



Monterey County Planning Commission

Agenda Item No. 3

Legistar File Number: PC 18-002

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January 10, 2018

Introduced: 1/2/2018

Version: 1

Current Status: Agenda Ready

Matter Type: Planning Item

PLN1160818 - TIN HOUSE PARTNERS, LLC./CYPRESS MANUFACTURING

Public hearing to consider allowing commercial cannabis activities including mixed-light cultivation and nursery operations within existing greenhouses in the Farmlands Zoning (F/40) District.

Project Location: 139 Zabala 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) 175,000 square feet of canopy area for mixed-light commercial cannabis cultivation; and
 - 2) 15,000 square feet of canopy area for nursery operations within existing greenhouses, warehouse, and office space, at 139 Zabala Road, Salinas.

The attached draft resolution includes findings and evidence for consideration (**Exhibit A**). Staff recommends approval subject to 10 conditions of approval, including 6 conditions with mandatory requirements per the Monterey County Code.

PROJECT INFORMATION:

Agent: Robert Weakley

Property Owner: Tin House Partners

APN: 107-051-003-000

Parcel Size: ~10.22 acres

Zoning: F/40

Plan Area: Greater Salinas Area Plan

Flagged and Staked: N/A

SUMMARY:

Tin House Partners has submitted an application to allow commercial cannabis cultivation and a nursery operation within existing greenhouses and warehouses at 139 Zabala Road, Salinas. It is currently their plan to lease the space to Cypress Manufacturing who will operate the cannabis business. It is Cypress Manufacturing's intent to phase-in commercial cannabis operations if and when they receive all of the applicable permits.

This Use Permit would authorize approximately 15,000 square feet of canopy area for nursery operations and approximately 175,000 square feet (~4 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 cannabis 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 A-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 and has demonstrated that they can and will comply with State licensing requirements.

DISCUSSION:

Cypress Manufacturing 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. Tinline and Cypress Manufacturing have 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. Cypress Manufacturing has applied for temporary licenses with the state.

The property is 10.22 acres zoned Farmland (F) with a minimum lot size of 40 acres in the Greater Salinas Area. The site was developed with 236,385 square feet of greenhouse and a 7,203-square foot processing shop which have all existed at the site since the 1980's. Greenhouses at the site have been cleaned, repaired, and upgraded to accommodate commercial cannabis cultivation activities at the site. Water for operations at the site is provided via an existing well on site.

Commercial cannabis cultivation and nurseries are a 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. This area is characterized by numerous other large greenhouse operations left over from the cut flower industry creating a rural agricultural setting. The applicant is requesting to re-utilize the existing greenhouses for mixed-light cultivation and nursery operations

Consistency with Section 21.67.050 for Cannabis Cultivation

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

- **Location**
 - The site is zoned Farmland (F). Cultivation and nurseries may be permitted in the F zone subject to a Use Permit.
 - The nearest school is Alisal High School, which is more than 2 miles away from the project site.
 - There are no parks or drug recovery facilities in the vicinity.
 - The existing greenhouses and warehouses are shown on site plans in building
- **Improvements for security to prevent theft and trespass -**
 - Perimeter intrusion alarm system, security cameras, motion detectors, full-time security, and an eight-foot chain link fence with razor wire and privacy screens are proposed for the site. The security plan has been reviewed by the Resource Management Agency and Monterey Regional Fire.
- **Installation of water conservation measures -**
 - The operation will have a rainwater capture system and a drip irrigation system.
- **On-site renewable energy -**
 - On site, renewable energy is not provided at this time but is planned to be incorporated within the next 5 years.
 - The operation will utilize LED grow lights.
- **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. Use Permits run 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. Nursery permit (type 4) have no size limits associated. The “Commercial Business Permits” are ministerial, and will not require a discretionary hearing. 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. Proposed conditions express total maximums in order to allow flexibility of operation types within allowable guidelines. Monterey County Title 20 and Title 21 Ordinances do not delineate between “Adult” (A) and “Medicinal” (M) license types with respect to the land use entitlements. The land use ordinances were created to regulate both types of

cannabis operation. The delineation of “A” and “M” businesses is captured in the Business Permit process, following the land use entitlement.

A draft resolution includes findings and evidence for consideration (**Exhibit A**). Staff has reviewed the proposed application and determined, as proposed and conditioned, the findings required to grant a Use Permit for a commercial cannabis retailer can be made in this case. As outlined below, the project has been found consistent with the requirements of Section 21.67 of Title 21.

CEQA

The project entails a change in agricultural plant types within existing structures on the site. The change in plant types would involve no expansion of the existing use. 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.

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 Regional Fire Protection District

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: Carl Holm, AICP, RMA Director

The following attachments are on file with the RMA:

Exhibit A - Draft Resolution including:

- Conditions of approval
- Site Plans, Floor Plans, and Operations Plan

Exhibit B - Vicinity Map

cc: Front Counter Copy; Planning Commission; Brandon Swanson, RMA Services Manager; Cypress Manufacturing, Applicant; Robert Weakley, Owner; The Open Monterey Project (Molly Erickson); LandWatch (Executive Director); John H. Farrow; Project File PLN160818