

MINUTES

PLANNING COMMISSION 155 W. Durian Ave., Coalinga CA 93210 TUESDAY July 11, 2017

CALL MEETING TO ORDER (6:00 PM)

Pledge of Allegiance

CHANGES TO THE AGENDA-None

ROLL CALL

Commissioners: Chairman Stoppenbrink
Vice Chairman Sailer
Commissioner Jacobs
Commissioner Gonzales – Excused Absence
Commissioner Helmar

Staff: Sean Brewer, Community Development Director
Marissa Trejo, City Manager

Wanda Earls, Secretary and City Clerk

PUBLIC COMMENTS (None)

INFORMATION/CONSENT CALENDAR

1. Approval of Minutes from the May 23, 2017 Planning Commission Meeting

*Motion by Sailer, Second by Helmar to Approve Consent Calendar Item May 23, 2017 Planning Commission Meeting Minutes. Motion **Approved** by a 4/0 Majority Voice Vote. (Gonzales Absent)*

PUBLIC HEARINGS

1. Approval of Conditional Use Permit No. 17-01 for the Development of A Medium Commercial Cannabis Cultivation Facility at the CIRCA Cannabis Campus at 1951 Mercantile Lane.

2. **Approval of Conditional Use Permit No. 17-04 for the Development of A Small Commercial Cannabis Cultivation Facility at the CIRCA Cannabis Campus at 1951 Mercantile Lane.**

Community Development Director Brewer condensed both CUPs No. 17-01 and 17-04 into one presentation as the projects are similar in nature.

On January 24, 2017, the Planning Commission considered a site plan review application for the development of a phased commercial cannabis campus style facility at 1951 Mercantile Lane. The proposed uses of the industrial buildings were for commercial cultivation (medium and small), manufacturing, and testing operations. At their January 24, 2017 meeting the Planning Commission adopted Resolution No. 017P-004 with conditions approving the campus development. The site plan application confirmed that the development proposal was (1) in substantial conformance with the General Plan, zoning ordinance, and any applicable plans adopted by the city, (2) conformed to the requirements of the applicable Zoning Districts, (3) conformed to all applicable design standards and guidelines, as adopted by the City Council, and (4) confirmed that the development would not have significant adverse effects on the public health, safety and welfare.

On May 17, 2017 the Community Development Department received a Conditional Use Permit application from Hi Tone, Inc. for a medium cultivation (Type 3A) facility to propagate, cultivate and process cannabis in Building No. 1 at CIRA's Research and Development Campus located at 1951 Mercantile Lane. Staff accepted the application on May 31, 2017 and began processing the application for a conditional use permit.

Project Summary: HiTone, Inc, the project applicant, proposes to operate a medium commercial cultivation facility at the CIRCA development project at 1951 Mercantile Lane. In accordance with the Medical Cannabis Regulation and Safety Act ("MCSRA") and the City's Commercial Cannabis Ordinance, a medium cultivation facility (Type 3A License) allows for the cultivation of mature plants from 10,000 - 22,000 square feet of canopy. The Canopy is determined by the area of mature plants (propagation area does not count). Multi-leveled cultivation is calculated by surface area of each level. In accordance with the MCRSA the definition of a "Cultivation site" means a facility where medical cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, that holds a valid state license pursuant to this chapter, and that holds a valid local license or permit.

CUP Analysis: This site has an approved site plan which confirmed development standards in accordance with the zoning code such as site coverage, building heights, setbacks, parking, landscaping, ingress/egress, and lighting. In addition to confirming the site plan approvals, the CUP analysis will look at the operational 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

to ensure full compliance with the City planning and zoning code related to commercial cannabis operations.

General Plan/Zoning Consistency: The building where the cannabis cultivation facility will be located has a General Plan designation of (MB) Manufacturing and Business and a zoning designation of Manufacturing and Business Light (MBL). The project proposal is consistent with the General Plan and Zoning Designations.

Location: The applicant will be located in Building No. 1 at 1951 Mercantile Lane (Map Attached). Building No. 1 is a 2-story industrial building approximately 44,165 square foot comprised of flowering rooms, clone rooms, pre-vegetation rooms, administrative offices, restrooms, data rooms, secured storage, nutrient control room, vehicle sally port, lobby/reception and entry.

Security: HiTone, Inc.,’s site protection strategy will address deterrence, by promoting the image of the facility as well-protected and secure to potential intruders; detection, by detecting any intrusion of perimeter points with full coverage alarm monitoring; delay, by delaying intrusion at various levels within the facility, navigating from the exterior perimeter to valued assets; and anti-Diversion, by incorporating a comprehensive loss prevention strategy geared at insider threat and the prevention of theft and/or diversion of medical cannabis. The full security plan has been provided to the Police Chief and will be a focus of the Police Chiefs analysis of their regulatory permit application. The security layout and processes have not been included in this application package as they are proprietary and confidential and will be required to meet the satisfaction of the Police Chief.

Building Access: All employees and authorized personnel will enter the building at the north end through a secured entry and proceed to the sally port where 24-hour security personnel with 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), HiTone, Inc., 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 HiTone’s neighbors.

Hours of Operation: The production facilities may operate between the hours of 6:00am to 10:00pm every day of the week except state and Federal holidays in compliance with §9-5.128(d)(13).

Parking: This facility will be accommodated by the 64-parking stalls provided on the site plan as approved. This building originally was approved as a 28,993 2-story building (21,690 first floor and 7,303 mezzanine – second floor). The applicant is proposing to eventually use the entire area of both floors for current and future

cultivation as delineated on the attached floor plans. Since this was not accounted for in the original parking calculations of the site plan review, staff will condition the future growing facility license in the northeast corner of the site to ensure additional parking spaces are provided based on the total building footprint of that facility. This development can be adequately parked based on the phased development pattern of campus.

Water Use: The expected annual water use by the applicant is 1,068,375 gallons (3.28 Acre/Foot = 0.0003% of City total water allocation). The project applicant is also expected to be able to reduce their annual water consumption by 17.5% by taking advantage of the rainwater capture systems to be installed at the CIRCA campus. The amount of water is very low usage considering the type of facility and will not impact the City's ability to deliver water to its residents.

Wastewater Disposal: The applicant does not intend to introduce any chemical waste, fertilizers or irrigation run off into the local waste stream. The applicants 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.

The Commercial Marijuana Operation shall not be located within 1800 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. HiTone, Inc., meets this set-back requirement.

Public Notification: On June 29, 2017, public hearing notices were sent to all property owners within 300 feet of the site and posted as required by Local and State law on.

Environmental Clearance: The proposed project is consistent with the sites current General Plan and zoning designation. The proposed project is consistent with the allowed use of commercial marijuana cultivation. The physical effects to the environment of the development of a commercial marijuana cultivation facility on the proposed project site were analyzed in the *Commercial Marijuana Permanent Ordinance, Juniper Ridge Industrial Park City-Initiated Rezone and General Plan Amendment, and Claremont Property Initial Study/Mitigated Negative Declaration (Permanent Ordinance, Juniper Ridge, and Claremont IS/MND)*, and approved on October 27, 2016 by the Coalinga City Council (Resolution No. 3743). Pursuant to CEQA Guidelines Section 15162, City staff has determined a subsequent negative declaration is not required to be prepared because the conditions described in Section 15162 would not occur with the development of the proposed project.

Comments from Commissioners and Mr. Brewer:

- Phases 3 & 4 – moving forward faster than anticipated
- Ahead of schedule
- Medical moving rather than Commercial
- What is difference between Medical and Adult Use?
- State has new regulations plus Governor's Trailer Bill will probably merge together
- Amended regulations coming out

Chairman Stoppenbrink opened the Public Hearing.

Comments:

- Medical now and if commercial, how will you do it to switch to commercial?
 - City regulations would not change
 - Separate State License

Mr. Chris Macaluso, CANNA Agency, Developer

Only impact is research and development. They will create products of pharmaceutical grade and of the highest caliber possible. They don't see it happening.

Hi Tone, Inc. – Estate name and of Japanese culture – one principal from Hawaii.

- Parking – 69 total spots
- Traffic will come and go. No traffic during non-working hours
- 3 shifts – 24 hour security
- People on site 24/7
- Total number of employees?
- Hi Tone – 19 with 2 shifts
- Aurabloom, Inc. about 1/2 of above
- Very thorough package
- Carbon/filtration
- Odor never leaves facility
- Timeline – 9-10 month out – early spring into early winter
- They are ready to go
- Structural – how long do they last?

Mr. Chris Macaluso said buildings are steel structure and labor is to grade. There is complete control over humidity, etc. There is a highly controlled environmental system. It is a Level 1 facility. There are 4 levels and they are Level 1.

- What is maintenance budget
 - 15% every quarter, filtration, lighting and consumer. We have healthy maintenance reserves.

Mr. Macaluso said he has fulfilled one of three promises for community. He is a southern raised boy and a community person. He lives here.

They have seven people on tract in Coalinga and in a training program.

Please hold him accountable for his word.

- Aesthetics facing Jayne and Mercantile
 - No structure design – standard for steel buildings
- There are no renderings available tonight

Mr. Macaluso said there landscaping budget is \$200K.

- Employees working
- Most would be entry level
- Background checks are required
 - Is requirement for Cannabis industry

Aurabloom, Inc.

- Smaller facility
- Operational character same
- Size of building smaller operation

Chairman Stoppenbrink closed the public hearing.

*Motion by Jacobs, Second by Helmar to Approve CUP No. 1701 for the Development of a Medium Commercial Cannabis Cultivation Facility at the CIRCA Cannabis Campus at 1951 Mercantile Lane. Motion **Approved** by a 4/0 Majority Voice Vote. (Gonzales Absent)*

*Motion by Helmar Second by Jacobs to Approve CUP No. 17-04 for the Development of a Small Commercial Cannabis Cultivation Facility at the CIRCA Cannabis Campus at 1951 Mercantile Lane. Motion **Approved** by a 4/0 Majority Voice Vote. (Gonzales Absent)*

DISCUSSION AND/OR POTENTIAL ACTION ITEMS (None)

DEPARTMENT REPORTS (None)

COMMUNICATIONS

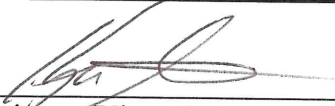
1. Staff Announcements
2. Commissioner Announcements

Commission Jacobs asked about Self-help.

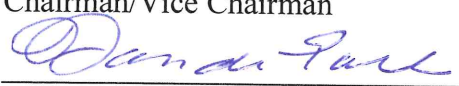
Mr. Brewer said he did not hear back from them but he will follow-up.

3. Chairman Announcements

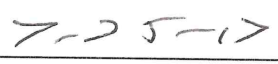
ADJOURN (6:53 PM)



Chairman/Vice Chairman



City Clerk/Deputy Clerk



Date