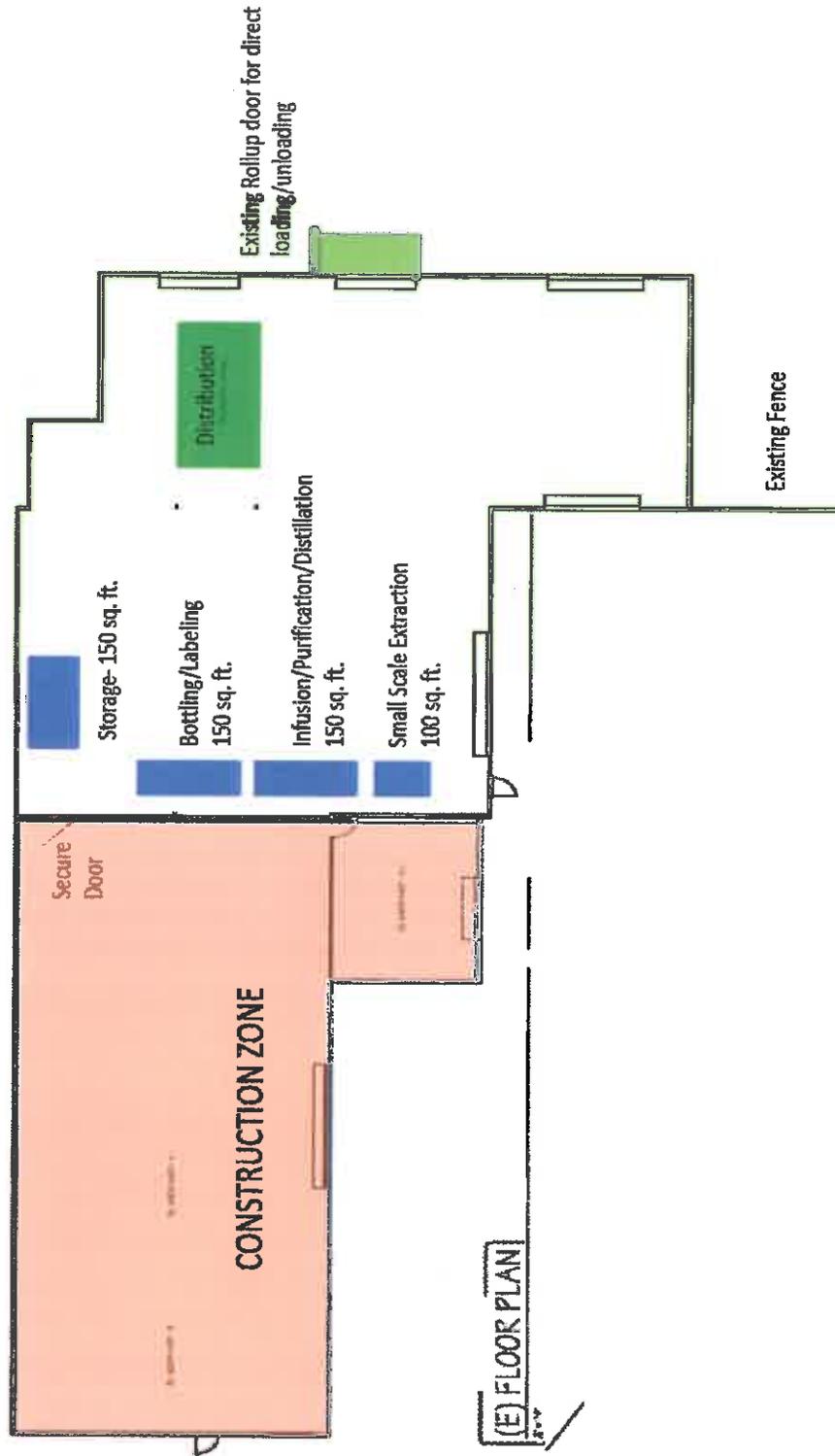
EXHIBIT 1: Site Plan



CUP 2017- 009(b)18

EXHIBIT 2: Phase 1 Floor Plan

# FLOOR PLAN

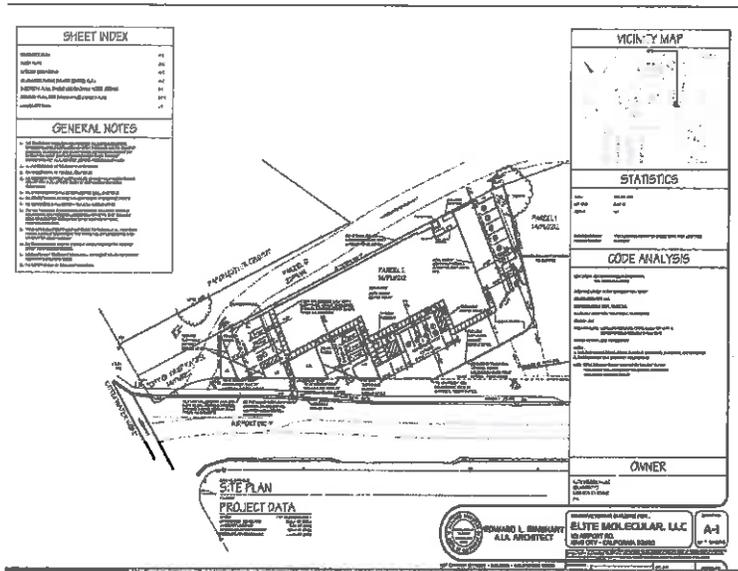




**EXHIBIT No. 3**

**Case Number: COA 2017 – 009(b)18  
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: Phased Operations. A streamlined path to Operations is proposed, to be located in a structure previously approved for Cultivation, Nursery, Manufacturing and Distribution. Approval of Phase 1 Manufacturing and Distribution uses/ locations are being proposed at this time. 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 in the future to bring it up to the same level of quality as the rest of the building.

The Applicant proposes to locate modular units for Manufacturing and Distribution in the existing structure, to be located as shown on the attached floor plan. **See Staff Report Exhibit 2.**



## **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.

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

On October 17, 2017 CUP 2017-009 was approved, allowing Cultivation (Type 3A), Nursery (Type 4), Manufacturing (Type 7) and Distribution (Type 11).

Staff review of the proposed use and its impacts indicates that the use as proposed is consistent with the evaluation and findings of the previously approved MND with no potentially significant impacts. It is therefore exempt from additional CEQA review per CEQA Guidelines §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 [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 2016-009, shall 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, HdL 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.
4. 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 Floor Plan shall be provided
5. All HdL approvals specific to this Phase shall be in place prior to beginning Operations.
6. A Performance Bond or Letter of Credit, may be required at the discretion of the City Manager.

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

1. **Allowed Use During Phase 1 Operations:** Manufacturing Level 2 (CA Type 7) and Distribution (Type 11) uses are allowed.
2. **Interior Renovation and Exterior:** No changes to exterior will be made. Manufacturing and Distribution use will be in substantial conformance with the Phase 1 floor plan as provided (**See Staff Report Exhibit 2**) Construction / Development shall conform to Application Package as presented, to the satisfaction of the Community Development Director or designee. HdL approval of floor plan / security Operations Plan is required prior to Operations.
3. **Parking:** No Amendment. **See CUP 2017-009(a)18.**
4. **Landscaping:** No Amendment. **See CUP 2017-009(a)18.**
5. **Lighting:** No Amendment
6. **Signage:** No Amendment
7. **Fencing:** No Amendment. **See CUP 2017-009(a)18.**



**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).

- 1 **Building Plans:** All Planning Commission COA shall be imprinted on plans submitted for building permits.
- 2 **Scope of Work Description:** Scope of work for Phase 1 shall conform with that found in the CUP Amendment / Staff Report.
- 3 **Building Plans:** Building Plans as submitted for Plan Check / Occupancy shall include revisions to identify areas for Phase 1 Distribution. Building Plans shall show areas for Distribution and Manufacturing. No Operations shall occur without approval of HdL, Fire Chief / assignee, Building Official and City Manager Specifications of Modular Units shall be provided.
- 4 **Sprinklers:** Building must be sprinkled to satisfaction of Building Official / Fire Officials.

**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 for Phase 1 shall conform with that found in the Application and Staff Report (CUP 2017-009(b)18).
- 2 **Airport Drive ROW Improvements:** Improvements and timing shall be to satisfaction of City Engineer. Parking / ROW match shall be to satisfaction of City Engineer. Paving Sidewalk (to match existing) will be extended along the entire Airport Road frontage
- 3 **Sidewalk:** Sidewalk (to match existing) will be extended along the entire Airport Road frontage.
- 4 **Driveway Approach Revisions:** Sidewalk to be at 2% maximum cross fall per ADA requirements.
- 5 **Parking and Paving:** Timing and improvements shall be to satisfaction of City Engineer, coordinated with CUP 2017-009(a).
- 6 **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 *for Buildout* 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).
- 7 **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.
- 8 **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.
- 9 **Sanitary Sewer:** All interior runoff from Phase 1 cleaning shall be directed to city sanitary sewer system.



## **OPERATIONS PERMIT:**

Phase 1 Development and Construction shall comply with and Operations be subject to full compliance with Section 17.03 of the City of King Zoning Code as amended and Operations protocols as required / approved by HdL..

- A. Operations Permit:** The Operations Permit(s) as approved by the City Manager on December 04, 2017 are in force for the period of one year. Each permit shall be renewed annually. No operations shall occur without a current permit.
- B. Security Cameras:** 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. (Concept Plan has been reviewed by HdL). The required City of King security camera at Airport Drive shall be operational prior to the beginning of Operations.
- D. 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.
- E. 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)
- F. Solid Waste:** Solid waste disposal shall be in compliance with County of Monterey Health Department and Waste Management, Inc. requirements. and additional Green Waste requirements as placed by the State of CA or City of King.
- G. Odor Control:** No Amendment. Compliance with CUP 2017-009 and its Conditions of Approval is required.
- H. Air Quality:** Venting of Solvents, CO<sub>2</sub> and / or Ethanol / Alcohol shall be in compliance with Monterey County Air Resources Board Standards.
- I. Employee Background Checks:** No Amendment. Compliance with CUP 2017-009 and its Conditions of Approval is required.
- J. Hours of Operation and Employees:** The Applicant has indicated that the facility will be in operation between the hours of 6am and 10pm. Total employees has not been indicated. Onsite parking will be sufficient comply with Municipal Code Section 17.030.140 and 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.*

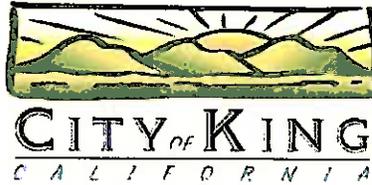
The applicant agrees to indemnify City and its elected officials, officers, contractors, consultants , attorneys, employees and agents (including Earth Design, Inc., Aleshire & Wynder, LLP, Hanna & Brunetti,) for all of City's costs, fees, and damages incurred in enforcing the **indemnification** provisions 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. 2018-211**

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF KING,  
APPROVING CONDITIONAL USE PERMIT CASE NO. CUP 2017-009(b)18**

**WHEREAS**, on **January 17, 2018**, **Elite Molecular, LLC** submitted an application to amend a previously approved Conditional Use Permit (**CUP 2017-009, October 17, 2017**) that allowed 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**, the purpose is to begin Phase 1 Distribution and Manufacturing Operations inside the existing structure.

**WHEREAS**, the proposed uses are consistent with the General Plan and are 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 **February 06, 2018**.

**WHEREAS**, the establishment, Phase 1 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 (Distribution and Manufacturing) are in accordance with the description, process and standards provided in the Application Information 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 contained within the northern portion of an existing structure that includes 10,492 sf of floor area on one floor.
4. The Applicant has submitted conceptual floor plans for the proposed use and they have been preliminarily reviewed by the City's Cannabis Consultant – HdL. Improvements will substantially conform to the concept floor plan. Final floor plan and Operations approvals will be as addressed in the Conditions of Approval. All processes / improvements will conform to City of King Zoning Code section 17.03.
5. The entire lot will be fenced – existing fencing will be improved and / or replaced, new screening will be installed and a wrought iron fence will be placed along 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.

## Exhibit 4

6. The existing lot will be accessed through three gates. New pavement and parking area will occur per the Application Package.
7. New landscaping will be installed per the Conditions of Approval. Also **See CUP 2017-009(a)** which amends parking and landscape.
8. 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 by CUP 2017-009(b) and with City of King Zoning Code section 17.03.
9. 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 2016-009(b)18.

This resolution was passed and adopted this **06th day of February 2018** by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

---

DAVID NUCK, CHAIRPERSON

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

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



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:**

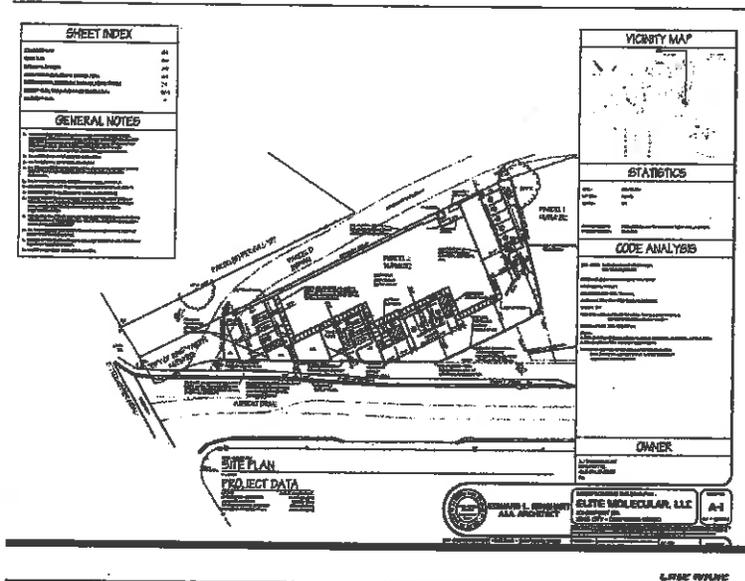
In September 2016 the City Council approved amendment to the City's Zoning Code and to the East Ranch Business Park (ERBP) Specific Plan, authorizing expansion of land uses related to Medical Cannabis. As a result of that action Indoor Cultivation under artificial or mixed light, Medical Cannabis Nurseries,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

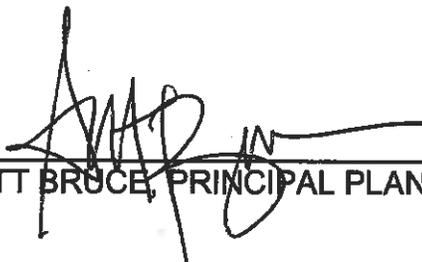
**ALTERNATIVES:**

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:

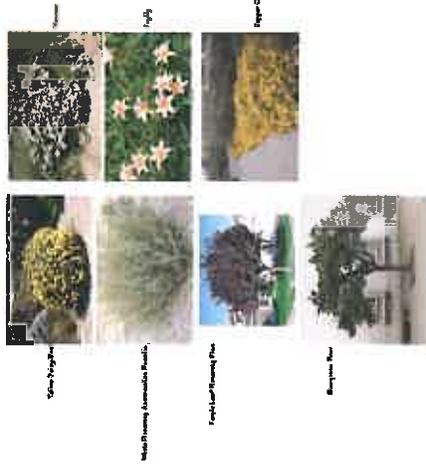
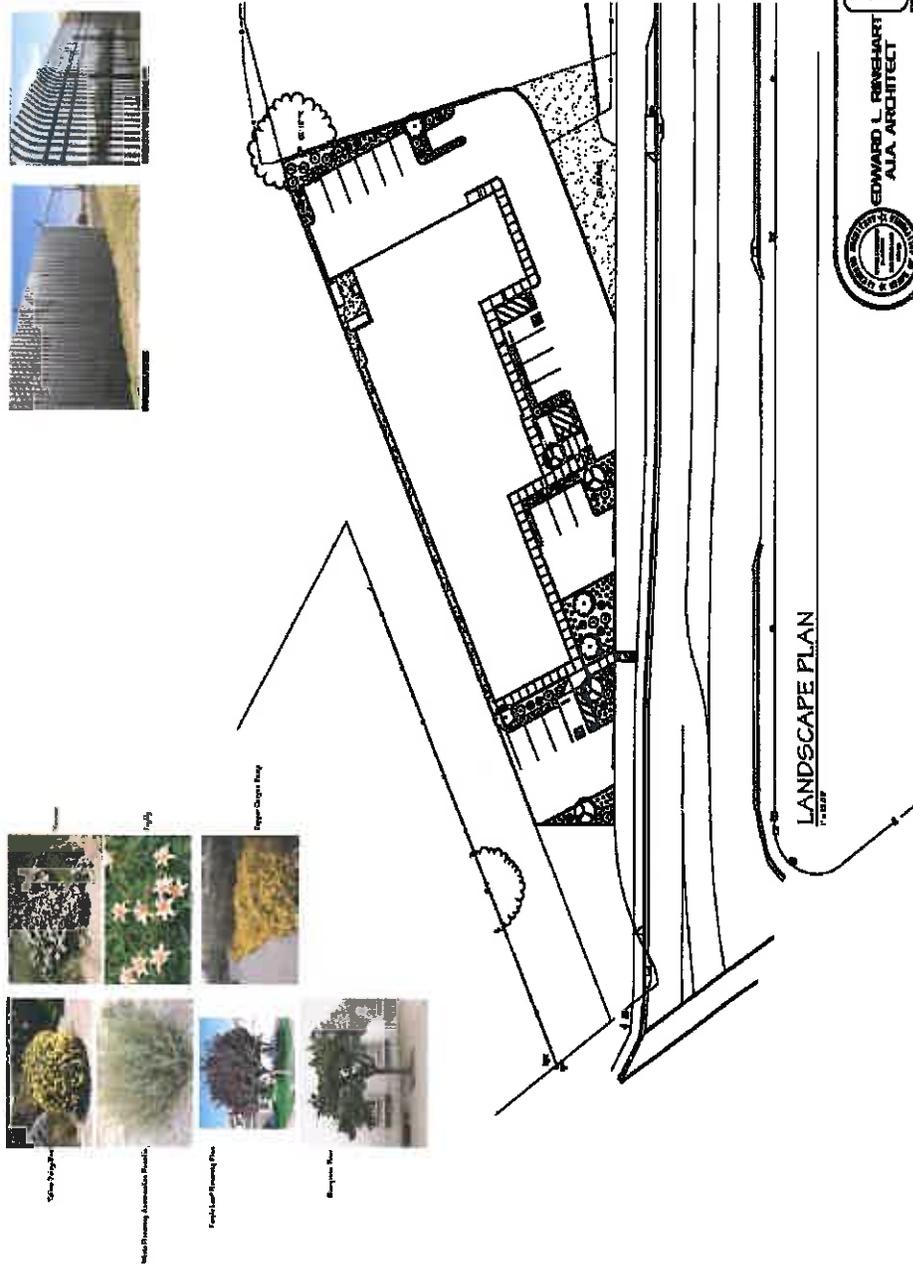
  
\_\_\_\_\_  
SCOTT BRUCE, PRINCIPAL PLANNER

Approved by:

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

CUP 2017- 009(b)18

EXHIBIT 6: Landscape Concept



**Plant Notes**  
 1. All plants are to be installed in accordance with the specifications and quantities shown on this plan.  
 2. All plants are to be installed in accordance with the specifications and quantities shown on this plan.  
 3. All plants are to be installed in accordance with the specifications and quantities shown on this plan.  
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 10. All plants are to be installed in accordance with the specifications and quantities shown on this plan.

**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]
- ⑨ **Plant 9** - [Symbol]
- ⑩ **Plant 10** - [Symbol]

MANUFACTURING BUILDINGS FOR:  
**ELITE MOLECULAR, LLC**  
 121 AIRPORT RD.  
 LONG BEACH - CALIFORNIA 90802

EDWARD L. REINHART  
 AIA ARCHITECT

127 CHURCH STREET - BAKERSFIELD - CALIFORNIA 93301  
 PHONE: 805-833-1111  
 FAX: 805-833-1112  
 WWW.ELITEARCHITECT.COM

DATE: 01/15/2017  
 SHEET NO: 175



Item No. 7(F)

**REPORT TO THE PLANNING COMMISSION**

**DATE: FEBRUARY 06, 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 that Planning Commission 1) review request for Conditional Use Permit, 2) receive public comment, and 3) adopt the attached Resolution approving Conditional Use Permit 2017-010(a)18.

**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).

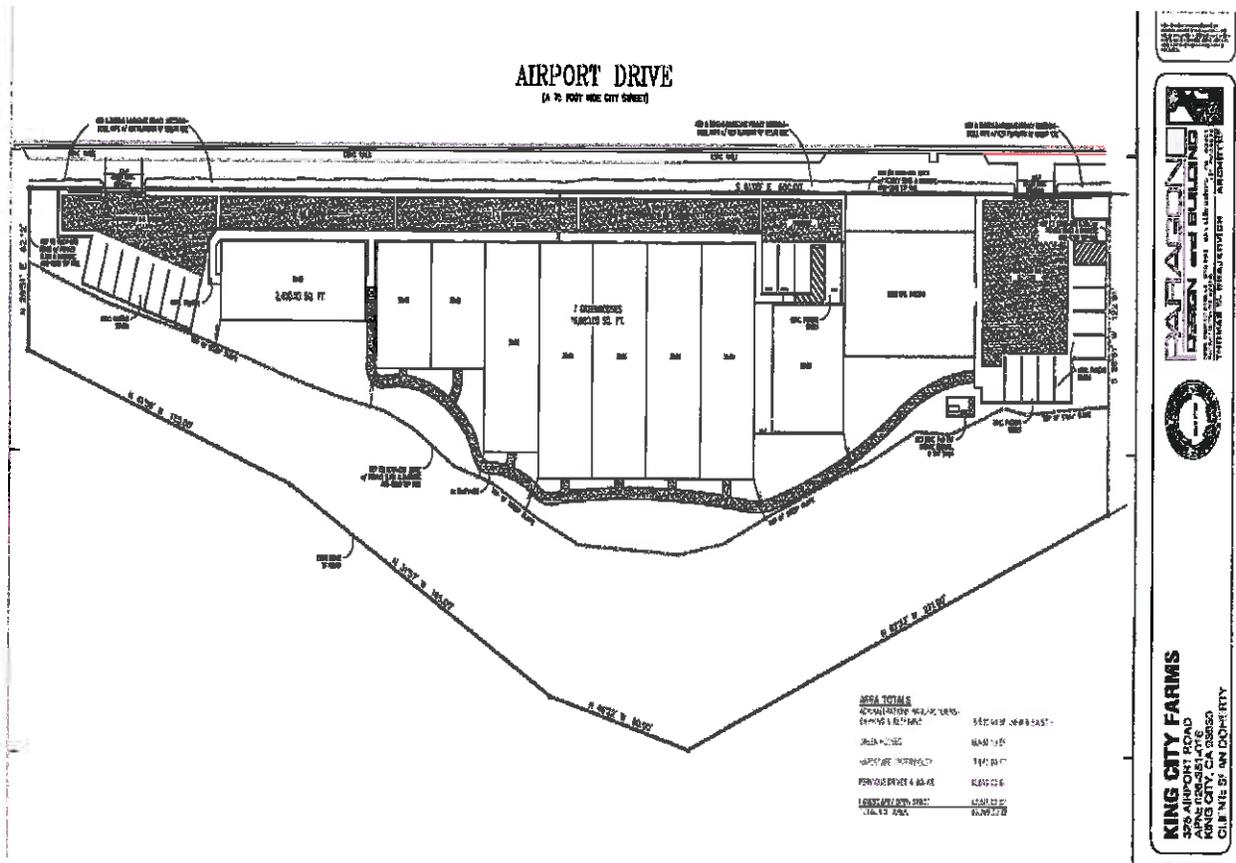
On December 06, 2017, the Planning Commission approved CUP 2017-010 which allowed Cannabis Cultivation (CA Type 3B), Nursery (CA Type 4), Level Two Manufacturing (CA Type 7) and Distribution (CA Type 11) on this site.

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

On January 16, 2018 the Planning heard the Applicant's request for Phased Operations and the addition of Nursery Operations (Type 4 CA License). At that time the Commission directed Staff to prepare Conditions of Approval specific to Phased Operations and provide them for review and action at the February 06 meeting. **See Exhibit 5**

CUP 2017-010 allows to expanded 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 two secure shipping containers (9'x20') inside the existing structure for volatile Manufacturing*
- *Locate one 8' x 20' pod inside the existing structure to store product manufactured on site*
- *Locate one 8' x 20' pod inside the existing structure to store product being distributed*
- *Locate one 8' x 20' pod inside the existing structure for non-volatile manufacturing*
- *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 7 for previous Staff Report. Please refer to Exhibit 5 for 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. **Exhibits 2 and 3** show proposed Phase 1 development.

**Floor Plan and Interior Uses:**

This Amendment proposes that containers be located in the existing structure. The building will be sprinkled during the first Phase of Operations. Because the applicant intends to add on to the existing structure (per approved CUP) while Phase 1 is in operation 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. The floor plan / camera plan has been submitted to HdL.

**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. At this time it is not anticipated that additional landscaping will be provided during Phase 1. Landscaping will be required as per the original CUP. **See Exhibit 8** 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 and will have DG / all weather surface to satisfaction of City Engineer. **See Exhibit 2 and COA's.**

**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. Note that a Security Office is to be located inside the structure in Phase 1.

**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.

The site is currently fenced along Airport Drive with six feet of chain link including screening slats. Barbed wire is located at the top of the fence; plant material is located between the fence and the street. For Phase 1, the Applicant will repair the existing fence. **See Exhibit**

**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 2.**

**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, Staff anticipates that the trash enclosure should be located in the permanent location and will confirm with HdL. **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:**

Note that the Conditions of Approval for CUP 2017-010 indicated that this site “would not be a distribution hub”. The Applicant indicates that Distribution for other clients will occur from this location. The Condition has been revised to allow a maximum of two (2) Distribution related trips per day – vehicles will be SUV size or similar.

**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 and approve the item as presented, with CEQA Compliance 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.

**EXHIBITS:**

1. Site Plan – Original CUP
2. Site Plan – Phase 1
3. Floor Plan – Phase 1, Concept Camera Locations
4. Distribution Operations Description
5. Conditions of Approval
6. Resolution 2018-012

- 7. Photo: Loading Area
- 8. Previous Staff Report (January 16, 2018)
- 9. Landscape from Original CUP
- 10. Conceptual Fencing Example

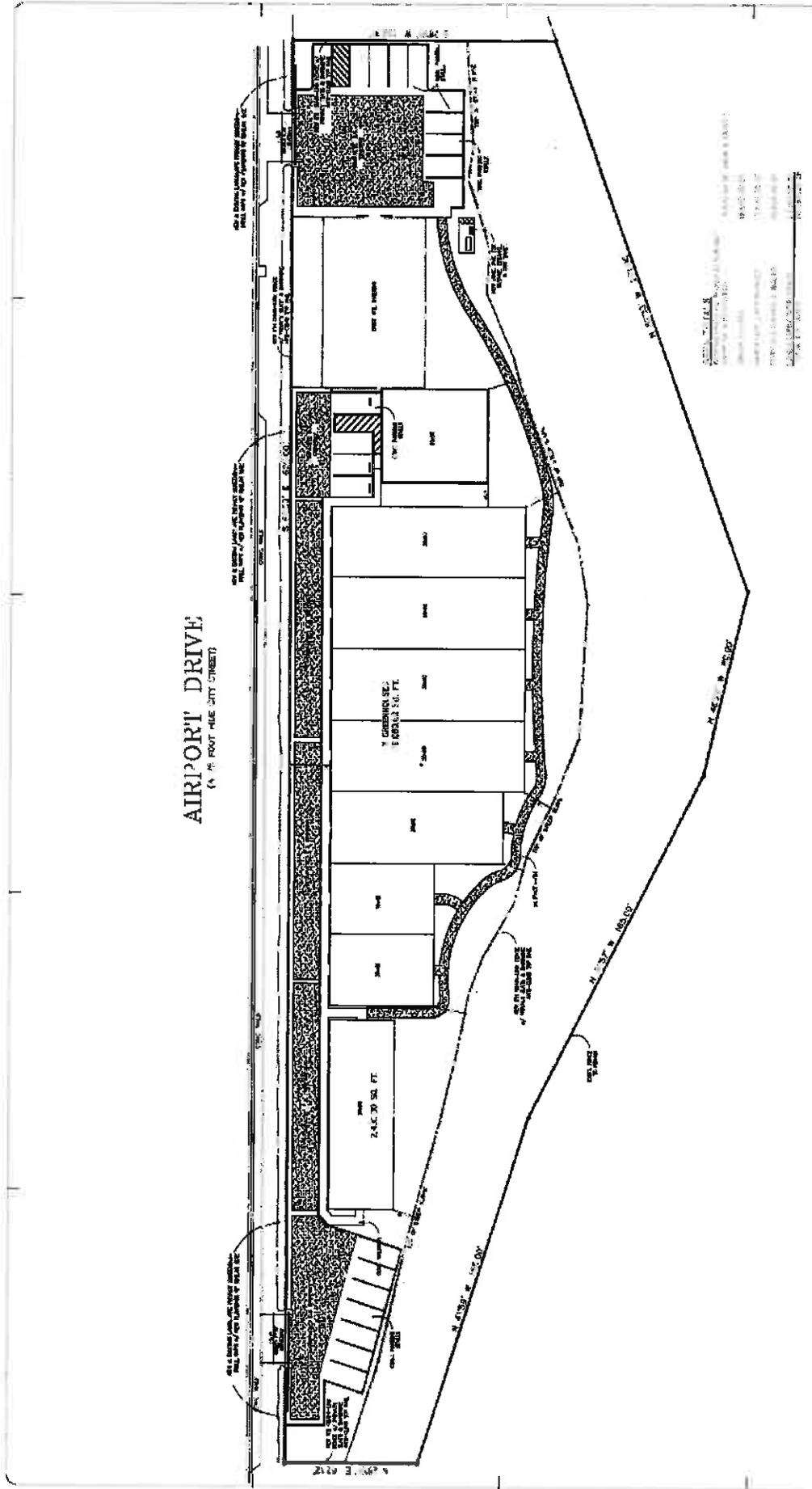
*Exhibits may be made available for public review at front counter, City of King City Hall, 212, South Vanderhurst, King City, CA*

Submitted by:   
SCOTT BRUCE, PRINCIPAL PLANNER

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

COA 2017-010(a)18

EXHIBIT 1: ORIGINAL SITE PLAN



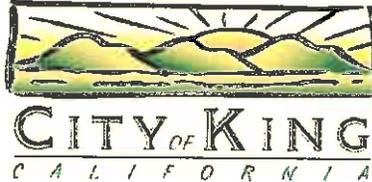




# Distribution Operations Description

Handed out at meeting





### **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 2076-010 (CUP) requested 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 were to be part of the project.

This Amendment proposes Phase 1 Operations inside the existing metal building. Proposed Operations include Manufacturing (volatile and non-volatile) and Distribution, conducted in modular units appropriate to the purpose(s). Administrative Offices are proposed for a modular unit placed on an existing concrete pad in the southwest corner of the site. **See Staff Report Exhibits 2 / 3.**

### **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 (Ordinances 2016-728, 2016-729 and 2016-730) adopted by the City 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. On December 05, 2017 the Planning Commission found the project as being consistent with the MND and being 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)). The potential impacts of the current request (CUP 2017-010(a)18 have been considered as part of the previous analysis.

#### **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.
4. A Performance Bond or Letter of Credit, to satisfaction of City Manager, may be required.

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 Phase 1:** Cannabis Manufacture (Volatile and Non-Volatile) (CA Type 7), and Distribution (CA Type 11) uses are allowed. **See Staff Report Exhibits 2 and 3.**
2. **Site Development:** The uses of the proposed Amendment are primarily contained within the existing 3,000 sf structure. One 9' x 20' modular office is to be located on an existing



concrete pad in the north east corner of the existing 2.1 acre site (approximately .8 acre unusable due to slope)

No improvements to the exterior of the existing structure are required at this time.

- Exterior maintenance / improvements (including painting) may be required at the time that the Operations Permits reviewed for renewal.
- If improvements are required at that time, materials and colors shall be as presented in the CUP 2017-010 Application Package. The structure for Manufacturing and Distribution (existing structure and addition) is and will be 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 East Ranch Business Park Specific Plan. Maximum structure height shall [SLC2] be 20' or as approved by Planning Commission at the public hearing.

Minor changes to the approved site plan / floor plan, 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 CUP 2017-010(a)18 Application Package as presented, to the satisfaction of the Community Development Director or designee

3. **Parking:** Parking at buildout will conform to the Plan and Application Package as originally submitted Phase 1 parking will be as shown on Staff Report **Exhibit 2**. Phase 1 Parking shall be DG or similar all-weather material to satisfaction of City Engineer. Parking will be reviewed at the time that the Operations Permit is reviewed for renewal. ADA requirements must be addressed with Phase 1 Operations.
4. **Landscaping:** Landscaping at buildout 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.  
  
During Phase 1 existing landscaping along Airport Drive will be allowed to remain. Additional landscaping "on-site" may be required per the approved landscaping concept to the satisfaction of Community Development Director / Designee.
5. **Lighting:** Security lighting is required to be mounted on the structures and on poles in the parking area not to exceed 30 feet 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. Lighting shall be provided behind temporary modular office.
6. **Signage:** One sign on the building to provide address has been requested. Any additional signage shall conform to the requirements of Section 17.03 of the City of King Municipal Code and the requirements of the ERBP SP. 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:** For Buildout: 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 (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 (6') foot in height with one foot of barbed wire, to a maximum of eight (8) feet 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 slats.

For Phase 1: Fencing along Airport Drive will be allowed to remain at this time – maintenance will be performed and new barbed wire placed (including at top of gates) to satisfaction of Community Development Director / Designee.

During Phase 1 Operations the fencing / landscape concept along Airport Drive will be reviewed to ensure appropriate screening for cultivation areas. The Applicant is requesting a variation to the design / materials of the fence to include a combination of masonry / stone pilasters and screening material such as metal consistent with the look of the structures themselves. The existing landscaping in the ROW may be remove at discretion of the City. The new landscaping concept will work in coordination with the fencing concept. Landscaping / Fencing concept to be approved at discretion of Community Development Director / Designee prior Phase 1 Operations Permit(s) being renewed.

Fencing at buildout shall be part of revised site plan / phased construction approval.

8. **Security:** Cameras, site access and security personnel at buildout 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. The applicant is preparing a security / camera plan specific to Phase 1 to be submitted to HdL. No Phase 1 Operations shall occur without HdL approval of security / camera plan.

**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 (for Phase 1 or for buildout as appropriate 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. [SLC3]
- 2 **Sprinklers:** Buildings shall be sprinkled including during Phase 1 Operations.
- 3 **Power:** Applicant shall show evidence of specific power source prior to Occupancy / Operations.
- 4 **Coordinated Construction Plan:** Applicant shall provide coordinated construction plans identifying integration of Phase 1 / Future Phase construction and ongoing Operations.
- 5 **Floor Plan:** The Plan shall conform to that approved by HdL. 5 modular pods shall be allowed. The existing restroom shall be expanded to meet ADA requirements.

**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 on site 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.

Phase 1 Operations are confined to area within the existing structure and a concrete pad previously used for a temporary unit. Site disturbance is limited to treatment of Phase 1 parking area. Any Phase 1 Drainage and grading shall be to satisfaction of City Engineer.

- 2 **Right of Way Improvements:** Curb, gutter and sidewalks must be installed along the Airport Drive frontages with 2% maximum cross-fall per ADA requirements (including areas of Driveway Approaches– to satisfaction of City Engineer. Construction documents for required improvements shall be completed prior to renewal of Phase 1 Operations Permit(s).
- 3 **Recycled Water Connection:** Prior to site improvements for buildout 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 parking area / private drive at Buildout 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 for Buildout shall be submitted to the City Engineer and Police and Fire and receive approval from the same.
- 7 **Airport 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.

[SLC4] **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:** Phase 1 Manufacturing and Distribution Operations must each maintain a commercial cannabis permit from the City Manager. Permits for this location became effective on December 18, 2017. Each commercial cannabis permit is in force for the period of one year and shall be renewed annually. No operations shall occur without a current permit.



The previous conditions indicated that the Distribution Permit would not allow for this site to be used as a "hub". That Condition is revised so that the maximum number of delivery related (SUV) trips is two (2) per day.

- B. **Security Cameras:** Phase 1 security cameras shall be installed in quantity and location per the approval of HdL [SLC5] 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 or in the modular office space. 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 affect.
- 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:** Not a part of Phase1.
- 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 Phase 1 Operations will potentially be in operation 24 hours a day 7 days a week. Manufacturing Operations will observe quiet hours from 9:01pm to 6:00 am. A maximum of 6 persons per shift may be present, based on the site plan showing 4 spaces. 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 as set by the City Council as 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 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 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 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. 2018- 212**

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF KING,  
APPROVING CONDITIONAL USE PERMIT CASE NO. CUP 2017-010(a)18**

**WHEREAS**, on **December 19, 2017**, **King City Farms LLC** submitted application to amend CUP 2017-010 which allowed 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**, the purpose of this Amendment is to allow Phased Operations, specifically to allow Manufacturing and Distribution uses;

**WHEREAS**, on **January 16, 2018** the Planning Commission heard and discussed the request, directing Staff to continue the item to **February 06, 2018** and prepare Conditions of Approval;

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

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

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

**WHEREAS**, on **December 19, 2017** the Planning Commission adopted a Finding of Consistency, duly filed with the County of Monterey as prescribed by law;

**WHEREAS**, the potential impacts of the proposed Amendment fall within and were duly addressed in the previous evaluation;

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

**WHEREAS**, the Commission has reviewed the staff report, provided an opportunity for public testimony, and considered all other relevant information during the duly noticed public hearing on **February 06, 2018**;

**WHEREAS**, after due consideration of the administrative record, the Commission desires to approve **CUP 2017-010(a)18**, finding it consistent with the previous analysis and Categorical Exempt per CEQA Guidelines §15332 (infill development projects).

**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 previously conducted an initial study of the project and has determined the amended project (Phased Development) 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 (Light Industrial) Ordinance 2017-746 (August 22, 2017) specifically allows the proposed Manufacture and Distribution / Transportation use in the East Ranch Business Park

## Exhibit 6

Specific Plan (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 Commission makes the following Findings of Facts:

1. The purpose of the proposed Phase 1 uses (Cannabis manufacture of 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.
2. 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;
3. The proposed use is consistent with the General Plan Land Use Designation (LI) Light Industrial and the Uses and Standards of the ERBP Specific Plan.
4. The proposed uses will be contained within the existing structure of approximately 3,000sf and temporary modular office on an existing concrete pad. No addition to that structure is proposed at this time..
5. 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. Fencing along Airport Drive will be to satisfaction of City Engineer per Conditions of Approval. A fence will separate the vacant (northern) portion of the lot from the existing structure.
6. The area to be used in this Phase 1 will be accessed (gated) from two points of entry off of Airport Drive.
7. Construction and Development will be consistent with the floor plan and modular units as submitted.
8. Landscaping will be installed per the CUP 2017-010(a)18 Conditions of Approval.
9. Phase 1 Parking will be as per the CUP 2017-010(a)18 Conditions of Approval.
10. All processes and interior construction/building improvements, security/operating procedures will be in conformance with the CUP Amendment / Application Package, Staff Report and Conditions of Approval as submitted and/or as conditioned (See COA's Exhibit 1: Attached) and with City of King Zoning Cod/ presented by Staff and per Chapter 17.03 (Commercial Cannabis Activity).
11. Power and Water are available and are required to be provided prior to/concurrent with building construction.

## Exhibit 6

Based on the foregoing and evidence in the administrative record, the Commission determines that the establishment, maintenance or operation of the Phase 1 use as 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 Commission approves Conditions Use Permit Case No. CUP 2017-010(a)18.

This resolution was passed and adopted this **06th day of February 2018** by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
DAVID NUCK, CHAIRPERSON

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

COA 2017-010(a)18

EXHIBIT 7: PHOTO – LOADING AREA





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).

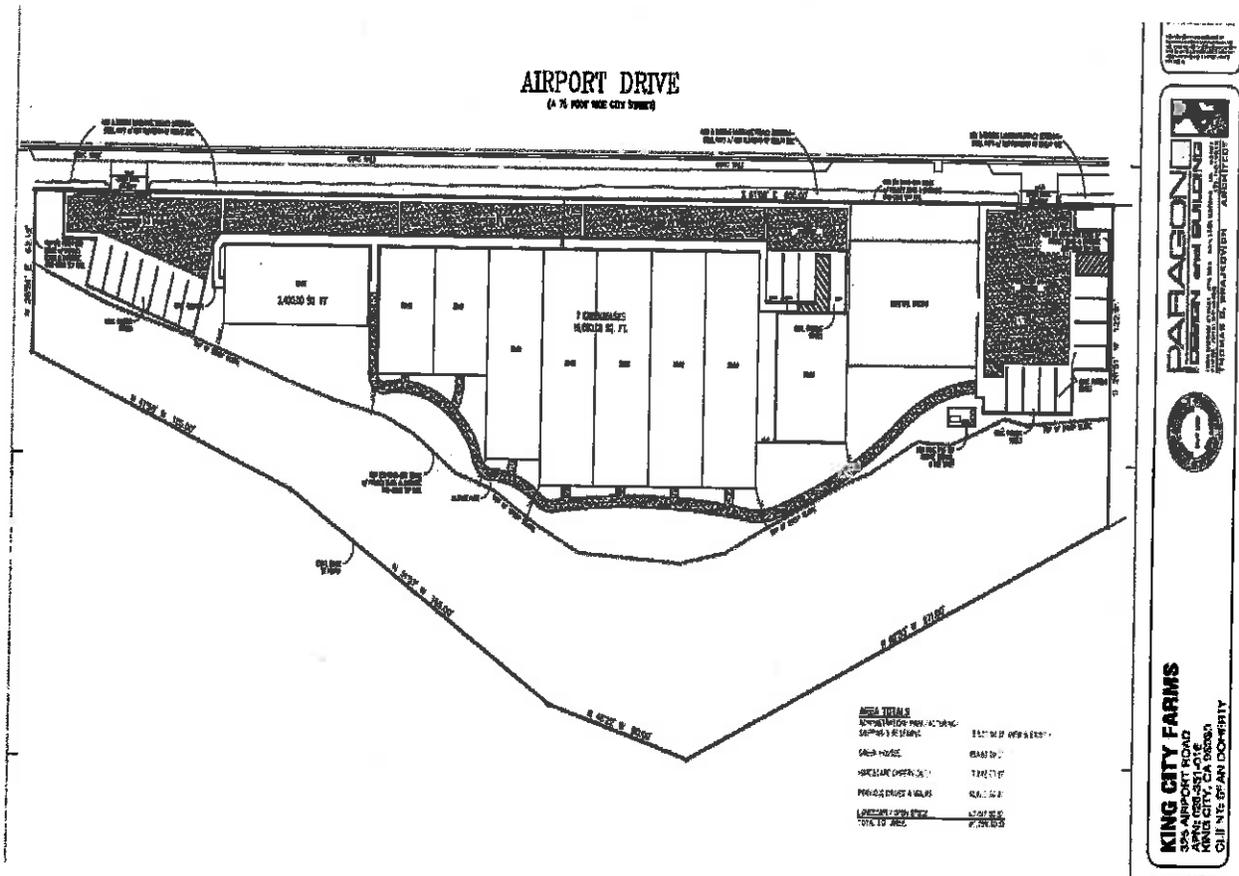
On December 06, 2017, the Planning Commission approved CUP 2017-010 which allowed Cannabis Cultivation (CA Type 3B), Nursery (CA Type 4), Level Two Manufacturing (CA Type 7) and Distribution (CA Type 11) on this site.

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

PLANNING COMMISSION  
CUP 2017-010(a)18  
January 16, 20178  
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*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



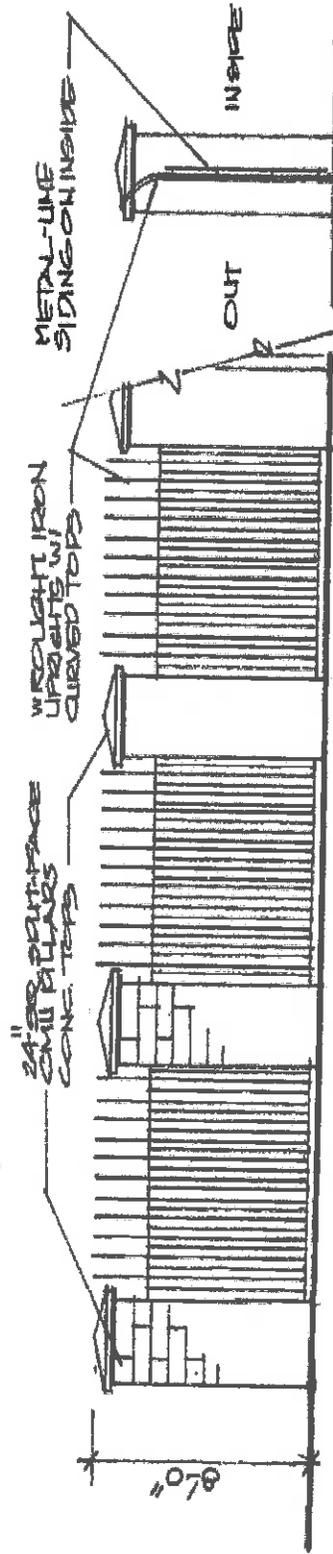


COA 2017-010(a)18

EXHIBIT 10: EXAMPLE FENCE CONCEPT



**PARAGON**  
DESIGN and BUILDING  
1008 MONARD STREET, STE 202 SAN LUIS OBISPO, CA 95041  
PHONE: (805) 541-9488 FAX: (805) 541-5703 LIC. 71888  
THOMAS G. BRAJKOVICH ARCHITECT



FRONT VIEW

SIDE VIEW

KING CITY FARMS  
225 AIRPORT RD  
KING CITY, CA

PERIMETER FENCE DETAIL  
ON AIRPORT RD.