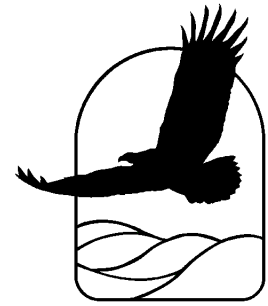


City of Watsonville
MEMORANDUM

Agenda Item 6.D.1.

*Endorsed for presentation to
the Planning Commission:*

City Manager's Office



DATE: July 6, 2016

TO: Planning Commission

FROM: Suzi Merriam, Assistant Community Development Director
Justin Meek, AICP, Principal Planner

SUBJECT: Special Use Permit (PP2016-59) for the establishment of a medical cannabis cultivation facility at 9 Hangar Way (APN: 015-111-17)

AGENDA ITEM: July 12, 2016 Planning Commission

RECOMMENDATION

Staff recommends that the Planning Commission adopt a resolution recommending that the City Council approve the Special Use Permit (PP2016-59) for the establishment of a medical cannabis cultivation facility located at 9 Hangar Way, based on the attached findings and conditions of approval.

BASIC PROJECT DATA

APN: 015-111-17

LOT SIZE: 55,757± square feet

ZONING / GENERAL PLAN DESIGNATION: IP (Industrial Park) / I (Industrial)

EXISTING USE: Light industrial business (warehouse) in existing building

PROPOSED USE: Medical cannabis cultivation facility

SURROUNDING USES: Light industrial businesses and residences

FLOOD ZONE: Yes

CEQA REVIEW: A Categorical Exemption has been prepared for this project, pursuant to Section 15301 of the CEQA Guidelines which allows for small modifications and/or additions to existing facilities that involve negligible or no expansion of use.

APPLICANT: Bryce Berryessa for Grow Co, LLC
9 Hangar Way #2, Watsonville, CA 95076

PROPERTY OWNER: Freedom Associates, LLC (Attn: Burgstrom/Kramer, Inc.)
21 Brennan Street #16, Watsonville, CA 95076



OVERVIEW

Background

In 1996, California voters passed Proposition 215, a medical use of marijuana initiative. Known as the Compassionate Use Act, State law was changed with the intention to ensure patients and their primary caregivers who obtain and use marijuana for medical purposes upon the recommendation of a physician would not be subject to criminal prosecution and encourage the Federal and State governments to implement a plan to provide for the safe and affordable distribution of marijuana to all patients in medical need of marijuana.¹

In 2003, the State Legislature passed and the Governor signed Senate Bill 420 (Vasconcellos), which established a voluntary program for the issuance of identification cards to qualified patients to use marijuana for medical purposes. The intent of this bill was to implement the Compassionate Use Act of 1996 in a manner that would allow qualified patients to obtain therapeutic marijuana without fear of arrest and prosecution. The bill also authorized qualified persons to form collectives so as to cultivate marijuana for medical purposes. As such, the identification card immunized a cardholder from unnecessary arrest and prosecution for possession, transportation and cultivation of marijuana for medical purposes.

Presently, the California Department of Public Health (CDPH) administers the voluntary Medical Marijuana Identification Card Program (MMICP) and issues State-authorized medical marijuana identification cards. CDPH maintains a registry database for verification of qualified patients and their primary caregivers.²

While CDPH administers the MMICP, it does not have any information regarding growing collectives or dispensaries. The State Attorney General's Office provides guidelines for the security and non-diversion of marijuana grown for medical use. In addition to ensuring that marijuana grown for medical purposes remains secure and does not find its way to non-patients or illicit markets, the purpose of the guidelines are to (a) help law enforcement agencies perform their duties effectively and in accordance with California law and (b) help patients and primary caregivers understand how they may cultivate, transport, possess, and use medical marijuana under California law.³

In 2015, the State Legislature passed and the Governor signed into law three bills (Assembly Bills 243 and 266, and Senate Bill 643) that create a licensing and regulatory framework for medical marijuana. Known as the Medical Marijuana Regulation & Safety Act (MMRSA), the Act established a statewide regulatory scheme to be headed by the new Bureau of Medical Marijuana Regulation within the Department of Consumer Affairs (DCA). Although the State will issue licenses, the Act provides for a system of dual licensing: The State will issue licenses and local governments will issue permits to operate medical marijuana enterprises. At present, the DCA is in the early stages of

¹ Department of Public Health, Proposition 215 website, visited June 14, 2016

(<https://www.cdph.ca.gov/programs/MMP/Pages/CompassionateUseact.aspx>)

² CDPH, Medical Marijuana Identification Card Program website, visited on June 14, 2016

(<https://www.cdph.ca.gov/programs/MMP/Pages/default.aspx>)

³ Department of Justice, State of California, Guidelines for the Security and Non-diversion of Marijuana Grown for Medical Use (2008), visited June 14, 2016

(http://ag.ca.gov/cms_attachments/press/pdfs/n1601_medicalmarijuanaguidelines.pdf)



establishing the Bureau of Medical Marijuana Regulation. According to their website, regulations are anticipated to be developed by January 1, 2018.¹

At the regular meeting of January 26, 2016, the Watsonville City Council adopted Ordinance 1326-16, repealing Chapter 5 (Medical Marijuana Dispensaries) of Title 6 (Sanitation and Health) in its entirety and adding a new Chapter 5 (Medical Cannabis Facilities) of Title 6 (Sanitation and Health) of the Watsonville Municipal Code (WMC). The purpose of this new ordinance is to permit medical cannabis facilities, upon application and approval of a “regulatory permit” in accordance with the criteria and procedures set forth in the code.

Also at the regular meeting of January 26, 2016, the Watsonville City Council adopted Ordinance 1327-16, amending WMC Section 14-16.503 (Conditional uses) of Part 5: IP – Industrial Park District and WMC Section 14-16.603 (Conditional uses) of Part 6: IG – General Industrial District of WMC Chapter 14-16 (District Regulations) for medical cannabis facilities. The indoor cultivation of medical cannabis in either the IP or IG Zoning Districts requires first obtaining a Special Use Permit.

At the regular meeting of May 10, 2016, the Watsonville City Council provided direction on the allowable square footage and the criminal background check process for medical cannabis facilities. The allowed maximum growing (cultivation) area is 5,000 square feet per property. Special Use Permits may be issued with a California criminal background check only until such time that a nationwide criminal background check can be completed. In addition, Special Use Permits must be conditioned to require annual submittal of a Live Scan criminal background check to the City.

At the regular meeting of June 14, 2016, the Watsonville City Council adopted Resolution 89-16 (CM) authorizing the City to access the State of California’s Department of Justice Live Scan system for local, state and federal level criminal history information on prospective employees and owners of medical cannabis cultivation businesses. Please note that presently the Live Scan system does not provide criminal history background information at the federal level for anyone associated with a medical cannabis facility.

At the regular meeting of June 28, 2016, the Watsonville City Council introduced an amendment to the Medical Marijuana Regulation and Safety Ordinance (WMC Chapter 6-5), limiting the number of medical cannabis cultivation facilities at no more than six (6) facilities within the City. The second reading and formal adoption is scheduled for the July 5, 2016 City Council meeting. Three medical cannabis cultivation facilities are also scheduled for consideration for approval, conditional approval or denial by the City Council on July 5, 2016.

Proposal

On March 31, 2016, the applicant, Bryce Berryessa on behalf of Grow Co, LLC, submitted an application for a Special Use Permit for the establishment of a medical cannabis cultivation facility located at 9 Hangar Way. The proposed project would involve the conversion of an existing 3,313± square-foot tenant space within a 19,450± square-foot warehouse building into a medical cannabis cultivation facility. The

¹ Bureau of Medical Marijuana Regulation website, visited on June 8, 2016 (<http://bmmr.dca.ca.gov/>)

proposed floor plan indicates the building space would be divided into three main partitions, consisting of manufacturing, storage and office areas. The 1,987± square-foot manufacturing area would be used as the growing room (Attachment 2).

PROCESS

WMC Section 14-16.603 allows indoor cultivation of medical marijuana, up to 5,000 square feet, with approval of a Special Use Permit in the General Industrial (IG) zoning district. While WMC Section 14-12.508 authorizes the Planning Commission to issue Conditional Use Permits, because this is one of several new applications for establishing medical cannabis cultivation facilities, the City Manager directed staff to bring the item for consideration by the Planning Commission with the final decision to be made by the City Council.

DISCUSSION

Site

The property contains a 19,450± square-foot multi-tenant, warehouse building on approximately 1.28± acres. The proposed medical cannabis cultivation facility would be located in suite 2. The front and sides of the site are surrounded by various light industrial uses, and the rear is bordered by a fenced mobile home park (see Figure 1). The site is not within the 100-year flood zone.



Fig 1. Aerial View of Subject and Surrounding Properties (*Source: Google Earth, 2003*)

Zoning and Location Limitations

WMC Section 6-5.120 indicates that no permit to operate a medical cannabis facility shall be issued except in the IG and IP zoning districts.

The proposed facility is consistent with the locational limitations for medical cannabis facilities, in that it is not located within:

- 300 feet of a residential zone, as drawn by the closest path of foot travel from the property line of residential property to the nearest entrance of the cannabis facility; or



- 600 feet of a school, park, or church, as drawn by the closest path of foot travel from the property line of the school, park, or church, to the nearest entrance of the cannabis facility.

As there are no gates to provide direct access to the mobile home park to the rear of the site, the proposed facility path of travel to the nearest residential property in this residential zone is 1,185± feet (Attachment 3).

All proposed cultivation operations are indoors, and the existing building does not provide windows into the building. As such, cannabis plants at any stage of growth would not be visible from the outside of the building, consistent with WMC Section 6-5.120(f).

Parking

WMC Section 14-17.1301 requires ten off-street parking spaces for the proposed indoor cultivation of medical cannabis land use (GLU 91). As shown on the Site Plan, the property provides 63 parking spaces, consisting of 42 standard spaces, 19 compact spaces and two handicap spaces.

Application Requirements for a Special Use Permit for a Medical Cannabis Facility

WMC Section 6-5.030 lists the application requirements for a medical cannabis facility, which shall include, but are not limited to, the following information:

- 1) The legal name, and any other names, under which the facility will operate.

Response: The applicant submitted the required information. The proposed facility would operate under the name Grow Co, LLC.

- 2) The address of the location and the on-site telephone number, if known, of the medical cannabis facility.

Response: The applicant submitted the required information. The proposed facility address is 9 Hangar Way. A telephone number is not yet available.

- 3) The following information for each owner (defined as any person having an economic interest in the applicant or applicants), officer, director, and manager of the medical cannabis facility:

- i) Complete legal name and any alias(es), address, and telephone number;

- ii) Date and place of birth;

- iii) Copy of a valid California government-issued photo identification card or license;

- vi) One (1) set of fingerprints in a form acceptable to the Police Department;

- v) A detailed explanation of the owner's or manager's involvement with any other medical cannabis applicant or applicants or licensee, including, but not limited to, the name and address of the applicant or applicants or licensee;



the city in which the owner or manager is or was involved with the applicant or applicants or licensee; whether the applicant or licensee is or was the subject of any criminal investigation or prosecution, civil investigation, administrative action or civil lawsuit; whether the owner or manager or the applicant or licensee with which the owner or manager is or was associated has ever been denied, or is in the process of being denied registration, a permit, a license or any other authorization required to operate in any other city, City or State; and whether the owner or manager or the applicant or licensee with which the owner or manager is or was associated has ever had a registration, license, permit or any other authorization required to operate in any other city, City or State, suspended or revoked, and the reasons therefor; and

- vi) A detailed explanation of the owner's or manager's involvement with any other retail business in the City of Watsonville, including, but not limited to, the name and address of such business; the type of business; the city in which the owner or manager is or was involved with the business; whether the business is or was the subject of any criminal investigation or prosecution, civil investigation, administrative action or civil lawsuit; whether an owner or manager of the business with which the owner or manager is or was associated has ever been denied, or is in the process of being denied registration, a permit, a license or any other authorization required to operate a business requiring licensing through the State of California or any other city, county, or state; and whether an owner or manager of the business with which the owner or manager is or was associated has ever had a registration, license, permit or any other authorization required to operate a business that requires a license in the State of California, or any other city, or county, suspended or revoked, and the reasons therefor.

Response: The applicant submitted the required information. The proposed facility's co-owners are Bryce Berryessa, Eric Hara and Thomas Frye. Their required information is provided in Table 1. The Grow Co, LLC owners indicate that they have prior commercial cannabis experience (Attachment 4).

Grow Co, LLC owners have their fingerprints on file in a form acceptable to the Police Department to allow a criminal history background check to be conducted at the State level. As of the preparation of this staff report, the results were not yet available.

TABLE 1. Medical Cannabis Facility's Officers Information

	Bryce Berryessa	Thomas Frye
Title	Owner	Owner
Address	3 Huckleberry Island Brookdale, CA 95007	610 Washington Street Watsonville, CA 95076
Telephone no.	(831) 818-2956	(831) 750-4730
Date of birth	11/15/81	09/11/69
Place of birth	Tucson, AZ	Greenfield, MA
ID card	On file	On file

Eric Hara	
Title	Owner
Address	108 Crescent Drive Watsonville, CA 95076
Telephone no.	(646) 673-4793
Date of birth	04/24/78
Place of birth	Los Angeles, CA
ID card	On file

- 4) An estimate of the size of the group of primary caregivers and/or qualified patients who will be served by the medical cannabis facility.

Response: The applicant submitted the required information. Grow Co, LLC will provide medical cannabis to the following dispensaries: California Agricultural Association dba Cookie Co. 831 and Freedom Enterprises dba Hashman Infused.

- 5) An operations plan which shall be in conformance with the requirements of this chapter and shall include:
- i) A list of the names, addresses, telephone numbers, and responsibilities of each owner and manager of the facility.
 - ii) The hours and days of operation for the facility.
 - iii) Designation of the cultivation locations of the applicant or licensee inside and outside the City, and the location of any dispensaries outside the City.
 - iv) Whether delivery service of medical cannabis to any location outside the medical cannabis facility will be provided and the extent of such service.
 - v) A site plan and floor plan of the facility denoting the layout of all areas of the medical cannabis facility, including storage, cultivation, reception/waiting, and all ancillary support spaces, and the relationship of the facility to adjacent properties and land uses.
 - vi) A security plan, including lighting, alarms, and video cameras, to ensure the safety of persons, and to protect the premises from theft, vandalism, and fire. The security plan shall address both interior and exterior areas of the facility and its premises.
 - vii) The medical cannabis cultivation procedures to be utilized at the facility, including a description of how chemicals and fertilizers will be stored, handled, used and disposed of; manufacturing methods, the transportation process, inventory procedures, and quality control procedures.
 - viii) Procedures for identifying, managing, and disposing of contaminated, adulterated, deteriorated or excess medical cannabis product.

- ix) Procedures for inventory control to prevent diversion of medical cannabis to nonmedical use, employee screening, storage of medical cannabis, personnel policies, and recordkeeping procedures.

Response: The applicant submitted the required information. Grow Co, LLC provided information regarding the company's primary purpose, sustainable practices, hours of operation, inventory tracking, transportation, recordkeeping, security, storage and waste disposal (Attachment 5).

Pursuant to WMC Sections 6-5.140 and 6-5.150, Standard Conditions of Approval have been added to the draft Resolution requiring the applicant to maintain an inventory control and reporting system, an electronic point of sale system, and all other records and documents required by WMC Chapter 6-5 and listed in WMC Section 6-5.140(d).

- 6) The name and address of the owner and lessor of the premises and a copy of the lease or other such proof of the applicant or licensee's right to possess the premises and the owner's acknowledgement that a medical cannabis facility will be operated on his/her property.

Response: The applicant submitted the required information. The applicant provided a signed copy of the lease agreement, which includes an acknowledgement by the property owner, Glenn Kramer for Freedom Associates, LLC, under the use terms that Grow Co, LLC would be cultivating medical cannabis at the site (Attachment 6).

- 7) Authorization for the Zoning Administrator or designee to seek verification of the information contained within the application, including, but not limited to, a criminal history investigation by the Police Department with the California Department of Justice and any other law enforcement agencies.

Response: The applicant has provided authorization for the Zoning Administrator or designee to seek verification of the information contained in Grow Co, LLC's application, including but not limited to a criminal history investigation by the Police Department. As indicated in Response to No. 3, Grow Co, LLC's owners has had a criminal history background check conducted by the Police Department. A Condition of Approval has been added to the draft Resolution requiring the applicant to submit for a criminal history background check for all facility owners, managers and employees from the Police Department annually.

- 8) A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.

Response: The applicant has certified under penalty of perjury that all submitted information is in all respects true and correct.

- 9) Before any fees are collected, any such additional and further information as is deemed necessary by the Zoning Administrator or designee to administer this

section or to show that the applicant or licensee is in compliance with the provisions of this chapter.

Response: The applicant was not required by the Zoning Administrator to provide any additional or further information.

CONCLUSION

As conditioned, the proposed project meets all requirements outlined in the Watsonville Municipal Code. The project will allow Grow Co, LLC to establish a medical cannabis cultivation facility. Staff recommends that the Planning Commission recommend that the City Council approve the project, as conditioned.

ATTACHMENTS

1. Vicinity Map
2. Plan Set
3. Distance Map - Residents, Parks and Schools
4. Grow Co, LLC Owners Bios
5. Grow Co, LLC Operations Plan
6. Grow Co, LLC Lease



**INTERESTED PARTIES
PLANNING COMMISSION
07-12-16**

9 Hangar Way (PP2016-59)

Applicant:

Bryce Berryessa (Rep for Grow Co, LLC)
3 Huckleberry Island
Brookdale, CA 95007

Thomas Frye (Rep for Grow Co, LLC)
610 Washington Street
Watsonville, CA 95076

Eric Hara (Rep for Grow Co, LLC)
108 Crescent Drive
Watsonville, CA 95076

Chad Williams (Designer for Grow Co, LLC)
52 Eucalyptus Drive
Watsonville, CA. 95076

Grow Co, LLC
9 Hangar Way #2
Watsonville, CA 95076

Property Owner:

Freedom Associates, LLC
Attn: Burgstrom/Kramer, Inc.
21 Brennan Street #16
Watsonville, CA 95076

RESOLUTION NO. _____ - 16 (PC)

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WATSONVILLE,
CALIFORNIA, RECOMMENDING THAT THE CITY COUNCIL APPROVE SPECIAL USE
PERMIT (PP2016-59) TO ALLOW THE ESTABLISHMENT OF A MEDICAL CANNABIS
CULTIVATION FACILITY AT 9 HANGAR WAY, SUITE 2**

Project: 9 Hangar Way, Suite 2 (APN: 015-111-17)

WHEREAS, in 1996, California voters passed Proposition 215, a medical use of marijuana initiative known as the Compassionate Use Act. State law was changed with the intention to ensure patients and their primary caregivers who obtain and use marijuana for medical purposes upon the recommendation of a physician would not be subject to criminal prosecution and encourage the Federal and State governments to implement a plan to provide for the safe and affordable distribution of marijuana to all patients in medical need of marijuana; and

WHEREAS, in 2003, the State Legislature passed and the Governor signed Senate Bill 420 (Vasconcellos), which established a voluntary program for the issuance of identification cards to qualified patients to use marijuana for medical purposes. The intent of this bill was to implement the Compassionate Use Act of 1996 in a manner that would allow qualified patients to obtain therapeutic marijuana without fear of arrest and prosecution. The bill also authorized qualified persons to form collectives so as to cultivate marijuana for medical purposes. As such, the identification card immunized a cardholder from unnecessary arrest and prosecution for possession, transportation and cultivation of marijuana for medical purposes; and

WHEREAS, presently, the California Department of Public Health (CDPH) administers the voluntary Medical Marijuana Identification Card Program (MMICP) and issues State-authorized medical marijuana identification cards. CDPH maintains a registry database for verification of qualified patients and their primary caregivers; and

WHEREAS, while CDPH administers the MMICP, it does not have any information regarding growing collectives or dispensaries. The State Attorney General's Office provides guidelines for the security and non-diversion of marijuana grown for medical use. In addition to ensuring that marijuana grown for medical purposes remains secure and does not find its way to non-patients or illicit markets, the purpose of the guidelines are to (a) help law enforcement agencies perform their duties effectively and in accordance with California law and (b) help patients and primary caregivers understand how they may cultivate, transport, possess, and use medical marijuana under California law; and

WHEREAS, in 2015, the State Legislature passed and the Governor signed into law three bills (Assembly Bills 243 and 266, and Senate Bill 643) that create a licensing and regulatory framework for medical marijuana. Known as the Medical Marijuana Regulation & Safety Act (MMRSA), the Act established a statewide regulatory scheme to be headed by the new Bureau of Medical Marijuana Regulation within the Department of Consumer Affairs (DCA). Although the State will issue licenses, the Act provides for a system of dual licensing: The State will issue licenses and local governments will issue permits to operate medical marijuana enterprises. At present, the DCA is in the early stages of establishing the Bureau of Medical Marijuana Regulation. According to their website, regulations are anticipated to be developed by January 1, 2018; and

WHEREAS, at the regular meeting of January 26, 2016, the Watsonville City Council adopted Ordinance 1326-16, repealing Chapter 5 (Medical Marijuana Dispensaries) of Title 6 (Sanitation and Health) in its entirety and adding a new Chapter 5 (Medical Cannabis Facilities) of Title 6 (Sanitation and Health) of the Watsonville Municipal Code (WMC). The purpose of this new ordinance is to permit medical cannabis facilities, upon application and approval of a "regulatory permit" in accordance with the criteria and procedures set forth in the code; and

WHEREAS, also at the regular meeting of January 26, 2016, the Watsonville City Council adopted Ordinance 1327-16, amending WMC Section 14-16.503 (Conditional uses) of Part 5: IP – Industrial Park District and WMC Section 14-16.603 (Conditional uses) of Part 6: IG – General Industrial District of WMC Chapter 14-16 (District Regulations) for medical cannabis facilities. The indoor cultivation of medical cannabis requires first obtaining a Special Use Permit; and

WHEREAS, at the regular meeting of May 10, 2016, the Watsonville City Council provided direction on the allowable square footage and the criminal background check process for medical cannabis facilities. The allowed maximum growing (cultivation) area is 5,000 square feet per property. Special Use Permits may be issued with a California criminal background check only until such time that a nationwide criminal background check can be completed. In addition, Special Use Permits must be conditioned to require annual submittal of a Live Scan criminal background check to the City; and

WHEREAS, at the regular meeting of June 14, 2016, the Watsonville City Council adopted Resolution 89-16 (CM) authorizing the City to access the State of California's Department of Justice Live Scan system for local, state and federal level criminal history information on prospective employees and owners of medical cannabis cultivation businesses; and

WHEREAS, an application for a Special Use Permit (PP2016-59) to allow the establishment of a medical cannabis cultivation facility located at 9 Hangar Way, Suite 2, Watsonville, California, was filed by Bryce Berryessa for Grow Co, LLC, project applicant, on behalf of Freedom Associates, LLC, property owner, on March 31, 2016; and

WHEREAS, notice of time and place of the hearing to consider approval of the Special Use Permit (PP2016-59) was given at the time and in the manner prescribed by the Zoning Ordinance of the City of Watsonville. The matter called for hearing evidence both oral and documentary introduced and received, and the matter submitted for decision; and

WHEREAS, the Planning Commission has considered all written and verbal evidence regarding this application at the public hearing and has made Findings, attached hereto and marked as Exhibit "A," in support of the required Special Use Permit (PP2016-59) to allow the establishment of a medical cannabis cultivation facility located at 9 Hangar Way, Suite 2, Watsonville, California.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Watsonville, California, as follows:

Good cause appearing, therefore, the Planning Commission of the City of Watsonville does hereby recommend the City Council grant approval of Special Use Permit (PP2016-59), subject to the Conditions attached hereto and marked as Exhibit "B," to allow the establishment of a medical cannabis cultivation facility located at 9 Hangar Way, Suite 2, Watsonville, California.

I HEREBY CERTIFY that the foregoing Resolution was introduced at a regular meeting of the Planning Commission of the City of Watsonville, California, held on the 12th day of July, 2016, by Commissioner _____, who moved its adoption, which motion being duly seconded by Commissioner _____, was upon roll call, carried and the resolution adopted by the following vote:

Ayes: Commissioners:
Noes: Commissioners:
Absent: Commissioners:

Suzi Merriam, Acting Secretary
Planning Commission

Aurelio Gonzalez, Chairperson
Planning Commission

Application No: PP2016-59

APN: 015-111-17

Applicant: Grow Co

Hearing Date: July 12, 2016

SPECIAL USE PERMIT FINDINGS (WMC § 14-12.513)

1. The proposed use at the specified location is consistent with the policies of the General Plan and the general purpose and intent of the applicable district regulations.

Supportive Evidence

The project is consistent with the policies of the General Plan as the medical cannabis cultivation facility will provide medical cannabis to qualified patients in Watsonville and medical cannabis cultivation facilities are limited to districts that will not conflict with sensitive uses and residential zones. Medical cannabis cultivation facilities are conditionally allowable in the Industrial Park (IP) zoning district with the approval of a Special Use Permit. The project is consistent with separation requirements outlined in the Medical Cannabis Facilities Ordinance, in that the facility is not located within 300 feet of a residential zone or 600 feet of a school, park, or church, as drawn by the closest path of foot travel from the property line of the residential property, school, park, or church, to the nearest entrance of the cannabis facility. In addition, all proposed cultivation operations are indoors, and the existing building does not provide windows into the building, ensuring cannabis plants at any stage of growth would not be visible from the outside of the building, consistent with Section 6-5.120(f) of the Watsonville Municipal Code (WMC). As designed, this project meets all requirements of the IP zoning district, Medical Cannabis Facilities Ordinance, and is consistent with the policies of the General Plan.

2. The proposed use is compatible with and preserves the character and integrity of adjacent development and neighborhoods and includes improvements or modifications either on-site or within the public rights-of-way to mitigate development-related adverse impacts such as traffic, noise, odors, visual nuisances, or other similar adverse effects to adjacent development and neighborhoods. These improvements or modifications may include but shall not be limited to the placement or orientation of buildings and entryways, parking areas, buffer yards, and addition of landscaping, walls, or both, to mitigate such impacts.

Supportive Evidence

The project involves the use of an existing tenant space as a medical cannabis cultivation facility within an area zoned for industrial park uses. While the subject lot is adjacent to the fenced, rear side of an existing mobile home park within a RM-2 Zoning District, there are no gates or direct access to the mobile home park. As such, the facility is approximately 1,200 feet from this nearest residential zone, as drawn by the closest path of foot travel from the entrance of

the facility to the property line of the nearest residential property. Standard conditions of approval for the cultivation of medical cannabis are designed to ensure the facility will not cause impacts to adjacent industrial properties. For example, the applicant shall prohibit loitering by persons outside the facility, either on the premises or within 100 feet of the premises. The facility is required to be operated in a manner such that the cultivation of medical cannabis does not adversely affect the health or safety of nearby properties through the creation of mold, mildew, dust, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration, or other impacts. In addition, facility signage shall not have any reference, through language or symbol, to cannabis.

3. The proposed use will not generate pedestrian or vehicular traffic that will be hazardous or conflict with the existing and anticipated traffic in the neighborhood.

Supportive Evidence

The medical cannabis cultivation facility will not be open to the public and will be accessible only to employees; therefore, the project would not generate pedestrian or vehicular traffic inconsistent with other nearby industrial uses.

4. The proposed use incorporates roadway improvements, traffic control devices or mechanisms, or access restrictions to control traffic flow or divert traffic as needed to reduce or eliminate development impacts on surrounding neighborhood streets.

Supportive Evidence

No roadway improvements are required for this project.

5. The proposed use incorporates features to minimize adverse effects, including visual impacts and noise, of the proposed special use on adjacent properties.

Supportive Evidence

The project applicant is required to operate in a manner such that the cultivation of medical cannabis does not adversely affect the health or safety of nearby properties through the creation of mold, mildew, dust, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration, or other impacts (WMC § 6-5.150(e)). In addition, as part of an application for a building permit; the project applicant shall be required to provide an air filtration system to control odors and an automatic sprinkler system to protect onsite buildings and adjacent properties from fire. As such, the project will not cause any adverse impacts to adjacent properties.

6. The proposed special use complies with all additional standards imposed on it by the particular provisions of this chapter and all other requirements of this title applicable to the proposed special use and uses within the applicable base-zoning district.

Supportive Evidence

Conditions of Approval have been included to provide for the adherence to all City standards not addressed by the submittal.

7. The proposed special use will not be materially detrimental to the public health, safety, convenience and welfare, and will not result in material damage or prejudice to other property in the vicinity.

Supportive Evidence

This project has been conditioned with standard conditions related to medical cannabis facilities. The facility will not be accessible to the public, cultivation operations will be indoors, and cannabis plants will not be visible from outside of the facility. The project will not be materially detrimental to the public or adjacent properties.

Application No: PP2016-59
APN: 015-111-17
Applicant: Grow Co
Hearing Date: July 12, 2016

SPECIAL USE PERMIT CONDITIONS OF APPROVAL

General Conditions

1. This approval applies to the application identified as "9 Hangar Way Suite 2," received by the Community Development Department on March 31, 2016, and filed by Bryce Berryessa for Grow Co, LLC, project applicant, on behalf of Freedom Associates, LLC, property owner. (CDD-P)
2. This Use Permit shall be null and void if not acted upon within **24 months** from the effective date of the approval. (CDD-P)
3. Modifications to the project or conditions imposed may be considered in accordance with Section 14-12.1000 of the Watsonville Municipal Code (WMC). All revisions shall be submitted prior to field changes and are to be clouded on the plans. (CDD-P)
4. The project shall be in compliance with the conditions of approval, all local codes and ordinances, appropriate development standards, and current City policies. Any deviation will be grounds for review by the City and may possibly result in revocation of the Use Permit in accordance with Part 13 of WMC Chapter 14-10. (CDD-P)
5. A copy of the conditions of approval must be printed on the front sheet of plans submitted for future permits. **Plans without the conditions of approval printed directly on the front page will not be accepted at the plan check phase.** (CDD-P)
6. The applicant shall commence payment of the medical cannabis mitigation fee of **\$8,300.00 per month** to the Finance Department within thirty (30) days of Use Permit approval. Nonpayment or late payment (five days or more) of the medical cannabis mitigation fee shall constitute a violation of Use Permit conditions of approval, which shall cause revocation of the Use Permit in accordance with Part 13 of WMC Chapter 14-10. Payment of the mitigation fee shall be due monthly until such time that a medical cannabis tax becomes effective. (CM)

Building-related Conditions

7. Occupancy Classification Group is U and occupant load factor is based on Group U. (CDD-B)
8. Obtain all required building permits (Building, Electrical, Plumbing, Mechanical,

Grading, etc.) for this project. All construction projects shall comply with 2013 (Title 24) California Codes as amended by City of Watsonville's Building Ordinance (and all State and Federal laws as they apply to this project):

- 2013 California Building Code (CBC)
- 2013 California Electrical Code
- 2013 California Energy Code
- 2013 California Fire Code (CFC)
- 2013 California Green Building Code
- 2013 California Mechanical Code
- 2013 California Plumbing Code
- ADA (CDD-B)

9. **DISABLED ACCESS FOR SITE** – Public and private site improvements shall be designed in accordance with the Americans with Disabilities Act (ADA) and CBC Chapter 11. Site plan shall include a site accessibility plan identifying exterior path of travel and detailing running slope, cross-slope, width, pedestrian ramps, curb ramps, handrails, signage, and raised detectable warnings. The design professional shall ensure that the site accessibility plan is in compliance with the latest Federal and State regulations. Path of travel shall be provided from the public right of way and accessible parking space to each building. Accessible paths of travel shall be identified and designed to access all public facilities. The designer of record or a CASP certified inspector shall provide a certification of compliance, that the project complies with disabled access requirements of the CBC Chapter 11 A and/or 11B and all applicable required Federal and State Disabled Access Standards prior to final inspection by the City of Watsonville Building Inspector. (CDD-B)
10. **DISABLED ACCESS FOR THE BUILDING** – Public and private buildings shall be designed in accordance with ADA and CBC Chapter 11. Plans shall include an accessibility plan identifying all accessible elements required to comply with the ADA and California Building, Plumbing, Electrical and Mechanical Codes as they apply to accessibility detailing ramps, handrails, signage, restrooms, bathing facilities, kitchens, common areas, drinking fountains, doors, entries and all elements of this project required to be accessible. The design professional shall ensure that the building accessibility plan is in compliance with the latest Federal and State regulations. Accessible paths of travel within the building shall be identified and designed to access all public facilities. The designer of record or a CASP certified inspector shall provide a certification of compliance that the project complies with disabled access requirements of CBC Chapter 11 A and/or 11B and all applicable required Federal and State Disabled Access Standards prior to final inspection by the City of Watsonville Building Inspector. (CDD-B)
11. **WATER CONSERVATION** – All development shall utilize water conservation as required by the California Plumbing Code Chapter 4 and California Green Building Code Chapters 4 and 5. (CDD-E-B-P)
12. Existing backflow devices on the various services furnishing water to the building shall be replaced with ones that meet current City requirements. As the 6-inch fire service with single detector check is non-compliant, the required corrective action shall be to remove the single detector check in vault and post indicator

valves and replace them with a Fire Service Assembly equal to City of Watsonville Public Improvement Standard W10. (CDD-B-E-P)

13. Restrooms shall be provided with the number of fixtures as required in CPC table 422.1 restrooms for each type of occupancy. (CDD-B)
14. Buildings shall be protected with an automatic fire sprinkler system installed to NFPA and the California Fire Code standards. Fire sprinkler contractor shall submit three (3) sets of plans and calculations for a separate fire permit prior to installing the system. (WFD/CDD-B-E)

Fire-related Conditions

15. The fire sprinkler system shall be surveyed by a California Licensed Fire Sprinkler Contractor to ensure that the system is designed to the standards of NFPA 13 Ordinary Hazard Group 2. (CFC §901.2.1)
16. The California Licensed Fire Sprinkler Contractor shall also determine correct temperature ratings of current sprinkler heads to avoid accidental discharge due to the elevated temperatures associated with the typical grow lights.
17. The applicant shall add the following notes on plans when submitting for the required building permit: (WFD)
 - Address numbers shall be a minimum of six (6) inches in height on a contrasting background and visible from the street. Where numbers are not visible from the street, additional numbers shall be installed on a directional sign at the property driveway and the street.” (CFC §505.1)
 - “A MINIMUM OF 48 HOURS NOTICE to the fire department is required prior to inspection.” (CFC §105.2.2)
 - “The job copies of the building and fire systems plans and permits must be on-site during inspections.” (CFC §105.3.5)
18. The applicant shall show the following on plans when submitting for the required building permit: (WFD)
 - The locations of portable fire extinguishers complying with CFC §906 et al.
 - The minimum number of 2A-10:BC fire extinguishers with a maximum of 75 feet travel distance from any location within the building. (CFC §906.3)
 - The location of address numbers.
 - The location of exit signs. (CFC §1011.1)
 - The location of Knox Box and key. (CFC §506)

Standard Conditions for Medical Cannabis Facilities (WMC § 6-5.140)

19. Any violation of this provision shall result in the immediate suspension of any permit authorized under WMC Chapter 6-5, and pending investigation and a hearing, shall result in revocation of the permit at the election of the Zoning Administrator or designee. (CDD-P)
20. Medical cannabis facilities shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and

descriptions of all medical cannabis products from the time of delivery until purchase by or distribution to a qualified patient or primary caregiver. (WPD/CDD-P)

21. Medical cannabis facilities shall have an electronic point of sale system that produces historical transactional data for review by the Zoning Administrator or designee for compliance and auditing purposes. (WPD/CDD-P)
22. Each licensee shall maintain at the premises all records and documents required by WMC Chapter 6-5 and all the information and records listed below:
 - a. The name, address, and telephone number(s) of the owner, landlord and/or lessee of the location;
 - b. The name, address, and telephone number of each patient and primary caregiver, along with a copy of the written documentation provided by each qualified patient designating his or her primary caregiver;
 - c. The name, business address, and telephone number of each attending physician who provided a physician's recommendation for any patient of the licensee. The physician must be treating the patient for the medical condition for which medical cannabis is being recommended;
 - d. The records of all qualified patients with a valid identification card and primary caregivers with a valid identification card may be maintained by the applicant or licensee using only the identification card number issued by the State pursuant to California Health and Safety Code Section 11362.7 et seq., in lieu of the information required by Sections 6-5.190.B.2.a. through c., B.3, and B.4.;
 - e. Complete and up-to-date records regarding the amount of medical cannabis cultivated, produced, harvested, stored, packaged, transported or delivered;
 - f. Complete and up-to-date records regarding medical cannabis transfers from the applicant or licensee's cultivation site to dispensing location(s), including the date and time of the transfer; the name and address of the cultivation facility and the name and address of the supplier if different from the cultivation facility; the amount, form, type, batch and lot number of cannabis transferred; the time of departure from the cultivation facility; the time of arrival at the dispensing location; the names of the employees transporting the product; and the name of the employee who received the product at the dispensing location;
 - g. Complete and up-to-date records documenting each transfer of medical cannabis from the applicant or licensee's dispensing location to patients including the amount provided, the form or product category in which the medical cannabis was provided, the date and time provided, the name of the employee making the transfer, and the amount of monetary or other transaction;
 - h. All receipts of the licensee, including but not limited to all contributions and all expenditures incurred by the licensee for the cultivation and dispensing of medical cannabis;
 - i. Proof of completed registration with the Zoning Administrator in conformance with WMC Chapter 6-5;
 - j. Records demonstrating compliance with State and Federal rules and regulations regarding reporting and taxation of income received; and

- k. All medical cannabis facilities shall perform an inventory on cannabis products at least once per month and shall record the total quantity of each form of cannabis on the premises. (WPD/CDD-P)
23. All records required by this section shall be maintained by the applicant or licensee for a period of seven (7) years and shall be made available by the applicant or licensee to any City official or third party charged with enforcing the provisions of this code upon request, with or without a warrant. (WPD/CDD-P)
24. Each medical cannabis facility shall provide the Zoning Administrator or designee with the name, telephone number, and email address of an on-site community relations or staff person or other representative to whom the City can provide notice if there are operating problems associated with the medical cannabis facility or refer members of the public who may have any concerns or complaints regarding the operation of the medical cannabis facility. Each medical cannabis facility shall also provide the above information to all businesses and residences located within five hundred (500') feet of the medical cannabis facility within thirty (30) days of permit issuance, measured from property line to property line. (CDD-P)
25. During the first year of operation under WMC Chapter 6-5, the owner, manager, and community relations representative from each medical cannabis facility holding a valid regulatory permit issued by the City shall attend a quarterly meeting with the Zoning Administrator and/or designee to discuss costs, benefits and other community issues arising as a result of implementation of the medical cannabis regulatory permit program authorized by this chapter. After the first year of operation, the owner, manager, and community relations representative from each such medical cannabis facility shall meet with the Zoning Administrator and/or designee when and as requested by the Zoning Administrator or designee. (CDD-P)
26. Within fifteen (15) calendar days of any other change in the information provided in the registration form or any change in status of compliance with the provisions of WMC Chapter 6-5, including any change in the applicant or licensee's ownership or management members, the applicant or licensee shall file an updated registration form with the Zoning Administrator for review along with a registration amendment fee. (CDD-P)
27. The transport of medical cannabis shall only occur during daylight hours. (WPD/CDD-P)

Standard Conditions for Medical Cannabis Cultivation (WMC § 6-5.150)

28. The applicant shall prohibit loitering by persons outside the facility, either on the premises or within one hundred (100') feet of the premises. (WPD/CDD-P)
29. The cultivation of medical cannabis shall not create hazards due to the use or storage of materials, processes, products, chemicals, fertilizers, or wastes. (CDD-E-P)

30. The interior and exterior of the medical cannabis facility, including driveways, sidewalks, parking strips, fire access roads and streets on or adjacent to the premises shall be kept in a clean and safe condition. (CDD-P)
31. Exterior lighting on the premises and location shall ensure the safety of the public and the members and employees of the applicant or licensee while not disturbing surrounding residential or commercial areas. (CDD-B-P)
32. Each licensee shall operate in a manner such that the cultivation of medical cannabis does not adversely affect the health or safety of nearby properties through the creation of mold, mildew, dust, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration, or other impacts. (CDD-B-P)
33. Security cameras shall be installed throughout the facility to monitor both the interior and exterior of the building. The system shall have a thirty (30) day loop installed for all cameras and shall be monitored by a third party security company. (WPD/CDD-P)

Ongoing Conditions

34. The applicant shall defend, indemnify, and hold harmless the City of Watsonville, its elected and appointed officials, officers, employees, and agents from and against any claim, action, or proceeding against the City of Watsonville, its elected and appointed officials, officers, employees, or agents to attack, set aside, void, or annul any approval or condition of approval of the City of Watsonville concerning this Use Permit, including but not limited to any approval or condition of approval of the City Council, Planning Commission, or Community Development Director, which action is brought within the time period provided for in Government Code Section 66499.37. The City shall promptly notify the applicant of any claim, action, or proceeding concerning the Use Permit and the City shall cooperate fully in the defense of the matter. The City reserves the right, at its own option, to choose its own attorney to represent the City, its elected and appointed officials, officers, employees, and agents in the defense of the matter. (CDD-P)
35. The cultivation canopy shall not exceed a maximum area of 5,000 square feet. (CDD-P)
36. The applicant shall submit for a Live Scan criminal background check for all facility owners, managers and employees from the Police Department annually. (WPD/CDD-P)
37. The permittee shall ensure that under no circumstances will medical cannabis be consumed at the facility or on the premises. (WPD/CDD-P)
38. The permittee shall ensure only owners, managers and/or employees of the facility have access to the site and shall prohibit public access.

Key to Department Responsibility

CDD-B = Community Development Department - Building Division

CDD-P = Community Development Department - Planning Division

CDD-E = Community Development Department - Engineering Division

CM = City Manager

WFD = Fire Department

WPD = Police Department