



Monterey County Planning Commission

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Agenda Item No. 1

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PLN170110 - KIND OPS CORP (KIND REAL ESTATE LLC)

Public hearing to consider allowing commercial cannabis cultivation and nursery operations within existing greenhouses and warehouses in the Farmland zoning district.

Project Location: 2346 Alisal Road, Salinas, Greater Salinas Area Plan

Proposed CEQA action: Categorically Exempt per Section 15301 of the CEQA Guidelines

RECOMMENDATION:

It is recommended that the Planning Commission adopt a resolution to:

- a. Find that a change of use within existing greenhouse and warehouse facilities is not an expansion of use beyond what existed at the time of the lead agency's determination, which qualifies as a Class 1 Categorical Exemption per Section 15301 of the CEQA Guidelines and none of the exceptions under Section 15300.2 apply; and
- b. Approve a Use Permit to allow
 - 1) Approximately 260,000 square feet of canopy area for mixed-light commercial cannabis cultivation; and
 - 2) Approximately 21,000 square feet of nursery operations
 - 3) Non-volatile manufacturing operations

within existing greenhouses, warehouses and office space at 2346 Alisal Road, Salinas.

The attached draft resolution includes findings and evidence for consideration (**Exhibit C**). Staff recommends approval subject to 12 conditions of approval, including 6 conditions with mandatory requirements per the Monterey County Code.

PROJECT INFORMATION:

Agent: N/A

Property Owner: Kind Real Estate LLC

APN: 137-141-007-000

Parcel Size: 12.3 acres

Zoning: F/40

Plan Area: Greater Salinas Area Plan

Flagged and Staked: N/A

SUMMARY/DISCUSSION:

Kind Real Estate, LLC owns property with existing greenhouses and warehouses at 2346 Alisal Road. Kind Ops Corp. has submitted an application on behalf of Kind Real Estate, LLC to allow commercial cannabis cultivation, nursery operation, and non-volatile manufacturing within these same greenhouses and warehouses on the site. The property is zoned Farmlands (F) with a minimum lot size

of 40 acres in the Greater Salinas Area. Commercial cannabis cultivation and nurseries are permissible land uses within the Farmland zone, subject to a Use Permit in each case and subject to the regulations contained in Chapter 21.67 of the Monterey County Code.

Kind Ops Corp. is currently operating a commercial medical cannabis nursery and cultivation at the site. Pursuant to Section 21.67.030.G, Commercial cannabis activities that were established prior to adoption of the County's cannabis regulations (July 2016) have one year to obtain all required permits and licenses or stop operating. Kind Ops Corp. has been diligently pursuing obtaining permits, paying taxes, and remain in "good standing" with the County as outlined in memorandum released by the Resource Management Agency on February 27, 2017, June 30, 2017, August 23, 2017 and December 13, 2017. Kind Ops Corp has applied for and received temporary licenses from the state as well. No violations of the "good standing" exist on the site as of the date of this report.

This Use Permit would authorize approximately 20,850 square feet of canopy area for nursery operations and approximately 259,922 square feet (~6 acres) of canopy for cultivation. Nursery (Type 4 permit type) operations include production of seedlings or clones that are immature plants (not flowering) that are sold wholesale to a cultivator. Mixed-light cultivation (Type 1B, 2B, and/or 3B permits) is the raising of the plant to maturity (flower) including harvesting, drying, and trimming using a combination of natural and artificial lighting. Drying, trimming, and packaging of flowers cultivated on site would occur within an existing metal building/warehouse that will be improved to meet current building code standards for this use.

An Operations Plan (**Exhibit C-2**) submitted as part of the application describes how the cannabis uses will comply with state and local regulations for commercial cannabis cultivation. Staff has reviewed the application and determined that the proposal meets all the applicable criteria of the County Code. The applicant has demonstrated that they can and will comply with State licensing requirements.

Below is a summary of the applicable criteria for commercial cannabis cultivation and non-volatile manufacturing in Chapter 21.67, and how the project meets each one:

- **Location of operations within the Farmland or Industrial zoning districts -**
 - The site is zoned Farmland (F)
- **Location within a greenhouse or industrial building legally established prior to January 1, 2016 -**
 - The greenhouses shown on site plans are permitted on the property.
- **Location more than 600 feet from a school public park, or drug recovery facility -**
 - The nearest school is Bardin Elementary on Bardin Rd, over 3 miles away. There are no schools, parks, or drug recovery facilities in the vicinity.
- **Improvements for security to prevent theft and trespass -**
 - 24-hour on-site security from a contracted security service, restricted interior access, video surveillance at strategic locations throughout the facility, integrated alarm systems, and emergency response plans. The security plan has been reviewed by the Resource Management Agency. The Security plan has been redacted from the Application Package (**Exhibit D**) for confidentiality.

- **Installation of water conservation measures -**
 - The site will use water conservation irrigation systems and ‘WaterSense’ labeled products.
- **On-site renewable energy -**
 - On site, renewable energy is provided for the site including a 306 kW photovoltaic system (Permit No. 15CP02493)
- **Operating Standards -**
 - The project adheres to all required operating standards including unique identifiers, quality assurance, track and trace programs, pesticide and fertilizer storage, odor prevention, record keeping, and waste management policies in compliance with County requirements and State law. (Note: These items are also required to be addressed as part of the required Commercial Cannabis Business Permit pursuant to Chapter 7.90 of the Monterey County Code.)

The subject Use Permit would authorize use of the property for commercial cannabis activities. The Use Permit runs with the land and not the business or property owner. Pursuant to Chapter 7.90 of the Monterey County Code, prior to beginning any cannabis operations, the business operator(s) would additionally need to obtain and maintain the appropriate Commercial Cannabis Permits (“Business Permit”) through the Resource Management Agency. Due to the square footage limits of each license type. This could be done through various combinations of mixed-light cultivation license types (i.e. 1B, 2B, and/or 3B licenses), corresponding to the total area of canopy cultivated requested onsite [For example, 97,000 square feet could be compromised of: 1 - type 3B permit (up to 22,000 sq. ft.); 7 - type 2B permits (up to 10,000 sq. ft. each); and 1-type 1B permit (up to 5,000 sq. ft.) to achieve the total canopy cultivated]. Nursery permit (type 4) have no size limits associated. The “Cannabis Business Permits” are ministerial, and will not require a discretionary hearing. Also prior to beginning any operations, a Business License must be obtained from the Treasure/Tax Collector. State Licenses will also be required. A condition of approval (Condition No. 8) has been incorporated to require all applicable licenses for the cannabis operations are obtained prior to operation.

DISCUSSION:

Detailed discussion is provided in **Exhibit A**.

CEQA

Section 15301 of the California Environmental Quality Act (CEQA) guidelines categorically exempts the operation, permitting, and licensing of existing structures and facilities involving negligible or no expansion of the use beyond the existing operations. The project entails only a change in agricultural plant types within existing structures on the site. The change in plant types would involve no material expansion of the existing use. Physical improvements to the site are limited to minor upgrades to existing structures. No grading or development outside of existing building footprints will be taking place, and therefore no new runoff will be created as an impact to adjacent roadways. Since this site was previously used for a plant cultivation operation, the amount of traffic generated by staff will not increase over historical use, so no new impacts are will occur with regard to traffic volumes in the area. The applicant anticipates having less than 25 employees on site for the operation of the business. This means the water service would not qualify as a Public Water System. The project has been

conditioned (Condition No. 13) to ensure that if at some time the number of employees expands to more than 25 employees, the owner/applicant will apply for and obtain a State Public Water System permit.

OTHER AGENCY INVOLVEMENT:

The following agencies have reviewed the project, have comments, and/or have recommended conditions:

- Environmental Health Bureau
- RMA-Public Works
- RMA-Environmental Services
- Water Resources Agency
- Monterey County Sheriff's Office
- Monterey Regional Fire Protection District
- Treasurer Tax Collector

The proposed project was not referred to a Land Use Advisory Committee because there is no Land Use Advisory Committee for the Greater Salinas Area.

Prepared by: Craig Spencer, Senior Planner, ext. 5233
Reviewed by: Brandon Swanson, RMA Services Manager, ext. 5334
Approved by: John M. Dugan, FAICP, RMA Deputy Director of Land Use and Development Services

The following attachments are on file with the RMA:

- Exhibit A - Discussion
- Exhibit B - Vicinity Map
- Exhibit C - Draft Resolution including:
 - Conditions of approval
 - Site Plans, Floor Plans, and Operations Plans
- Exhibit D - Site Photos

cc: Front Counter Copy; Planning Commission; Brandon Swanson, RMA Services Manager; Kin Ops Corp, applicant; The Open Monterey Project (Molly Erickson); LandWatch (Executive Director); John H. Farrow; Project File PLN170110.