



Monterey County Planning Commission

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Agenda Item No. 1

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PLN170423 - CEA DEVELOPMENT LLC

Public hearing to consider commercial cannabis operations totaling approximately 178,080 square feet of greenhouse area for cannabis cultivation, and nursery operations, and approximately 6,600 square feet of indoor processing building area for manufacturing and distribution.

Project Location: 2274 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 178,080 square feet of greenhouse space for mixed light commercial cannabis cultivation, and nursery operations within existing greenhouses; and
 - 2) Non-volatile manufacturing operations within an existing 6,600 square foot commercial building located at 2274 Alisal Road, Salinas.

The attached draft resolution includes findings and evidence for consideration (**Exhibit C**). Staff recommends approval subject to sixteen (16) conditions of approval, including six (6) conditions with mandatory requirements per the Monterey County Code.

PROJECT INFORMATION:

Agent: Trinh Retterer (JRG Attorneys at Law)

Property Owner: CEA Development LLC

APN: 153-011-057-000

Parcel Size: 10.63 acres

Zoning: F/40

Plan Area: Greater Salinas Area Plan

Flagged and Staked: N/A

SUMMARY:

CEA Development, LLC owns property with existing greenhouses and indoor processing buildings at 2274 Alisal Road and has submitted an application to allow commercial cannabis cultivation, nursery operation, and non-volatile manufacturing within these same greenhouses and indoor processing buildings 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 Monterey County Code.

DISCUSSION:

The site is currently unoccupied, and has historically been used for agricultural production. This Use Permit would authorize four (4) greenhouses approximately 178,080 square feet of area for commercial cultivation/nursery operations and an approximately 6,600 square feet indoor processing building for manufacturing and distribution.

The 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.

The following products will be produced on site:

- Cannabis Seeds and Clones
- Cannabis Flower
- Cannabis Trim
- Cannabis Extracts
- Cannabis Oils

*No food processing, food packing or food sales will occur on the site.

An Operations Plan (**Exhibit C**) 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 Section 21.67.050 and 21.67.060, and how the project meets each one:

- **Location of operations within the Farmland or Industrial zoning districts -**
 - The proposed application involves the use of existing greenhouses and an indoor processing building on the site. Within the F/40 Farmland, (F) Zoning District, indoor and mixed-light cultivation and nurseries are subjected to a Use Permit provided that the operations occur within a greenhouse or indoor building that was permitted or

legally established before January 1, 2016. County records indicant building permits were issued between 1988 and 1994 for the development of the existing greenhouses and indoor processing building onsite. The existing greenhouses and indoor processing building are provided on the attached site plans (**Exhibit C**).

- **Location within a greenhouse or industrial building legally established prior to January 1, 2016**
 - The site has historically been used for agricultural production with the existing greenhouses. The legally permitted, previously existing greenhouses total approximately 178,080 square feet. The project is proposed within the confinement of the areas depicted on the site plan (**Exhibit C**).
- **Location more than 600 feet from a school public park, or drug recovery facility -**
 - The nearest school is Bardin Elementary on Bardin Rd, over 2.2 miles away. There are no schools, parks, or drug recovery facilities in the vicinity.
- **Improvements for security to prevent theft and trespass -**
 - A security plan has been submitted as part of the Use Permit application (**Exhibit C**) as required by the Monterey County Code Section 7.90.100 and California Medical & Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). The site will include 24-hour 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.
- **Installation of water conservation measures -**
 - Water conservation measures, water capture systems, and/or grey water systems shall be incorporated in cannabis cultivation operations to minimize use of water where feasible. The site has an existing well providing adequate flow and high water quality without treatment, and therefore no additional infrastructure is required to establish a public water system. (**Exhibit C**). The project is designed to retain all runoff water onsite complying with (Condition No. 13) and the Monterey County flood and storm water control policies.
- **On-site renewable energy -**
 - On site, renewable energy generation shall be required for all indoor i.e (processing building) cannabis related activities. Renewable energy systems shall be designed to have a generation potential equal to or greater than one-half of the anticipated energy demand.
- **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. An Operations Plan (**Exhibit C**) submitted as part of the application describes how the cannabis uses will comply with state and local regulations for commercial cannabis cultivation. (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.

Unless restricted under the terms or conditions of a Use Permit, permittees who hold a Use Permit for cannabis cultivation or nursey operations may transport their own cannabis cultivation or nursery operations and may transport their own cannabis grown onsite to another permitted and licensed cannabis business at an offsite facility, provided the cultivation or nursery permittee hold a Type 11 state license or other applicable state license that allows for the transportation of cannabis. A separate Use Permit under this Section shall not be required for permittees that transport their own cannabis grown onsite to another permitted and licensed cannabis business at an offsite facility. Failure to adhere to County or State laws and regulations for cannabis transportation may be grounds for suspension or revocation of Use Permit pursuant to Section 21.67.110 of the Monterey County Code.

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 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. A deed restriction shall be submitted (Condition No. 14) requiring the owner/applicant to obtain a Public Water System Permit if at some time the number of employees expands to 25 or more employees on site.

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: Kenny Taylor, Senior Planner, ext. 5233 
Reviewed by: Brandon Swanson, RMA Planning Services Manager
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 - Project Data Sheet
- Exhibit B - Vicinity Map
- Exhibit C - Draft Resolution, including:
 - Draft Conditions
 - Reduced Plans/Site Photos
 - Operations Plans
 - Water System Improvement Plans

cc: Front Counter Copy; Planning Commission; Brandon Swanson, RMA Services Manager; CEA Development, LLC, applicant; The Open Monterey Project (Molly Erickson); LandWatch (Executive Director); John H. Farrow; Project File PLN170423.