

Exhibit B

This page intentionally left blank.

Exhibit B

This page intentionally left blank.

EXHIBIT B
PROJECT DISCUSSION
PLN170145 (Tomlinson Sisters Partnership/Monterey Naturals)

Description

Monterey Naturals proposes to lease space from Tomlinson Sisters Partnership in an existing building located at 19 San Juan Road in the Pajaro/Royal Oaks community. The subject property is approximately 300 feet east of the intersection of Porter Road and San Juan Road, and approximately 1,200 feet southeast of State Route 129/East Riverside Drive, and is located in a regional serving commercial retail area containing a variety of commercial uses. The site is zoned Light Commercial in the North County Area Plan.

The proposed retailer would be located in a 3,345-square foot space of an existing 5,353-square foot split-level, mixed-use building. The mixed-use building includes commercial uses on the first floor and an apartment on the second floor. The remaining 2,008 square feet of commercial space on the first floor is currently occupied by a laundromat, which will continue in operation. The proposed retailer would provide cannabis products such as cannabis, edibles, concentrates, topicals, tinctures, and immature plants.

Background

The property owner proposes to lease space to Monterey Naturals who would operate the retailer on the property. The existing tenant space was previously permitted in an approved General Development Plan for the site. The space was originally intended for a medical clinic but is currently vacant.

The Tomlinson Sisters Trust received approval of a General Development Plan, No. ZA94013, on July 25, 1996, to allow a laundromat, copying and printing shop, professional offices, and retail uses. The applicant would be required to amend the previously approved General Development Plan to include commercial cannabis retailer as an approved use.

In July of 2016, the Board of Supervisors adopted ordinances establishing regulations for cannabis operations in Monterey County. Pursuant to the adopted regulations, all commercial cannabis businesses must obtain a Use Permit (land use) and an annual Commercial Cannabis Business Permit.

Use Permit Standards

Cannabis retailers are listed as a “Use Allowed with a Use Permit in each case” in the Light Commercial (LC) Zoning District. Standards for cannabis retailer Use Permits are contained in Section 21.67.040 of the Inland Zoning Ordinance (Title 21). Minimum standards include:

1. Location in a commercial zoning district;
2. Location more than 600 feet from a school, public park, or drug recovery facility;
3. Location more than 1,500 feet from another retailer;
4. Appropriate record keeping policies and consent for inspections;
5. Appropriate security measures;
6. Appropriate delivery procedures;
7. Appropriate supply chain to include permitted and licensed facilities only;
8. Appropriate packaging and labeling of products;

EXHIBIT B
PROJECT DISCUSSION
PLN170145 (Tomlinson Sisters Partnership/Monterey Naturals)

9. Tracking and reporting of inventory discrepancies, theft, loss, or other breach of security;
10. Restriction on possession or sale of any other form of illegal drugs.

Consistency with these standards is analyzed below.

Analysis

In order to address the minimum standards and required findings for a Use Permit, the applicant has submitted a Development Project Application (**Exhibit D-3**) that includes an Operations Plan and Security Plan that describes quality control procedures, packaging and labeling, secure storage and access, track and trace programs, inventory control procedures, patient verifications, preventing diversion of cannabis, vendor operating procedures, disposal, odor management, record keeping, the security plan, and other site information addressing operational standards including fire, health, and safety.

Staff has reviewed the plans and information submitted with the Use Permit application and feels that the findings required to grant the Use Permit can be made in this case. Plans submitted address the minimum standards contained in Section 21.67.040 including location within a Light Commercial Zoning District. Standards considered in review of the application include:

Location and hours: The property is located in a Light Commercial Zoning District; is more than 3,000 feet from Watsonville High School northwest of the site; is more than 700 feet from Linear Park northwest of the site, north of Pajaro River; and is not within 1,500 feet of another permitted retailer (see discussion regarding setback below). The retailer would be in operation seven days a week. Hours of operation for the proposed retailer would be from 9:00 A.M. to 8:00 P.M. daily for members, 9:00 A.M to 5:00 P.M. for deliveries, and 9:00 A.M. to 9:00 P.M. for staff only.

Product Tracking, Record Keeping and Preventing Diversion: Monterey Naturals would maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis products throughout the distribution chain until purchased by or distributed to a qualified patient or primary caregiver. Track and trace software, such as MJ Freeway, would be utilized to record and report information to prevent diversion of the products and theft while maintaining product quality and product consistency; making the employees accountable for the tasks they undertake; and providing management with key information and storage of information. The software and backup data assures instant access to all information that has been gathered and maintained. Employees would be trained and given a specific passcode to access the system. In accordance with state law, Monterey Naturals would keep accurate records of commercial cannabis activity for a minimum period of seven years.

Security: The applicant has submitted a detailed Security Plan (**Exhibit D-3**). Security systems and procedures have been reviewed by RMA – Planning and appropriate measures and systems are proposed to meet or exceed local and State security requirements. All products and currency will be kept in a safe, locked access-controlled area. This area will have the highest security restrictions in the facility and will only be accessible by the Inventory Manager. No other

EXHIBIT B
PROJECT DISCUSSION
PLN170145 (Tomlinson Sisters Partnership/Monterey Naturals)

persons will be allowed to access this room at any time, without exceptions. Inventory will be taken and documented daily, weekly, and randomly throughout the week. Uretsky Security, a company licensed by the State of California Bureau of Security and Investigative Services, would provide security to deter and prevent unauthorized entrance into areas containing cannabis products, prevent loitering on the premises of the retailer, and establish limited access areas only to authorized retailer personnel. Security cameras would be installed on-site to record 24 hours per day, 7 days per week. The cameras would monitor all entrances and exits, and all interior spaces open and accessible to the public, and all interior spaces where cannabis, cash or currency, is being stored. An alarm system would be installed to detect entry and exit from all secure areas, and panic buttons installed in appropriate locations. Visitors to the facility will be visible to employees inside the building through a glass door or entrance camera. Visitors will be buzzed in at the front entrance by either a security guard or an employee at the front window. Other entrances will be accessible with key cards. Additional measures are proposed for delivery services (i.e., incoming products only). In-coming deliveries would be supervised by a minimum of two employees. Secured containers would be accessible by code on an electronic keypad and a physical key.

Nuisances: A 24- hour business contact information is provided for nuisance complaints such as suspicious activity or loitering. Odor control would include an HVAC system with carbon and/or ozone-filtration to eliminate any odor issues. Patients will not be permitted to consume products on-site.

Patient verification and Youth restrictions: In order to prevent diversion of cannabis to, Monterey Naturals would prevent minors under 18, from being unattended anywhere on the property.

Physical improvements: The proposed retailer would include minor interior improvements to the 3,345-square foot tenant space. There would be no exterior change to the building other than new signage. A 9 square foot sign (72-inch wide by 18-inch tall sign) is proposed over the entryway, located at the west end of the existing building. The sign would include the business name, address, and business logo. The proposed retailer would share parking with the laundromat use and apartment on the second floor of the building, which would satisfy the parking requirement of 22 spaces per Section 21.58.040 of the Monterey County Code.

Setback: There are no cannabis retailers permitted within 1,500 feet of the proposed retailer. A pre-application/Development Review Committee conference application was submitted for another retailer within 1,500 feet of the subject site however, that applicant has not submitted a formal Use Permit application as of the date on this report. The 1,500-foot setback applies only from a permitted retailer site; therefore, the proposed retailer meets the required 1,500-foot setback from another cannabis retailers.

In addition to operating on a site with an approved Use Permit, Monterey Naturals would be required to obtain and maintain an annual Commercial Cannabis Permit pursuant to Chapter 7.90 of the Monterey County Code, which will require in depth review of the standard operating procedures for the business as well as background checks and, they will also be required to obtain and maintain a State license from the Bureau of Cannabis Regulation.

EXHIBIT B
PROJECT DISCUSSION
PLN170145 (Tomlinson Sisters Partnership/Monterey Naturals)

Mandatory Conditions

Mandatory conditions of approval, required for all cannabis retailer Use Permits, are attached to the draft resolution (**Exhibit D-1**).