

**MINUTES**  
**PLANNING COMMISSION**  
**155 W. Durian, Coalinga, CA 93210**  
**TUESDAY December 11, 2018**

**CALL MEETING TO ORDER (6:00 PM)**

Pledge of Allegiance

**CHANGES TO THE AGENDA**

**ROLL CALL**

*Commissioners:*

*Chairman Sailer*  
*Vice Chairman Gonzales*  
*Commissioner Jacobs*  
*Commissioner Helmar*  
*Commissioner Garza*

Staff:

Sean Brewer, Community Development Director  
Marissa Trejo, City Manager

Wanda Earls, City Clerk

## **PUBLIC COMMENTS**

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*Under Government Code 54954.3 members of the audience may address the Commission on any item of interest to the public or on any agenda item before or during the Commission's consideration of the item. State law prohibits the Planning Commission from acting on non-agenda items.*

## **INFORMATION/CONSENT CALENDAR**

1. Minutes - November 13, 2018
- 2.

*Motion by Helmar, Second by Garza to Approve Consent Calendar and Minutes of November 13, 2018. Motion **Approved** by a 4/0 Majority Voice Vote. (Gonzales Absent)*

## **PUBLIC HEARINGS**

1. **Consideration of a Combined Development Application (CDA 18-05) for a Medical and Adult-Use Commercial Cannabis Microbusiness Engaged in the Manufacturing, Distribution and Cultivation of Cannabis and Cannabis Products located at 1375 W. Elm Ave**

Staff recommends that the Planning Commission adopt Resolution No. 018P-012 with conditions approving application No. CDA 18-05 for a Medical and Adult-Use Commercial Cannabis Microbusiness to include manufacturing (using non-volatile solvents), distribution and cultivation facility to be located at 1375 W. Elm Ave.

October 30, 2018, the Community Development Department received a combined development application for a phased Commercial Cannabis Microbusiness development at 1375 E. Elm Ave. The development consists of the renovation of an existing 4,130 square foot industrial building including onsite improvements with a planned phase two (2) addition of 3,175 square foot. The proposed microbusiness will be engaging in the cultivation of cannabis, act as a licensed distributor and manufacturer using non-volatile solvents.

In accordance with Section 9-5.128(f) of the Coalinga Planning and Zoning Code related to Commercial Cannabis operations, prior to, or concurrently with, applying for a regulatory permit, the applicant shall process a conditional use permit as required by the City's Land Use Regulations. Information that may be duplicative in the two (2) applications can be incorporated by reference. The conditional use permit shall run with the regulatory permit and not the land. The applicant currently has a regulatory permit application under review with the Police Department and pending City Council approval. The State of California is now accepting applications from commercial cannabis operators who will be subject to the comprehensive set of regulations that the State has

adopted. The State regulations that apply to Cannabis Microbusinesses are regulated by the Bureau of Cannabis Control California. Those regulations will govern the various cannabis operations within the state in addition to applicable sections of the City of Coalinga commercial cannabis ordinance.

According to Section 9-6.402 of the City of Coalinga Municipal Code requires that all applicable new structures permanent or temporary erected in the City require a site plan review and approval by the Planning Commission for consistency with all applicable zoning regulations.

The purpose of the site plan review is to enable the Community Development Director or the Planning Commission to make findings that a proposed development is in conformity with the intent and provisions of the Coalinga Municipal Code, and to guide the Building Official in the issuance of permits. The proposed project does not fall under the exempt projects and projects qualifying for Administrative Site Plan Review; therefore, the proposed project requires site plan approval from the Coalinga Planning Commission.

This application constitutes a project in accordance with the California Quality Act, therefore staff has prepared an environmental analysis as part of this land use application.

Once the application was deemed complete staff requested comments from the necessary City Departments. This proposal including conditions of approval reflect feedback from the necessary City Departments.

**General Plan/Zoning Consistency:** The location where the manufacturing facility will be located has a General Plan designation of (MB) Manufacturing and Business with a zoning designation of Manufacturing and Business Light (MBL). The project proposal is consistent with the General Plan and Zoning Designations for Cannabis Uses.

## **Site Plan Analysis**

### **Manufacturing and Business Development Regulations**

There are several development regulations that staff evaluates prior to recommending approval of a site plan review application. This site plan application has been reviewed for compliance with the Coalinga Planning and Zoning Code and meets all applicable requirements for the proposed use based on type, location and site constraints.

### **Development Proposal and Phasing Plan**

The applicant is proposing to complete their operational buildout in two (2) phases. The first phase of development will be a renovate the existing 4,130 square foot industrial building in addition to all the required on and off-site improvements. The second phase is an addition of 3,175 square foot to the existing industrial building. The phasing plan allows for total buildout to occur over the course of two (2) years to ensure compliance with current development regulations.

**Access:** The primary access point for the development will be located on W. Elm Ave/SR198/33 at the southwest corner of the property. According the Fire Department and City Engineer there is adequate space onsite for public safety maneuvering. The need for a secondary ingress/egress point

is not necessary since it would be very difficult to provide an additional ingress/egress location without accessing through an adjacent property to the east.

**Utilities:** All utilities are readily available for connection on West Elm Ave. All utility connections shall be shown on the final site plan and approved by the Planning Department and confirmed by the Public Works Department. Improvement plans will be reviewed and approved by the City Engineer.

**Storm Runoff:** Existing storm drain facilities are in West Elm Avenue and are available to serve this development. Existing Storm water runoff from the project shall continue to be directed into the State right-of-way (SR 198) for collection by the existing storm drain facilities.

**Gas:** Public Natural Gas Facilities exist in Elm Avenue and are available to serve this development.

**Water:** Public Water Facilities exist in Elm Avenue and are available to serve this development.

**Sewer:** Public Sewer Facilities exist in Elm Avenue and are available to serve this development.

**Meters:** Meters for water, and gas service shall be requested by the public works department and shall be designed and installed to City Standards.

**Parking:** In accordance with section 9-4.302 Table 4.4 of the zoning code, the parking requirement for the industrial building is 1 stall for every 1,000 square feet of building space. The proposed development has exceeded the requirement by providing 12 vehicle stalls.

The lot is currently improved entirely of gravel. Phasing the onsite improvements is permitted subject to approval of the City Engineer. All non-paved areas shall be reviewed by the City Engineer to ensure adequate amounts of gravel are installed to acceptable base and compaction levels.

**Refuse Containers:** The proposed development provides a location for the trash enclosure. The required refuse containers locations, size, and shape shall be provided on the final site plan and approved by the City of Coalinga's contracted solid waste hauler.

**Landscaping:** The proposed landscaping exceeds the city's minimum requirement for landscaped areas as it relates to site frontage, parking, highway setbacks and equipment screening. A separate landscape plan will be submitted to the Community Development Department for review and approval prior to building permit issuance.

The proposed project is located within 200 feet of a state highway and shall provide a landscaped area at least fifteen (15) feet deep between the highway right-of-way and any building or parking area for the length of the site frontage facing toward the highway. The applicant has provided the adequate setback from the state highway and will provide the required two (2) fifteen (15) gallon trees for every twenty-five (25) feet of site frontage toward the highway. This will be denoted on the final landscape plan but has been provided conceptually on this plan.

Parking facilities are located within fifty (50) feet of and visible from a right-of-way (State Route 198/33) so the area must be screened by a wall or berm at least two and one-half (2.5) feet high.

**Fencing:** All interior fencing shall be of material allowed under the planning and zoning code. All fencing adjacent to public rights or way will be a combination of wrought iron and landscaping or of a decorative block material. All existing dilapidated interior chain link fencing shall be replaced with new chain link fencing where permitted.

**Lighting:** Lighting has been reviewed and approved by the Police Department to ensure that there will be no spill over lighting. A photometric plan has been provided and meets the criteria of 1.5 foot candle of light site wide. All lighting shall use decorative poles and fixtures with LED technology and avoid HPS lighting in an effort to reduce energy consumption.

**Signage:** In accordance with the zoning regulations related to Commercial Cannabis facilities, no business-related signage shall be provided except for those federally regulated such as ADA.

### **Conditional Use Permit Analysis**

The CUP analysis will look at operation criteria such as security, odor control, hours of operation, etc. The regulatory permit reviewed by the Police Chief and approved by the City Council will consider these items in more depth and to ensure full compliance with the city planning and zoning code related to commercial cannabis operations.

### **Project Summary**

The project applicant proposes to operate an Adult-Use and Medicinal Microbusiness (Manufacturing (non-volatile), Cultivation, and Distribution).

The first operation HiKoa, Inc. seeks to start is cultivation. Once the cultivation operation is up and running, HiKoa, Inc. will start its manufacturing and distribution activities.

### **MICROBUSINESS**

In accordance with state law A microbusiness license allows a licensee to engage in the cultivation of cannabis on area less than 10,000 square feet and to act as a licensed distributor, Level 1 manufacturer (Type 6 – non-volatile), and retailer, as specified in an application. In order to hold a microbusiness license, a licensee must engage in at least three (3) of the four (4) listed commercial cannabis activities. The City of Coalinga allows for microbusinesses as long as retail is not a component.

### **MANUFACTURING**

In accordance with the MAUCRSA a “Manufacturer” means a licensee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container.

HiKoa, Inc. will be conducting extractions using a closed-loop nonvolatile solvent extraction method, with only lab-approved harvest batches, and each extraction batch will be internally tested prior to being used in the formulation process. The types of medical cannabis products that will be manufactured and distributed will be limited to capsules, lozenges, pills, oils/oil extracts, tinctures, ointments, skin lotions, and any other products allowable, as specified by state and local regulations and law enforcement.

If at any point HiKoa, Inc. manufactures products in the form of food or other comestibles, HiKoa, Inc. shall obtain and maintain the appropriate approvals from the State Department of Public Health for the provision of food or other comestibles, unless otherwise governed by the Act and licensed by the State, in accordance with §9-5.128(d)(16).

## **CULTIVATION**

In accordance with State Law, “Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. In addition, a “Cultivation site” means a location where commercial cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combinations of those activities occurs.

Using the proven cultivation method outlined in this application, HiKoa, Inc. will produce and maintain a consistent supply of cannabis to support customers in the State of California. HiKoa, Inc. will begin operations with one production facility. The cultivation area of the production facility will maintain the maximum plant canopy of 10,000 square feet and may harvest time in the first year. After the first year of operations, HiKoa, Inc. plans to harvest six times per year. Based on this canopy limitation and number of harvests, HiKoa, Inc.

HiKoa, Inc. will manufacture the cannabis byproduct, often referred to as trim and shake, into extractions and infusions at its manufacturing facility.

## **DISTRIBUTION**

The applicant will distribute only cannabis goods, cannabis accessories, and licensees’ branded merchandise or promotional materials. They shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the licensed distributor’s premises. They are also permitted to package, re-package, label, and re-label cannabis, including prerolls, for retail sale.

**Location:** (1375 W. Elm Ave - Map & Floor Plans Attached)

**Security:** The applicants site protection strategy will address all forms of security concerns and will be required to meet all the security requirements of 9-5.128 of the Planning and Zoning Code as it relates to commercial cannabis activities. The Police Department has reviewed and verified that the security plan including camera placements, access controls, onsite and perimeter security meet the requirements of the code and the satisfaction of the Police Chief (Section 9-5.128). There will be 24-hour on-site security provided at this site.

**Building Access:** All employees and authorized personnel will enter the building at designated entry area after checking with the 24-hour security personnel at the site entrances who will grant authorization into the facility.

**Odor Control:** In order to control odor while producing at the above capacity and remaining compliant with §9-5.128(d)(15), the facilities will be equipped with both negative pressure and mass filtration systems. Odor control systems will be checked and replaced as necessary to prevent odor from escaping the facilities and becoming a nuisance to the applicant's neighbors.

**Hours of Operation:** The microbusiness is expected to operate from 7am – 7pm, (7) days a week with approximately 3 full time employees.

**Parking:** This facility will be accommodated by the (12) parking stalls as shown on the site plan.

**Security:** HiKoa, Inc. will contract with an entity that provides twenty-four-hour security patrols by a recognized security company licensed by the California Department of Consumer Affairs or otherwise acceptable to the Police Chief for all aspects of physical and asset security.

**Fuel Storage and other Potential Hazardous Materials:** The applicant will be required to meet with the Fire Marshall and Building Official to determine the level of safety protection required based on the desired storage of solvents, and all other hazardous materials on site. Known chemicals and solvents to be used at HiKoa, Inc. have been provided to the Fire Chief for review and approval.

**Water Use:** It is HiKoa, Inc.'s internal directive to not introduce any chemical waste, fertilizers or irrigation run off into the local waste stream. HiKoa, Inc.'s SOPs call for the capture of all cultivation waste water into holding tanks where it will be filtered through a combination of reverse osmosis and water treatment and then utilized as general property landscape irrigation water. Water usage for the cultivation operation is estimated to be 300-400 gallons with peak possibly at 500 gallons per day. This equates to approximately 1/2 acre foot annually. According to public works and utilities, this will not have a significant impact on the water availability, treatment or distribution for the City.

**Wastewater Disposal:** The applicant will not introduce any toxic chemical waste or solvents into the local waste stream and will be required to disclose all products, chemicals, solvents, active ingredients that will be used as part of the extraction and refinement process.

**Solid Waste:** The applicant will be required to utilize the City of Coalinga's solid waste hauler (Mid-Valley Disposal for all solid waste needs including destroyed product, green waste, typical solid waste and any other cannabis related products or byproducts where the State of California has authorized franchised solid waste haulers to provide said services.

**Surrounding Land Uses:**

Surrounding Land Use Setting	
South	<b>Industrial</b>
West	<b>Fresno County Agricultural Land</b>
East	<b>Vacant Land/Industrial</b>
North	<b>Industrial</b>

Per §9-5.128(d)(12), a Commercial Cannabis Operation shall not be located within 1,800 feet, measured from property boundary to property boundary, of any existing school or proposed school site as identified in the General Plan. For purposes of this section, school means any public or private school providing instruction in kindergarten or grades 1-12, inclusive, but does not include any private school in which education is primarily conducted in private homes. The applicant meets this set-back requirement.

**Public Notification:** On December 3, 2018 public hearing notices were sent to all property owners within 300 feet of the site as required by Local and State law.

**Environmental Review:** Section 21084 of the Public Resources Code requires the California Environmental Quality Act (CEQA) Guidelines to include a list of classes of projects that have been determined not to have a significant effect on the environment and which shall, therefore, be exempt from the provisions of CEQA. In response to that mandate, the Secretary for Resources has found that several classes of projects listed in Article 19 of the CEQA Guidelines do not have a significant effect on the environment, and they are declared to be categorically exempt from the requirement for the preparation of environmental documents.

The proposed project includes the renovation of an existing 4,130 square foot industrial building and the construction of a 3,175 square foot addition for a cannabis microbusiness involved in cultivation, manufacturing and distribution, and would remain consistent with the General Plan designation of MB and zoning designation of MBL. The project site is located within the City of Coalinga limits on a 0.54-acre parcel that is surrounded by existing industrial development and does not have any value as a habitat for endangered, rare, or threatened species. The proposed project would not result in any significant effects related to biological resources, traffic, noise, air quality, or water quality, and the site would be adequately served by all required utilities and public services. Therefore, the proposed project meets all requirements established by Section 15332 of CEQA Guidelines and can consequently be considered exempt from the provisions of CEQA under a Class 32 exemption.

### **Class 32 Exemption**

Section 15332 of the CEQA Guidelines is as follows:

#### **15332. IN-FILL DEVELOPMENT PROJECTS**

Class 32 consists of projects characterized as in-fill development meeting the conditions described in this section.

- The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.



- The project site has no value as habitat for endangered, rare or threatened species.
- Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
- The site can be adequately served by all required utilities and public services.

Chairman Sailer opened the Public Hearing.

Comments:

- No comments received
- Work to start
- Stacked 4K square foot building
- Retail – pre-rolled joints
- Quality control
- Who monitors? State
- Odor scrubbed and compares to past systems
- No odor
- Staff to research established standards
- PG&E almost done with infrastructure for both buildings
- COA 39 Nos Box required
- Waste transferred to Mid Valley
- Almost entire plant will be used
- Drums picked up by hazardous waste
- Considered agri product
- No THC value
- Smell within site

Ms. Michele Leong, Hikoa, Inc.

There will be three fulltime employees. They will be City residents. An officer will be on duty.

Coalinga has been the easiest city to work with and is one of our favorites.

Chairman Sailer closed the public hearing.

*Motion by Helmar, Second by Jacobs to Approve Resolution No. 018P-012 with Conditions Approving Application No CDA 18-05 from Hikoa, Inc. for a Medical andAdult-use Commercial Cannabis Microbusiness to be located at 1375 W. Elm Street. Motion **Approved** by a 4/0 Majority Roll-call vote. (Gonzales Absent)*

## **DISCUSSION AND/OR POTENTIAL ACTION ITEMS**

### **DEPARTMENT REPORTS - None**

### **COMMUNICATIONS**

#### **1. Staff Announcements - None**

2. **Commissioner Announcements** - Commissioner Helmar said on the 8<sup>th</sup> of January she will be in Paris.
3. **Chairman Announcement** – Chairman Sailer wished everyone a Merry Christmas and Happy New Year.

**ADJOURN 6:25 PM**

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Chairman/Vice Chairman

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City Clerk/Deputy Clerk

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Date