

# MINUTES

## PLANNING COMMISSION

155 W. Durian, Coalinga, CA 93210  
TUESDAY May 14, 2019

*The Mission of the City of Coalinga is to provide for the preservation of the community character by delivering quality, responsive City services, in an efficient and cost-effective manner, and to develop, encourage, and promote a diversified economic base in order to ensure the future financial stability of the City for its citizens.*

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

Pledge of Allegiance

### CHANGES TO THE AGENDA

None

### ROLL CALL

Commissioners:                      Chairman Sailer  
   Vice Chairman Jacobs  
   Commissioner Helmar (Absent)  
   Commissioner Garza  
   Commissioner Pruitt

Staff:                                      Community Development Director, Sean Brewer  
   City Clerk, Shannon Jensen

### PUBLIC COMMENTS (NONE)

*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. Approval of the Minutes from the February 12, 2019 Meeting

*Motion by Jacobs, Second by Garza to **Approve** the Minutes from the February 12, 2019 Meeting. **Approved** by a 4/0 Majority Voice Vote. Helmar – Absent.*

### PUBLIC HEARINGS

1. Consideration of Conditional Use Permit Application No. CUP 19-01 Approving a Non-Volatile Cannabis Manufacturing Facility at 1717 W. Elm Ave, Building B, Unit 100

Community Development Director Sean Brewer gave a brief overview of the item.

Chairman Sailer opened the Public Hearing.

Simon Berdugo introduced himself as the Managing Partner of PEP Partners, LLC.

Vice Chairman Jacobs asked how do you make a gummy bear?

Mr. Berdugo stated there are two ways and we do both. Basically, one way is to melt down an existing product and then infuse it and the other way is to just make it from scratch and infuse it.

Vice Chairman Jacobs asked so you're heating things up?

Mr. Berdugo stated the equipment we use is essentially mush and burn, there is no complex machinery in our operation and no chemicals are used. We try to make the most natural, organic, product we can make.

Commissioner Pruitt commented about how interesting the process was, stating she was a vegetarian for a few years. She knew Jell-O contained bone marrow and wondered how you'd make vegan gummy.

Mr. Berdugo stated they make their own pectin. He mentioned the other option is to make a fish-based gelatin, which we've tried. We tasted it and said no, that's not going to work.

Commissioner Pruitt asked how many companies are making gummies that have reduced sugar and are vegan?

Mr. Berdugo commented very few. One major company, Cush, launched a no-sugar gummy, but we had tested their product and were unimpressed. There are a lot of factors and we approached it entirely differently than our competitors.

Vice Chairman Jacobs asked, what is the difference between natural ingredients and organic ones?

Mr. Berdugo explained we could call our product organic, but its not permissible because the law doesn't permit the word "organic" in cannabis since cannabis isn't recognized by the FDA as anything but an illegal substance. So even though our product is technically entirely organic, and even if we purchased the components from an organic producer, we still wouldn't be able to call it "organic". Instead we use the word "natural".

Mr. Brewer stated that will eventually change as the State is currently working on reviewing that process.

Mr. Berdugo mentioned the term Vegan, like anything else, is something that is trending as more people are turning to Vegan-Vegetarian. I think you'll start to see more, but from a manufacturing standpoint its tougher and more complex, more costly and the steps are different. Right now, there isn't as much incentive for companies to switch, until more people become aware.

Vice Chairman Jacobs asked if they also have Kosher gummies?

Mr. Berdugo answered yes, we set that up in the Vegan room since the restriction are so strict. We were amazed to find out there is a whole group of waiting recipients who would love a Kosher product.

Chairman Sailer asked if the facility will be Kosher-certified?

Mr. Berdugo answered, yes. As I understand it, there are a few Kosher certifications. Two of them aren't certifying product yet. There is a third one, out of Chicago, that has agreed to certify. They will do an initial inspection and then periodically they'll perform random inspections.

Chairman Sailer commented, I'm looking at your floor plan, I'm curious from a food and safety standpoint how the product will flow in the facility? I see a door in the office and a door in the finishing room.

Mr. Berdugo stated, the finishing room actually acts as a finishing and receiving room. It's not the most convenient setup, but we aren't receiving large shipments. A couple of jars of oil will make a tremendous amount of product. We would receive the product through the curing area and bring it through the office which is locked. There are two rooms in the production area, two kitchens and that is where only a manager knows how to break the oil down and into the IP that then gets put in a secure area and as the production runs get done, only the manager or myself can actually supply the team with the ingredient that will go in to the mixture that they do at the tables. One kitchen will be vegan/Kosher and it connects to a door to a curing area. That whole room is temperature controlled at 55-60 degrees. Unlike the rest of the product, the vegan/Kosher packaging is done inside that curing room so it comes out into the holding area as a packaged product so there is zero contamination.

Chairman Sailer asked about all the other goods that will be received?

Mr. Berdugo stated the only other thing coming in the door is the candy. We make our own flavors of the candies by taking the five flavors used by our Texas supplier and combining them two flavors. The sorting is performed at a kitchen certified serving area in Texas that uses special needs employees to sort the gummies by flavor.

Chairman Sailer stated, when the Rabi comes in to do your Kosher audit if you have your received goods with the finished goods that won't be good.

Mr. Berdugo, yes, that's why the limited ingredients purchased for the Kosher side will probably come through the front door and go directly into the Kosher kitchen to be fabricated in that room. Then through the side door into the curing area is where it will be packaged. It will be strictly controlled in those two rooms.

Chairman Sailer asked if these gummies are sold in stores? Or is that the goal?

Mr. Berdugo explained their partners established a brand that is currently positioned in over 200 hundred dispensaries. Other than the Vegan/Kosher brand, 80% of the production will be for their brand called Finest. It will probably take us a year or two to meet the demand that already exists when the brand is launched.

Vice Chairman Jacobs mentioned having to put some lights up around the parking lot.

Mr. Brewer stated they are in the middle of doing all those improvements now.

Chairman Sailer asked if they will also do Halal-certification?

Mr. Berdugo stated he doesn't believe that Halal and OH are getting involved yet.

Chairman Sailer asked if they will be doing any other food and safety certification?

Mr. Berdugo stated he is certified in Florida and has already signed up for the course here. Everyone employed with us will be required to be certified.

Commissioner Garza asked if they were hiring?

Mr. Berdugo stated they are looking for people with a confectionary or culinary background because they would already be food certified, and if someone is in that industry, then they must love it. We are looking for people who love what we do.

Chairman Sailer closed the Public Hearing.

*Motion by Pruitt, Second by Garza to **Approve** Condition Use Permit Application No. CUP 19-01 Approving a Non-Volatile Cannabis Manufacturing Facility at 1717 W. Elm Ave, Building B, Unit 100. **Approved** by a 4/0 Roll-Call Vote. Helmar – Absent.*

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

None

### **DEPARTMENT REPORTS**

#### **1. Community Development Quarterly Update**

Community Development Director gave a brief overview of the item, detailing some of the activities of the Community Development Department over the past quarter.

Vice Chairman Jacobs asked if our audits have been completed?

Mr. Brewer stated he does not expect them to be completed until this summer, if not later. The 2016/17 audit has been submitted, and they have started on the 2017/18 audit. The Finance Department is working diligently to get those done.

The next Planning Commission Meeting will be May 28, 2019.

### **COMMUNICATIONS**

1. Staff Announcements (None)
2. Commissioner Announcements (None)
3. Chairman Announcements (None)

### **ADJOURN 6:01PM**

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Chairman / Vice Chairman

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Shannon Jensen, City Clerk

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Date