

# Exhibit B

This page intentionally left blank.

**EXHIBIT B**  
**PROJECT DISCUSSION**  
**PLN170093 (High Level of Care)**

**Description**

The applicant, Salvatore Palma, on behalf of Mr. Cominos, requests a Use Permit to allow an 800-square foot cannabis retailer in the rear portion of a 1,855-square foot single-story, retail building, with a shared parking lot at the rear of the retail building on a 0.07-acre lot. Mike's Smoke Shop, currently operates within the front portion of the same building, occupying 1,000 square feet of the building. State law prohibits sale of tobacco on permitted and licensed retailer premise and therefore, the smoke shop will be required to move or cease tobacco sales on-site. There are two entrances to the building, one facing Merritt Street and the other at the rear of the building facing the parking lot. The retailer would be required to provide three parking spaces per MMC Chapter 21.58, which requires one parking space per 250 square feet of net floor area. The 20 shared parking spaces associated with the lease of the 800 square foot portion of the building for the retailer would satisfy the parking requirements for both the retailer and the retail space currently occupied by Mike's Smoke Shop. Access to the rear shared parking lot is from Preston Street.

Retailer patrons would enter through the main door on Merritt Street, and pass through a separate retail space (currently a smoke shop) before being checked in to enter the retailer through a separate door. The rear access to the building would be for employees only. Deliveries would also be made at the rear entrance of the retailer. A secured loading area "sally port," with decorative fencing would provide security during the delivery process.

**Background**

The property owner proposes to lease space on the premise to Higher Level Care who would operate the retailer use on the property. Higher Level of Care filed Articles of Incorporation with the Secretary of State in June 2015 and has been operating in Monterey County under the terms of the Compassionate Use Act since that time. On September 17, 2015, Higher Level Care was granted an exemption from the Interim Ordinance (Ordinance No. 5265) which provided them with an exception from the temporary ban on new cannabis operations in Monterey County and allowed them to continue operating while the County considered permanent regulations. Prior to adoption of the new cannabis regulations, retail uses (like a dispensary) would have been allowed at the site without the need to obtain new planning permits.

In July of 2016, the Board of Supervisors adopted ordinances establishing regulations for medical cannabis operations in Monterey County. Those regulations were later updated to include adult-use and medicinal use commercial cannabis operations. Pursuant to the adopted regulations, all commercial cannabis businesses must obtain a Use Permit (land use) and an annual Commercial Cannabis Business Permit. On March 8, 2017, Higher Level of Care submitted a request for a pre-application Development Review Committee (DRC) meeting. Following the DRC meeting, an official application for Use Permit was made on June 9, 2017 and the application was deemed complete on July 10, 2017. If the Use Permit is approved, an application for a Commercial Cannabis Permit will also be required pursuant to Chapter 7.90 of the Monterey County Code.

**Use Permit Standards**

**EXHIBIT B**  
**PROJECT DISCUSSION**  
**PLN170093 (High Level of Care)**

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 retail 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;
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 standards and findings required to grant a Use Permit for a cannabis retailer, the applicant has submitted a Use Permit Application (**Exhibit C-2**) that describes how operations will comply with the relevant standards. The operations plan, includes the hours of operation, number of employees, security protocols, customer age verifications, loitering restrictions, product safety, packaging, supply chain information, record keeping policies including track and trace programs, contact information for nuisance complaints, 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 determined 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. Standards considered in review of the application include:

Land Use and Zoning: Zoning on the property is Community Plan or “CP.” Pursuant to Section 21.39 of Title 21, properties zoned CP shall refer to the adopted Community Plan for development policies and land use regulations; in this case, the Castroville Community Plan (CCP). Figure 4 of the CCP indicates that land use designation for the property is Mixed Use Commercial, which allows for retail uses mixed with residential development. Cannabis retailers are not a use specifically allowed in the CCP. However, other uses similar in character, density, and intensity of permitted uses within the mixed-use area (such as pharmacies and retail stores) would be allowed with appropriate permits. Pursuant to Section 21.39.020.C (CP Zoning), regulations, standards, or procedures contained within Title 21 not otherwise addressed by the Community Plan, shall be applicable. Therefore, the proposed use would be consistent with the CCP if it consistent with the regulations for commercial cannabis activities contained in Section 21.67 of Title 21.

**EXHIBIT B**  
**PROJECT DISCUSSION**  
**PLN170093 (High Level of Care)**

Location and hours: The property is in an area that permits retail uses; is more than 1,706 feet from Castroville Elementary School (the nearest school/park to the site); 1,907 feet from the North County Sports Complex in Castroville, and is not within 1,500 feet of another permitted retailer (see discussion regarding setback below). Operations plan propose hours to be 8:00 A.M. to 8:00 P.M.

Product tracking and records: The owner and all permittees will maintain clear and adequate records and documentation demonstrating that all cannabis or cannabis products have been obtained from or are provided to other permitted and licensed cannabis operations; and will provide all records for inspection consistent with state law.

Security: Security systems and procedures have been reviewed by RMA – Planning and North County Fire. Appropriate measures and systems are proposed to meet or exceed local and State security requirements. Security will be similar to a bank operation with on-site security from a contracted security service, storage of all cannabis products within a secured and locked safe, safe or vault with limited access, 24-hour video surveillance at strategic locations throughout the facility, and integrated alarm systems. Additional measures are proposed for delivery services security including a secured loading area “sally port,” with fencing for security during the loading and delivery of products into unmarked vehicles. Limited access to portions of the building containing store cannabis products.

Nuisances: A 24- hour business contact information is provided for nuisance complaints such as suspicious activity or loitering. Odor control would include carbon filters as part of the HVAC system and air purification units within the building if odor becomes a nuisance to people living or working in the immediate vicinity. Patients will not be permitted to consume products on-site. The retailer would prohibit loitering with on-site signage and security.

Patient verification and Youth restrictions: All customers will be required to check in at a reception area where age and/or doctors’ recommendations and identification will be verified before the customer is permitted to enter the sales area.

Physical improvements: Minor interior tenant improvements have been permitted. There will be no exterior change to the structure other than a new 8-foot high wrought iron fence/gate that would be located at the rear of the property to provide security during loading and delivery of products.

Setback: There are no cannabis retailers located within 1,500 feet of the proposed retailer. This is the first and only cannabis dispensary/retailer application in Castroville.

In addition to operating on a site with an approved Use Permit, High Level of Care (the dispensary business) will be required to obtain and maintain an annual Commercial Cannabis Permits 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. They will also be required to obtain and maintain a State license from the Bureau of Medical Cannabis Regulation.

This page intentionally left blank