

Exhibit E

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EXHIBIT E
Addendum Pursuant to
the California Environmental Quality Act
Article 11, Section 15164

Multi-Site Cannabis Initial Study/Mitigated Negative
Declaration
Planning File. PLN250296

1. Introduction

The Multi-Site Cannabis Initial Study/Mitigated Negative Declaration (IS/MND) (File No. REF150048) was prepared to evaluate potential cumulative effects of 45 sites that proposed to cultivate cannabis within existing greenhouses or industrial buildings. The Initial Study identified potentially significant impacts to transportation as the 45 cannabis sites would degrade levels of service (LOS) at Old Stage Road and Spence Road intersection from LOS B to an unacceptable LOS E, and contribute to three already impacted intersections: US 101/Hartnell Road; US 101/Spence Road; and US 101/Potter Road. After circulation of the IS/MND, revisions to mitigation measures TRA-1 and TRA-3 were made.

TRA-1 was modified to require completion of improvements by the County, with an increase to the fair-share contributions paid by individual applicants to reimburse the County for costs of the intersection improvements and removal of references allowing payment of fair-share contributions in phases and instead requiring payment of the total fair-share contribution prior to issuance or renewal of commercial cannabis business permits. This change is more effective in mitigating the direct traffic impacts at the time the impacts are created.

TRA-3 has been revised to amend the timing and responsibility of improvements to intersections for cumulative impacts and include incorporating identified intersection improvements in the County-wide traffic impact fee program. Similar to the modification of TRA-1, revised TRA-3 included an increase to the fair-share contributions and removal of references allowing payment of fair-share contributions in phases.

On December 1, 2020, the Board of Supervisors adopted the Mitigated Negative Declaration for Multiple Cannabis Cultivation Facilities (SCH#: 2020060325) and adopted the Mitigation Monitoring and Reporting Program, including mitigation measures TRA-1 and TRA-2 as revised (Resolution No. 20-381).

In March 2021, discretionary approvals of cannabis projects analyzed in the adopted IS/MND included an Addendum further modifying mitigation measure TRA-1 requiring the applicant, owner or operator enter into an agreement with the County of Monterey requiring that the intersection improvements be installed by the applicant, owner or operator.

This technical addendum has been prepared pursuant to Article 11, Section 15164 of the California Environmental Quality Act guidelines to make minor technical changes to the project analyzed in the MND. None of the conditions described in CEQA Guidelines Section 15162 calling for preparation of a subsequent or supplemental MND have occurred. As described in Section 2, below, the project is an amendment to a previously approved project (PLN170185, Resolution 23-031) where approval allows an increase of building square footage for cannabis cultivation and processing.

2. Scope and Purpose of this Addendum

The Multi-Site Cannabis Initial Study/Mitigated Negative Declaration (IS/MND) (File No. REF150048) identified the buildout for the subject property (Site #23) consisting of: 171,605 square feet of cultivation building area; 3,814 square feet of processing building area; and 1,179 square feet of distribution building area. The average number of employees would be 50 and would increase to 55 during seasonal times.

On April 19, 2023, the Chief of Planning adopted Resolution 23-031, approving a commercial cannabis operation consisting of: cultivation/nursery within 180,637 square feet of existing greenhouse space, processing within 3,139 square feet of existing warehouse space, drying within 3,828 square feet of existing warehouse, and storage within 2,085 square feet of existing warehouse space. The anticipated number of employees was 35. This approval incorporated Mitigation Measure (MM) TRA-1, MM TRA-2, and MM TRA-3 as Conditions of Approval 12, 13, and 14, respectively. Compliance with these conditions occurred in May 2023.

The amendment (File No. PLN250296) allows an increase of 25,930 square feet for cultivation and 4,133 square feet for processing/storage, resulting in an increased buildout area of 219,752 square feet. Per the application materials, there would be no change in use or increase in employee population. The additional 25,930 square feet of greenhouse space is intended to be used for nursery use, and will allow the facility to propagate its own plants internally, which then supports existing flowering areas. By producing the plants on-site, the facility eliminates the need for inbound shipments from third-party licensed nurseries and enhances the site efficiency, which results in a net reduction in potential traffic impacts. Additionally, the proposed development does not increase the need for additional staff. Condition Nos. 4 and 5 have been applied and require both the Regional Development Impact fee (RDIF) and the Countywide Traffic Fee be paid prior to issuance of construction permits, pursuant to Title 12 section 12.90, and General Plan Policy C-1.8. This Addendum does not involve new significant environmental effects or a substantial severity increase.

Pursuant to Section 15162 of the CEQA Guidelines, there are no substantial changes proposed in the project, no changes to circumstances under which the project was undertaken, and there is no new information of substantial importance not known at time that would require major revisions to the adopted MND due to the involvement of new environmental effects or substantial increase in the severity of previously identified environmental effects. The project site, Site #23, was identified to have a buildout of

177,695 square feet of structures for cultivation, 7,200 square feet of structures for processing and 3,123 square feet of structures for distribution. The project includes construction of an additional greenhouse and storage building for cannabis purposes, beyond what was identified in the adopted IS/MND and Addendum. The existing structures on the same site will continue to operate as cannabis cultivation and will not change the nature or intensity of the use. The existing structures include 179,742 square feet of greenhouse area for cannabis cultivation. The addition of the greenhouse allows the facility to propagate plants on site to support existing flowering areas. This enhances site efficiency and results in a net reduction in potential traffic impacts by eliminating the need for inbound shipments from third-party licensed nurseries and does not require additional employees. The additional square footage would not result in a change to the operational component of the project as analyzed in the adopted IS/MND. Additionally, regulations in place at the time of adoption of the IS/MND remain consistent with the regulations applicable to the proposed project. By producing the plants on-site, the facility eliminates the need for inbound shipments from third-party licensed nurseries and enhances site efficiency, which results in a net reduction in potential traffic impacts. Additionally, the proposed development does not increase the need for additional staff. Condition Nos. 4 and 5 have been applied and require both the Regional Development Impact fee (RDIF) and the Countywide Traffic Fee to be paid prior to issuance of construction permits, pursuant to General Plan Policy C-1.8 and Title 12 Chapter 12.90. The prior MND identified that project related traffic impacts would result in a potential impact to the environment and implementation of mitigation measure TRA-1 would reduce near-term and cumulative traffic impacts to the Old Stage Road/Spence Road intersection to a less than significant level.

Mitigation measure TRA-1, as amended, would specify that construction of the intersection improvement is the responsibility of the owner, applicant, and/or cannabis operator(s) instead of the County and that the compliance action would be specified in a binding agreement between the County and the owner, applicant, and/or cannabis operator(s). The amended language remains consistent with the requirement to improve the Old State Road/Spence Road intersection, but allows flexibility in who is responsible to construct the improvement and when completion of the improvement will occur. Therefore, the amendment to mitigation measure TRA-1 does not present a substantial change to identified environmental impacts previously discussed and addressed in the MND (SCH No. 2020060325) adopted by the Board of Supervisors for the Multi-Site Cannabis Initial Study/Mitigated Negative Declaration (File No. REF150048, Resolution No. 20-381) and qualifies for an addendum to the FSEIR pursuant to CEQA Guidelines Section 15164.

3. Conclusion

Pursuant to Section 15162 of the CEQA Guidelines, there are no substantial changes proposed in the project, no changes to circumstances under which the project was undertaken, and there is no new information of substantial importance not known at time that would require major revisions to the prior MND. Based on the information contained within previous point No. 2, a subsequent or supplemental MND is not required.

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