



AGENDA

PLANNING COMMISSION

155 W. DURIAN AVE., COALINGA CA 93210

TUESDAY OCTOBER 24, 2017

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

ROLL CALL

Commissioners:

Chairman Stoppenbrink
Vice Chairman Sailer
Commissioner Jacobs
Commissioner Gonzales
Commissioner Helmar

Staff:

Sean Brewer, Community Development Director
Marissa Trejo, City Manager

PUBLIC COMMENTS

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

PUBLIC HEARINGS

1. Planning Commission Consideration of a Conditional Use Permit (CUP 17-08).

Site Plan and Environmental Determination, Authorizing a Commercial Cannabis
Manufacturing Facility in an Existing Building at 1950 Mercantile Lane

DISCUSSION AND/OR POTENTIAL ACTION ITEMS

DEPARTMENT REPORTS

COMMUNICATIONS

1. Staff Announcements
2. Commissioner Announcements
3. Chairman Announcements

ADJOURN



Staff Report- Chairman and Planning Commission

Subject: Planning Commission Consideration of a Conditional Use Permit (CUP 17-08), Site Plan and Environmental Determination, Authorizing a Commercial Cannabis Manufacturing Facility in an Existing Building at 1950 Mercantile Lane

Meeting Date October 24, 2017

Project Location: 1950 Mercantile Lane, Coalinga CA 93210

Applicant: Sina Sayyah, COAX Consultants, LLC., 840 S. Santee Street, Suite 500, Los Angeles, CA 90014

Owner: Jing Ning, Ning Capital, Inc., 17830 Arvida Drive, Granada Hills, CA 91344

Prepared By: Sean Brewer, Community Development Director

I. RECOMMENDATION:

Staff recommends approval of Conditional Use Permit 17-08, Site Plan and Environmental Determination by adopting Resolution No. 017P-023 with conditions.

II. BACKGROUND:

On August 3, 2017, the Community Development Department received an application for a Conditional Use Permit with Site Plan and Environmental Review from COAX Consultants/Ning Capital, Inc. (further identified as “applicant”) to operate a Commercial Cannabis Volatile Manufacturing Facility (Manufacturer-2) to manufacture commercial cannabis products using volatile solvents located at 1950 Mercantile Lane. Staff accepted the application on September 7, 2017 and began processing the application.

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. Starting in 2018 the State of California will be accepting applications for commercial cannabis activities and the operators will be subject to the comprehensive set of regulations that the State adopts. The regulations that will apply to Cannabis Manufacturing operations are being drafted by the California Department of Public Health. These regulations will govern these cannabis manufacturing operations within the state in addition to applicable sections of the City of Coalinga's commercial cannabis ordinance.

The scope of this application will look at the operational characteristics of the proposed use and ensure that the use is designed, located, and operated in a manner that will not interfere with the use and enjoyment of

surrounding properties. The process for review of Conditional Use Permit applications is designed to evaluate possible adverse impacts and to minimize them where possible through the imposition of specific conditions.

III. PROPOSAL AND ANALYSIS:

Project Summary: The project applicant proposes to operate a volatile manufacturing facility at 1950 Mercantile Lane. 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.

Detailed regulations for manufacturing licenses have not yet been established under the MAUCRSA, but are anticipated to be released by the State of California by the end of November 2017 therefore requiring the applicant to adhere to the state regulations, including requirements of the Building and Fire Department. This also includes immediate compliance with including AB 2679.

Products and Services

The Applicant manufactures cannabis extracts from raw cannabis by utilizing hydrocarbons as a solvent. Using ASME certified equipment, they provide a safe and regulated infrastructure. Crude extracts are rendered when solvents are mixed with raw cannabis. The crude product can then be made into an array of products from their customers (ie. edibles, tinctures, topical or vapor pens). They will work with their customers to meet their cannabis extraction needs, which will ensure that they create the products to their specifications. In turn, this will save the customer time and money.

The applicant will make cannabis extracts and provide tolling services for the manufacturing of consumer products. The extracts will be made by light hydrocarbon extraction from ASME certified process equipment. They will be creating two products “crude” and “clear”. “Crude” extracts ranging from 30-50% concentration of THC by mass. “Clear” is a distillate of crude ranging from 65-85% THC by mass while it is in a liquid state. These products are made from raw cannabis products. There are three main phases to manufacturing a cannabis extracts. First, initial hydrocarbon extraction creates crude extract and removes all residual solvents. Second, the removal of the gums and waxes from the crude extracts via ethanol extraction at low temperatures. Finally, distillation is performed on short path distillation and thin-film evaporation creating the clear distillate. They manufacture based on specific customer specifications, using precision machinery to form the desired concentration.

Extraction Safety and Quality Control

The applicant will be using a Closed Loop Extraction Equipment system used in the extraction of cannabis by the use of propane solvent. The Extraction system is classified as PX40 System “The Executioner”. The applicant has confirmed that The Closed loop system has been analyzed per the American Society of Mechanical Engineers (ASME) standards B36.19M-2004, B36.10M-2004, ASME BPVC Section VIII Division 1-2013, NFPA 58-2014 Liquefaction Petroleum Gas Code. This will be reviewed and approved by the Fire Department at the time the mechanical equipment is installed.

The system shall be certified by a licensed engineer that the system was commercially manufactured, safe for its intended use, and built to codes of recognized and generally accepted good engineering practices, such as:

- The American Society of Mechanical Engineers (ASME);

- American National Standards Institute (ANSI);
- Underwriters Laboratories (UL); or
- The American Society for Testing and Materials (ASTM).

The certification document must contain the signature and stamp of a professional engineer and the serial number of the extraction unit being certified.

Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for use by the local fire code official and meet any required fire, safety, and building code requirements specified in:

- National Fire Protection Association (NFPA) standards;
- California Building Code (CBC);
- International Fire Code (IFC); and
- Other applicable standards including all applicable fire, safety, and building codes related to the processing, handling and storage of the applicable solvent or gas.

These quality control requirements and safety measures have been incorporated within the conditions of approval.

CUP Analysis

As part of this use permit approval, a site plan was submitted to consider the zoning design criteria such as site coverage, building heights, setbacks, parking, landscaping, elevations, floor plans and lighting. In addition to confirming the site plan, the CUP analysis will look at operational compliance with the planning and zoning code of 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.

General Plan/Zoning Consistency: The building 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. This operation is consistent with the general plan, zoning code and applicable policies and implementation measures.

Location: 1950 Mercantile Lane (Map & Floor Plans Attached). The COAX Consulting facility will be operating in an existing 3,200 sq. ft. building located at 1950 Mercantile Lane. The building will sit on a lot zoned MBL in the Juniper Ridge Industrial Park in Coalinga. The site will be a one-story facility with no other buildings or tenants on the property at this time. The 3,200-square foot building will sit on a concrete foundation. Above the concrete foundation, the walls will be constructed of steel framing. Enclosed from the exterior by steel siding, and the interior by a finishing material suitable to withstand the environmental demands of the facility. The facility's space will be divided to include engineering labs, extraction lab, tool shop, quality control and testing area, safe inventory storage and offices. Each area will be staffed with trained employees and factory-floor technicians will be cross-trained. The administrative offices will include space for accounting, information technology, security, maintenance and departments.

Phase (2) Site Plan: The proposed site plan identifies a new building in phase (2). However, at this time the applicant is not prepared to submit a formal site plan and CUP application for phase 2 so this will be submitted as a future application.

Security: Based on staffs review of the security/operations plan, the applicants site protection strategy will address all forms of security concerns and will 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, as part of their regulatory permit review, will review and verify that the security plan including camera placements, access controls and perimeter security meet the requirements of the code and the satisfaction of the Police Chief (Section 9-5.128). 24 hour on-site security will be provided.

Building Access: All employees and authorized personnel will enter the building at the designated security entry area after checking in with the 24-hour security personnel at the site entrances. At this time on-site security will grant authorization into the facility. All doors that allow access to the exterior of the building may be used for ingress and egress so long as they are equipped with access control devices. Initial entry to the facility will be through the 24-hour security entrance.

Odor Control: In order to control odor while producing at the above capacity and remaining compliant with §9-5.128 of the planning and zoning code, 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 production facilities may operate between the hours of 7:00am to 10:00pm five days a week. This schedule is in compliance with section §9-5.128(d)(13).

Parking: This facility will be accommodated by (17) parking stalls including (2) accessible stalls for a total of (19) stalls. The parking provided meets the criteria established in the planning and zoning code for cannabis facilities (1:1,000 s/f.). The permanent surface for the proposed parking areas shall be concrete or asphalt to ensure dust control unless the commission determines that an alternative surface is acceptable.

Landscaping: The facility meets and/or exceeds the required landscaping requirements by providing a planter buffer between the parking and building and tree planters for every (10) continuous parking stalls. There is also existing landscaping at the entrance of the facility consisting of mature shrubs, trees and turf.

Lighting: Lighting will be reviewed and approved by the Police Department to ensure that there will be no spill over lighting. A photo metric plan will be provided to the Police Chief to ensure the plan 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.

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.

Water Use: Due to the nature of our business, the applicant will require very little water usage. Water usage will be limited to the use of toilets and sinks in restrooms for on-site employees. No other on-site water usage is expected.

Wastewater Disposal: The applicant will not be permitted to introduce any chemical waste or solvents into the local waste stream. The applicant expects 420 lbs. of biomass waste will be created and removed weekly. Any product containing any trace of THC will require the proper disposal of said product through the use of a hazardous waste hauler. All hazardous waste and/or chemicals shall be documented and disposed of in accordance with state and regional laws.

Surrounding Land Use Setting:

South	Industrial
West	Industrial
East	City Limits (County Agricultural Land)
North	Industrial

Per §9-5.128(d)(12), a Commercial Marijuana 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: Public hearing notices were sent to all property owners within 300 feet of the site as required by Local and State law.

Environmental Clearance: The Community Development Director has determined that the proposed project supports a Planning Commission finding that it qualifies for a categorical exemption from the California Environmental Quality Act (CEQA). The project qualifies as a Class 1 exemption under CEQA Guidelines Section 15301 (Existing Facilities).

The proposed project does not include any new construction or additions to the existing facility beyond construction of sidewalks without changes in curb lines, additional landscaping with planter boxes, and paving of an existing parking lot. In addition, manufacturing cannabis is an allowed use consistent with the General Plan and zoning designations at the site. Furthermore, the manufacturing of commercial cannabis is analyzed in the previously approved Juniper Ridge Industrial Park City-Initiated Rezone and General Plan amendment IS/MND. Therefore, the project includes an allowed use within an existing facility.

IV. FISCAL IMPACT:

None determined at this time.

V. REASONS FOR RECOMMENDATION:

A Conditional Use Permit shall only be granted if the Planning Commission determines that the project as submitted or as modified conforms to all of the following criteria. If the Planning Commission determines that it is not possible to make all of the required findings, the application shall be denied. The specific basis for denial shall be established for the record.

General Plan consistency: Approval of the proposed project will advance the goals and objectives of and is consistent with the policies of the General Plan and any other applicable plan that the City has adopted;

Neighborhood compatibility: The location, size, design, bulk, coverage, density, traffic generation and operating characteristics of the proposed project are consistent with the purposes of the district where it is located, and will not have an adverse effect on the neighborhood and surrounding properties;

Asset for the neighborhood: The nature, use and architectural/design features of the proposed development make it attractive, functional and convenient. The proposed development enhances the successful operation of the surrounding area in its basic community functions, or provides an essential service to the community

or region.

ATTACHMENTS:

Description

- ▣ Notice of Exemption (1950 Mercantile Lane)
- ▣ CUP 17-08 Application Package
- ▣ COAX Consultant Business Plan
- ▣ Site Plan
- ▣ Site Location and Street View
- ▣ Resolution 017P-023 with Conditions

Notice of Exemption

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

County Clerk

County of: Fresno

2220 Tulare Street

Fresno, CA 93721

From: (Public Agency): City of Coalinga

155 West Durian

Coalinga, CA 93210

Project Title: Conditional Use Permit for 1950 Mercantile Lane

Project Applicant: COAX Consultants, LLC

Project Location - Specific:

The proposed project site is located at 1950 Mercantile Lane in Coalinga, California. The project site is 1.58 acres, identified by the Fresno County Assessor as Assessor's Parcel Number (APN) 083-280-17S.

Project Location - City: Coalinga

Project Location - County: Fresno

Description of Nature, Purpose and Beneficiaries of Project:

The applicant is proposing a cannabis extraction company in an existing facility located at 1950 Mercantile Lane. The existing facility would remain single-story with building height of 22 feet, and would include 3,200 square feet (s.f.) for production area and 66,000 s.f. for non-production area. The project would also include a concrete parking lot surrounding the existing facility, planter boxes and sidewalks that would be added to the already disturbed area surrounding the building.

Name of Public Agency Approving Project: City of Coalinga

Name of Person or Agency Carrying Out Project: Sina Sayyah, COAX Consultants, LLC

Exempt Status: **(check one)**:

☐ Ministerial (Sec. 21080(b)(1); 15268);

☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));

☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));

☒ Categorical Exemption. State type and section number: Class 1 Section 15301

☐ Statutory Exemptions. State code number: _____

Reasons why project is exempt:

The proposed project does not include any new construction or additions to the existing facility beyond construction of sidewalks without changes in curb lines, additional landscaping with planter boxes, and paving of an existing parking lot. In addition, manufacturing marijuana is an allowed use consistent with the General Plan and zoning designations at the site. Furthermore, the manufacturing of commercial marijuana is analyzed in the previously approved Juniper Ridge Industrial Park City-Initiated Rezone and General Plan amendment IS/MND. Therefore, the project includes an allowed use within an existing facility.

Lead Agency

Contact Person: Sean Brewer

Area Code/Telephone/Extension: (559) 935-1533 ext. 143

If filed by applicant:

1. Attach certified document of exemption finding.

2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature: _____ Date: _____ Title: _____

☐ Signed by Lead Agency ☐ Signed by Applicant

**CITY OF COALINGA
CONDITIONAL USE PERMIT APPLICATION**

CVP: 17-08 8/3/17
Application Number Date

APPLICANT INFORMATION:

Applicant/Property Owner: COAX Consultants, LLC / Ning Capital, Inc.
Mailing Address: 20423 Devonshire St, Chatsworth, CA 91311
Telephone Number: 310-717-1709 Assessor Parcel Number: 083-280-17S
Property Location: 1950 Mercantile Lane, Coalinga, CA 93210
Legal Description (lot, block, Tracts, etc.) _____

PROPERTY USE INFORMATION:

Current Zoning: MBL
Existing Number of Lots: 1 Proposed Number of Lots: 1 Area of Parcel: 1.58 Acres
Proposed Use: Medical Marijuana Manufacturing Facility - Type 7 License

(If additional space is required attach separate sheet of paper)

Describe any new structures or improvements associated with use (indicate total square footage of structures). _____
Existing 3200 sq ft building to be improved for use as a type 7 medical marijuana manufacturing
facility.

(If additional space is required attach separate sheet of paper)

Describe operational characteristics of use (hours of operation, number of employees, vehicle traffic to and from use, parking requirements, etc.) _____
Hours shall be 15 hours a day over 2 8-hour shifts. Number of employees shall be 6. There
are currently 11 parking spots marked on the proposed site plan. Concrete pad shall be extended
to allow for fire department access. See attached business and operational and security plans.

The undersigned applicant has the ability and intention to proceed with the actual construction work in accordance with these plans (as approved) within one year from the date of approval and the applicant understands the this conditional use permit, if granted, becomes null and void and of no effect if the applicant does not commence with the actual construction work in accordance with these plans with one year from the date of approval of this application and diligently proceed to completion. An extension to commence the work at a later date may be granted by the planning commission, upon the written petition of applicant for such extension before the expiration of the one-year period. The applicant understands that the Commission may also establish a deadline date for the completion of said project.

Signature of BOTH the APPLICANT and RECORDED PROPERTY OWNER(S) are required below as applicable.

The forgoing statements and answers herein contained and the information herewith submitted are in all respects true and correct to the best of my knowledge and belief.


Signature of APPLICANT/AGENT

Sina Sayyah, COAX Consultants, LLC

Name of APPLICANT/AGENT (Please Print)

840 S Santee St Ste 500, LA CA 90014

Mailing Address

310-717-1709

Telephone Number


Signature of OWNER

Jing Ning, Ning Capital, Inc.

Name of OWNER (Please Print)

17830 Arvida Dr., Granada Hills, CA 91344

Mailing Address

818-357-3580

Telephone Number

CITY OF COALINGA
ENVIRONMENTAL REVIEW APPLICATION

CVP 17-08
Application Number

8/3/17
Date

APPLICANT INFORMATION:

Applicant: COAX Consultants, LLC

Mailing Address: 20423 Devonshire St. Chatsworth, CA 91311

Telephone Number: 310-717-1709

Assessor Parcel Number: 083-280-17S

Property Owner's Name: Ning Capital, Inc.

Property Owner's Address: 17830 Arvida Dr. Granada Hills, CA 91344

Contact Person: Sina Sayyah

PROPERTY USE INFORMATION:

Size of Parcel (Square Feet/Acres) 1.58 Acres

Describe Existing Use of Property: Trucking company, formerly known as Gazelle.

Square Feet of Existing Building Area 3200 Sq Ft, Square Feet of Existing Paved Area 6000 sq ft.

Current Zoning MBL Proposed Zoning MBL

Describe in General Terms Existing Uses to the:

North: Future Medical Marijuana Activity

South: Concrete Company

East: Argiculture

West: Future Medical Marijuana Activity

Are there any man-made or natural water channels on property? Sewer and Drain

If there are, where are they located _____

Number of existing trees on the site 3 Number of trees to be moved (Age & Type) None

Residential

a. Number of Dwelling Units: _____ b. Unit Size(s) _____

c. Range of Sales Prices and/or Rents (projected): _____

d. Type of Household Size Expected: _____

Commercial

a. Orientation:

Neighborhood: Juniper Ridge

City or Regional: Coalinga

b. Square Footage of Sales Area: 140 sq ft

c. Range of Sales Prices and/or Rents (Projected): _____

d. Type of Household Size Expected: _____

e. Number of Employees: Full Time 3 Part Time _____ Seasonal _____

f. Days and Hours of Operation Maximum per state and local law.

Signature of BOTH the APPLICANT and RECORDED PROPERTY OWNER (S) are required below as applicable.

The forgoing statements and answers herein contained and the information herewith submitted are in all respects true and correct to the best of my knowledge and belief.



Signature of APPLICANT/AGENT

CoAX Consultants, LLC / Sina Sayyah

Name of APPLICANT/AGENT (Please Print)

840 S Santee St Suite 500 Los Angeles CA 90014
Mailing Address

310-717-1709
Telephone Number


Signature of OWNER

Ning Capital, Inc/ Jing Ning
Name of OWNER (Please Print)

17830 Arvida Dr, Granada Hills, CA 91344
Mailing Address

818-620-9054
Telephone Number



City of Coalinga
Community Development Department

APPLICATION FOR ENVIRONMENTAL EVALUATION

1. Owner/Applicant Information

PROPERTY OWNER'S NAME: Ning Capital , Inc.

PROPERTY OWNER'S ADDRESS: 17830 Arvida Dr., Granada Hills, CA 91344

TELEPHONE: 310-717-1709 EMAIL: sinasayyah@gmail.com

APPLICANT'S NAME, COMPANY/ORGANIZATION: COAX Consultants, LLC

APPLICANT'S ADDRESS: 20423 Devonshire St., Chatsworth CA 91311

TELEPHONE: 310-717-1709 EMAIL: sinasayyah@gmail.com

CONTACT FOR PROJECT INFORMATION: Sina Sayyah

ADDRESS: 20423 Devonshire St., Chatsworth, CA 91311

TELEPHONE: 310-717-1709 EMAIL: sinasayyah@gmail.com

2. Location and Classification

STREET ADDRESS OF PROJECT: 1950 Mercantile Lane

CROSS STREETS: Enterprise Parkway

ASSESSOR'S PARCEL NUMBER(S): 083-280-17S

LOT DIMENSIONS: 294'x261' LOT AREA (SQ FT): 66,000 sq ft.

ZONING DESIGNATION: MBL GENERAL PLAN DESIGNATION: Juniper Ridge

3. Project Description (please check all that apply)

- ☒ Change of Use
- ☒ Change of Hours
- ☐ New Construction
- ☒ Alterations
- ☐ Demolition
- ☐ Other (please clarify):

PRESENT OR PREVIOUS USE: Trucking Company

PROPOSED USE: Type 7 medical marijauna manufacturing

BUILDING APPLICATION PERMIT #: _____ DATE FILED: _____

4. Project Summary Table

If you are not sure of the eventual size of the project, provide the maximum estimates.

	Existing Uses	Existing Uses to be Retained	Net New Construction and/or Addition	Project Totals
Project Features				
Dwelling Units	0	0	0	0
Parking Spaces			11	11
Loading Spaces			2	2
Bicycle Spaces			3	3
Number of Buildings	1	1	0	1
Height of Buildings	22	22	0	22
Number of Stories	1	1	0	1
Gross Square Footage (GSF)				
Residential	0	0	0	0
Retail	0	0	0	0
Office	560	560	0	560
Industrial	2640	2640	0	2640
Parking				
Other _____				
Other _____				
Other _____				
Total GSF	3200	3200		3200

Please provide a narrative project description that summarizes the project and its purpose or describe any additional features that are not included in this table. Please list any special authorizations or changes to the Planning Code or Zoning Maps if applicable.

All Projects

Land Use

What is the current use of the site? Trucking Company

Please list all previous land uses of the site for the last 10 years. Gazelle trucking company.

Neighborhood Contact

Please describe any contact you have had regarding the project with the following: neighbors/property owners adjacent to the subject site, Neighborhood Associations, Business Associations, or Community Groups in the project area.

Met with Sean Brewer in planning and attended council meetings.

Site Characteristics

Providing the following information regarding the environmental setting with your application is one of the most effective ways to expedite your project's environmental review. If your site contains structures, large trees, mature vegetation, natural drainage ways, low lying areas where water pools during the rainy season, or wetland areas, supplemental information may be requested in order to conduct the environmental review of your project.

Are there any structures or buildings on the project site?

☒ Yes ☐ No

If yes, how many? 1

What is the construction date of each structure? unknown

Current use of existing structure(s)? truck repair

Proposed use of existing structure(s)? medical marijuana manufacturing

Are there any trees on the project site?

☒ Yes ☐ No

Are any trees proposed to be removed?

☐ Yes ☒ No

Does the site contain any natural drainage ways?

☐ Yes ☒ No

Does the site contain any wetland areas or areas where water pools during the rainy season?

☐ Yes ☒ No

What land uses surround the project site? (i.e., single-family residential, commercial, etc.)

Please describe: Commercial

Are you proposing any new fencing or screening?

☐ Yes ☒ No

If yes, please describe the location, the height, and the materials (i.e., wood, masonry, etc.) of the fencing. _____

Is there parking on-site?

☒ Yes ☐ No

If yes, how many spaces are existing (for the entire property) and how many are proposed on-site for the project?

Existing unknown

Proposed 11

Is any parking proposed off-site?

☐ Yes ☒ No

If yes, where will it be located and how many spaces? _____

Are you proposing new signs with the project?

☐ Yes ☒ No

If yes, please describe the number and type. _____

Are there any easements crossing the site?

☐ Yes ☒ No

Are there any trash/recycling enclosures on-site?

☒ Yes ☐ No

If yes, what is the size/height/materials of the enclosure(s) and where are they located?

Dumpster in front

What is the total number of cubic yards allocated for recycling? _____

Building Setback from Property Lines		
	Existing (feet/inches)	Proposed (feet/inches)
Front		
Rear		
Streetside		
Interior Side		

What are the front setbacks of the two nearest buildings (on adjacent property) on the same side of the block? If there are no other properties, please write "N/A."

1st Address: _____ 2nd Address: _____

Setback: _____ Setback: _____

Exterior Materials

Existing Exterior Building Materials: _____

Existing Roof Materials: _____

Existing Exterior Building Colors: _____

Proposed Exterior Building Materials: _____

Proposed Roof Materials: _____

Proposed Exterior Building Materials: _____

Residential Projects

Fill in this section if your project has residential units. Complete both residential and non-residential sections if you are submitting a mixed-use project. Provide information below for the proposed project unless the question specifically requests information on the existing conditions of the property.

Total Number of Lots: _____

Net Acreage of Site: _____

Total Dwelling Units: _____

Density/Net Acre: _____

of Single-Family Units: _____

of Duplex/Half-Plex Units: _____

of Multi-Family/Apartment Units: _____

of Condominium Units: _____

Structure Size

Please identify the size of all existing structures to be retained (identify separately).

Residence

Gross Square Footage: _____

Garage

Gross Square Footage: _____

Other

Gross Square Footage: _____

Size of new structure(s) or building addition(s):

Gross Square Footage: _____

Total Square Footage: _____

Building Height

Building height means the vertical dimension measured from the average elevation of the finished lot grade at the front of the building to the plate line, where the roof meets the wall.

Existing Building Height and # of Floors (from ground to the plateline): _____

Existing Building Height and # of Floors (from ground to the top of the roof): _____

Proposed Building Height and # of Floors (from ground to the plateline): _____

Proposed Building Height and # of Floors (from ground to the top of the roof): _____

Lot Coverage

Total Building Coverage Area* (proposed new and existing to be retained) (sq. ft.): _____

Project Site Lot Area (sq. ft.): _____

Total Lot Coverage Percentage: _____

(Example: building area (2,000') / lot area (5,000') = 40% total lot coverage)

* Include all covered structures (patios, porches, sheds, detached garages, etc.)

Non-Residential Projects

Fill in this section if your project has a non-residential component. Complete both residential and non-residential sections if you are submitting a mixed-use project.

Hours of operation of the proposed use: Maximum applied by state and local law.

If your project includes fixed seats, how many are there? _____

Building Size

Total Building Square Footage On-Site (gross sq. ft.) _____

Breakdown of Square Footage – Please Mark All That Apply		
	Existing	Proposed
Warehouse Area	2640	2640
Office Area	560	560
Storage Area		
Restaurant/Bar Area		
Sales Area		
Medical Office Area		
Assembly Area		
Theater Area		
Structured Parking		
Other Area*		
*Describe use type of "Other" areas.		

Building Height

Existing Building Height and # of Floors: 22/ 1

Proposed Building Height and # of Floors: 22/ 1

Lot Coverage

Total Existing and Proposed Building Coverage Area* (sq. ft.): 3200 sq ft

Project Site Lot Area (sq. ft.): 66000 sq ft

Total Lot Coverage Percentage: 5%

(Example: building area (2,000') / lot area (5,000') = 40% total lot coverage)

* Include all covered structures (patios, porches, sheds, detached garages, etc.)

Environmental Evaluation Application Submittal Checklist

Application Materials	Provided	Not Applicable
Two (2) originals of this application signed by owner or agent, with all blanks filled in.		
Two (2) hard copy sets of project drawings in 11" x 17" format showing existing and proposed site plans with structures on the subject property and on immediately adjoining properties, and existing and proposed floor plans, elevations, and sections of the proposed project.		
One (1) CD containing the application and project drawings and any other submittal materials that are available electronically.		
Photos of the project site and its immediate vicinity, with viewpoints labeled.		
Check payable to Coalinga Community Development Department.		
Letter of authorization for agent, if applicable.		
Available technical studies.		

For Department Use Only

Application Received by Community Development Department:

By: _____

Date: _____

COAX Consultants LLC.

Business Plan



7/31/17

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1.0 EXECUTIVE SUMMARY

COAX Consultants LLC., (here in referred to as COAX) is a cannabis extraction company that creates two primary products: “crude” and “distillate”. Crude is created from the initial extraction process, and distillate is created by further refinement of crude. Coax creates both products for wholesale customers, who then disseminate their finished products to the legal California retail market. Coax’s initial plan is to offer contract manufacturing services for other entities, and then to process material to be used in our in-house brands. Our goal is to provide our customers with fast turnaround, exceptional quality, unparalleled customer service, and competitive pricing.

2.0 COMPANY & INDUSTRY

COAX is located in Coalinga, California. Our company manufactures cannabis extracts for use in California wholesale market, or forming materials, such as crude and clear. Our business operates within the manufacturing industry and is classified under Type 7 manufacturing license type.

2.2 LEGAL ENTITY & OWNERSHIP

COAX is an Limited Liability Corporation that was formally organized in California. The company's principal owners are SMP Equity Partners, LLC and GXM Inc., (herein referred to as Guild Extracts) who respectively hold 60% and 40% shares of ownership in the company.

2.3 COMPANY HISTORY TO DATE

Our company is a new business that creates cannabis extracts utilizing the latest high tech machinery and innovative operations processes while working with over 240+ retail locations throughout California. As the company's founders and owners, we have a combined 20 years of experience in multiple manufacturing industries. Our experience includes product research and development, engineering, and production management. After recognizing the need for and value of creating a more efficient customer experience to secure and retain business, we decided to create COAX.

2.4 FACILITIES

Our company is preparing to lease a manufacturing facility in Coalinga, California. We are presently operating out of administrative offices in San Rafael and Oakland, California.

We are working with Ning Capital for the industrial space available for lease. We require a 3,200 sq. ft. facility to accommodate extraction engineering, a tool shop, a quality assurance area, a secure inventory storage and offices.

2.5 KEY ASSETS

Guild Extracts holds a patent pending process for its revolutionary cannabis extractions. The patent combines the best of extractions methods, allowing customers to be protected from litigation. This allows us to serve clients statewide.

3.0 PRODUCTS/SERVICES

Coax manufactures cannabis extracts from raw cannabis by utilizing hydrocarbons as a solvent. Using ASME certified equipment, we provide a safe and regulated infrastructure. Crude extracts are rendered when solvents are mixed with raw cannabis. The crude product can then be made into an array of products from our customers ie. edibles, tinctures, topical or vapor pens. We will work with our customers to meet their cannabis extraction needs, which will ensure that we create the products to their specifications. In turn, this will save the customer time and money. We plan to position ourselves as a forward-thinking company that continually invests in new ideas and technologies - unlike our competitors, which have similar facilities. Our unique software, sophisticated technology, and efficient processes will put us in a position to compete on price and quality. Additionally, our unique product profile gives us a definitive advantage.

3.1 DESCRIPTION

COAX will make cannabis extracts and provide tolling services for the manufacturing of consumer products. The extracts will be made by light hydrocarbon extraction from ASME certified process equipment. We will be creating two products “crude” and “clear”. “Crude” extracts ranging from 30-50% concentration of THC by mass. “Clear” is a distillate of crude ranging from 65-85% THC by mass while it is in a liquid state. These products are made from raw cannabis products.

There are three main phases to manufacturing a cannabis extracts. First, initial hydrocarbon extraction creates crude extract and removes all residual solvents. Second, the removal of the gums and waxes from the crude extracts via ethanol extraction at low temperatures. Finally, distillation is performed on short path distillation and thin-film evaporation creating the clear distillate. We manufacture based on specific customer specifications, using precision machinery to form the desired concentration.

3.2 FEATURES & BENEFITS

Our current market reach on the supply and demand side of the market will be the key to distinguishing and drawing attention to our company. Once we have a particular industry or customer's attention, we will sell them on our fast turnaround, exceptional quality, unparalleled customer service and competitive pricing.

Speed, quality, service and price are attributes that most of our competitors have. However, COAX will - from the beginning - invest in top quality, highly sophisticated machinery as well as implement innovative operations policies. These steps will ensure our ability to deliver beyond normal industry standard and surpass our customer's expectations saving them time and money.

3.3 COMPETITION

Our competitors are companies that provide similar types of design and extraction services. So much so that there are far too many competitors to list specifically. To their advantage, they have an established customer base and many of those extraction companies also have their own brands, which enables them to manufacture actual products. However, the vast majority of our competitors are not taking full advantage

of current technology, nor are they implementing modern operating systems. Their waste is ultimately passed along to the customer via longer turnaround times and higher overhead costs.

3.4 COMPETITIVE ADVANTAGE/BARRIERS TO ENTRY

By relying on our technology and an activity-based per pound costing system, rather than a output-based system, we will be able to maintain competitive prices and sustain high profitability. Our technology and systematic efficiencies will allow us to have advantages in cost, speed and design capability. Conclusively, these advantages will quickly come to define COAX as an industry leader.

Our extraction technology gives us a significant advantage over our competitors, and our patent prevents others from being able to replicate the services we offer.

3.5 DEVELOPMENT

As our company grows, we plan to expand our facility and create a more diverse product offering manufacturing plant. At that point, we will be able to control all operations in-house from initial product creation and mass production of the finished products. In addition, we will stay atop technology trends and upgrade equipment and processes as needed and can be afforded. We will also continue to research and pursue shares of existing markets such as packing, compliance and distribution.

4.0 MARKET ANALYSIS

By 2020, the market for legal cannabis will top \$22.8 billion. When that happens, the legal market for cannabis “could be bigger than the National Football League, which saw roughly \$12 billion of revenue last year,” according to Fortune. In the United States alone the sanctioned market for cannabis will reach \$7.1 billion this year, up from \$1.5 billion in 2013, a 373% growth in barely three years. Investment bank Ackrell Capital predicted in March that between 2016 and 2029 the market for marijuana will reach \$100 billion, a 1,308% growth. Amazingly, those huge numbers hide the fact that this market is still in its infancy. Cannabis is still illegal in most of the U.S.. For that reason, there’s no accurate way of really knowing just how big this market could ultimately be. Some estimates place the number of occasional cannabis users in the neighborhood of 50 million people. As many as 7.6 million indulge on a daily basis.

4.1 MARKET SIZE

According to the U.S. Department of Agriculture (USDA), California produces more than 33% of America’s vegetables and almost 66% of its fruits and nuts which makes it primed for production of agricultural products. California’s medical cannabis industry reported \$845 million in retail sales via nearly 2,800 dispensaries over a recent 12-month period, according to exclusive data obtained by Marijuana Business Daily. The figures offer a snapshot of the size and scope of California’s massive medical cannabis market, though actual sales are likely much higher because of the unregulated nature of the industry in the state. The numbers also provide a hint of what’s possible as California regulates its’ legal market. Marijuana Business Daily obtained the numbers via a partnership with HDL companies, which contracts directly with nearly every county throughout the state to analyze sales tax receipts from businesses. California doesn’t currently have statewide regulations on its massive medical marijuana industry, so it hasn’t officially tracked sales, tax collections from the industry or the number of dispensaries in the state. Therefore it’s been difficult to get a handle on the size of the market, and the marijuana industry at large has had to make estimates about the state’s market with little to go on. According to HDL’s data, California dispensaries reported \$845 million in sales from April 2015 through March 2016, based on reported sales tax receipts. That dwarfs the second-largest medical cannabis industry, Colorado, which hauled in \$408 million

in MMJ sales at the dispensary level last year. California also had 10% more dispensaries than all other MMJ states combined as of March. To put this in perspective, Colorado currently has 528 licensed dispensaries, while most other states have anywhere from a handful to several hundred. Although California officials don't specifically track MMJ tax revenues or the number of operating dispensaries, HDL has access to approximately 98% of all sales tax receipts from every type of business in California through the State Board of Equalization database.

4.2 TARGET CUSTOMER

After extensive research, we decided to initially pursue market segments in the product production. The cannabis legalization movement has given millions of Americans access to marijuana, and in doing so, has sparked a rapid proliferation of cannabis-related products available for purchase. This has created demand on one of the fastest growing segments of the market extracts. Extracts, such as 'crude' or 'distillate' can be used as is or added to vapor pens, tinctures, edibles, topicals, sprays and beverages. Our customers are the producers of these products. These product manufacturers are focused on a fast turnaround time and quality to make purchasing decisions. We will be instrumental in filling in the growing demand for these products in the California Market.

4.3 TRENDS

Cannabis concentrates and edibles are the largest and fastest growing segments of the cannabis market, which many experts believe will overtake cannabis whole flower sales by 2020. The market for cannabis concentrates is booming because they are used to make edibles, topical ointments, capsules and other packaged products that require a more professional extraction. As the recreational industry gets underway in California, many in the concentrates niche believe it's going to continue to explode in popularity.

4.4 SWOT ANALYSIS

Strengths

- Market Reach and Access to pesticide free biomass
- Potential for California customer base
- Manufacturing & production expertise
- Developed software for manufacturing
- Understanding of emerging technologies
- Understanding of target markets
- Competitive product pricing
- Exceptional quality and customer service
- Implementation of cost saving processes

Weaknesses

- No company history of tolling
- Small initial large customer base
- New staff to be trained from current staff
- Lack of leverage with new relationships

Opportunities

- New products & processes

- Bringing new technology into the industry
- Developing a contract manufacturing new reputation
- Hiring new talent
- New innovations and applications of our technology

Threats

- Impact of new legislation
- Technologies developed by competitors
- Challenges in building a talented staff
- Retaining key staff members
- Market demand fluctuations

5.0 STRATEGY & IMPLEMENTATION

To achieve our business goals, we will create a high-tech, precision manufacturing facility and will implement highly efficient operational processes. We plan to promote COAX and our proprietary Software with a targeted marketing campaign. This will focus heavily on establishing our presence within the industry at relevant trade shows and conferences.

5.1 PHILOSOPHY

COAX 's business philosophy is to make the needs of our customers our main priority. It is our mission to provide our customers with fast turnaround, exceptional quality, unparalleled customer service and competitive pricing. With the introduction of our extraction methods in this manufacturing facility, we will position COAX as a superbly innovative company and a future industry leader in cannabis contract manufacturing.

To achieve this position, we will implement our company's plan to create a state-of-the-art extraction manufacturing facility and invest in the most accurate precision machinery available. We will implement the most comprehensive track and trace software and set the highest standards of operational systems and quality control.

5.2 MARKETING STRATEGY

COAX recognizes the critical importance of marketing. We will require a properly designed and executed marketing plan to ensure market penetration and business success. Until we hire an in-house sales and marketing team, we will work with our current connections. Once a sales and marketing staff is in place, we will implement our strategy.

In addition to conveying to our potential customers the fast turnaround, exceptional quality, unparalleled customer service and competitive pricing offered by COAX, we will also position our company as future-minded and a leader in the integration of innovative technology into the extract manufacturing process.

Our marketing plan will include an initial publicity campaign that introduces our company at cannabis trade shows that we currently attend. Further, we will launch a comprehensive advertising campaign in product

manufacturing. The publicity campaign will be closely followed by a in-person meeting campaign to targeted customers.

The other main component of our marketing plan will be to attend trade shows which will require booth construction and maintenance, marketing materials such as brochures, and promotional items such as pens with our logo.

To increase local awareness of our company and to foster a positive public perception, we will participate in and sponsor local charity events.

5.3 SALES STRATEGY

COAX will build a sales team focused on securing new business in the short and long term. The sales team will be motivated by commissions and performance-based bonuses.

Under the direction of executive management, we will employ an outside sales staff as well as an inside sales staff, which will be cross-trained to handle general customer service calls. The outside sales staff will focus primarily on trade show attendance, comprehensive follow up, relationship building, closing deals, and securing referrals.

5.4 STRATEGIC ALLIANCES

We plan to develop strategic alliances with local and regional extraction manufacturing facilities that do not have extraction capabilities within their facilities. One such alliance has been developed with Guild Extracts located in Oakland, CA. More are developing.

6.0 OPERATIONS

Our facility's space will be divided in proportion to our needs and will include engineering labs, extraction lab, tool shop, quality control and testing area, safe inventory storage and offices. Each area will be staffed with trained employees and factory-floor technicians will be cross-trained. Our administrative offices will include space for accounting, information technology, security, maintenance and departments. To become a fully operational extraction manufacturing facility, we will require the following machinery and software.

Logistics will be provided by a third party. This party has not yet been identified.

Machines

- PX40 Extraction System
- 2 x Roots System Distillation Units
- Dry Scroll Compressor
- 2 x Roto Vap 20L
- 1.9L Vacuum Oven
- Glass Ware and tables
- Short Path System
- Cold Trap
- Flex Mode interior build out
- CI DI Room

-86 Freezer
Walk-in Freezer/Safe
Büchner funnel 50l
Chiller
Security Room

By utilizing the latest precision machinery and software and superior operational and quality control processes such as LEAN Manufacturing, Rapid Prototyping and Manufacturing, and Sigma Six, COAX will control costs while ensuring quality. Additionally, once we are operational, COAX will also follow all necessary requirements and comply with ASME standards to further ensure quality control.

Operationally, our strengths lie in our knowledge and expertise within the manufacturing industry. We know what fixed assets we require and what regulations we must adhere to. However, while we cannot know for certain the quality of our managerial team at this point, we expect to hire and implement a top notch team. As previously mentioned, we have several promising prospects and will, of course, strive to recruit top talent.

6.1 Operational Plan

Process - Biomass 90 lbs. per day producing approximately 8% yields of 3,268 grams of crude extracts.

Post processing - Producing approximately 3,268 grams with an approximate yield 65% of 2,124 grams final product.

450 lbs. biomass will need to be transported weekly.

420 lbs. biomass waste will be created and removed weekly.

Throughput on feedstock is approximately four days.

Liquid nitrogen deliveries bi-weekly 4 dewars.

6.2 PRODUCTION TEAM AND PROJECTED SCHEDULE

We are planning on a five-day work week, with two eight-hour shifts that overlap one-hour with six people per shift. Three resources in production and three in post-production. In addition, two security guards will be on site during all hours of operation.

7:00 am - 3:00 pm - Morning Shift:

1. Lead Extractor Tech - Training of protocol for safety and procedure. Manages maintenance and overall leadership.
2. Extractor Tech - Fully trained in safety and procedure. Manages inventory and feedstock consumption.
3. Laboratory Tech - Manage distillation procedure and testing procedure for all feedstock and products.

2:00 pm - 10:00 pm Evening Shift:

1. Lead Laboratory Tech - Training protocol and safety protocol. Manages testing and maintenance and lab leadership.
2. Laboratory Assistant - In training and assistant focused on procedure and safety protocol.
3. Extractor Tech- Fully trained in safety and procedure. Manages inventory and operations throughput.
4. Extractor Assistant - In training in safety and procedure. Manages inventory and operations throughput.

8:00 am - 5:00 pm

1. Office Manager - Handles procurement logistics, scheduling, payroll and regulatory compliance.
2. Account Manager - Manages distribution of final product to account and distribution.

3. Driver - Logistics. Manages feedstock from in-house feedstock supply.

7:00 am - 3:00 pm Morning Shift:

1. Security Guard - Manages surveillance and Employee schedules. Manages logistical vehicle checking

2:00 pm - 10:00 pm Evening Shift

2. Security Guard - Same Duties as above.

7.0 ORGANIZATIONAL STRUCTURE

COAX understands the importance of a loyal and enthusiastic team to reduce turnover and increase productivity. Our company's management philosophy will encourage responsibility and mutual respect. While we will present a strong decisive management team, we will also foster an atmosphere of genuine employee appreciation and open communication.

7.1 BOARD MEMBERS & ADVISORS

Our Board of Directors is not yet fully formed, but current board members are Sina Sayyah, Ping Yang, Michael Sayyah, Jing Ning, Jinghe Liu, Mike Clemmons, Stig Westling, Brad Robertson, and Claudio Miranda.

Duties of the Board of Directors may include:

- Establishing broad company policies and objectives.
- Selecting, appointing, and reviewing the performance of executive staff.
- Ensuring the availability of adequate financial resources and approving annual budgets.
- Accounting to the stakeholders for the organization's performance

We will actively seek individuals to sit on our Board of Directors who will have the ability to add to and advise our organization such as lawyers, accountants, and professionals in the medical fields.

8.0 FINANCIAL PLAN

Our Company will earn revenue from the sale of services and manufactured extracts. The attached Income Statement demonstrates that our gross profit margin will exceed 48%, and we will achieve break-even by the beginning of Year 2.

8.1 REQUIREMENTS

COAX , Inc. requires \$2,500,000 to launch and operate. We are fully capitalized. We are also looking into additional options including supplier financing, deferred rent, subleasing space, partnerships, vending, and client advance payment.

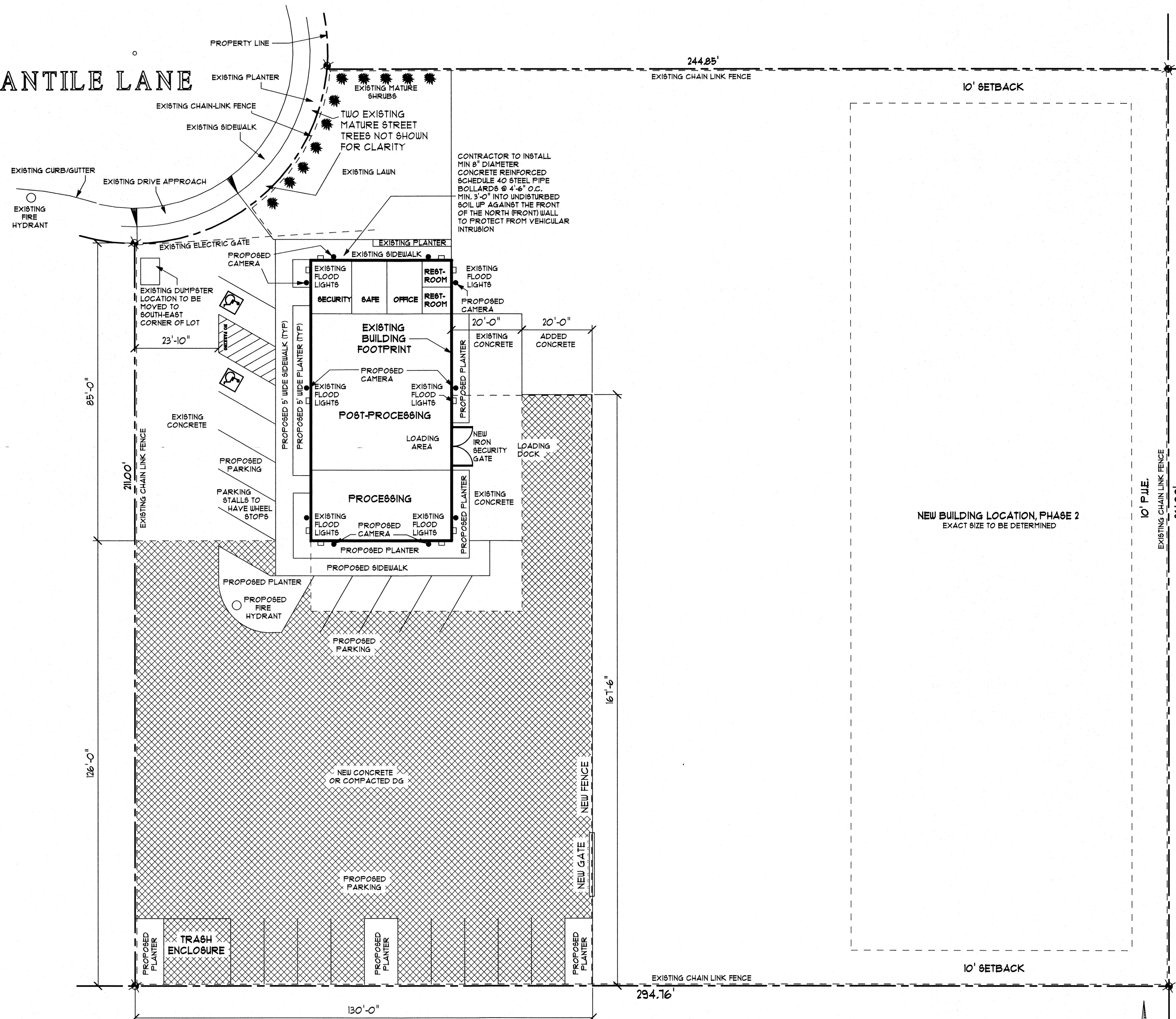
8.2 USE OF FUNDS

The start-up funds will be used to cover operating costs including payroll, taxes, and utilities. Start-up funds will also be used to purchase capital expenditures such as leasehold improvements, software and machinery; which will produce future benefits for the company. Approximately forty percent will be spent on assets, while the other sixty percent will be spent on operations until we realize profitability.

9.0 ASSUMPTIONS

Our projections are based on the assumption that the manufacturing industry, particularly the cannabis industries, will continue to follow current trends. Industry regulation and government legislation is always poised to interfere with business projections, but there are no indications at this time to expect any negative influence to our projections. Additionally, we are not relying on new regulations or the passage of new legislation to enable our company to reach our projected numbers.

MERCANTILE LANE

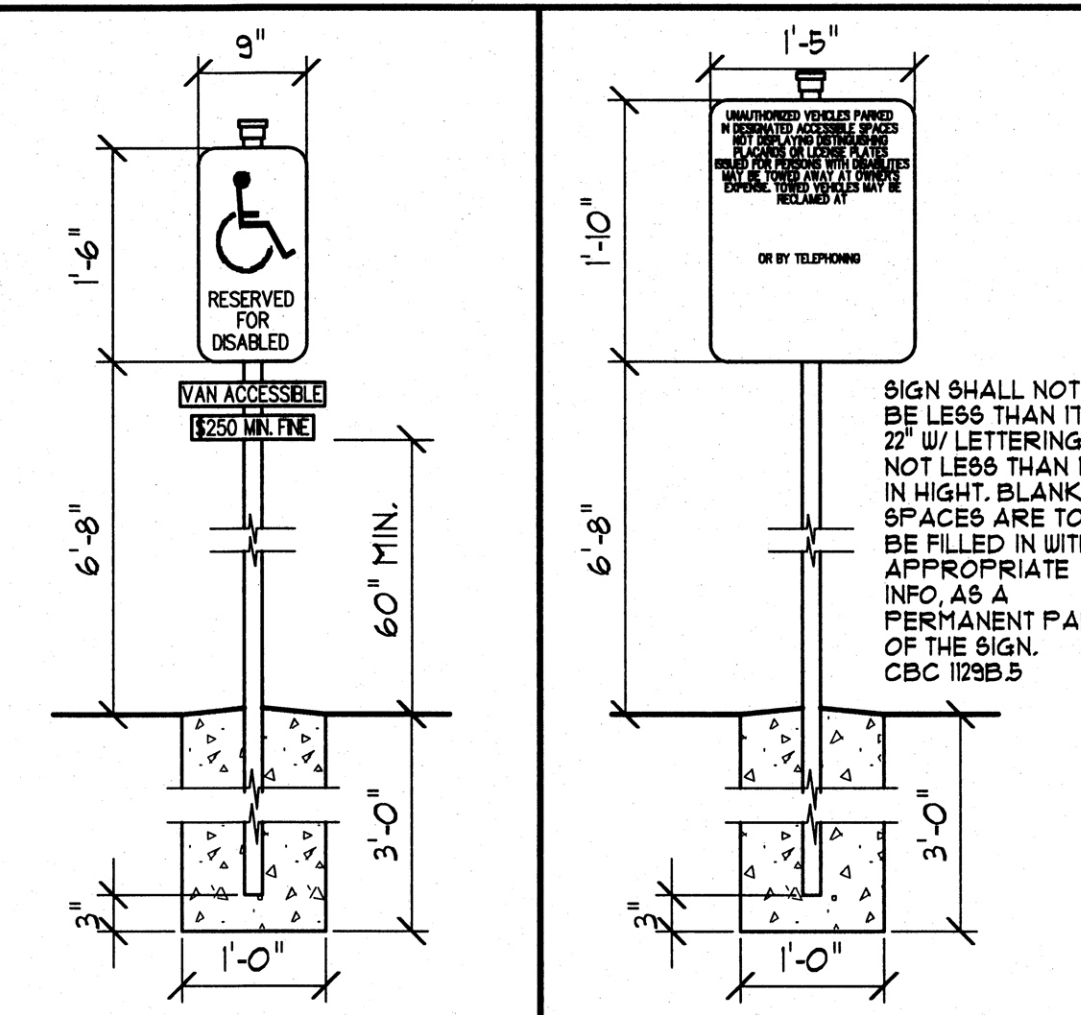


BUILDING ADDRESS 1550 MERCANTILE LANE
COALINGA CA
OWNERS: NING CAPITAL INC
(OWNER'S ADDRESS) 17830 ARVIDA DRIVE
ZONE: MBL GRANADA HILLS CA 91344
APN: 08328175
PARKING: 44 TOTAL, OF WHICH 10 ARE ADA COMPLIANT
SITE SIZE 158 AC FLOOR AREA 3200 SQFT

PROJECT INFORMATION

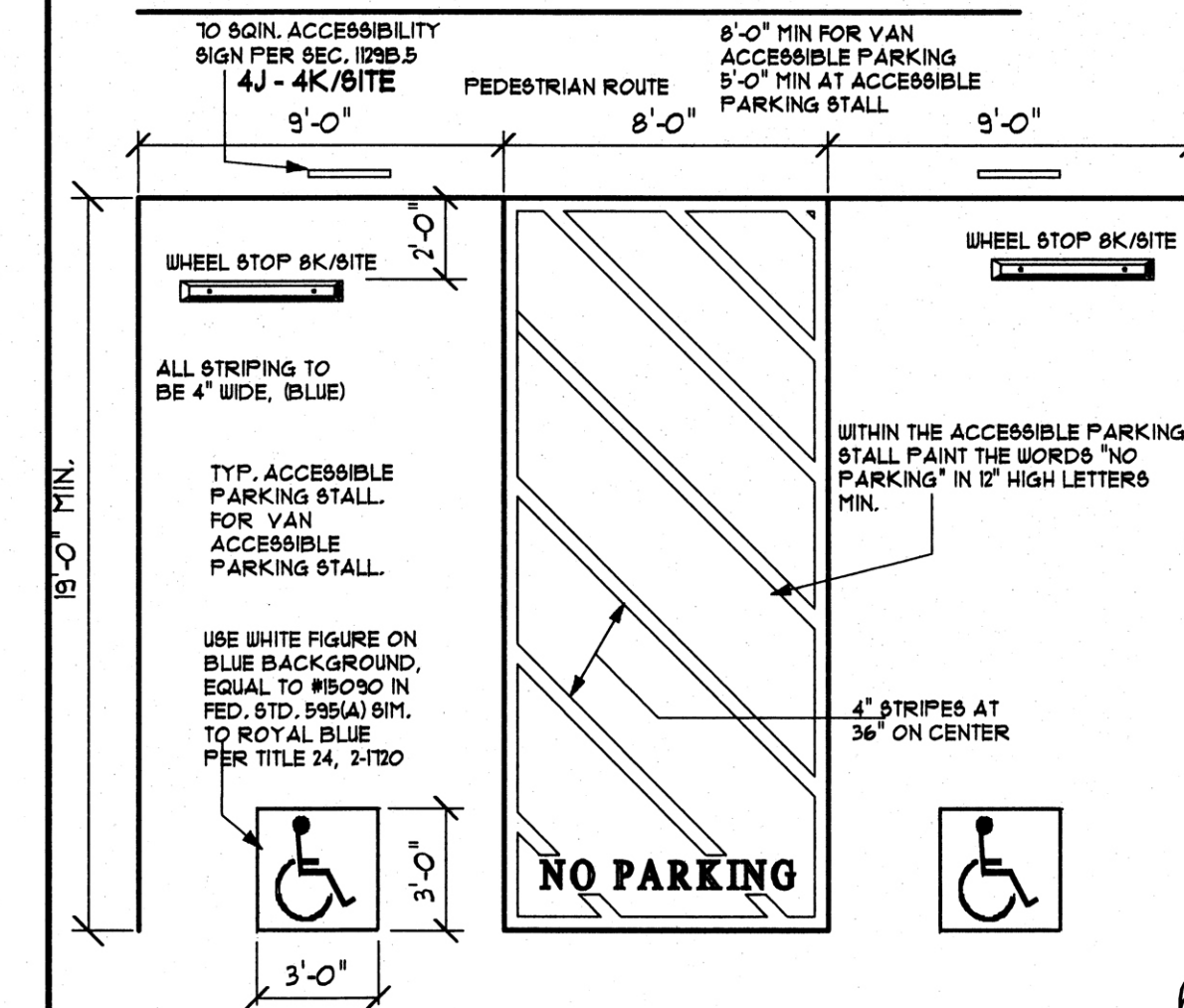
SITE SITE PLAN, EXISTING FLOOR PLAN
A-1 PROPOSED FLOOR PLAN

SHEET INDEX



STALL SIGN

ENTRY SIGN



- ALL WORK SHALL CONFORM TO THE 2016 EDITION OF THE CALIFORNIA BUILDING CODE, CA GREEN BUILDING STANDARDS CA MECHANICAL CODE, CALIFORNIA PLUMBING CODE, CALIFORNIA ELECTRICAL CODE, RESIDENTIAL CODE, TITLE 24 AND ALL STATE AND LOCAL CODES.
- THE CONTRACTOR SHALL CHECK ALL DIMENSIONS AT THE JOB SITE, AND SHALL BE SOLELY RESPONSIBLE FOR ALL QUANTITIES OF MATERIALS AND/OR EQUIPMENT REQUIRED TO PROPERLY COMPLETE THE WORK. ANY DAMAGE TO EXISTING PROPERTY THAT MAY OCCUR DURING THE COURSE OF WORK SHALL BE REPAIRED OR REPLACED BY THE CONTRACTOR.
- ROLE OF THE DRAFTSMAN:
 - THE DRAFTSMAN WAS RETAINED BY THE OWNER:
 - TO PREPARE SUFFICIENT DRAWINGS AND SPECIFICATIONS FOR REVIEW BY GOVERNMENTAL AGENCIES HAVING JURISDICTION, AND TO SECURE APPROVAL FOR ISSUING REQUIRED GENERAL BUILDING PERMIT.
 - TO PROVIDE ADDITIONAL CONSULTING SERVICES WHEN AND IF SO REQUIRED BY THE OWNER DURING THE CONSTRUCTION PHASE.
 - THE DRAFTSMAN WILL NOT PARTICIPATE IN OTHER CONSTRUCTION PHASE ACTIVITIES EXCEPT AS MAY BE REQUIRED BY LOCAL JURISDICTION.
 - THE DRAFTSMAN WILL ACCEPT NO FINANCIAL RESPONSIBILITY ARISING FROM ERRORS OR OMISSIONS CONTAINED IN THESE OR OTHER DOCUMENTS PREPARED BY THE DRAFTSMAN. THE BUILDING CONTRACTOR MUST REVIEW ALL DOCUMENTS FOR ERRORS PRIOR TO ACCEPTANCE OF DOCUMENTS.

GENERAL NOTES

Revisions	By
10 AUG '17	Pat
26 AUG '17	Pat

SMP EQUITY PARTNERS, LLC
840 SOUTH SANTEE STREET, STE 500
LOS ANGELES, CALIFORNIA 90014
310-717-1709

Date: Apr 17, 2017
Scale: 1/4" = 1' U.O.N.
Drawn: Pat Panzera
Job:

SHEET NUMBER
Sheet
SITE
Of

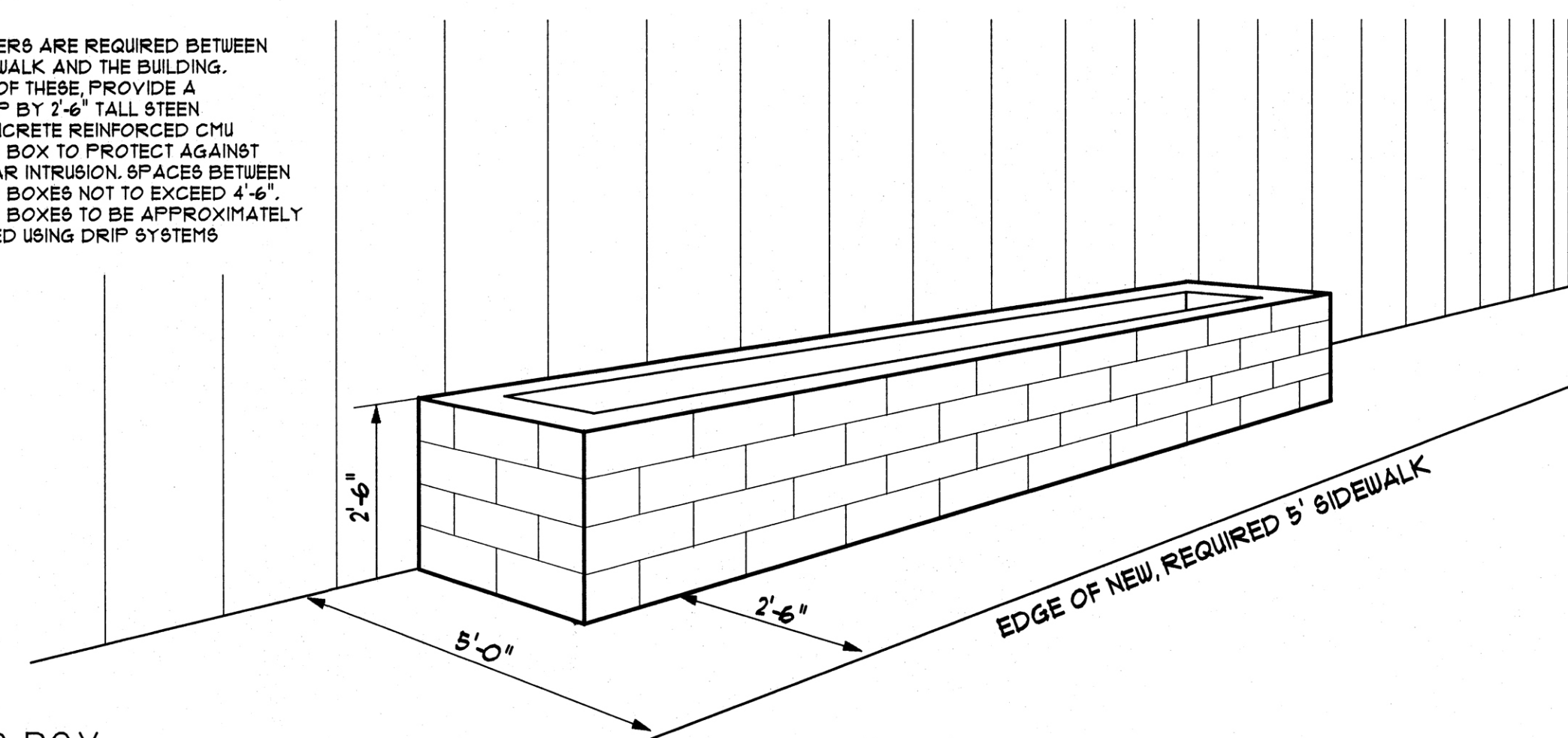
PHYSICAL ADDRESS:
311 E. FOURTH STREET
HAWAII, CA 96720
MAILING ADDRESS:
P.O. BOX 1982
HAWAII, CA 96720

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NO PART OF THIS WORK MAY BE REPRODUCED OR
TRANSMITTED IN ANY FORM OR BY ANY MEANS,
ELECTRONIC OR MECHANICAL, WITHOUT THE
WRITTEN CONSENT OF SMP EQUITY PARTNERS, LLC.

PROPOSED FLOOR PLAN

5' PLANTERS ARE REQUIRED BETWEEN THE SIDEWALK AND THE BUILDING. IN EACH OF THESE, PROVIDE A 2'-6" DEEP BY 2'-6" TALL STEEL AND CONCRETE REINFORCED CMU PLANTER BOX TO PROTECT AGAINST VEHICULAR INTRUSION. SPACES BETWEEN PLANTER BOXES NOT TO EXCEED 4'-6". PLANTER BOXES TO BE APPROXIMATELY IRRIGATED USING DRIP SYSTEMS

PLANTER BOX CONCEPTUAL RENDERING



8F GENERAL NOTES

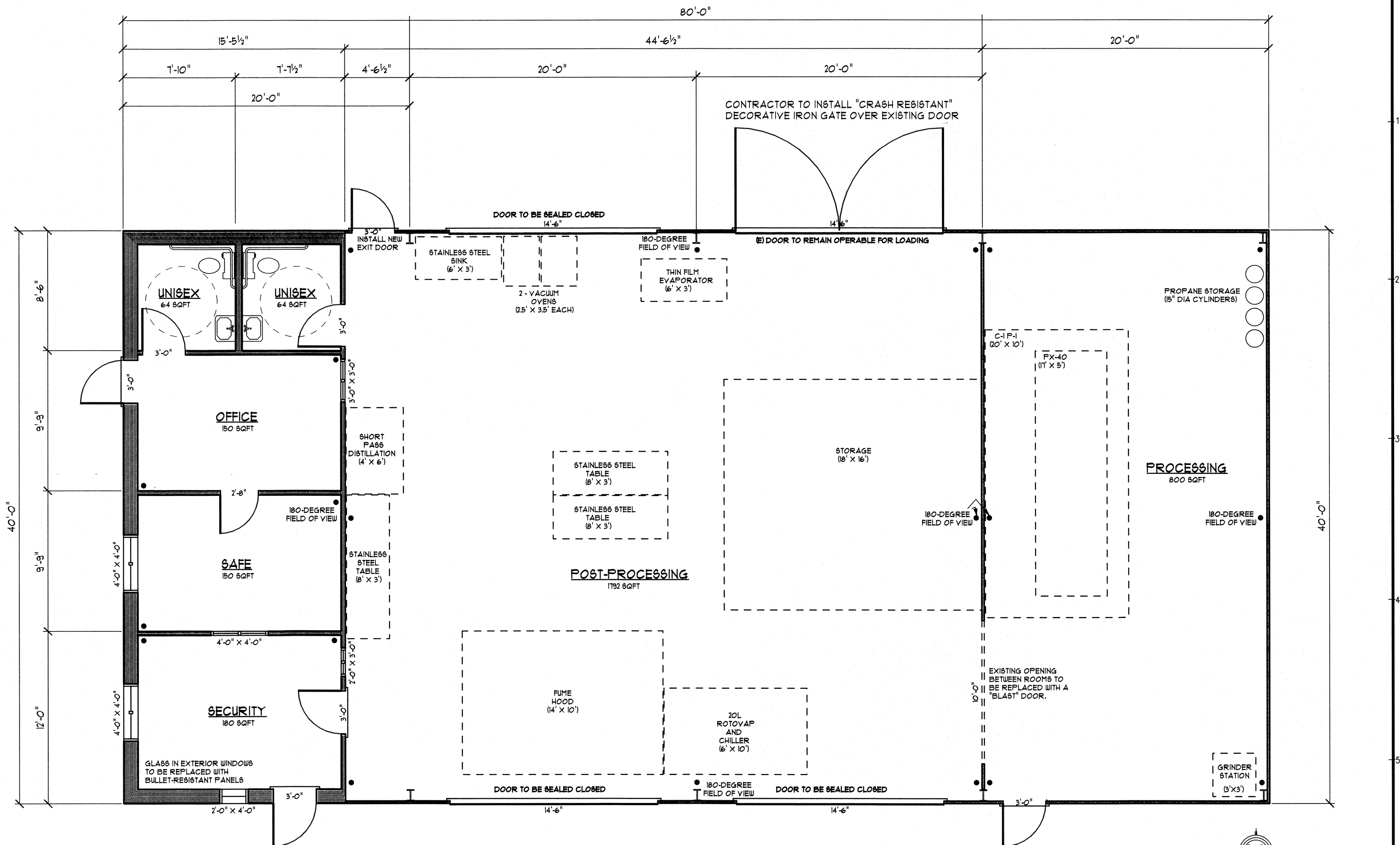
- DENOTES SECURITY CAMERA LOCATION WITH MINIMUM 90-DEGREE FIELD OF VIEW U.O.N.
- CRASH BARRIER CMU PLANTERS TO BE POSITIONED AROUND THE BUILDING

NOTE: FIRE SUPPRESSION SYSTEM (SPRINKLERS) TO BE INSTALLED THROUGHOUT. DESIGN TO BE SUBMITTED FOR APPROVAL AT THE TIME OF PERMIT APPLICATION, TO COMPLY WITH ALL APPLICABLE CODES AND REGULATIONS

ALL WALLS, DOORS AND WINDOWS ARE EXISTING (U.O.N.). NO ADDITIONAL CONSTRUCTION IS PROPOSED THAT'S NOT SHOWN OR NOTED ON THESE PLANS EXCEPT FOR THAT REQUIRED FOR HVAC AND INSULATION

EXTERIOR LIGHTING TO BE DESIGNED BY A LICENSED ELECTRICAL ENGINEER TO PROVIDE A MINIMUM OF 15 CANDLEPOWER ILLUMINATION AROUND THE EXTERIOR OF THE BUILDING. SEE SITE PLAN FOR LOCATION. IF EXISTING LIGHTING THAT SHOULD MEET THAT PROVISION, BUT HAS NOT BEEN VERIFIED BY A LICENSED PERSON.

EXTERIOR LIGHTING 7K



3200 SQFT TOTAL

SCALE 0 2 4 6 8 10 FEET 6K

Revisions	By
10 AUG '17	Pat
26 AUG '17	Pat

Construction Designs
Patrick Panzera
(559) 584-3306

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MAILING ADDRESS:
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HANFORD CA 93222

Patrick Panzera

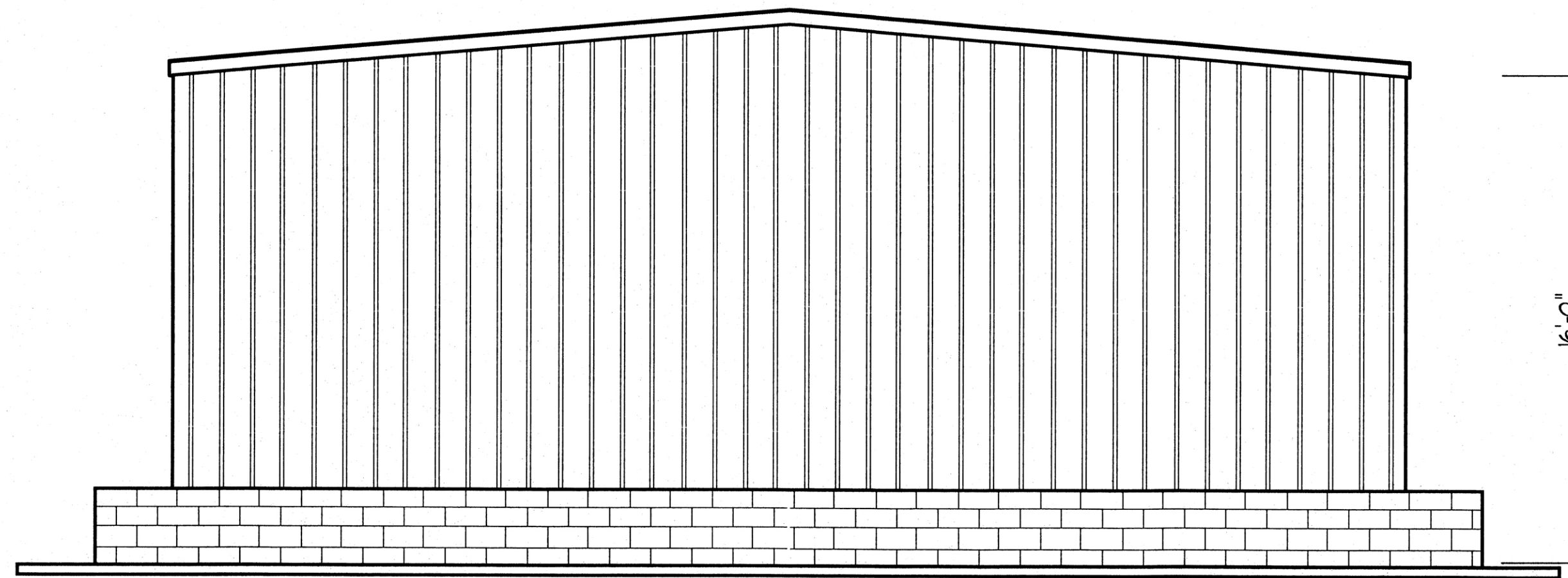
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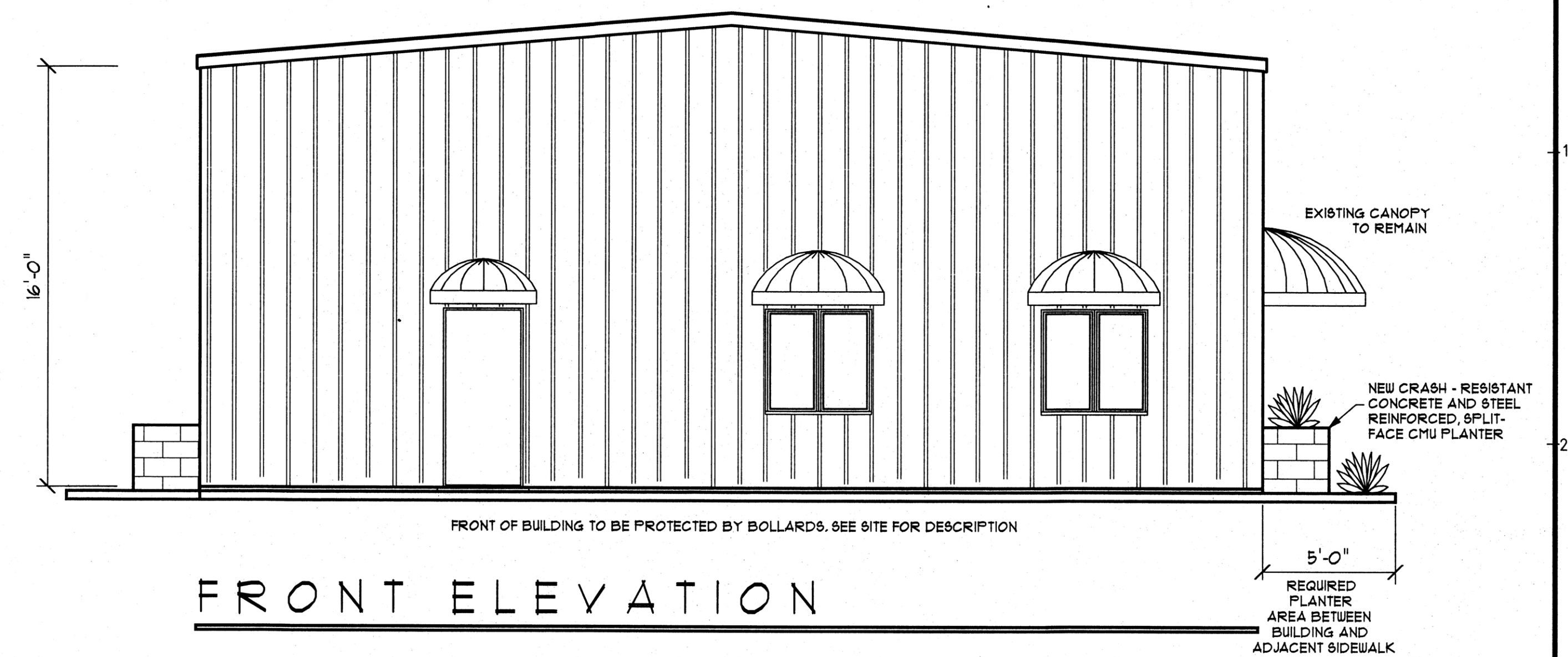
840 SOUTH SANTEE STREET, STE 500
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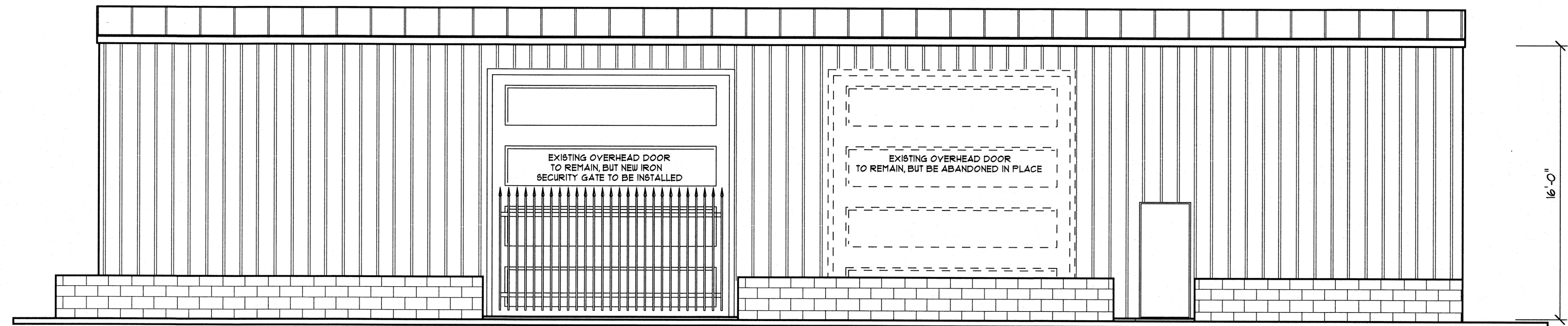
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Of



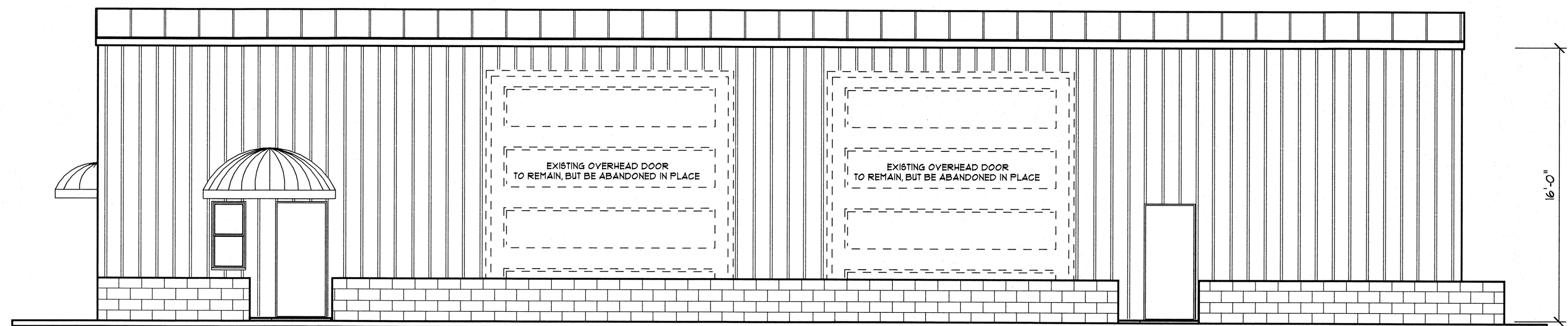
REAR ELEVATION



FRONT ELEVATION



RIGHT ELEVATION



LEFT ELEVATION

Revisions	By
10 AUG '17	Pat
26 AUG '17	Pat

Construction Designs
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(559) 584-3506

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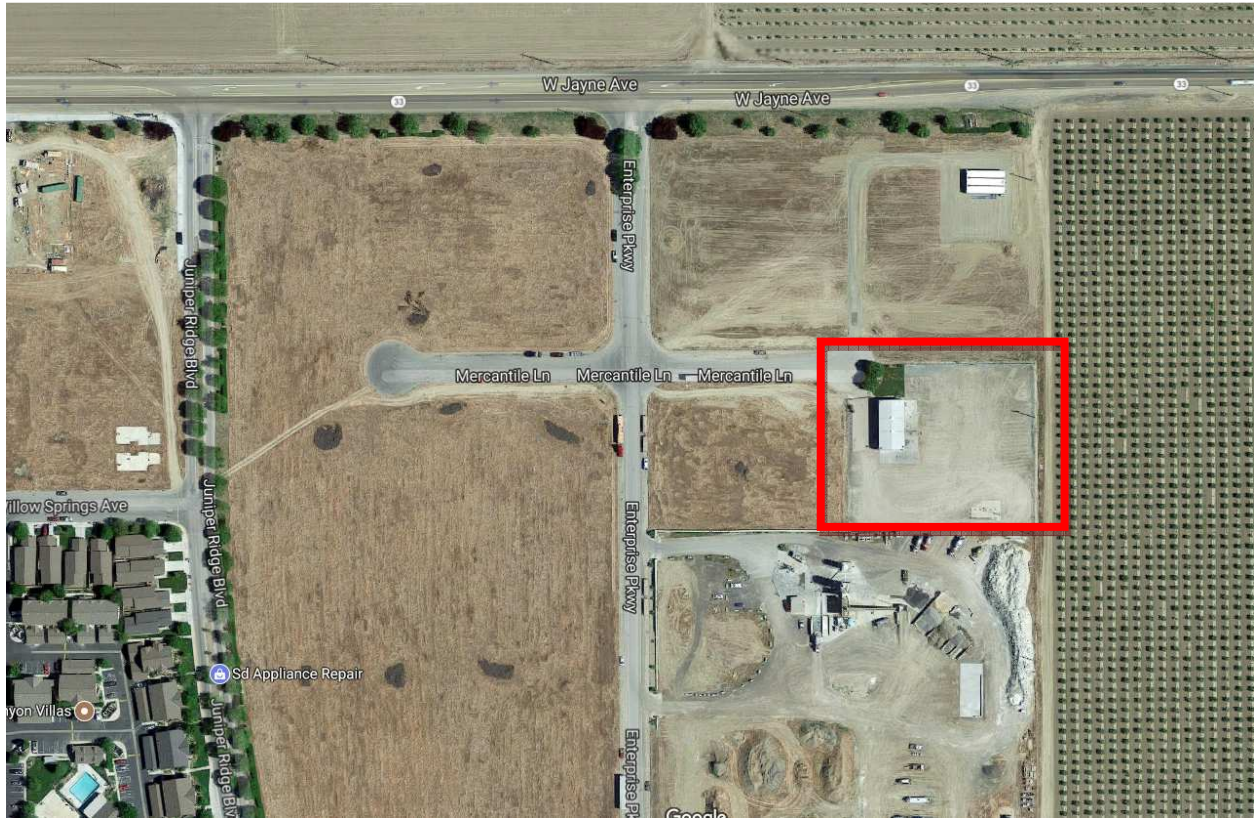
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840 SOUTH SANTEE STREET, STE 500
LOS ANGELES, CALIFORNIA 90014
310-717-1093

Date: Apr 17, 2017
Scale: 1/4" = 1' U.O.N.
Drawn: Pat Panzera
Job:

SHEET NUMBER
Sheet
A-2
OF

Site Location



Street view



RESOLUTION 017P-023

A RESOLUTION OF THE CITY OF COALINGA PLANNING COMMISSION APPROVING WITH CONDITIONS A SITE PLAN REVIEW AND CONDITIONAL USE PERMIT APPLICATION NUMBER 17-08 FOR A COMMERCIAL CANNABIS MANUFACTURER (VOLITILE) PERMIT, AS PERSCRIBED BY CALIFORNIA STATE LAW, TO BE LOCATED AT 1950 MERCANTILE LANE.

WHEREAS, the City of Coalinga Community Development Department has received an application from the applicant, COAX Consultants/Ning Capital, Inc. for a Conditional Use Permit to operate a Volatile Manufacturer-2 Commercial Cannabis Facility to be located at 1950 Mercantile Lane in Coalinga, CA; and

WHEREAS, the Planning Commission held the scheduled and noticed public hearing on October 24, 2017 to take testimony with regard to the proposed application, and;

WHEREAS, Public hearing notices were sent to all property owners within 300 feet of the site as required by Local and State law, and;

WHEREAS, the Planning Commission has determined that this project is exempt from further environmental review under CEQA Guidelines §15301 as a Class 1 exemption (existing facilities), and;

WHEREAS, the Planning Commission completed its review of the proposed development and information contained in the staff report and has considered the testimony received during the public meeting process and comments provided via mail, and;

WHEREAS, the Planning Commission has made the following findings based on the development proposal:

General Plan Consistency. Approval of the proposed project will advance the goals and objectives of and is consistent with the policies of the General Plan and any other applicable plan that the City has adopted;

Neighborhood Compatibility. The location, size, design, bulk, coverage, density, traffic generation and operating characteristics of the proposed project are consistent with the purposes of the district where it is located, and will not have an adverse effect on the neighborhood and surrounding properties; and

Asset for the Neighborhood. The nature, use and architectural/design features of the proposed development make it attractive, functional and convenient. The proposed development enhances the successful operation of the surrounding area in its basic community functions, or provides an essential service to the community or region.

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**NOW THEREFORE BE IT RESOLVED**, that the Planning Commission approves COAX Consultants/Ning Capital, Inc., to operate a Manufacturer-2 Commercial Cannabis Volatile Manufacturing Facility at the above location with conditions (Exhibit A).

PASSED AND ADOPTED, by the City of Coalinga Planning Commission at a regularly scheduled meeting held on the 24<sup>th</sup> Day of October 2017.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Planning Commission Chairman/Vice Chairman

ATTEST:

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City Clerk/Deputy City Clerk

## Exhibit A

### General On-going Procedural and Operational Conditions of Approval – Conditional Use Permit 17-08 (1950 Mercantile Lane)

#### Administrative

1. This Conditional Use Permit shall only remain valid so long as the applicant maintains, in good standing, an approved regulatory permit issued by the Coalinga Police Department, and valid State of California Commercial Cannabis License as prescribed by law. Without a valid regulatory permit and state issued licenses, as prescribed by law, this Conditional Use Permit is null and void. All documents submitted as part of the regulatory permit and conditional use permit shall be made part of this approval.
2. The applicant is required to obtain a State License as soon as they are available for submission. The applicant shall advise the City, in writing, when they apply for a State License(s).
3. The applicant shall at all times comply with all applicable State, Federal and Local ordinances, statutes and regulations related to Commercial Cannabis Operations.
4. *Transferability.* This conditional use permit shall not be transferable to any other entity or location and shall run with the regulatory permit (not the land) issued by the Coalinga Police Department.
5. *Revocation of approvals.* Any permit granted may be revoked or modified if any of the terms or conditions of approval are violated, or if any State law, statute and regulation, or City Ordinance is violated. The City Council and Planning Commission, by their own action, or following a recommendation from the Community Development Director, may initiate revocation or modification proceedings. A public hearing shall be held pursuant to [Section 9-6.111](#).

#### Planning Conditions

6. Any proposed change to the approved use or activity on the site shall require submittal, review and approval of an additional land use application if determined to be substantial by the Community Development Director and in conjunction with the Police Chief.
7. The applicant shall defend, indemnify, and hold harmless the City or any of its boards, commissions, agents, officers, and employees from any claim, action or proceeding against the City, its boards, commissions, agents, officers, or employees to attack, set aside, void, or annul the approval of the project when such claim or action is brought within the time period provided for in applicable state and /or local statutes. The City

- shall have the option of coordinating the defense. Nothing contained in this condition shall prohibit the City from participating in a defense of any claim, action, or proceeding if the City bears its own attorney's fees and costs, and the City defends the action in good faith.
8. This approval shall become null and void if all conditions have not been completed and the occupancy or use of 1950 Mercantile Lane has not taken place within one (1) year of the effective date of conditional approval.
  9. The tenant and/or property owner shall continually maintain the inside and outside of the property and its infrastructure so that it is visually attractive and not dangerous to the health, safety and general welfare of both its employees, patrons and surrounding properties.
  10. All development on the project site shall be in compliance with all applicable provisions of the City's Municipal Code as well as all applicable provisions of the adopted Building and Fire Codes. All new construction shall obtain a building permit and comply with the requirements of the Planning, Building, and Fire Departments.
  11. No Certificate of Occupancy (CofO) shall be granted until all Conditions of Approval have been completed and approved by the Planning, Engineering, Building, and Fire Departments unless otherwise identified herein. A Temporary Certificate of Occupancy (TCO) may be issued for a specific time period if a significant amount of issues has been resolved and there remains only minor issues that do not pose a threat to health & safety. This shall be approved by the Community Development Director, Building Official, Fire Chief and Police Chief.
  12. The development of the Project on the Project Site shall be in substantial compliance with the exhibits contained in the regulatory permit project file for COAX Consultants/Ning Capital, Inc., and CUP/SPR Application 17-08, as shown in all Exhibits attached hereto and incorporated herein by this reference.
  13. Within fifteen (15) days of final approval (expiration of the appeal period) by the Planning Commission, the Applicant/Developer shall submit in writing, a statement indicating that he/she has read and agrees to the conditions imposed herein. This approval shall become void, and any privilege, permit, or other authorization granted under these entitlements if compliance with this condition has not been undertaken within the specified time limits.
  14. Prior to the issuance of a Certificate of Occupancy the lighting shall be inspected by the Police Department and Community Development Department and requested changes for safety shall be implemented.
  15. The use of razor wire or barbed wire is prohibited. All existing razor or barbed wire shall be removed from the project site.
  16. The Planning and / or Police Departments may require additional lighting to prevent unintended dark spots prior to final occupancy.

17. A six-foot wrought iron fence shall be provided along the frontage of the property adjacent to the public right-of-way.
18. The applicant shall provide at least (2) week's notice to the City Community Development Department to schedule a final compliance walkthrough/inspection of the facility before operations can commence.

#### **Fire Department Conditions**

19. The applicant shall adhere to all the requirements of the Fire Department.
20. Prior to Occupancy the applicant shall submit a report to the Fire Department all hazardous or toxic substances proposed to be used on site. No hazardous materials shall be stored and/or used within the building, which exceeds quantities listed in most current version of the California Building Code and Fire Code. The Building Official and Fire Chief shall review and approve all hazardous materials being stored and/or used in the facility.
21. The applicant shall file an evacuation plan in the event of an emergency with the Community Development Department that would detail how the building would be secured and how first responders would gain access.
22. The Applicant/Owner shall install Knox Boxes as approved by the Fire Department subject to the following:
  - a. On Structures the Knox Box shall be installed next to the Fire Department access door and be flush with the building.
  - b. If the buildings are protected with an alarm system, the lock box shall be required to have tampered monitoring.
23. The Applicant/Developer shall submit two (2) sets of tenant improvement construction drawings to the Coalinga Fire Department located at 300 W. Elm Ave in Coalinga for review and approval prior to issuance of any permits. Said construction drawings shall demonstrate project adherence to all provisions of the currently adopted Uniform Fire Code.
24. Extraction facility plans with equipment list shall be reviewed and approved by the Fire Department and Building Official.

#### **Police Department Conditions**

25. The Applicant/Developer shall comply with all the requirements of the Police Department.
26. Prior to the issuance of a Certificate of Occupancy the lighting shall be inspected by the Police Department and Community Development Department and requested changes for safety shall be implemented.

27. The Planning and / or Police Departments may require additional lighting to prevent unintended dark spots prior to final occupancy.
28. The Applicant/Developer shall incorporate all aspects of Crime Prevention through Environmental Design for visual surveillance, access control and territorial reinforcement.
29. Lighting provides adequate visibility, face & color recognition, and a sense of security for employees and visitors.
  - c. LED and / or Metal Halide lights are recommended.
  - d. Lighting shall be shielded through the use of fixture design and placement, and shrouds so that spillover at the property line is minimized.
  - e. Prior to issuance of building permits, the building plans shall indicate that motions sensors are installed on the building rooftops, subject to review and approval by the City of Coalinga Police Department. Specifications for the motions sensors shall be included in the building plan set.
30. All employees, regardless of status, shall be subject to Live Scan and issued an employee permit through the City of Coalinga Police Department.
31. All employees shall be issued photo ID cards and shall keep the card on her / his person at all times.
32. Any private security service that uses security guards with uniforms shall assure to the satisfaction of the City of Coalinga Police Department that the uniforms are sufficiently different in appearance from any uniform of the Police Department
33. Security cameras shall be utilized to capture video of the perimeter of the building as well as interior areas as determined in the regulatory permit capable of facial recondition and reading of license plates.
34. The camera system shall have recording and back up capabilities for 30 days and will be made accessible to the Police Department on demand.
35. Prior to issuance of occupancy permits, the applicant shall provide in the security plan that at all times at least one staff member has knowledge of the operation of all video surveillance equipment and is capable of assisting the Police Department at any time the Police have need of such assistance.

#### **City Engineer Conditions**

36. All improvements shall conform to City Standards and be approved by the City Engineer.
37. The applicant shall furnish and install a new Commercial Driveway Approach with a 4' wide unobstructed sidewalk per City Standard P-6 on Mercantile Lane frontage as approved by the City Engineer.

38. The City is currently providing water, sewer and natural gas service to the existing on-site building.
39. The applicant shall comply with all 2013 California Building Code (CBC) Chapter 11B ADA accessibility guidelines.
40. The applicant shall provide smooth AC pavement transitions from new concrete driveway to existing Mercantile Lane asphalt pavement.
41. Mailboxes shall be located outside of secured areas for access by postal workers. Obtain final approval by Postmaster prior to installation.
42. The applicant shall direct all on-site storm water drainage runoff to the existing storm drain facilities at Enterprise Parkway and Mercantile Lane. It is the responsibility of the applicant to confirm sufficient capacity exists in the storm water basin serving this site. Any work needed to the storm water basin serving this development is the responsibility of the applicant. Direct drainage of storm water runoff over public sidewalks not permitted. Storm water runoff shall be directed under sidewalks per City Standard A-14 or A-15.