

Exhibit A

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EXHIBIT A
PROJECT DISCUSSION
PLN170110 (Kind Real Estate LLC)

Description

Kind Ops Corp is proposing to repurpose existing facilities at 2346 Alisal Road, Salinas, CA for commercial cannabis cultivation. The site is located at the corner of Alisal Road and Fuji Lane in the Greater Salinas area in the Farmlands (F/40) Zoning district. The site includes seven permanent, pre-existing greenhouses totaling 319,901 square feet of floor space. Following the issuance of business permits, total canopy size is expected to be 259,922 square feet of cultivation and 20,850 square feet of nursery.

Background

In July of 2016, the Board of Supervisors adopted ordinances establishing regulations for commercial 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. On March 21, 2017, Kind Real Estate LLC. submitted an official application for Use Permit and the application was deemed complete on March 29, 2018. If the Use Permit is approved, an application for a Commercial Cannabis Business Permit and Business License will also be required pursuant to Chapter 7.90 of the Monterey County Code.

Use Permit Standards

Commercial cannabis cultivation is listed as a “Use Allowed with a Use Permit in each case” in the Farmlands (F) Zoning District. Standards for commercial cannabis cultivation Use Permits are contained in Section 21.67.050 of the Inland Zoning Ordinance (Title 21). Minimum standards include:

1. Cultivation occurs only within a greenhouse or industrial building that was permitted or legally established prior to January 1, 2016;
2. No buildings intended for residential be used for the cultivation of commercial cannabis;
3. Location more than 600 feet from a school, public park, or drug recovery facility;
4. Appropriate record keeping policies and consent for inspections;
5. Appropriate security measures;
6. Appropriate storage and labeling of pesticides and fertilizers;
7. Appropriate water conservation measures, water capture systems, or grey water systems to minimize water usage.
8. On-site renewable energy generation shall be required for all indoor commercial cannabis cultivation activities.
9. Appropriate screening from offsite.
10. Appropriate measures to ensure that the cannabis cultivation canopy does not exceed the size authorized by County permits or State Law.

Consistency with these standards is analyzed below.

Required Findings

In addition to these minimum standards, a Use Permit shall not be granted unless all the following findings are made:

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1. The cultivation, as proposed, will comply with all of the requirements of the State and County for the cultivation of commercial cannabis.
2. The cultivation will not be located within six hundred (600) feet from any school, public park, or drug recovery facility.
3. The cultivation, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
4. The cultivation includes adequate measures that minimize use of water for commercial cannabis cultivation at the site.
5. The cultivation includes adequate measures to address the projected energy demand for commercial cannabis cultivation at the site.
6. The cultivation includes adequate quality control measures to ensure commercial cannabis cultivated at the site meets industry standards.
7. The cultivation includes adequate measures that address the federal enforcement priorities for cannabis activities including restricting access to minors, prohibiting use or possession of firearms for security purposes at the premises, and ensuring that commercial cannabis and commercial cannabis products are not supplied to unlicensed and unpermitted persons within the State and not distributed out of state.

A draft resolution includes findings and evidence for consideration (**Exhibit C**). Staff recommends approval determining that these findings have been met.

Mandatory Conditions

Mandatory conditions of approval required for all commercial cannabis cultivation Use Permits. Staff recommends approval subject to 12 conditions of approval, including the mandatory conditions (**Exhibit C-1**).

Analysis

In order to address the minimum standards and required findings for a Use Permit, the applicant has submitted an Operations Plan (**Exhibit C-2**) that describes the hours of operation, security protocols, youth restriction procedures, product safety, packaging, supply chain information, record keeping policies including track and trace programs, odor prevention measures, 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 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 Farmlands Zoning District. Standards considered in review of the application include:

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Location: The property is located in a Farmlands District; and is more than 3 miles away from Bardin Elementary on Bardin Rd.

Product tracking and records: Track and trace software, together with operational details regarding inventory and accounting are proposed that would be capable of maintaining clear records for all product purchases, deliveries, and sales. Through the software system, chain of title and manifests of products from seed to sale can be provided. This will provide accountability to ensure products remain in a regulated market and are not illegally diverted.

Security: 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. Security will be similar to a bank operation with 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. A licensed distributor will be used for product transportation.

Nuisances: Condition of Approval No. 9 has been included to ensure that odor prevention devices and techniques, such as ventilation system with a carbon filter, shall be incorporated to ensure that odors from cannabis are not detectable off-site.

Physical improvements: No significant physical improvements are proposed to the site other than structural upgrades to existing greenhouses/warehouses.

In addition to operating on a site with an approved Use Permit, Kind Ops Corp will 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, Monterey County Business License, and obtain and maintain a State license from the Bureau of Cannabis Regulation.

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