



County of Monterey

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

Board Report

File #: PC 18-058, **Version:** 1

PLN170300 - PHAT, LLC (GRUPO FLOR/EAST OF EDEN CANNABIS CO.)

Public hearing to consider allowing a commercial cannabis retailer within an existing mixed-use commercial building in the Moss Landing Commercial District and Coastal Zone.

Project Location: 8022 Moss Landing Road, Moss Landing Community Plan, North County Land Use Plan (APN:133-212-002-000)

Proposed CEQA action: Categorically Exempt per Section 15303 of the CEQA Guidelines

RECOMMENDATION:

It is recommended that the Planning Commission adopt a resolution to:

- Find that the project is the conversion of an existing small structure from one use to another, which qualifies for a Class 3 Categorical Exemption per Section 15303 of the CEQA Guidelines and none of the exceptions under Section 15300.2 apply; and
- Approve a Coastal Development Permit and General Development Plan to allow a commercial cannabis retailer operation in an existing mixed-use retail space.

The attached draft resolution includes findings and evidence for consideration (**Exhibit D**). Staff recommends approval subject to conditions of approval.

PROJECT INFORMATION:

Applicant: Grupo Flor (East of Eden Cannabis Co.)

Property Owner: A.G. Davi

APN: 133-212-002-000

Parcel Size: 10,222 square feet (0.22 acres)

Tenant Area: 2,328 square feet

Zoning: Moss Landing Commercial “MLC,” Coastal Zone “CZ”

Plan Area: North County Land Use Plan

Flagged and Staked: No

SUMMARY:

East of Eden Cannabis Co., on behalf of the property owner A.G. Davi of Phat, LLC, is proposing to open a cannabis retail business in an existing commercial tenant space located at 8022 Moss Landing Road, within a commercial area of the Moss Landing Community.

DISCUSSION:

Grupo Flor was founded in 2016 by Salinas valley entrepreneurs as a cannabis business management group. Grupo Flor’s affiliate East of Eden Cannabis Co. currently operates a retail dispensary in Salinas with plans to open other dispensaries in the region. The tenant space on the first floor of the subject mixed-use building, where the cannabis retailer is proposed, is currently vacant. An apartment is located on the second-story of the building. East of Eden Cannabis Co. would not begin retailer operations until and unless all required permits and licenses are obtained.

The site is zoned Moss Landing Commercial in the Coastal Zone or “[MLC (CZ)].” In this case, the property is governed by the Moss Landing Community Plan, a plan within the North County Land Use Plan, which

classifies the land use designation of the property as General Commercial. Existing improvements on the property include ingress and egress driveways and shared parking area (8 standard parking stalls, 2-car garage, and one ADA accessible space), and a 4,469-square foot mixed-use building. The retailer would occupy 2,328 square feet of commercial tenant space on the first floor within the 4,469-square foot building. The existing apartment on the second story would remain.

The proposed adult use (recreational) and medical use commercial retailer would provide cannabis products such as cannabis flowers, concentrates, edibles, and topicals. Services would be provided to adults without medical authorization 21-years of age and older and to established qualified patients and primary caregiver members 18 years of age and older. The activities would occur within a vacant retail space on the first floor of an existing mixed-use commercial building that will be improved to meet current building code standards. The retail site would also include delivery service for customers that are not able to come to the store. East of Eden Cannabis Co. has submitted a Coastal Development Permit Application and Cannabis Business Application (**Exhibit D-3**) that describes the General Development Plan, Business Plan, and includes an Operations Plan and Security Plan. The proposed General Development Plan (Section D-14) describes the proposed use and location of the retailer, existing and proposed improvements, and a description of the operation. The Operations Plan (Section D: D-1 through D-14) describes East of Eden Cannabis Co. operations model including security measures, standard operating procedures, safety and quality of products, record-keeping procedures, waste disposal and water management plan, product supply chain, track and trace measures, sustainability measures, odor prevention, proposed signage and parking.

Parking: The site consists of shared parking, including six standard parking stalls and one ADA accessible parking stall on the south side of the lot; a 640-square foot garage and carport providing an additional 3 parking spaces, and one uncovered space on the north side of the lot, for a total of 11 parking spaces. All parking is accessible from Moss Landing Road. Per Chapter 20.58 (Regulations for Parking) in Title 20, (one) 1 space for every 250 square feet is required for retail in addition to (one) 1 handicap parking space because there are less than 40 spaces altogether. As designed, the project meets all Monterey County parking standards.

A site visit was conducted on May 11, 2018.

Consistency with Section 20.67.040, Regulations for Cannabis Retailers

- Location.
 - The site is zoned Moss Landing Commercial (MLC).
 - The nearest school is North Monterey County Middle School, located on Seymour Street approximately 2.4 miles southeast of the proposed cannabis retailer.
 - The nearest park is Cato Phillips Park, located on Wood Street, approximately 3.3 miles southeast of the proposed cannabis retailer and dispensary; and Salinas River State Beach is located approximately 1.5-miles southwest of the proposed cannabis retailer and dispensary.
 - The nearest drug recovery facility is the Recovery Center of Community Hospital of Monterey Peninsula, located 18 miles from the proposed cannabis retailer and dispensary.
 - There are no other retailers currently permitted within 1,500 feet of the proposed location.
- Operating Standards.
 - In accordance with State law, East of Eden Co. would keep accurate records of commercial cannabis activity and maintain an inventory control and reporting system that accurately documents the location, amounts, and descriptions of all cannabis products throughout the distribution chain. The applicant will utilize the Trellis Software Platform, a fully integrated point of sale, inventory control, and patient and customer management system. This system will

allow the applicant to track the chain of custody and real-time whereabouts of cannabis from the point that it was received by a customer or patient or vendor until it is sold, destroyed, or returned to the vendor. The procurement, display, pricing and management of all inventory will fall under the supervision of the General Manager and Inventory Manager. All inventory actions are tracked using the East of Eden Cannabis Co. inventory management system for proper reconciliation of all financials, proof of tax compliance, and prevention of diversion.

- East of Eden Cannabis Co. would ensure that all cannabis and cannabis products at the retailer are manufactured, transported, distributed, and tested by licensed and permitted facilities that maintain operations in full conformance with state and local regulations using appropriate track and trace software.
- Cannabis products would arrive at the retailer pre-packaged. Food-related items would be offered to qualified patients and primary caregivers; however, there will be no food processed on-site. East of Eden Cannabis Co. would not distribute any cannabis or cannabis product unless the cannabis and cannabis products are labeled and in a tamper-evident package in compliance with state law.
- East of Eden Co. would notify the Monterey County Sheriff's Office in the event of discrepancies, alteration of records, or security breach.

- Security:

- Uretsky Security, a company licensed by the State of California Bureau of Security and Investigative Services, would provide security to deter and prevent unauthorized entry into areas containing cannabis products, prevent loitering on the premises of the retailer, and establish limited access areas only to authorized retailer personnel.
- The facility will be secured by limiting access to areas where cannabis will be kept or handled. Cannabis can only be accessed from within the facility, in an area with no external doors or windows.
- All main access doors and interior doors will require being buzzed in. Patients/recreational customers will be screened prior to being allowed in the showroom from the waiting room.
- All cannabis will be kept in a closed container that shall not be opened on the premises. Smoke detectors will be placed around the premises and surveillance cameras will be installed to prevent the use of cannabis on-site. All cannabis and cannabis to be disposed of will be secured in a safe, behind locked doors, where security alarms are set.
- An electronic security system will be installed, and include video surveillance with recording capability, third-party monitoring, intrusion detection, and panic buttons. The video surveillance camera/recorder will monitor the facility 24 hours per day, 7 days per week.
- An external security lighting system will be added to illuminate facility entrances and walkways to maximize visibility. Lighting will be operated automatically by a photo-sensor, ensuring that lighting will be optimal for video capture. Lighting will be conditioned to be unobtrusive and downward facing to prevent light pollution and harm to the neighborhood character (Condition No. 12).

- Deliveries:

- All deliveries of cannabis goods would be performed by a delivery employee of the retailer that is at least 21 years of age and would be made in person to a physical address in the state of California that is not publicly owned land or land leased by a public agency.
- No cannabis would be visible to the public and cannabis would not be left unattended while being delivered.

The subject Coastal Development Permit would authorize a commercial cannabis retailer use at the site. The Coastal Development Permit runs with the land and not the business or property owner. Pursuant to Monterey County Code (MCC) Chapter 7.90, prior to beginning operation, the business operator would need to obtain a Commercial Cannabis Permit and a Business License from the County. After that, they would be required to obtain all applicable State Licenses. Condition of Approval No. 8 requires that appropriate licenses are obtained and maintained.

A draft resolution includes findings and evidence for consideration (**Exhibit D**). Staff has reviewed the proposed application and determined, as proposed and conditioned, the findings required to grant a Coastal Development 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 20.67 of Title 20.

A more detailed discussion is provided in **Exhibit B**.

CEQA:

Section 15303 of the California Environmental Quality Act exempts the conversion of small structures, from one use to another, where only minor modifications are made to the exterior. The bulk of the proposed modifications will take place within the interior of the structure for the retailer. Minor modifications to the exterior will occur to allow for implementation of the proposed security measures and installation of signage. Approval of the permit would not result in an increase to the existing square footage of the building. Therefore, the project meets the exemption for requiring environmental review, and there are no exceptions which would apply under Section 15300.2.

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
- North County Fire Protection District
- North County Land Use Advisory Committee

North County Land Use Advisory Committee:

The proposed project was reviewed by the North County Land Use Advisory Committee (LUAC) on May 16, 2018. The LUAC recommended approval of the project as proposed with changes, by a vote of 7 ayes, 0 no's, and 1 abstention (**Exhibit E**). Public comments received were related to concerns about parking; in particular, that parking is already insufficient for the current uses. LUAC Committee Member Sherry Owen also had concerns about parking availability. As discussed above, the parking for this site is sufficient based on the parking standards under Chapter 20.58 (Regulations for Parking) and parking requirements established and approved under the original General Development Plan (Resolution No. 970248).

FINANCING:

Funding for staff time associated with this project is included in the FY18-19 Adopted Budgets for RMA-Planning.

Prepared by: Maira Blanco, Assistant Planner, x5052

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 Clerk of the Board:

- Exhibit A - Project Data Sheet
- Exhibit B - Discussion
- Exhibit C - Vicinity Map
- Exhibit D - Draft Resolution including:
 - Attachment 1 - Conditions of approval
 - Attachment 2 - Project Plans
 - Attachment 3 - Development Project Application
- Exhibit E - North County LUAC Minutes
- Exhibit F - Site visit photos

cc: Front Counter Copy; Planning Commission, Brandon Swanson, RMA Services Manager; Craig Spencer, RMA Planning Supervisor; Grupo Flor/East of Eden Cannabis Co., Lessee and Business Owner; Phat, LLC, owner; Jennifer Rosenthal, applicant; The Open Monterey Project (Molly Erickson); LandWatch (Executive Director); Project File PLN170300.