



Monterey County

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 21-076

March 16, 2021

Introduced: 3/5/2021

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Approve a Funding Agreement with Donald D. Chapin Jr. and Barbara A. Chapin, Co-trustees of the Chapin Living Trust dated April 27, 1999, to fund costs for Rincon Consultants, Inc., incurred by Monterey County for preparing an Initial Study and proposed Mitigated Negative Declaration (IS-MND) for the Chapin Commercial Cannabis Project (PLN170296) where the Base Budget is \$18,115.00, the Contingency Budget is \$5,000.00, and the Contract Administration Fee is \$446.00, for a total amount not to exceed \$23,561.00, for the term of March 16, 2021 through January 31, 2022; and
- b. Approve a Professional Services Agreement with Rincon Consultants, Inc. to prepare an Initial Study and proposed Mitigated Negative Declaration (IS-MND) for the Chapin Commercial Cannabis Project (PLN170296) where the Base Budget is \$18,115.00 and the Contingency Budget is \$5,000.00, for a total amount not to exceed \$23,115.00, for the term of March 16, 2021 through January 31, 2022; and
- c. Authorize the Housing and Community Development Director or designee to execute the Funding Agreement, Professional Services Agreement, and future amendments and future amendments to the Agreements where the amendments do not significantly alter the scope of work and do not exceed the original Agreement amounts except for a contract amendment administration fee of \$446 for each such amendment to the Funding Agreement.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve a Funding Agreement with Donald D. Chapin Jr. and Barbara A. Chapin, Co-trustees of the Chapin Living Trust dated April 27, 1999, to fund costs for Rincon Consultants, Inc., incurred by Monterey County for preparing an Initial Study and proposed Mitigated Negative Declaration (IS-MND) for the Chapin Commercial Cannabis Project (PLN170296) where the Base Budget is \$18,115.00, the Contingency Budget is \$5,000.00, and the Contract Administration Fee is \$446.00, for a total amount not to exceed \$23,561.00, for the term of March 16, 2021 through January 31, 2022; and
- b. Approve a Professional Services Agreement with Rincon Consultants, Inc. to prepare an Initial Study and proposed Mitigated Negative Declaration (IS-MND) for the Chapin Commercial Cannabis Project (PLN170296) where the Base Budget is \$18,115.00 and the Contingency Budget is \$5,000.00, for a total amount not to exceed \$23,115.00, for the term of March 16, 2021 through January 31, 2022; and
- c. Authorize the Housing and Community Development Director or designee to execute the Funding Agreement, Professional Services Agreement, and future amendments and future amendments to the Agreements where the amendments do not significantly alter the scope of work and do not exceed the original Agreement amounts except for a contract amendment administration fee of \$446 for each such

amendment to the Funding Agreement.

SUMMARY/DISCUSSION:

Staff is requesting Board approval of a Funding Agreement with Donald D. Chapin Jr. and Barbara A. Chapin, Co-trustees of the Chapin Living Trust dated April 27, 1999 (Project Applicants) to require the Project Applicants to fund a Professional Services Agreement with Rincon Consultants, Inc. to prepare an Initial Study/proposed Mitigated Negative Declaration (IS-MND) for Project Applicants' proposed commercial cannabis project. Staff is also requesting Board approval of the Professional Services Agreement with Rincon to provide the services related to preparing the IS-MND. The Chapin Commercial Cannabis Project (Project), which will be the subject of the Initial Study, consists of the following: a General Plan Amendment to adopt a Special Treatment Area to allow commercial cannabis retail sales; an Administrative Permit to allow commercial cannabis retail sales, commercial cannabis processing, and cannabis cultivation in existing greenhouse for display purposes only; and amendment to a previously approved General Development Plan, to allow the aforementioned uses in place of the existing landscaping business.

On May 29, 2019, the County of Monterey Housing and Community Development (HCD) Department, formerly Resource Management Agency, received an application (PLN170296) for the Chapin Commercial Cannabis Project (Project). The application was submitted by the property owners, Donald D. Chapin Jr. and Barbara A. Chapin, Co-trustees of the Chapin Living Trust dated April 27, 1999 (Project Applicants). The Project is located at the former McShane's Nursery site at 115 and 117 Monterey Salinas Highway, Salinas (Assessor's Parcel Numbers 207-131-004-000 and 207-131-005-000).

On October 20, 2020, the Board heard an appeal of the Planning Commission's denial of the Project Applicants' application to amend the site's General Development Plan and Use Permit to allow for commercial cannabis retail activities, commercial cannabis non-volatile manufacturing activities, and cannabis cultivation within an existing greenhouse and associated buildings in a Farmland zoning district at the current site of McShane's nursery. The Board continued the hearing to January 19, 2021 to allow the Project Applicants time to discuss options with staff. The Project Applicants met with staff and agreed to submit an amendment to their application to apply for a Special Treatment Area (STA). The item returned to the Board for further direction on January 19, 2021, at which time the Board directed staff to initiate steps for a proposed General Plan amendment to create the new STA. The proposed General Plan Amendment to create a Special Treatment Area (STA) would allow for the proposed cannabis retail use to take place on the Farmland-zoned property.

On January 15, 2021, the HCD Director and Contracts/Purchasing Officer approved a Sole Source Justification prepared by HCD staff to contract with Rincon Consultants, Inc. (Consultant) to prepare an Initial Study and proposed Mitigated Negative Declaration (IS-MND) for the project. This will help the County initiate the Project environmental review required under the California Environmental Quality Act (CEQA) and will facilitate meeting County General Plan amendment timelines.

In order to meet the General Plan amendment cycle in August/October, Staff is requesting Board approval of the Funding Agreement (FA) with Donald D. Chapin Jr. and Barbara A. Chapin, Co-trustees of the Chapin Living Trust dated April 27, 1999, (Project Applicants) for a total amount

from Project Applicants not to exceed \$23,561.00 (\$18,115.00 for Base Budget, \$446 in non-refundable Contract Administration Fee, and with \$5,000 for Contingency Budget) for the term of March 16, 2021 to January 31, 2022. Concurrent with the Funding Agreement, the County intends to enter into a Professional Services Agreement (PSA) with Rincon Consultants, Inc. in the amount not to exceed \$23,115.00, (\$18,115.00 for Base Budget and with \$5,000 for Contingency Budget) for the term of March 16, 2021 through January 31, 2022, to allow for the preparation of the IS-MND for the Project. Staff is coordinating the Project details with the Project Applicants and is intending to issue Rincon a Notice to Proceed for the preparation of the IS-MND upon approval of the Funding Agreement and Professional Services Agreement by the Board of Supervisors, anticipated to be on March 16, 2021. The Funding Agreement will provide funding to the County for Rincon’s costs to prepare the IS-MND.

OTHER AGENCY INVOLVEMENT:

The Contracts/Purchasing Division has reviewed and approved the Sole Source Justification for the required services. The Office of the County Counsel has reviewed and approved the PSA and FA as to form.

FINANCING:

Pursuant to the terms of the FA between Donald D. Chapin Jr. and Barbara A. Chapin, Co-trustees of the Chapin Living Trust dated April 27, 1999 and the County, the IS-MND services provided by Rincon Consultants, Inc. under the PSA, and County Contract Administration fee will be paid by the Project Applicants, with an advanced deposit. Separate fees for County staff costs associated with the Project will be paid by the Project Applicants in accordance with the County of Monterey Land Use Fee Schedule. The PSA and FA are structured so that there is no cost to the County associated with these Agreements with no impact to the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The FA with the Project Applicants and PSA with Rincon will allow for completion of an IS-MND for the Project. All services to complete the IS-MND are fully funded by the Project Applicants. The recommended action supports the BOS Strategic Initiatives as indicated below:

Check the related Board of Supervisors Strategic Initiatives:

- Economic Development
- Administration
- Health and Human Services
- Infrastructure
- Public Safety

Prepared by: Son Pham-Gallardo, Associate Planner
 Reviewed by: Erik Lundquist, AICP, Chief of Planning
 Approved by: Mike Novo, AICP, Interim Director of HCD

DocuSigned by:

 75F46D591F65425...

The following attachments are on file with the Clerk of the Board:

Attachment A - FA with Donald D. Chapin Jr. and Barbara A. Chapin,

Co-trustees of the Chapin Living Trust dated April 27, 1999

Attachment B - PSA with Rincon Consultants, Inc.