TO: Honorable Chair & Planning Commission  DATE: April 11, 2018
FROM: Bruce Buckingham, Community Development Director
PREPARED BY: Janet Reese, Planner II
SUBJECT: Development Application 18-05 - Request for a Use Permit to Establish a Commercial Cannabis Distribution and Manufacturing Facility Located at 1141 Highland Way (Applicants: Coastal Business Distribution and BS & RG Holdings LLC)

RECOMMENDATION

Staff recommends that the Planning Commission recommend the City Council approve Development Application 18-05.

BACKGROUND

In 2017, the City Council adopted two ordinances to allow commercial medical cannabis uses in the City. The land use ordinance established requirements that allow medical cannabis uses, including cultivation, manufacturing, distribution, testing laboratories and four retailers subject to approval of a Use Permit. The regulatory ordinance established the regulatory framework for those uses subject to approval of a Commercial Cannabis Permit. In addition to the City’s permitting process, all commercial cannabis uses are required to obtain the applicable State licenses. The application being considered for 1141 Highway Way is for manufacturing and distribution only and should be treated as an industrial uses within the Industrial zone.

Development Code Section 4.10.045.B identifies that the City Council is the Review Authority to approve a Use Permit for commercial cannabis uses with the Planning Commission making a recommendation to the City Council. In addition, all commercial cannabis uses require approval of a Commercial Cannabis Permit, however, this Permit is reviewed and acted upon by the City Council and is not part of the Commission’s review.

The proposed commercial cannabis project is consistent with the Council adopted 2017-18 Major City Goals which identifies economic development as one of the top five goals. The goal to strengthen the City’s economic development base specifically identifies commercial cannabis activities as a growth industry that can increase annual tax revenues. The project is also consistent with the City’s Economic Development Strategy Action 1B that specifically identifies the recruitment of cannabis businesses to the City that capitalize on our local assets.

Existing Site Conditions
The subject site is an industrial zoned site located at 1141 Highland Way. The site is approximately 10,587 square feet in size with an existing building that is approximately 3,353 square feet in size, although the building permit records reflect a 2800 square foot building. Constructed in 1991, the site includes seven parking spaces and the building is served by underground utilities and an on-site septic system and is not connected to the City’s sewer system. The site is one of nine lots within a subdivision known as Highland Terrace, developed
in 1988. The subdivision includes a common lot with 13 parking spaces and a drainage basin. A 24-foot wide asphalt driveway provides access from Highland Way to each parcel.

Data Summary:
Property Owner: Robert Black
APN: 060-546-037
Applicants: Coastal Business Distribution and BS & RG Holdings LLC
General Plan Designation: Industrial (I)
Zoning: Industrial (I)
Surrounding Zones and Uses:
  North: Industrial; industrial building
  South: Industrial; industrial building
  West: Industrial; industrial building
  East: Industrial; industrial building
Project Description
The applicant proposes to establish a commercial medical cannabis facility within an existing building with the following uses (approximate square footages shown):

- 1,863 square feet of distribution;
- 1,144 square feet of office;
- 346 square feet of manufacturing.

The applicant is proposing several changes to the building that include:

- Issuance of an after-the-fact building permit to legalize 553 square feet of second story (mezzanine) floor area that was constructed without a permit;
- Interior modifications including new walls and fire sprinklers.

The applicant is also proposing modifications to the site as follows:

- New gates and fencing in the rear of the parking lot;
- Exterior lighting;
- New parking lot striping;
- New trash enclosure gates.

General Plan Consistency
The proposed site is designated as Industrial in the Land Use Element which is defined as follows:

The Industrial designation allows for planned industrial parks, warehouses, retail uses when accessory to a warehouse or industrial use, light manufacturing and assembly, and similar and compatible uses. In addition, the Industrial designation accommodates smaller service businesses such as contractor's yards and car storage. This designation also allows for automobile service and repair shops, wholesalers and commercial uses related to building and mechanical material sales and supply.

The following General Plan policies and programs are applicable to the proposed project:

**LU-11.4 Clean industries.** The City shall promote the development of clean or green industries that use sustainable production practices and identify and promote the use of alternative and clean technologies and do not pose health risks associated with water and air pollution or potential leaks or spills.

The proposed manufacturing facility will utilize ethanol to process cannabis. The process, with odor control devices installed as conditioned, will not generate noxious smoke, or nuisance odor outside the manufacturing facility. As such, the manufacturing process does not pose health risks associate with water or air pollution. The project will handle the ethanol in compliance with current state and local regulations.

**LU-20.3 Overall design objectives for industrial development.** The design of new and redeveloped industrial projects should incorporate the following elements:

1. Easily identifiable site access;
2. Service areas located at the sides and rear of buildings;
3. Convenient access, visitor parking and on-site circulation;
4. Screening of outdoor storage, work areas, and equipment;
5. Emphasis on the main building entry and landscaping;
6. Placement of buildings to provide plazas and courtyards;
7. Landscaped open space.
8. A variety of building and parking setbacks to avoid long monotonous building facades and to create diversity within the project.
9. An architectural style appropriate for the business type.
10. Buildings should project an image of high quality through the use of appropriate durable materials and well landscaped settings.

The existing building and site are consistent with the above policy as follows:

- The site has defined access off Highland Way and the service and delivery areas are proposed at the side of the building, but are not visible from Highland Way;
- There are no outdoor storage, equipment or work areas;

In conclusion, staff believes the proposed project, as conditioned, is consistent with the applicable Land Use Element policies.

**Development Code Consistency**

The project site is zoned Industrial and Development Code Section 2.40.020 states the purpose of the zone as follows

*Industrial Zone (I).* The Industrial Zone applies to areas of the City appropriate for light, medium and heavy manufacturing and assembly, industrial parks, warehouses, commercial cannabis uses, and similar and compatible uses. The area is also appropriate for smaller service businesses such as contractor’s yards, vehicle repair and storage, and material sales and supplies. Live-work may be appropriate when compatible with surrounding uses.

The proposed commercial cannabis facility is consistent with the purpose of the zone which clearly includes commercial cannabis uses (cultivation, manufacturing, distribution, testing labs and retailers). The primary purpose of the Industrial Zone is to allow manufacturing and industrial types of uses most of which are permitted by right (no Use Permit or discretionary permit is required). There are also other types of uses such as vehicle repair, office, service, and retail uses (non-cannabis) that are permitted by right. The Industrial Zone also may allow several non-industrial types of uses such as health and fitness facilities, restaurants and studios (art, dance, martial arts) subject to approval of a Use Permit. As a result, there can be a wide variety of uses within close proximity in the Industrial Zone and non-industrial uses may be subject to industrial operations (i.e., truck deliveries, more noise, etc.).

**Development Standards**

The proposed project meets the minimum development standards for the Industrial Zone as shown below. Additional discussions regarding sewer and street frontage improvements are included in the Public Works section.
### Industrial Zone Development Standard

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Existing/Proposed</th>
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<tbody>
<tr>
<td><strong>Front Yard Setback</strong></td>
<td>15 feet</td>
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<tr>
<td></td>
<td>40 feet</td>
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<tr>
<td><strong>Side Yard Setback</strong></td>
<td>0 feet</td>
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<tr>
<td></td>
<td>North: 0 feet</td>
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<td></td>
<td>South: 41 feet</td>
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<tr>
<td><strong>Rear Yard Setback</strong></td>
<td>0 feet</td>
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<tr>
<td></td>
<td>0 feet</td>
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<tr>
<td><strong>Building Height</strong></td>
<td>40 feet</td>
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<td></td>
<td>25 feet</td>
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<tr>
<td><strong>Building Coverage</strong></td>
<td>50%</td>
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<td></td>
<td>26.4%</td>
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<tr>
<td><strong>Floor Area Ratio</strong></td>
<td>0.5</td>
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<tr>
<td></td>
<td>0.31</td>
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<tr>
<td><strong>Lot size (minimum)</strong></td>
<td>20,000 square feet</td>
</tr>
<tr>
<td></td>
<td>10,587 square feet gross</td>
</tr>
<tr>
<td></td>
<td>8,899 square feet net</td>
</tr>
<tr>
<td></td>
<td>Non-Conforming Lot</td>
</tr>
<tr>
<td><strong>Lot width (minimum)</strong></td>
<td>100 feet</td>
</tr>
<tr>
<td></td>
<td>111.00 feet</td>
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<tr>
<td><strong>Lot depth (minimum)</strong></td>
<td>100 feet</td>
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<tr>
<td></td>
<td>95.38 feet, including a 15 foot access easement and 12 foot utility easement</td>
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<tr>
<td></td>
<td>Non-Conforming Lot</td>
</tr>
<tr>
<td><strong>Landscaping Coverage</strong></td>
<td>10% or 1,059 square feet</td>
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<tr>
<td></td>
<td>1,117 square feet or 10.5%</td>
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<tr>
<td><strong>Parking</strong></td>
<td>1 space for every 500 square feet for manufacturing area</td>
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<tr>
<td></td>
<td>346/500=0.69 space</td>
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<tr>
<td></td>
<td>1 space for each 1000 square feet for storage/distribution</td>
</tr>
<tr>
<td></td>
<td>1,863/1000=1.86 spaces</td>
</tr>
<tr>
<td></td>
<td>1 space for each 250 square feet for office</td>
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<tr>
<td></td>
<td>1,144/250=4.57</td>
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<tr>
<td></td>
<td>Total 7 spaces required and provided</td>
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</tbody>
</table>

### Design

In May 2017, the City Council directed staff to prepare Industrial Design Guidelines. Although staff is drafting the guidelines for Council consideration, the guidelines have not been completed and approved by the Council. In the interim, staff is providing comments on the proposed project design for Commission and Council consideration and compliance with Land Use Element Policy LU 20.2 and the following Development Code Section:

**Development Code Section 2.40.050.A**

*Buildings visible from a street shall convey an image of high quality through the use of appropriate durable materials and quality landscaping with an emphasis on the building entry. Building elevations visible from a street shall incorporate architectural treatments and/or variations in building setbacks to avoid large unarticulated/monotonous building and roof planes.*

The building is comprised of stucco, metal roof fascia, and two roll-up doors. The front building elevation includes variation in building setbacks due to the covered entry and two building
materials. Therefore, the building is consistent with Land Use Element Policy 20.2 and Development Code Section 2.40.050.A.

**Development Standards for Cannabis Uses**

In addition to the above general development standards for the Industrial zone, Development Code Section 4.10.045 requires specific development standards and minimum setbacks for commercial cannabis uses. The following section discusses compliance with these requirements.

**Hours of Operation**

The applicant indicates that facility hours will be 9:00 to 5:00 seven days per week. The hours proposed by the applicant are consistent with the development regulations pertaining to commercial cannabis uses.

**Odor Control Plan**

All commercial cannabis facilities are required to submit an odor control plan which indicates the devices and techniques that will be incorporated to ensure that cannabis odors are not detectable from the property boundary and public right-of-way. Odor control systems shall include, but are not limited to, ventilation and exhaust systems that provide sufficient odor absorption to meet the above requirements.

The applicant has submitted an odor control plan which includes carbon filtered ventilation and fans with odor removing gel. Any odor control device installed will need to receive an approval from the San Luis Obispo Air Pollution District (APCD) as they have jurisdiction on ensuring clean air standards are met.

A odor control plan will be required as part of the building plan check process and a condition has been added requiring that prior to occupancy a licensed mechanical engineer certify the odor control system has been properly sized, installed and operational to comply with the City’s odor control standards for consistency with what was previously reviewed and if there are any changes to the building plan. The applicant is also required to submit an annual certification that the odor control system is operating properly. However, if for any reason odors are detected from the property boundary, staff has the ability to require immediate action by the applicant to resolve the issue as required by the Commercial Cannabis Permit. In addition, a standard condition is included requiring that the odor control and HVAC equipment operate in compliance with the City’s Noise Ordinance.

**Security and Operations Plan**

The applicant submitted a security and operations plan which was reviewed by the Police Department. The applicant has incorporated suggestions by the Police Department to improve security which was reflected in the submitted security plan. The Police Department finds that the security and operations plan is consistent with the Code.

**Waste Management**

Green waste generated by the manufacturing process will be collected in green waste storage bins and removed on a regular basis by a locally licensed cannabis distribution and transportation business. That business will dispose of the green waste using industry best practices which is to mix the cannabis green waste 50/50 with soil rendering the cannabis green waste unusable. The applicant will house the bins within a fully enclosed trash enclosure.

**Minimum Setbacks**

There are no applicable minimum setbacks for the proposed manufacturing and distribution at this location.
Public Works
The Public Works Department reviews all development applications to identify applicable Code requirements and identify improvements necessary to bring the existing site and proposed improvements into compliance with City standards. The following is a discussion on frontage improvements and City sewer service.

Frontage Improvements
The City’s Development Code Section 5.20.10.b requires the installation of sidewalk, curb, and gutter along the frontage of a street. However, the site does not have street frontage, and therefore has not been conditioned to construct frontage improvements.

Connection to City Sewer
The existing site is currently on a private septic system. This private septic system treats effluent from the existing building via a septic tank and buried leachfield. The existing system was put into service in 1991. The Environmental Protection Agency (EPA), as directed by the Safe Drinking Water Act (SDWA), has classified that all new septic systems, regardless of size, that receive any amount of industrial or commercial waste as a Class V well which requires permits from the EPA and the Regional Water Quality Board (RWQCB). This includes issuance of an individual waste discharge permit by the RWQCB, and typically requires the addition of on-site treatment above and beyond the requirements of a typical residential septic system.

Sewer System in Industrial Zones

SEWER SYSTEM IN INDUSTRIAL & COASTAL INDUSTRIAL ZONES
Properties on septic shown in yellow. Properties on sewer shown in magenta.
Sewer line shown in green.

Grover Beach Municipal Code (GBMC) Section 7139 requires that, when a public sewer is located within a distance of 200 feet of a property, the existing septic system may not be fixed or maintained and upon failure, the property owner will be required to connect. The front of Highland Terrace, the development that the subject project site is located in, is approximately 560 feet from the existing sewer. The proposed project has been conditioned to either connect to City sewer or meet alternative conditions imposed by the RWQCB for industrial use of the existing septic system.
Fire Department
The Five Cities Fire Authority reviewed the proposed project. Conditions of approval that satisfies the Fire Authority have been included as a part of the resolution.

Use Permit Findings
Development Code Section 6.20.090.F requires that the following findings be made in the affirmative in order to approve a Use Permit:

1. *The proposed development is consistent with the General Plan, this Development Code, and other City goals, policies, and standards, as applicable.*

The project is consistent with all applicable General Plan policies and Development Code requirements for both the Industrial Zone and commercial cannabis standards, as discussed in the staff report. The project is also consistent with the Council’s adopted 2017-18 Major City Goals for economic development and the Economic Development Strategy.

2. *The subject site is physically suitable in terms of design, location, operating characteristics, shape, size, and topography.*

The site is a 10,587 square foot rectangular flat lot fully improved with an existing 3,353 square foot building with an improved area with seven parking stalls including two handicap stalls. The site has appropriate circulation allowing for public access to parking with a secured area for deliveries and distribution. The project site is located in the Industrial Zone and the proposed uses are specifically included in the purpose of the Zone. The hours of operation and deliveries are prescribed by the Development Code but are typical of uses in an industrial area.

3. *The type, density, and intensity of use being proposed will not constitute a hazard to the public interest, health, safety, or welfare.*

As previously discussed in the staff report, the Industrial Zone allows a variety of industrial and non-industrial uses. The manufacturing and distribution uses are typical uses within industrial areas. A preliminary safety and operations plan has been reviewed and approved by the Police Department to further assure the public safety.

The commercial cannabis uses, density, and intensity are consistent with the Industrial Land Use Element designation and the purpose of the Industrial Zone. The existing building size, height, lot coverage and other development standards do not exceed the maximum Development Code requirements. The project has been conditioned to meet all applicable California Building Codes and the Council adopted Fire and Life Safety Requirements for cannabis manufacturing to ensure the project will not constitute a hazard to the public interest, health, safety, or welfare. Unless there is information submitted as part of the public hearing process, there is no evidence in the public record that indicates the proposed commercial medical cannabis uses will constitute a hazard to the public interest, health, safety, or welfare.

Conclusion
Staff is of the opinion that the proposed project as conditioned is consistent with the General Plan and Development Code and that the required findings can be made to approve the project.

Environmental Review
The proposed project is Categorically Exempt (Class 1 and Class 3) from the provisions of the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., “CEQA”) and CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.) CEQA pursuant to CEQA Guidelines Section 15301, because the proposed project includes
minor interior and exterior alterations that involves negligible expansion of an industrial type use. Pursuant to CEQA Guidelines Section 15303, the proposed project consists of legalizing 553 square feet of floor area within the original building shell, installation of equipment in small structures and conversion of existing structures from one use to another where only minor modification is made to the exterior of the structure and the construction of a sewage extension and street improvements of reasonable length to serve the proposed project. Based on the existing and future conditions, the proposed project will not have significant cumulative impacts and there is no reasonable possibility that a significant environmental effect occurs based on the project record.

ALTERNATIVES

The Planning Commission has the following alternatives to consider:
   1. Recommend the City Council approve Development Application 18-05; or
   2. Provide alternative direction to staff.

RECOMMENDATION

Staff recommends that the Planning Commission recommend the City Council approve Development Application 18-05.

PUBLIC NOTIFICATION

On March 30, 2018, the public hearing notice was published in The Tribune and mailed to all property owners within 300 feet of the property and posted as required by City code. In addition, the agenda was posted in accordance with the Brown Act.

ATTACHMENTS

1. Draft Resolution
   Exhibit A: Plans
RESOLUTION NO. 18-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH
APPROVING DEVELOPMENT APPLICATION 17-47
FOR A USE PERMIT LOCATED AT 1141 HIGHLAND WAY
(Applicant: Coastal Business Distribution and BS & RG Holdings LLC)

WHEREAS, an application has been received from Coastal Business Distribution and BS & RG Holdings LLC (applicants) and Robert Black (property owner) for consideration of Development Application 18-05, requesting approval for a Use Permit to establish a commercial cannabis facility with manufacturing and distribution uses at 1141 Highland Way (APN 060-546-037); and

WHEREAS, the notice of Public Hearings for the Planning Commission and City Council meetings was sent to adjoining property owners and advertised in the manner required by law; and

WHEREAS, the Planning Commission of the City of Grover Beach has reviewed and considered Development Application 18-05 at a Public Hearing on April 11, 2018 and recommended the City Council approve Development Application 18-05 for a Use Permit; and

WHEREAS, the City Council of the City of Grover Beach has reviewed and considered Development Application 18-05 at a Public Hearing on May 7, 2018; and

WHEREAS, the proposed project qualifies for an Categorical Exemption consistent with CEQA Guidelines Section 15301: Existing Facilities and Section 1503: New Construction or Conversion of Small Structures; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grover Beach HEREBY make the following findings, determinations with respect to Development Application 17-47 for a Use Permit:

SECTION 1. Findings of Environmental Exemption. The City Council finds as follows:

1. The proposed project is Categorically Exempt (Class 1 and Class 3) from the provisions of the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., “CEQA”) and CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.) CEQA pursuant to CEQA Guidelines Section 15301, Existing Facilities and Section 15303, New Construction or Conversion of Small structures based on the proposed project consists of a commercial cannabis manufacturing and distribution facility in an existing 3,353 square foot building in the City’s Industrial zone. The proposed project will not expand the existing building footprint, and will make minor façade and on-site modifications, including legalizing 553 square feet of floor area that was constructed within the original building footprint. Additionally, the proposed project includes the installation of small, new equipment within a structure that is less than 10,000 square feet.

2. The applicant is proposing a commercial cannabis manufacturing and distribution facility that includes the installation of small new equipment that does not involve the use of hazardous substances within an existing 3,353 square foot building.
The applicant is proposing interior improvements including new interior partitions and legalizing 553 square feet of floor area within the original building shell, to be completed consistent with the California Building Code. Additionally, the applicant is proposing minor alterations to the exterior that do not increase the height of the building, nor alter existing viewsheds.

3. The proposed project is has the option to connect to the City sewer system. An extension of the City sewer system would be required and is approximately 560 linear feet in length if the applicant connects. This proposed construction is consistent with the goals and policies of the city’s General Plan and is considered “reasonable” in length.

4. The proposed project is not located in an environmentally sensitive area, nor impact an environmental resource.

5. The proposed project will not have a cumulative impact of successive projects of the same type, in the same place, over a period of time. The proposed project is located within an industrial zone with similar type of uses.

6. The proposed project will not have a significant effect on the environment based on the project record, which is on file at the City of Grover Beach Community Development Department.

7. The proposed project is not located on a designated scenic highway nor scenic resource.

8. The proposed project is not located on any list pursuant to Section 65962.5 of the Government Code.

9. The proposed project is not a designated historical resource.

SECTION 2. Findings for approval of Use Permit. The City Council finds as follows in accordance with Grover Beach Municipal Code (GBMC) Article IX, Section 6.20.060(F):

1. The proposed development is consistent with the General Plan, the Development Code, and other City goals, policies, and standards, as applicable.

   **Fact.** The project is consistent with all applicable General Plan policies and Development Code requirements for both the Industrial Zone and commercial cannabis standards (Development Code Section 4.10.045). The project is also consistent with the Council’s adopted 2017-18 Major City Goals for economic development and the Economic Development Strategy as documented in the staff report.

2. The subject site is physically suitable in terms of design, location, operating characteristics, shape, size, and topography.

   **Fact.** The site is a 10,587 square foot rectangular flat lot fully improved with an existing 3,353 square foot building with an improved area with seven parking spaces. The site has appropriate circulation allowing for public access to parking with a secured area for deliveries. The project site is located in the Industrial
Zone and the proposed uses are specifically included in the purpose of the Zone. The hours of operation and deliveries are prescribed by the Development Code but are typical of uses in an industrial area.

3. The type, density, and intensity of use being proposed will not constitute a hazard to the public interest, health, safety, or welfare.

**Fact.** As discussed in the staff report, the Industrial Zone allows a variety of industrial and non-industrial uses. The manufacturing and distribution uses are typical uses within industrial areas. A safety and operations plan has been reviewed and approved by the Police Department to further assure the public safety.

The commercial cannabis uses, density, and intensity are consistent with the Industrial Land Use Element designation and the purpose of the Industrial Zone. The existing building size, height, lot coverage and other development standards do not exceed the maximum Development Code requirements. The project has been conditioned to meet all applicable California Building Codes and the Council adopted Fire and Life Safety Requirements for cannabis manufacturing to ensure the project will not constitute a hazard to the public interest, health, safety, or welfare. There is no evidence in the public record that indicates the proposed commercial medical cannabis uses will constitute a hazard to the public interest, health, safety, or welfare.

**SECTION 3. Use Permit Approval.** The City Council of the City of Grover Beach, at a Regular Meeting of the City Council on May 7, 2018 resolved to approve a Use Permit subject to the following:

**CONDITIONS OF APPROVAL:**

**GENERAL**

G-1. The approval granted by this Resolution shall be valid for twenty-four (24) months of the approval date, and shall expire unless a valid building permit is issued and construction commenced. A request for a time extension shall be submitted to the Community Development Department as provided in GBMC Article IX, Section 6.30.060.

G-2. The Applicant agrees, as a condition of approval of this resolution, to indemnify, defend and hold harmless, at Applicant’s expense, City and City’s agents, officers and employees from and against any loss, liability, costs, damages, claims, action or proceeding of any kind including also any proceeding commenced to attack, review, set aside, void or annul the approval of this resolution or to determine the reasonableness, legality or validity of any condition attached hereto. City shall promptly notify Applicant of any such loss, liability, costs, damages, claims, action or proceeding to which City receives notice, and City will cooperate fully with Applicant in the defense thereof. Applicant shall reimburse the City for any court costs and attorney’s fees that the City may be required to pay as a result of any such claim, action or proceeding. City may, in its sole discretion, participate in the defense of any such claim, action or proceeding, but such participation shall not relieve Applicant of the obligations of this condition. Applicant’s acceptance of this resolution or commencement of construction or operations under this resolution shall be deemed to be acceptance of all conditions contained in this
The Applicant further agrees, the conditional approval of this Use Permit or any condition contained therein, does not guarantee nor does the City represent the State will issue a State Cannabis license for the uses defined herein or consistent with this Use Permit. The Applicant agrees to indemnify, defend and hold harmless, at Applicant’s expense, City and City’s agents, officers and employees from and against any claim, action or proceeding or any liability to the City arising from any action by the State of California or the refusal of the State of California to issue a State Cannabis License under the Medicinal and Adult Use Cannabis Regulation and Safety Act, as amended, or any other State statutory or regulations controlling cannabis uses.

G-3. All Conditions of Approval shall be provided on a full size drawing sheet as part of the construction plan set. All notes and specifications as shown on the plans shall be considered Conditions of Approval. If there is a conflict between the approved plans and the Conditions of Approval, the Conditions of Approval shall prevail. The project shall comply with all State and City codes, regulations, and standards. Construction plans shall comply with applicable California Building Codes in effect at the time of submittal.

G-4. Prior to commencement of construction, construction plans shall be approved and applicable permits obtained. The hours of construction shall be from 7:00 a.m. to 7:00 p.m. Monday through Friday, and 8:00 a.m. to 5:00 p.m. Saturday, Sunday, and holidays, in accordance with Municipal Code Section 3120.1. All construction traffic shall access the site utilizing the truck route(s) closest to the site as defined in the City Circulation Element and as approved by the City’s Police Department.

G-5. All operations shall comply with the City’s Noise Ordinance including mechanical equipment.

COMMUNITY DEVELOPMENT DEPARTMENT

CDD-1. This approval authorizes establishment of a commercial cannabis manufacturing and distribution facility, and building and site improvements in substantial conformance with the approved project plans dated March 6, 2018 attached as Exhibit A and as amended herein. The project shall comply with all requirements of GBMC Article III Chapter 18 and Article IX Section 4.10.045 at all times.

CDD-2. Prior to occupancy, the applicant shall obtain a valid City Commercial Cannabis Permit, consistent with GBMC Article III Chapter 18.

CDD-3. Prior to occupancy, an odor control system report shall be submitted by a mechanical engineer licensed in the State of California certifying the system is properly sized, installed and operational to comply with the City’s odor control standards. An annual re-certification shall be submitted to the Community Development Department indicating the odor control system is operating in compliance with the City’s odor control standards.

CDD-4. To the extent required by State law, Permittee shall obtain a valid state license(s) from the following State agencies: Bureau of Cannabis Control and Department of Public Health for all aspects of their business that includes the manufacturing, distribution, and medical retail sales of cannabis. Applicant shall also obtain any permits required
by the San Luis Obispo Air Pollution Control District, San Luis Obispo County Department of Health, and any other local agency that has jurisdiction over operational permits. Applicant shall not commence operations until such time as they have received the applicable State license for cannabis uses to the extent required by State law.

CDD-5. At the time of building permit submittal, tenant improvement plans shall include all modifications and additions made to the building not reflected in the original plans and permit in addition to any proposed modifications. Applicable Development Impact Fees and School Developer fees shall be paid with the permit fees.

CDD-6. All roof and ground mounted equipment shall be screened in compliance with Development Code Section 3.10.020.G.

POLICE DEPARTMENT

PD-1. Prior to building permit issuance, a final security and operations plan shall be submitted for review and approval by the Police Department. If the Permittee proposes any revisions to the security and/or operations after final approval by the Police Department, the Permittee shall submit a revised plan to be approved by the Police Department prior to implementing the revisions.

PD-2. All security measures shall be adhered to and implemented consistent with GBMC Article III Chapter 18 Section 4000.50 at all times during operation of businesses.

PD-3 Prior to occupancy, the Police Department shall inspect the facility and security systems to confirm it is consistent with the approved security and operations plan.

FIRE DEPARTMENT

FD-1. Prior to occupancy of the manufacturing use, a Certified Industrial Hygienist shall submit a report demonstrating compliance with the Council adopted Fire and Life Safety Requirements for the manufacturing use.

FD-2. Installation of NFPA 13 Fire Protection System is required and shall be installed in accordance with adopted California Building and Fire Codes. Plans shall be submitted to the City of Grover Beach and Five Cities Fire Authority for review and approval prior to installation.

FD-3. A dedicated water service for the fire protection system must be reviewed and approved by the Five Cities Fire Authority prior to building or encroachment permit issuance.

FD-4. All submitted building plans shall meet all California Building and Fire Codes, including erratas, in effect at the time of building permit submittal and shall be reviewed and approved by the Five Cities Fire Authority prior to building permit issuance.

FD-5. Prior to final occupancy, the Five Cities Fire Authority shall perform a final inspection to ensure consistency with local adopted California Building and Fire Codes.
FD-6. Prior to final occupancy, a certified industrial hygienist shall submit a report indicating the proper methodology for disposing waste to the satisfaction of the Five Cities Fire Authority

PUBLIC WORKS DEPARTMENT/CITY ENGINEER

PW/CE-1. Prior to occupancy, the applicant shall provide details of all solid, liquid and other waste discharges that include operations that result in possible discharges into the sewer, solid waste facility, ground, or storm water system. The applicant is required to obtain all permits required by applicable governing agencies for disposal of solid and liquid industrial wastes prior to operation, and may be required to install pre-treatment devices.

PW/CE-2. Prior to occupancy, the applicant shall submit a letter from the local waste disposal operator qualified to collect and dispose of Cannabis manufacturing waste indicating the schedule and waste materials to be hauled by the operator and shall develop a method to track the amount of solid waste created based on the amount of Cannabis materials received for processing and shall track and log the amount of waste created and disposed of in accordance with applicable laws. The records shall be available for inspection upon demand by the City.

PW/CE-3 Prior to issuance of occupancy of the building space for manufacturing uses, the applicant shall have the option to obtain all State regulatory permits for industrial waste discharge for a private septic system, which will include compliance with all conditions imposed by any State regulatory agency issuing the permit or the applicant shall extend the City’s sewer line to the property boundary line of the subject property and connect to the City’s sewer system per city standards. A portion of this line extension and connection may be reimbursed upon adoption by the City Council of a reimbursement service area and a development fee.

Upon motion by _____, second by _____, and on the following roll call vote:

AYES: Council Members –
NOES: Council Members –
ABSENT: Council Members –
ABSTAIN: Council Members –

The foregoing RESOLUTION NO. 18- was PASSED, APPROVED, and ADOPTED at a Regular Meeting of the City Council of the City of Grover Beach, California this 7th day of May, 2018.

**DRAFT**

Attest:

DONNA L. McMAHON, CITY CLERK