

Exhibit A

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EXHIBIT A
PROJECT DISCUSSION
Valentine Holdings, LLC PLN160807

Description

The property owner proposes to open a commercial cannabis dispensary in an existing retail space located at 26390 Carmel Rancho Boulevard, Suite 18, in the Carmel Rancho Center to a commercial cannabis dispensary. Carmel Rancho Center is near the intersection of Highway 1 and Carmel Valley Road and is a regional serving commercial retail area containing a variety of commercial uses. The site is zoned Light Commercial, with Design Control, Site Plan Review, and Residential Allocation Zoning overlays (LC-D-S-RAZ) in the Carmel Valley Master Plan area. Construction of the building was approved by the Zoning Administrator in 1986 for a retail commercial building in a Planned Commercial zoning designation. Since that time, the zoning has been updated and a General Development Plan would now be required for multiple uses the site. A General Development Plan has not been approved for the site making it legal non-conforming as to the General Development Plan requirements of the current zoning code. The business within the subject space was previously a mortgage banking business. The space faces Carmel Rancho Lane.

Background

The property owner proposes to lease space to Synchronicity Holistic who would operate the dispensary use on the property. In July of 2016, the Board of Supervisors adopted ordinances establishing regulations for commercial cannabis operations in Monterey County through a Use Permit (land use) and an annual Commercial Medical Cannabis Business Permit. Recently, the Board adopted an amendment to MCC Title 21.67 to permit commercial cannabis businesses administratively and to allow more than one dispensary within the 1,500 foot setback with a Use Permit and specific findings. On December 7, 2016, Synchronicity Holistic 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 January 4, 2017 and the application was deemed complete on May 22, 2017. If the Use Permit is approved, an application for a Commercial Cannabis Business Permit will also be required pursuant to Chapter 7.90 of the Monterey County Code.

Use Permit Standards

Commercial cannabis dispensaries are listed as a use allowed with an administrative permit in the Light Commercial (LC) Zoning District. Standards for medical cannabis dispensary 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. Retail facilities shall not be located within one thousand five hundred (1,500) feet of another approved retail facility, except when a retail facility demonstrates to the satisfaction of the Appropriate Authority that special circumstances exist;
4. Adequate measures to minimize neighborhood nuisances;
5. Appropriate record keeping to ensure site is in good standing with County Code and state law;
6. Appropriate security measures;

EXHIBIT A
PROJECT DISCUSSION
Valentine Holdings, LLC PLN160807

7. Appropriate delivery procedures;
8. Appropriate supply chain to include permitted and licensed facilities only;
9. Appropriate packaging and labeling of products;
10. Tracking and reporting of inventory discrepancies, theft, loss, or other breach of security;
11. Restriction on possession or sale of any other form of illegal drugs.

Consistency with these standards is analyzed below.

Required Findings

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

1. The dispensary, as proposed, has demonstrated that it can and will comply with all the requirements of the State and County to operate a cannabis dispensary;
 - Provided applicant's General Development Plan, application and materials meet MCC Title 21.67
2. The dispensary, as approved and conditioned, will not result in significant unavoidable impacts on the environment;
 - Conditions have been incorporated to ensure minimum environmental impact; project is categorically exempt under CEQA
3. The dispensary includes adequate measures that minimize, to the extent feasible, nuisances to the immediate neighborhood and community including minimizing the detection of odor from offsite, minimizing the effect of loitering, providing adequate security measures, and not exceeding the Use Permit's limits on hours of operation; and
 - Plans and materials include measures to minimize nuisances in the area
4. The dispensary will provide adequate measures that address the federal enforcement priority for cannabis activities including providing for restrictions on drugged driving, restricting access to minors, prohibiting use or possession of firearms for security purposes at the premises, and ensuring that medical cannabis and medical cannabis products are supplied from permitted and licensed sources.
 - Plans and materials contained in file include sample agreements with medical cannabis clients that are intended to limit resale or transmission of cannabis or cannabis products supplied by the dispensary

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 medical cannabis dispensary Use Permits. Staff recommends approval subject to 11 conditions of approval, including the mandatory conditions (**Exhibit C-1**).

EXHIBIT A
PROJECT DISCUSSION
Valentine Holdings, LLC PLN160807

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, patient verifications, 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 finds 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 Light Commercial Zoning District. Standards considered in review of the application include:

Location and hours: The property is located in a Light Commercial Zoning District; is more than 1,800 feet from Carmel Middle School (the nearest school/park to the site). Operations plan propose hours to be 10:00 A.M. to 9:00 P.M.

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, Fire, and the Sheriff's Office 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, locked safe rooms with limited access, video surveillance at strategic locations throughout the facility, integrated alarm systems, and emergency response plans. Additional measures are proposed for delivery services security including security personnel oversight of loading products into unmarked vehicles with locked and secured storage compartments.

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. Patients will not be permitted to consume products on-site.

Patient verification and Youth restrictions: All customers will be required to check in at a reception area where doctors' recommendations and identification will be verified before the customer is permitted to enter the sales area. Only patients with a valid physician recommendation or their designated primary caregiver will be allowed to enter. This permit is for a medical cannabis dispensary only. It does not authorize any an adult/recreational cannabis activities.

EXHIBIT A
PROJECT DISCUSSION
Valentine Holdings, LLC PLN160807

Physical improvements: Minor interior tenant improvements have been permitted. Exterior changes to the structure include the removal of three (3) existing merchandise display boxes, removal of redwood latticework attached to the structure, landscaping and touchups to existing finishes. There will also be a separate application for new signage subject that may be subject to additional entitlements. Given the previously existing retail use at the site, parking will be adequate for the cannabis use, so no new parking will need to be created.

Setback: An amendment to Title 21.67 was introduced and adopted by the Board of Supervisors to allow dispensaries within 1,500 feet of each other subject to a Use Permit. Findings required to reduce the required setback between dispensaries include finding that special circumstances are applicable to the project, the project would not result in disproportionate impacts to low income communities or communities with a high percentage of youth population, and the project would not result in adverse impacts because of excessive concentrations of retailers. Currently, there is an existing medical cannabis dispensary located on Carmel Rancho Lane. Through analysis, staff has found that this project will not result in an adverse impact to the site location and therefore meets setbacks with a Use Permit.