

RESOLUTION NO. _____ - 21 (PC)

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY
OF WATSONVILLE, CALIFORNIA, APPROVING A CANNABIS
SPECIAL USE PERMIT (APP. NO. 1949) TO ALLOW GROWCO,
LLC., A LAWFULLY ESTABLISHED CANNABIS CULTIVATION
FACILITY TO EXPAND ITS CULTIVATION OPERATIONS INTO
SUITES 1B AND 4 LOCATED AT 9 HANGAR WAY SUITE 2,
WATSONVILLE, CALIFORNIA (APN 015-111-17)**

**Project: GrowCo Expansion
APN: 015-111-17**

WHEREAS, on January 26, 2016, the Watsonville City Council adopted Ordinance No. 1326-16, the Medical Cannabis Facilities Ordinance, allowing the cultivation of medical cannabis in the City of Watsonville; and

WHEREAS, on July 5, 2016, the Watsonville City Council amended subsection (h) of Section 6-5.120 (Zoning and location) of Chapter 5 (Medical Cannabis Facilities) of Title 6 (Sanitation and Health), limiting the number of medical cannabis cultivation facilities at no more than 6 facilities within the City of Watsonville; and

WHEREAS, On August 23, 2016, the Planning Commission of the City of Watsonville approved Special Use Permit (PP2016-59) to allow establishment of a medical cannabis cultivation facility for GrowCo, LLC., located at 9 Hangar Way, Suite 2 (APN 015-111-17). The Planning Commission approval found that the proposed cannabis cultivation facility for GrowCo met all the requirements of the Watsonville Municipal Code, specifically the separation requirements and limited the canopy area to 5,000 square feet; and

WHEREAS, on May 9, 2017, Watsonville City Council repealed Chapter 5 (Medical Cannabis Facilities) of Title 6 (Sanitation and Health), in its entirety and added a new Chapter 53 (Medical Cannabis Facilities) of Title 14 (Zoning) for the cultivation and manufacturing of Medical Cannabis because medical cannabis regulations and permitting

are undertaken by the Community Development Department, it was deemed appropriate to move cannabis regulations from Title 6 (Sanitation and Health), to Title 14(Zoning) of the Watsonville Municipal Code; and

WHEREAS, On June 23, 2020, Watsonville City Council adopted amendments to WMC Chapters 14-16 (District Regulations) and 14-53 (Cannabis Facilities) regarding the cultivation, manufacture, distribution, testing, delivery and retail sales of cannabis and cannabis products. Cultivation facilities were previously limited to 5,000 square feet of canopy area and the amended ordinance allowed expansion of permitted canopy areas up to 22,000 square feet. The amendments to WMC Chapters 14-53 also adopted new separation requirements; and

WHEREAS, on July 7, 2021, an application for a Special Use Permit (App. No. 1949) to allow GrowCo a lawfully established cannabis cultivation facility to expand its cultivation operations into Suites 1B and 4 located at 9 Hangar Way, Suite 2, Watsonville, California, was filed by Bryce Berryessa, on behalf of applicant, GrowCo and property owner; Freedom Associates, LLC.; and

WHEREAS, the project site is designated Industrial on the General Plan Land Use Map and is within the Industrial Park (IP) Zoning District; and

WHEREAS, the project site is considered a nonconforming use in relation to separation requirements for cannabis cultivation facilities; and

WHEREAS, pursuant to Section 14-20.030 of Chapter 14-20 (Nonconforming Uses and Structures) of Title 14 (Zoning) of the Watsonville Municipal Code, lawfully established and maintained uses, which do not conform to the regulations for the district in which they

are located may continue. Normal maintenance and repair for benefit of such uses may be performed; and

WHEREAS, pursuant to Section 14-20.050 of Chapter 14-20 (Nonconforming Uses and Structures) of Title 14 (Zoning), a nonconforming use may continue in operation as long as the use does not cease operation for a period of six or more months; and

WHEREAS, a nonconforming lawfully established cannabis cultivation facility is allowed to continue in operation and may propose expansion meeting all findings pursuant to Section 14-12.513 of Chapter 14-12 (Zoning Permits) of Title 14 (Zoning) with issuance of a Special Use Permit pursuant to WMC Section 14-25.030; and

WHEREAS, the project qualifies for a Class 1 Categorical Exemption from the provisions of the California Environmental Quality Act (CEQA), pursuant to Section 15301 of the CEQA Guidelines; and

WHEREAS, notice of time and place of the hearing to consider approval of Special Use Permit (App. No. 1949) was given at the time and in the manner where appropriate public noticing procedures have been followed and a public hearing was held according to Section 14-10.900 of the Watsonville Municipal Code.

WHEREAS, the Planning Commission has considered all evidence received, both oral and documentary, and the matter submitted for decision.

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

Good cause appearing, and upon the Findings, attached hereto and marked as Exhibit "A" in support of Special Use Permit (Application No. 1949), the Planning Commission of the City of Watsonville does hereby grant approval of the Special Use

Permit, attached hereto and marked as Exhibit "C," subject to the Conditions of Approval attached hereto and marked as Exhibit "B," to allow GrowCo LLC., to expand its existing 3,270± square foot cannabis cultivation facility into adjacent 3,619± square foot tenant space and 1,028± square foot tenant space within an existing 22,070± square foot industrial building and expanding its canopy area from 5,000 square feet to 10,000 square feet located at 9 Hangar Way Suites 1B, 2, and 4, Watsonville, CA (APN 015-111-17).

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 7th day of December, 2021, 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, Secretary
Planning Commission

Jenny Veitch-Olson, Chairperson
Planning Commission

**CITY OF WATSONVILLE
PLANNING COMMISSION**

EXHIBIT “A”

Application No: 1949

APN: 015-111-17

Applicant: GROWCO. LLC.

Hearing Date: December 7, 2021

SPECIAL USE PERMIT FINDINGS FOR NON-CONFORMING USES (WMC Section 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

Land designated Industrial in the *City of Watsonville’s 2005 General Plan* allows for a variety of industrial related uses, including retail sales; whole sale sales, storage, heavy commercial, transportation services, warehousing, construction, fabrication and trade shops, general manufacturing, food processing, and related services serving the industrial needs of the community.

The 2005 General Plan details the following goals and policies concerning industrial land uses in downtown Watsonville:

- **Goal 4.4 Industrial Land Use** – Achieve economic diversification, living wage employment, the preservation of the agricultural economic base of the Pajaro Valley, and maintain a balance among jobs, housing, and other urban land uses.
- **Policy 4.D. Industrial Land Use** – The City shall promote modernization of existing industrial plants and the location of new industrial facilities on lands planned for industry in Watsonville.
- **Implementation Measure 4.D.1.** – The City shall encourage existing industrial plants to maintain high standards for public safety and environmental quality consistent with economic feasibility. These standards include emission reduction, noise reduction, built-in fire protection, water conservation, and the safe use, storage, and disposal of hazardous materials.

The purpose of the Industrial designation is to provide and protect an environment which would encourage sound industrial development. The project proposes expanding a permitted cannabis cultivation facility in suites 1b and 4 to expand its canopy area from 5,000 square feet to 10,000 square feet. The parcel currently provides the following safety and security measures:

- Security Monitoring System,
- Alarm systems,
- Panic buttons

- Security Perimeter lighting,
- Video Surveillance monitoring (24 hours a days 7 days a week) systems,
- Video Retention Systems, and
- On-site Security Personnel

The implementation of security and safety measures area maintaining high standards for public safety and environmental quality consistent with economic feasibility. These standards provide necessary safety and security measures in order to protect the adjacent land uses, persons, and properties from excessive noise, heavy traffic, and other nuisances related to cannabis uses. Furthermore, the parcel currently has the following cannabis uses established: manufacturing, distribution, cultivation, processing, and retail. Proposed cannabis cultivation facilities are permitted conditionally in the IP Zoning District with issuance of a Special Use Permit approved by the Planning Commission.

A lawfully established cannabis cultivation facility not meeting the separation requirements is subject to a Special Use Permit approved by the Planning Commission WMC § 14-12.050, if all findings pursuant to WMC Section 14-12.513 can be made.

The project proposes expanding its lawfully established cannabis cultivation facility at 9 Hangar Way Suite 2, into Suite 1B and 4. This would allow GrowCo. to expand its canopy area from 5,000 square feet up to a canopy area of 10,000 square feet. Suite 4 would be converted into a nursery area while Suite 1B would be converted to expand the canopy area for mature plants. As Suite 4 is closest to abutting residential zones RM-2 and R-1, this space would be utilized as a nursery for immature plants. Comparing the aromas of immature and mature cannabis plants, immature plants do not have intense aromas as mature plants. Therefore, such expansion of this lawfully established non-conforming cannabis cultivation facility would not adversely affect adjoining properties. Also, installation of air-filtration systems is required prior to issuance of a Certificate of Occupancy for expanding the cultivation facility into Suites 1B and 4. Thus, mitigating any odor resulting from the proposed cannabis cultivation expansion.

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

In 2016, the City of Watsonville Planning Commission approved Special Use Permit (PP2016-59) to allow GrowCo. to establish a cannabis cultivation facility with canopy area of 5,000 square feet located at 9 Hangar Way Suite 2. At that time, the Special Use Permit met the separation requirements for cultivation facilities. In 2020, the City of Watsonville City Council adopted Ordinance No. 1404-20 (CM) and No. 1405-20 (CM) which amended the separation requirements for all cannabis facilities. The amended ordinance also increased the canopy area for approved cultivation sites from 5,000 square feet to 22,000 square feet of canopy area. Expansion of a lawfully established cannabis cultivation facility is subject to a Minor Modification pursuant to WMC Section 14-12.1000 and 14-53.302(c)(d). The amended ordinance made the cannabis cultivation facility at 9 Hangar Way Suite 2 nonconforming as it no longer meets the separation requirements of the WMC.

Pursuant to WMC Section 14-20.505, a nonconforming use may only be increased in size or intensity or modified in location or character through the granting of a Special Use Permit approved by the Planning Commission. The granting of a Special Use Permit for a nonconforming use requires findings pursuant to WMC Section 14-12.513 that demonstrates such expansion or modification would not adversely affect adjoining properties.

GrowCo. proposes expanding its cultivation facility into suites 1B and suite 4. Suite 4 would be converted into an immature nursery area and suite 1B would be converted into a cultivation facility. This would allow GrowCo. to expand its cultivation canopy area from 5,000 square feet up to 10,000 square feet.

The nearest sensitive uses are abutting properties located within the R-1 and RM-2 Zoning Districts. The new separation requirements in Chapter 14-53 of the WMC establish standards for proposed cultivation facilities. These standards require that a cultivation facility be located 250 feet away from any residential district. The separation is measured from parcel line of sensitive use to the nearest wall of the cultivation facility. Suite 4 is the closest in proximity to the sensitive uses at 56± feet measured from parcel line of the abutting RM-2 Zoning District to the nearest wall of the cultivation facility. The R-1 Zoning District measures 83± feet from property line to nearest wall of the cultivation facility. Suite 4 is where the immature plant nursery would be located. Suite 1B is located away from the sensitive uses and would be converted into the canopy area for mature plants. Comparing odors of the cannabis plant, immature plants do not give off odors as mature plants do. Therefore, the expansion would not adversely affect the adjoining properties. Odor control measures would also be installed, via air filtrations systems verified through issuance of a Certificate of Occupancy. Conditions are also applied to this Special Use Permit relating to nuisances concerning odors from nearby properties.

GrowCo. is currently operating its lawfully established cultivation facility in Suite 2. The Parcel has the following established cannabis uses: manufacturing, processing, distribution, and retail. Watsonville Police Department's review found the cannabis

facility operating within the City's and WPD's requirements meeting all safety and security standards. GrowCo's. management, staff, and owners have demonstrated professionalism and responsible business management for its cannabis facility. WPD supports GrowCo's. expansion and would verify implementation of security surveillance prior to issuance of a Certificate of Occupancy.

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 proposed cannabis cultivation facility would be closed to the public and would employ a maximum of 8 employees with 4 employees per shift. Pursuant to WMC Section 14-17.1301(b), a cannabis cultivation facility requires 10 spaces plus 1 space for each 150 square feet of floor sales area. As the cannabis cultivation facility would not be open to the public and has no floor sales area, 10 parking spaces are required. The site plan (Attachment 1, sheet A-1) identifies that 63 parking spaces are provided, consisting of 42 standard spaces, 19 compact spaces, and two handicap spaces.

The following uses are also located on the same site, Cannabis Retail Storefront, Cannabis Manufacturing, and Cannabis Distribution. Each use is operated and partially owned by Bryce Berryessa. The Cannabis Retail facility is open to the public and requires one space per 150 square feet of floor area dedicated to the business. The cannabis retail storefront has a floor area of 3,012± square feet. Therefore, the cannabis retail facility is required to provide 20 parking spaces. La Vida Verde, a cannabis manufacturing and distribution facility, occupies a 2,821± square foot tenant space and employs 11 individuals. La Vida Verde is required to provide 12 parking spaces.

For all cannabis uses at 9 and 11 Hangar Way, 42 parking spaces are required. The site provides 63 parking spaces, with the remaining 21 parking spaces for Schniable Construction Inc. (Suite 3) and Top Tech Machine Shop (Suite 5). Ample parking is available at the subject site, and therefore, will not generate pedestrian or vehicular traffic that will be hazardous or conflicting with the existing and anticipated traffic in the neighborhood.

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 additional site improvements or modifications are required as part of this permit.

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 cannabis cultivation facility does not adversely affect the health or safety of nearby properties through noise, odor or other nuisances.

The proposed cannabis retail facility currently provides the following security and safety measures:

- Alarm systems
- Remote monitoring of alarm systems by licensed security professionals
- 24-hour video surveillance maintained for a minimum of 90 days
- Security personnel on-site 24 hours a day
- Security lighting with motion detectors
- Odor control systems

The proposed Special Use Permit (App. No. 1949) to allow expansion of a lawfully established nonconforming use is conditioned to mitigate any adverse related impacts regarding lighting, noise, odors, or nuisances. As conditioned, the project would not adversely affect adjoining properties within the vicinity.

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 are 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

As conditioned, the Special Use Permit (App. No. 1949) to allow a lawfully established cannabis cultivation facility to expand its canopy area from 5,000 square feet to 10,000 square feet would not be detrimental to public welfare, and would not be damaging to adjacent properties. The project is conditioned with operational standard conditions for cannabis facilities. Those standards include the following: lighting, odor control, air ventilation systems, signs, recordkeeping, security, video surveillance, compliance and inspections. The cannabis use is also required to renew its cannabis license on an annual basis. Issuance of a renewal cannabis use permit is a discretionary act. No applicant shall be automatically entitled to receive a

use permit renewal based solely on meeting the basic requirements of the WMC. By requiring an annual renewal for all cannabis facilities, staff can ensure the proposed use would not be materially detrimental to the public health, safety, convenience and welfare, and would not result in material damage or prejudice to other property in the vicinity.

**CITY OF WATSONVILLE
PLANNING COMMISSION**

EXHIBIT “B”

Application No: 1949

APN: 015-111-17

Applicant: GrowCo. LLC

Hearing Date: December 7, 2021

**SPECIAL USE PERMIT CONDITIONS OF APPROVAL FOR CANNABIS CULTIVATION
FACILITIES – TYPE 2A**

General Conditions

1. This approval applies to the application identified as “9 Hangar Way Suite 1B” received by the Community Development Department on July 27, 2021, and filed by Bryce Berryessa, applicant, on behalf of GROWCO. LLC. (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. **Appeal Period/Effective Date.** This approval shall be effective **14 days** after the date of approval by the Zoning Administrator or following final action on any appeal. (CDD-P)
6. **Findings.** Approval is subject to making findings and supportive evidence in accordance with WMC Section 14-12.403 (Design Review Findings), with attached said Findings, and made a part of this Minor Design Review Permit and Environmental Review. (CDD-P)
7. **Conditions of Approval.** A copy of the conditions of approval must be printed within the first or second sheet of plans submitted for future permits. ***Plans without the conditions of approval printed directly on the first or second page shall not be accepted at the plan check phase.*** (CDD-P)

8. **Required Statement.** The applicant and contractor who obtains a building permit for the project shall be required to sign the following statement, which will become conditions of the building permit:

“I understand that the subject permit involves construction of a building (project) with an approved Design Permit. I intend to perform or supervise the performance of the work allowed by this permit in a manner which results in a finished building with the same level of detail, articulation, and dimensionality shown in the plans submitted for building permits. I hereby acknowledge that failure to construct the building as represented in the building permit plans, may result in delay of the inspections process and/or the mandatory reconstruction or alteration of any portion of the building that is not in substantial conformance with the approved plans, prior to continuation of inspections or the building final.”

Signature of Building Contractor

Date

9. **Building Code.** All construction shall comply with the most recent adopted City and State Building Codes. (CDD-B)
10. **Work Hours.** No work for which a building permit is required shall be performed within the hours of 7 p.m. to 7 a.m. Monday through Friday, nor prior to 8 a.m. or after 5 p.m. on Saturday. No work shall be performed on Sundays or holidays. A sign shall be posted at a conspicuous location near the main entry to the site, prominently displaying these hour restrictions and identifying the phone # of the Job superintendent. (CDD-B)
11. **Annual Cannabis Renewal.** The Cannabis Cultivation Permit is valid for a 1-year period as outlined in WMC Chapter 14-53.110. (CDD-P)

Standard Conditions for Cannabis Facilities (WMC § 14-53.301)

12. Parking area lighting and exterior lighting mounted on the facility shall be balanced and shall not result in glare on adjoining properties, shall complement the security systems required in this chapter to ensure that all areas of the location are visible, and shall provide increased lighting at all entrances to the facility. The lighting required in this subsection shall be on from dusk to dawn. (CDD-P)
13. No person, other than a licensed security guard, shall be in possession of any firearm while on the premises without having first obtained a license from the State and City authorizing the person to be in possession of such firearm. (CDD-P)
14. Each applicant or permittee shall notify the City immediately after discovering any of the following: diversion, theft, loss, or any criminal activity involving the cannabis activity or operation of the facility; significant discrepancies identified during inventory; or any breach of security. (CDD-P)
15. No permittee shall be delinquent in the payment of any State and City taxes and

fees. (CDD-P)

16. The permittee shall hold all required State licenses under the Cannabis Regulation and Safety Act (Business and Professions Code Section [19300](#), et seq.), as it may be amended, and under all other applicable State laws. (CDD-P)
17. At any time between 8:00 a.m. and 10:00 p.m. and without notice, City may enter the facility to observe compliance of the facility operation, and may inspect facility records, books, accounts, financial data, and all data and records relevant to its cannabis use permit for the purposes of conducting an audit or compliance review. (CDD-P)
18. It is unlawful for any person to refuse to allow, impede, obstruct, or interfere with an inspection, or the review of the copying of records and monitoring (including recordings) including, but not limited to, the concealment, destruction, and falsification of any paper, electronic or other records deemed necessary and reasonable to administer the requirements of this chapter. (CDD-P)
19. It shall be unlawful and a violation of this chapter to employ any person at a facility who is not at least eighteen (18) years of age. (CDD-P)
20. Odor control devices and techniques shall be incorporated in all facilities to ensure that odors from cannabis are not detectable off site. Facilities shall provide a sufficient odor-absorbing ventilation and air filtration system so that odor generated inside the facility that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the facility. Facilities shall install and maintain the following equipment or any other equipment which the Chief of Police determines has the same or better effectiveness: (CDD-P)
 1. A ventilation and air filtration system with odor control that prevents internal odors from being emitted externally;
 2. An air filtration system that creates negative air pressure between the facility's interior and exterior so that the odors generated inside the facility are not detectable on the outside of the facility.
21. All weighing devices must be maintained in compliance with local, County, State, or Federal law and comply with applicable regulations regarding device registration with the Santa Cruz County Agricultural Commissioner. (CDD-P)
22. All facilities shall follow all local, County, State, and Federal requirements for solid waste and hazardous waste disposal. The County of Santa Cruz Environmental

Health Division may inspect the facility at any time during business hours to ensure compliance with this section. (CDD-P)

23. Cannabis facilities shall employ security personnel subject to the following requirements: (CDD-P)
 - A. All security personnel shall register and maintain valid registration status with the State of California's Department of Consumer Affairs. At no time shall any security personnel register with the State at any level that is less than that of a State licensed private security officer. Proof of application and registration for all security personnel shall be maintained by the applicant or licensee and shall consist of copies of all relevant documentation including: application forms, receipts for application fees and live scan fees, and actual proof of registration. (CDD-P)
 - B. While on duty, all security personnel shall have a nameplate containing the security personnel's full name and the word "SECURITY" printed in bold, capital letters. The nameplate shall be exhibited prominently on the clothing, at chest level, and shall be visible and easily read at all times. The nameplate shall be a minimum of two (2") inches high and four (4") inches wide, with the required information printed in capital letters, at least three-fourths (3/4") inch high and in a contrasting color. As an alternative to a nameplate, the security personnel's name and the word "SECURITY" may be embroidered on the security personnel's outermost garment with the required information meeting the above specifications and located at chest level. (CDD-P)
24. Each applicant or licensee shall conspicuously display its permit or license on the premises. Each cannabis facility that engages in delivery services or in transportation services shall carry a copy of the permit in all vehicles that deliver or transport cannabis. (CDD-P)
25. No applicant or licensee may hold a license from the State Department of Alcoholic Beverage Control to sell alcohol beverages, nor may the cannabis facility operation include a business that sells alcohol beverages. No alcohol may be stored, sold, dispensed or used on the premises. (CDD-P)
26. Consistent with the "Memorandum for All United States Attorneys," issued on or about August 29, 2013, by the U.S. Department of Justice, from James M. Cole, Deputy Attorney General (known as the "Cole Memo"), the cannabis facility shall take all necessary and reasonable steps, including the refusal of service to any patient of the applicant or licensee, to prevent: (CDD-P)
 - A. The distribution of cannabis to minors;

- B. Revenue from the sale or distribution of cannabis from going to criminal enterprises, gangs and cartels;
- C. The diversion of cannabis from California to any other state;
- D. State-authorized cannabis activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
- E. Violence and the use of firearms in the cultivation and distribution of cannabis;
- F. Drugged driving and the exacerbation of other adverse public health consequences associated with cannabis use;
- G. Growing of cannabis on public lands and the attendant public safety and environmental dangers posed by cannabis production on public lands; and
- H. Cannabis possession or use on Federal property.

Standard Conditions for Cultivation of Cannabis (WMC § 14-53.302)

- 27. Outdoor commercial cultivation is prohibited. All cultivation of cannabis must occur within a permanent, permitted structure. (CDD-P)
- 28. In no case shall cannabis plants be visible from a public or private road, sidewalk, park or any common public viewing area. (CDD-P)
- 29. Commercial cannabis cultivation which is permitted in the City of Watsonville shall not exceed twenty-two thousand (22,000) square feet of canopy space permitted by State law with a valid cannabis use permit. (CDD-P)
- 30. A permittee may cultivate cannabis at more than one (1) location if each location is separately permitted and the total square footage of cannabis cultivated does not exceed the total allowed under the license type (five thousand (5,000) square foot or ten thousand (10,000) square foot maximum). (CDD-P)
- 31. Cannabis cultivation shall be conducted in accordance with State and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters. (CDD-P)
- 32. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from pests, rodents or other wildlife. (CDD-P)
- 33. Cultivation shall at all times occur in such a way as to ensure the health, safety,

and welfare of the public, the employees working at the facility, visitors to the area, neighboring properties, and the end users of the cannabis being cultivated, to protect the environment from harm to streams, fish, and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard against the diversion of cannabis. (CDD-P)

34. The applicant or permittee shall prohibit loitering by persons outside the facility, either on the premises or within one hundred (100') feet of the premises. (CDD-P)
35. The cultivation of cannabis shall not create hazards due to the use or storage of materials, processes, products, chemicals, fertilizers, or wastes. (CDD-P)
36. The interior and exterior of the 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)
37. Exterior lighting on the premises and location shall ensure the safety of the public and the members and employees of the applicant or permittee while not disturbing surrounding residential or commercial areas. (CDD-P)
38. Each permittee shall operate in a manner such that the cultivation of cannabis does not adversely affect the health or safety of nearby properties through the creation of mold, mildew, dust, glare, heat, noise, noxious gases, odor, smoke, traffic, vibration, or other impacts. (CDD-P)
39. The facility shall follow all pesticide use requirements of local, State, and Federal law. City staff may inspect the facility at any time during business hours to ensure compliance with this section. (CDD-P)

Standard Conditions for Distribution of Cannabis Products (WMC § 14-53.307)

40. A distributor shall not store noncannabis goods or noncannabis accessories that are to be sold to another party on any licensed premises. Additionally, a distributor shall not distribute noncannabis goods or noncannabis accessories at a licensed premise. For the purposes of this section, noncannabis goods are any goods that do not meet the definition of cannabis goods as defined in Section 5000(c) of the California Code of Regulations. (CDD-P)
41. After taking physical possession of a cannabis goods batch, the distributor shall contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing. (CDD-P)
42. A distributor shall ensure that all cannabis goods batches are stored separately and distinctly from other cannabis goods batches on the distributor's premises. (CDD-P)

43. The distributor shall ensure that the batch size from which the sample is taken meets the requirements of State law, specifically the testing provisions within the California Code of Regulations. (CDD-P)
44. A distributor or an employee of the distributor shall be physically present to observe the laboratory employee obtain the sample of cannabis goods for testing and shall ensure that the increments are taken from throughout the batch. The sampling shall be video-recorded, and the recording kept available to State and local authorities for a minimum of one hundred eighty (180) days, pursuant to Section 5305 of the California Code of Regulations. (CDD-P)
45. A distributor shall not transport cannabis or cannabis products to a licensed retail facility until and unless it has verified that the cannabis or cannabis products have been tested and certified by a testing lab as being in compliance with State health and safety requirements pursuant to Sections 5705, 5710 and 5714 of the California Code of Regulations. (CDD-P)
46. Each facility that engages in distribution services shall carry a copy of the use permit in all vehicles that distribute cannabis. (CDD-P)
47. The distributor shall be in compliance with State and local cannabis regulations at all times, including California Business and Professions Code Division 10 (Cannabis), as may be amended. (CDD-P)

Standard Conditions for Recordkeeping (WMC § 14-53.403)

48. Each cannabis facility shall maintain an inventory control and reporting system to track and report on all aspects of the cannabis facility including, but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and sale) and shall ensure that such information is compatible with the City's recordkeeping systems and complies with State law. The system must have the capability to produce historical transactional data for review by the City of Watsonville. All information provided to the City pursuant to this subsection shall be confidential and shall not be disclosed, except as otherwise may be required under the law. Such system must be authorized by the City Manager or their designee. (CDD-P)
49. Each applicant or licensee shall maintain at the premises all records and documents required by this chapter and all the information and records listed below: (CDD-P)
 - 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 applicant or licensee;
 - 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 this section;
 - E. Complete and up-to-date records regarding the amount of cannabis cultivated, produced, harvested, stored, or packaged at its cultivation site;
 - F. Complete and up-to-date manifest records regarding cannabis transfers from the applicant's 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 cannabis from the applicant's or licensee's dispensing location to patients including the amount provided, the form or product category in which the 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 applicant or licensee, including but not limited to all contributions and all expenditures incurred by the applicant or licensee for the cultivation and dispensing of cannabis; and
 - I. Records demonstrating compliance with State and Federal rules and regulations regarding reporting and taxation of income received.
50. All cannabis facilities shall perform an inventory on the first business day of each month and shall record the total quantity of each form of cannabis on the premises. (CDD-P)
51. 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 the Zoning Administrator and any City official charged with enforcing the provisions of this code upon request. (CDD-P)

Standard Conditions for Security (WMC § 14-53.404)

52. A permitted facility shall implement enough security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the facility. Except as may otherwise be determined by the City Manager or his/her designee(s), these security measures shall include, but shall not be limited to, all of the following: (CDD-P)
- a. Alarm system (perimeter, fire, and panic buttons).
 - b. Remote monitoring of alarm systems by licensed security professionals.
 - c. Perimeter lighting systems (including motion sensors) for after-hours security.
 - d. Perimeter security and lighting as approved by the Police Chief and Director of the Community Development Department or his/her designee.
 - e. Preventing individuals from remaining on the premises of the facility if they are not engaging in an activity directly related to the permitted operations of the facility.
 - f. Establishing limited access areas accessible only to authorized facility personnel.
 - g. Except for live growing plants which are being cultivated at a cultivation operation, all cannabis and cannabis products shall be stored in a secured and locked vault or vault equivalent. All safes and vaults shall be compliant with Underwriters Laboratories burglary-resistant and fire-resistant standards. All cannabis and cannabis products, including live plants that are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss.
 - h. Installing twenty-four (24) hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the facility which are open and accessible to the public, all interior spaces where cannabis, cash or currency is being stored for any period of time on a regular basis and all interior spaces where diversion of cannabis could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weatherproof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The facility shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the City Manager or his/her designee(s), and that it is compatible with the City's software and hardware. In addition,

remote and real-time, live access to the video footage from the cameras shall be provided to the City Manager or his/her designee(s). Video recordings shall be maintained for a minimum of ninety (90) days and shall be made available to the City Manager or his/her designee(s) upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the facility and shall be capable of enlargement via projection or other means. Internet Protocol address information shall be provided to the Watsonville Police Department by the facility, to facilitate remote monitoring of security cameras by the Department or its designee.

- i. Sensors shall be installed to detect entry and exit from all secure areas and shall be monitored in real time by a security company licensed by the State of California Bureau of Security and Investigative Services.
- j. Panic buttons shall be installed in all facilities with direct notification to the Watsonville Police Department dispatch and shall be configured to immediately alert dispatch for the Watsonville Police Department.
- k. Having a professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Department of Consumer Affairs Bureau of Security and Investigative Services.
- l. Any bars installed on the windows or the doors of the facility shall be installed only on the interior of the building.
- m. Security personnel shall be on site twenty-four (24) hours a day or alternative security as authorized by the City Manager or his/her designee(s), and must have a verified response security patrol when closed. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the City Manager or his/her designee(s), with such approval not to be unreasonably withheld. Firearms may be carried by security personnel while they are on duty if authorized by the Chief of Police.
- n. Each facility shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
- o. Entrance areas are to be locked at all times and under the control of a designated responsible party that is either (i) an employee of the facility, or (ii) a licensed security professional.
- p. Each facility shall have an accounting software system in place to provide point-of-sale data as well as audit trails for both product and cash, where applicable.

- q. Each facility shall demonstrate to the Chief of Police, City Manager or their designees, compliance with the State's track and trace system for cannabis and cannabis products, as soon as it is operational.
 - r. Each facility shall have a professionally installed video surveillance system, access control and intrusion alarm systems designed to protect the inventory, facility, and employees. Each business shall have network security protocols that are certified by Underwriters Laboratories.
 - s. Exterior vegetation shall be planted, altered and maintained in a fashion that precludes its use as a hiding place for persons on the premises.
 - t. Emergency access and emergency evacuation plans that are in compliance with State and local fire safety standards.
53. Each facility shall identify a designated security representative/liaison to the City of Watsonville, who shall be reasonably available to meet with the City Manager or his/her designee(s) regarding any security related measures and/or operational issues. The designated security representative/liaison shall, on behalf of the cannabis facility, annually maintain a copy of the current security plan on the cannabis facility to present to the City Manager or his/her designee upon request that meets the following requirements: (CDD-P)
- a. Confirms that a designated manager will be on duty during business hours and will be responsible for monitoring the behavior of employees.
 - b. Identifies all managers of the cannabis facility and their contact phone numbers.
 - c. Confirms that first aid supplies and operational fire extinguishers are in the service areas and the manager's office.
 - d. Confirms that burglar, fire, and panic alarms are operational and monitored by a licensed security company twenty-four (24) hours a day, seven (7) days a week, and provides contact information for each licensed security company.
 - e. Identify enough licensed, interior and exterior security personnel who will monitor individuals inside and outside the facility, the parking lot, and any adjacent property under the business' control.
 - f. Confirm that the licensed security personnel shall regularly monitor the parking lot and any adjacent property to ensure that these areas are: (i) free of individuals loitering or causing a disturbance; (ii) are cleared of employees and their vehicles one-half (1/2) hour after closing.

54. As part of the application and permitting process each facility shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, any hazardous materials that may be used by the business, and any currency. (CDD-P)
55. The facility shall cooperate with the City whenever the City Manager or his/her designee(s) makes a request, with or without prior notice, to inspect or audit the effectiveness of any security plan or of any other requirement of this chapter. (CDD-P)
56. A facility shall notify the City Manager or his/her designee(s) within twenty-four (24) hours after discovering any of the following: (CDD-P)
 - a. Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager or his/her designee(s).
 - b. Diversion, theft, loss, or any criminal activity involving the facility or any agent or employee of the facility.
 - c. The loss or unauthorized alteration of records related to cannabis, customers or employees or agents of the facility
 - d. Any other breach of security.
57. Compliance with the foregoing requirements shall be verified by the Zoning Administrator before commencing business operations. The Zoning Administrator may supplement these security requirements once operations begin upon request of the business owner. (CDD-P)

Standard Conditions for Video Surveillance (WMC § 14-53.405)

58. Minimum Requirements. The following video surveillance requirements shall apply to all cannabis businesses: (CDD-P)
 - a. Prior to exercising the privileges of a cannabis business, an applicant must install a fully operational video surveillance and security camera recording system. The recording system must record in digital format and meet the requirements outlined in this chapter.
 - b. All video surveillance records and recordings must be stored in a secure area that is only accessible to an applicant's or licensee's management staff.
 - c. Video surveillance records and recordings must be made available upon request to the Division, the relevant local licensing authority, or any other

State or local law enforcement agency for a purpose authorized by the municipal code or for any other State or local law enforcement purpose.

- d. Video surveillance records and recordings of point-of-sale areas shall be held in confidence by all employees and representatives of the Division, except that the Division may provide such records and recordings to the relevant local licensing authority, or any other State or local law enforcement agency for a purpose authorized by the municipal code or for any other State or local law enforcement purpose.

59. Video Surveillance Equipment. (CDD-P)

- a. Video surveillance equipment shall, at a minimum, consist of digital or network video recorders, cameras capable of meeting the recording requirements described in this rule, video monitors, digital archiving devices, and a color printer capable of delivering still photos.
- b. All video surveillance systems must be equipped with a failure notification system that provides prompt notification to the applicant or licensee of any prolonged surveillance interruption and/or the complete failure of the surveillance system.
- c. Licensees are responsible for ensuring that all surveillance equipment is properly functioning and maintained so that the playback quality is suitable for viewing and the surveillance equipment is capturing the identity of all individuals and activities in the monitored areas.
- d. All video surveillance equipment shall have sufficient battery backup to support a minimum of four (4) hours of recording in the event of a power outage.

60. Placement of Cameras and Required Camera Coverage. (CDD-P)

- a. Camera coverage is required for all limited access areas, point-of-sale areas, security rooms, all points of ingress and egress to limited access areas, all areas where cannabis or cannabis-infused product is displayed for sale, and all points of ingress/egress to the exterior of the licensed premises.
- b. Camera placement shall be capable of identifying activity occurring within twenty (20') feet of all points of ingress and egress and shall allow for the clear and certain identification of any individual and activities on the licensed premises.
- c. At each point-of-sale location, camera coverage must enable recording of the patients, caregiver or customer(s) and employee(s) facial features with sufficient clarity to determine identity.

- d. All entrances and exits to the facility shall be recorded from both indoor and outdoor vantage points.
- e. The system shall be capable of recording all predetermined surveillance areas in any lighting conditions. If the licensed premises have a cannabis cultivation area, a rotating schedule of lighted conditions and zero (0) illumination can occur as long as ingress and egress points to flowering areas remain constantly illuminated for recording purposes.
- f. Areas where cannabis is grown, tested, cured, manufactured, or stored shall have camera placement in the room facing the primary entry door at a height which will provide a clear unobstructed view of activity without sight blockage from lighting hoods, fixtures, or other equipment.
- g. Cameras shall also be placed at each location where weighing, packaging, transport, preparation, tagging, and storage and counting of cash.
- h. At least one (1) camera must be dedicated to recording the access points to the secured surveillance recording area.

61. Location and Maintenance of Surveillance Equipment. (CDD-P)

- a. The surveillance room or surveillance area shall be a limited access area.
- b. Surveillance recording equipment must be housed in a designated, locked and secured room or other enclosure with access limited to authorized employees, agents of the City, County and State for a purpose authorized by this Code or for any other State or local law enforcement purpose, and service personnel or contractors.
- c. Licensees must keep a current list of all authorized employees and service personnel who have access to the surveillance system and/or room on the licensed premises. Licensees must keep a surveillance equipment maintenance activity log on the licensed premises to record all service activity including the identity of the individual(s) performing the service, the service date and time and the reason for service to the surveillance system.
- d. Off-site monitoring and video recording storage of the licensed premises by the licensee or an independent third party is authorized as long as standards exercised at the remote location meet or exceed all standards for on-site monitoring.
- e. Each cannabis licensed premises located in a common or shared building must have a separate surveillance room/area that is dedicated to that specific licensed premises. Commonly owned cannabis businesses located

in the same local jurisdiction may have one (1) central surveillance room located at one (1) of the commonly owned licensed premises which simultaneously serves all of the commonly owned cannabis businesses. The facility that does not house the central surveillance room is required to have a review station, printer, and map of camera placement on the premises. All minimum requirements for equipment and security standards as set forth in this section apply to the review station.

62. Video Recording and Retention Requirements. (CDD-P)

- a. All camera views of all limited access areas must be continuously recorded twenty-four (24) hours a day. The use of motion detection is authorized when a licensee can demonstrate that monitored activities are adequately recorded.
- b. All surveillance recordings must be kept for a minimum of forty (40) days and be in a format that can be easily accessed for viewing. Video recordings must be archived in a format that ensures authentication of the recording as legitimately captured video and guarantees that no alteration of the recorded image has taken place.
- c. The licensee's surveillance system or equipment must have the capabilities to produce a color still photograph from any camera image, live or recorded, of the licensed premises.
- d. The date and time must be embedded on all surveillance recordings without significantly obscuring the picture. The date and time must be synchronized with any point-of-sale system.
- e. Time is to be measured in accordance with the official United States time established by the National Institute of Standards and Technology and the U.S. Naval Observatory in Pacific time.

Standard Conditions for Identification Display Requirements (WMC § 14-53.406)

63. Each owner, manager and individual member engaged in the cultivation, processing, manufacturing, transporting or dispensing of cannabis shall, at all times while engaged in the duties of his or her position for the collective, wear in plain sight, on his or her person and at chest level, a valid identification badge, issued by the Chief of Police, and containing such information, including a suitable photograph, as the Chief of Police may require. (CDD-P)
64. No owner, manager or individual member engaged in the cultivation, processing, manufacturing, transporting or dispensing of cannabis shall engage in any activities with which he or she is registered, without first obtaining a valid identification badge. (CDD-P)

65. Identification badges shall expire one (1) year after issuance. (CDD-P)
66. Application for renewed identification badges shall be filed with the Chief of Police no later than thirty (30) days prior to the expiration of the current identification badge. (CDD-P)
67. Identification badges are the property of the City and shall be immediately collected by the facility and provided to the Chief of Police within twenty-four (24) hours of their expiration, or within twenty-four (24) hours of the termination of the employee's relationship with the owner, manager or individual member participating in the cultivation, processing, manufacturing, transporting or dispensing of cannabis. The applicant or licensee shall report any stolen or lost badges to the Chief of Police within forty-eight (48) hours of such loss or theft. (CDD-P)

Standard Conditions for Compliance (WMC § 14-53.501)

68. All cannabis facilities shall pay any applicable sales, use, business or other tax, and all license, registration, or other fees pursuant to Federal, State, County, and local law, or any other regulatory agencies as applicable. (CDD-P)
69. All cannabis facilities and their related licensees or cooperatives shall fully comply with all the provisions of the Compassionate Use Act of 1996, the Medical Cannabis Program Act, the 2008 Attorney General Guidelines, MCRSA, any subsequently enacted State law or regulatory, licensing, or certification requirement, all applicable provisions of this Code, and any specific, additional operating procedures and measures as may be imposed as conditions of approval of the regulatory permit. (CDD-P)
70. Nothing in this chapter shall be construed as authorizing any actions which violate State or local law with regard to the cultivation, transportation, manufacture, provision, sale, transfer, or disposition of cannabis. (CDD-P)

Standard Conditions for Inspections (WMC § 14-53.502)

71. The Zoning Administrator or designee shall have the right to enter all cannabis facilities from time to time unannounced during the facility's hours of operation for the purpose of making reasonable inspections to observe and enforce compliance with this chapter, to inspect and copy records required to be maintained under this chapter, or to inspect and view recordings made by security cameras, all without requirement for a search warrant, subpoena, or court order. (CDD-P)
72. Nothing in this chapter requires the disclosure of any patient's private medical record. (CDD-P)

73. The Zoning Administrator or designee may summarily suspend or revoke a cannabis regulatory permit, or disqualify an applicant from the registration process, or elect not to renew a regulatory permit if any of the following, singularly or in combination, occur: (CDD-P)
- a. The Zoning Administrator or designee determines that the cannabis facility has failed to comply with any requirement of this chapter or any condition of approval or a circumstance or situation has been created that would have permitted the Zoning Administrator or designee to deny the regulatory permit pursuant to Section 14-53.110;
 - b. The licensee or cannabis facility has conducted itself or is being conducted in a manner that creates or results in a public nuisance;
 - c. Ownership is changed without the new owners securing a regulatory permit;
 - d. The applicant or licensee relocates to a different location or premises;
 - e. The cannabis facility fails to allow inspection and/or copying of the security recordings, the activity logs and records required under this chapter, or the premises by authorized City officials;
 - f. Applicant violates MCRSA or any subsequent State law or rulemaking for the purpose of compliance with the Cannabis Facilities Ordinance.

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

**CITY OF WATSONVILLE
PLANNING COMMISSION**

EXHIBIT "C"

Application No: 1949
APNs: 015-111-17
Applicant: GrowCo. LLC
Hearing Date: December 7, 2021

Applicant: GrowCo. LLC
Address: 9 Hangar Way Suite 1B, 2 and 4, Watsonville, CA 95076
Project: Special Use Permit with Environmental Review Permit to allow expansion of a lawfully established cannabis cultivation facility to increase its canopy area from 5,000 square feet to 10,000 square feet.
Location: 9 Hangar Way Suite 1B, 2, and 4, Watsonville, CA 95076
Purpose: Expand existing permitted cultivation facility from 5,000 square feet of canopy area to 10,000 square feet of canopy area
Property Owner: Freedom Associates, LLC. 21
Address: 21 Brennan Street #16, Watsonville, CA 95076

A Special Use Permit (Application No.1949) to allow expansion of a lawfully established cannabis cultivation facility for GrowCo. to increase its canopy area from 5,000 square feet to 10,000 square feet located at 9 Hangar Way Suites 1B, 2, and 4, Watsonville, CA (APN 015-111-17), was reviewed by the Planning Commission at a public hearing on December 7th, 2021, and was conditionally approved by adoption of Planning Commission Resolution No.____ (PC) together with findings and conditions of approval attached hereto and made a part of this permit.

CITY OF WATSONVILLE
Planning Commission

Suzi Merriam
Community Development Director