



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: PC 18-001, **Version:** 1

PLN1160801 - TOP INDUSTRIES

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

Project Location: 145 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 that existing 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) 89,400 square feet of canopy area for mixed-light cannabis cultivation within existing greenhouses
 - 2) 65,600 square feet of canopy area for nursery operations within existing greenhouses and
 - 3) Non-volatile manufacturing within an existing 5,301 square foot metal buildinglocated at 145 Zabala Road, Salinas.

The attached draft resolution includes findings and evidence for consideration (**Exhibit C**). Staff recommends approval subject to 12 conditions of approval, including 6 conditions with mandatory requirements per the Monterey County Code.

PROJECT INFORMATION:

Applicant: Chris Boggs

Property Owner: Top Industries, LLC

APN: 107-051-002

Parcel Size: 12.20 acres

Zoning: F/40

Plan Area: Greater Salinas Area Plan

Flagged and Staked: N/A

SUMMARY:

Top Industries has submitted an application to allow commercial cannabis cultivation, nursery, and non-volatile manufacturing operation within existing greenhouses and warehouses at 145 Zabala Road, Salinas. It is

currently their plan to lease the space to Waive Rider Nurseries who will operate the cannabis business. It is Waive Rider Nurseries intent to phase-in commercial cannabis operations if and when they receive all of the applicable permits.

This Use Permit would authorize approximately 65,500 square feet of canopy area for nursery operations, approximately 89,500 square feet of canopy for cultivation, and non-volatile manufacturing within a 5,300 square foot metal building on the site. 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 warehouse that will be improved to meet current building code standards for this use. Non-volatile manufacturing would occur within an existing metal building at the site. Non-volatile manufacturing includes processing of raw cannabis plant material into a liquid or resin without use of flammable or explosive solvents.

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:

Waive Rider Nursery 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. Top Industries and Waive Rider Nursery 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. Waive Rider Nursery has applied for temporary licenses with the state.

The property is zoned Farmland (F/40) with a minimum lot size of 40 acres in the Greater Salinas Area. Commercial cannabis cultivation, nurseries, and non-volatile manufacturing are 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. Monterey County's cannabis ordinances were constructed to encourage use of existing greenhouses and buildings in areas like the proposed site. The site was developed with 231,742 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.

This Use Permit would authorize 89,376 square feet of canopy area for mixed-light cultivation (Type 3B permit type), 65,556 square feet of canopy area for nursery operations (Type 4 permit type), and a non-volatile manufacturing facility within an existing 5,301 square foot building. Production would include the breeding process, cloning process, vegetation process, flowering process, harvesting and drying process, trimming process, curing process, and self-distribution.

State regulations require delineating between cannabis cultivation businesses in the same greenhouse space. To distinguish between greenhouse area used for each purpose, the applicant will physically number the benches inside the greenhouses and color coordinate each number for the permit type issued. This numbering will

satisfy the requirement to separate the cannabis uses.

An Operation Plan (**Exhibit C-2**) submitted as part of the application describes how the cannabis uses will comply with state and local regulations for the commercial cannabis activities proposed. 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.

Consistency with Section 21.67.050 and 21.67.060 for Cannabis Cultivation and Manufacturing

Below is a summary of the applicable criteria for commercial cannabis cultivation and non-volatile manufacturing contained in Chapter 21.67, and how the project meets each one:

- **Location**
 - The site is zoned Farmland (F). Cultivation, nurseries, and non-volatile manufacturing 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 permits for the property from the mid-1980s.
- **Improvements for security to prevent theft and trespass -**
 - Eight-foot chain-link privacy fencing, video surveillance, and 24-hour security personnel are proposed for the site. The security plan has been reviewed by the Resource Management Agency and Monterey Regional Fire.
- **Water conservation measures -**
 - The applicant would use a pulse watering technique of spaghetti tube irrigation. This system would water plants frequently with small amounts of water. This allows the growing medium to be thoroughly wet without runoff. In addition, WaterSense labeled products will be used when feasible to promote efficient use of water throughout the facility.
- **On-site renewable energy -**
 - The applicant plans to reinvest into solar panels over the next five years. In the interim, the property's electrical account will enroll in PG&E's "Solar Choice" program.
- **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, waste management policies, and manufacturing protocols and training, 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. 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. The applicant anticipates needing the following State licenses for the proposed project: one Type 3B, seven Type 2B, one Type 4, one Type 6, and one self-transporter. The Type 3B (mixed-light) license would be limited to 22,000 square feet of cultivation area. The Type 2B (small mixed-light) licenses would be limited to 10,000 square feet each. There is no size limit for Type 4 (nursery) licenses. A non-volatile manufacturing license (Type 6) will also be required. Due to the requirements of the state licensing authorities, transportation licenses are needed to transport cannabis products between license types even if they are located on the same property. The “Commercial Business Permits” are ministerial, and will not require a discretionary hearing. Additionally, 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.

A draft resolution includes findings and evidence for consideration (**Exhibit A-2**). 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 (Existing Facilities) 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
- Agricultural Commissioner
- 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 RMA:

Exhibit A - Draft Resolution including:

- Conditions of approval
- Site Plans, Premises Diagram, and Operations Plan

Exhibit B - Vicinity Map

cc: Front Counter Copy; Planning Commission; Brandon Swanson, RMA Services Manager; Jennifer Rosenthal, Agent; Chris Boggs, Applicant/Owner; The Open Monterey Project (Molly Erickson); LandWatch (Executive Director); John H. Farrow; Project File PLN160801