



COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING & BUILDING
TREVOR KEITH, DIRECTOR

THIS IS A NEW PROJECT REFERRAL

DATE: 8/8/2019

TO: South County Advisory Council

FROM: David Moran (DEMoran@co.slo.ca.us or 805-781-5625)

**PROJECT NUMBER & NAME: DRC2019-00087 NIPOMO AG LLC
(FORMERLY DRC2018-00163 -- PERENNIAL HOLISTIC WELLNESS_KOCH CALIF LTD)**

PROJECT DESCRIPTION: Proposed Conditional Use Permit for 22,000 sq/ft indoor cultivation, 78,122 sq/ft of commercial nursery as well as 35,328 sq/ft/ of other ancillary activities within existing buildings. The proposed project will be located at 662 Eucalyptus Rd. Nipomo, CA

[APN\(s\):](#) 091-311-032

Return this letter with your comments attached no later than 14 days from receipt of this referral. CACs please respond within 60 days. Thank you.

PART I: IS THE ATTACHED INFORMATION ADEQUATE TO COMPLETE YOUR REVIEW?

- ☐ YES (Please go on to PART II.)
- ☐ NO (Call me ASAP to discuss what else you need. We have only 10 days in which we must obtain comments from outside agencies.)

PART II: ARE THERE SIGNIFICANT CONCERNS, PROBLEMS OR IMPACTS IN YOUR AREA OF REVIEW?

- ☐ YES (Please describe impacts, along with recommended mitigation measures to reduce the impacts to less-than-significant levels, and attach to this letter.)
- ☐ NO (Please go on to PART III.)

PART III: INDICATE YOUR RECOMMENDATION FOR FINAL ACTION.

Please attach any conditions of approval you recommend to be incorporated into the project's approval, or state reasons for recommending denial.

IF YOU HAVE "NO COMMENT," PLEASE SO INDICATE, OR CALL.

Date

Name

Phone



NIPOMO AG LLC
SUPPLEMENTAL DEVELOPMENT STATEMENT
CANNABIS CONDITIONAL USE PERMIT
662 EUCALYPTUS ROAD, NIPOMO, CA 93444
APN (091-311-032)
PROJECT DESCRIPTION (*June 2019*)

Parcel Size:	28.82 Acres
APN:	091-311-032
Address:	662 Eucalyptus Road, Nipomo, CA 93444
Land Use Designation:	AG
Williamson Act:	No
Water:	On-Site Well
Existing Uses:	Residence, Rose and Cannabis Cultivation
Access:	Eucalyptus Road

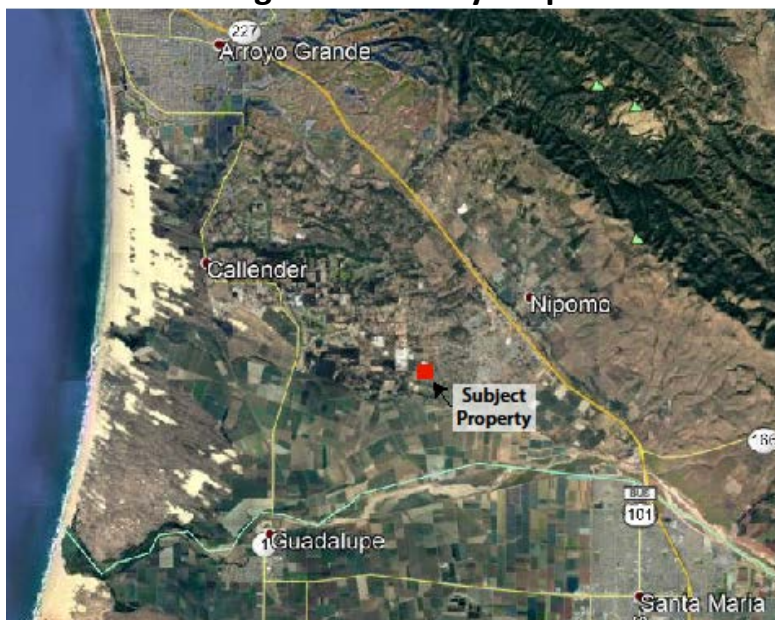
The subject property consists of one parcel totaling 28.82 acres, located at 662 Eucalyptus Road in Nipomo (APN 091-311-032), accessed off Eucalyptus Road, in the South County Sub Planning Area and zoned Agriculture. Existing uses on the site include a residence, mobile home, commercial buildings, rose cultivation (historical), and cannabis cultivation since 2016.

Proposed Project

A request by Nipomo AG LLC for a Cannabis Use Permit to authorize indoor cannabis cultivation totaling 22,000 sq. ft. greenhouse canopy, processing of product grown on site, and nursery propagation. The property is currently registered and operating via CCM2016-00252. The proposed project has been designed in full compliance with LUO Section 4, Chapter 18322.30- Cannabis Activities as approved by the Board of Supervisors on November 27, 2017 and amended on December 11, 2018. Supporting cultivation operations will include processing activities consisting of drying, curing, and preparation of product for off-site testing and entry into the commercial marketplace. All uses will be located within existing structures and will be fenced for security as required. All electrical and plumbing infrastructure are in place for the powered greenhouses. The processing building will be brought into compliance with current Fire Code for the proposed use, including installation of sprinklers. The proposed project is located

at 662 Eucalyptus Road, Nipomo, CA 93444, approximately 9 miles North of Santa Maria and 11 miles South of Arroyo Grande.

Figure 1: Vicinity Map

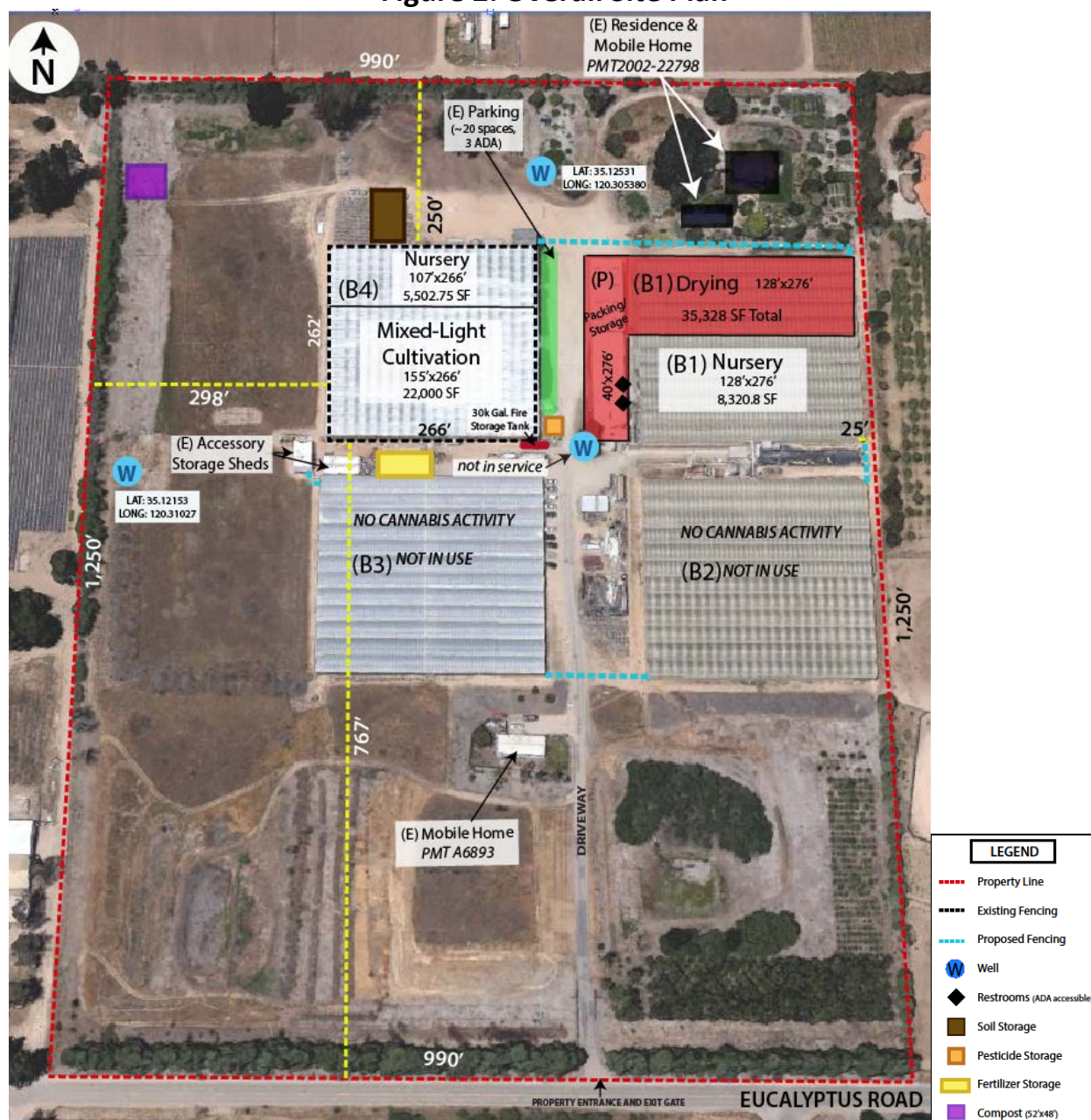


The Project site is an agriculture zone property approximately 29 acres in size and consists of one legal parcel. The site is located off Eucalyptus Road, a public road which extends to parcels East and West of the site. The surrounding area to the north and west is sparsely developed with very low densities and larger parcel sizes (~40+ acres) and zoned Residential Rural. Parcels to the east are zoned Residential Suburban, sized ~9-14 acres adjacent to the property with smaller sized (~1-2 acres) lots east of Osage Street. Parcels to the south are zoned Residential Suburban and range in size from ~2 to 10 acres in size. The area's topography is relatively flat with zero acres in the site being over 10% slope, and 28.82 acres of the site being between 0-10% slope. The average slope within the site is 3%.

Table 1: Summary of Project Scope

Name	Structure Type	Use	Total SF	Working SF	Canopy SF
B4	Greenhouse	Mixed-Light	27,398	5,398	22,000
B4		Nursery	42,794	n/a	42,794
B1	Greenhouse	Drying	35,328	n/a	n/a
B1		Nursery	35,328	n/a	35,328
P	Packing House	Packing/Storage	11,040	n/a	n/a

Figure 2: Overall Site Plan



Indoor (Mixed-Light) Cultivation

A portion of existing greenhouse B4 will be utilized for Mixed-Light Tier 2 cultivation, located on 346.7 sq. ft. raised beds/benches for a total of 22,000 sq. ft. canopy within a 27,500 sq. ft. space. This canopy will be located on 346.7 sq. ft. raised beds/benches, and licensed through the State with two Small Tier 2 Mixed-light (9,867 sq. ft. canopy each) and one Specialty Cottage Tier 2 Mixed-light (2,277 sq. ft. canopy).

Nursery

Nursery (immature/non-flowering plant and mother plant) space is located within two greenhouses, (B4 and B1) with a total canopy of 78,122 SF. Nursery plants will be propagated for onsite use and for offsite sale.

Processing and Export of Product

Processing activities including drying will occur in a 35,328 sq. ft. portion of greenhouse B1. Plants will be cut from the cultivation areas and transferred to this enclosed greenhouse to hang dry. Following the drying phase, plants will be moved directly to the 11,040 sq. ft. P building for trimming, packing, and storage within existing walk-in coolers in preparation for off-site testing and sale. This P building will be upgraded with a sprinkler system as required by CalFire due to the change in use designation from rose processing to cannabis. Once processed, product will be taken off-site for distribution via state licensed transport vehicles. There will be no manufacturing or distribution onsite.

Access

The parcel is accessed from Eucalyptus Road, a public road which extends to parcels East and West of the site. The road is paved all the way to the site's driveway. A Road Maintenance Agreement will not be required for this project.

Site Operations Plan

Security

The proposed security plan includes a secure fence, two locked entrance gates, and security cameras installed throughout the site. No outdoor lighting is proposed. Security cameras will be placed at all cultivation area access points. The site will operate in full compliance with State Licensing requirements for track and trace which will further ensure adherence to security protocols. A confidential Security Plan has been prepared for Sherriff's Department review.

Odor Management Plan

The existing greenhouses proposed for indoor cultivation and nursery uses are fully enclosed in glass structures. All mature plant areas (indoor, outdoor, processing) will be equipped with a Vapor-Phase Odor Neutralization System specifically designed to react with cannabis and eliminate offsite odor (designed by Byers Scientific & Manufacturing). The delivery system is to be attached and suspended from exterior walls of all structures containing mature plants for treatment of odor.

The applicant is working on engineering a solution to make the existing greenhouses more of a closed-loop system to improve the odor mitigation efforts.

Signage

No exterior signage distinctive to the cannabis operation is proposed.

Parking/Access

The property site provides ample parking areas for the cultivation operations and are not in conflict with any adjacent properties or uses. There are approximately 30 parking spaces provided, with 3 ADA compliant spaces.

Employee Safety and Training

The proposed operations are agricultural in nature and conducted according to controls in place for the industry. The Employee Handbook provides direction to staff that ensures activities are undertaken only for that which they have been trained for. The pertinent section is excerpted below.

Each Employee's Responsibility

Safety can only be achieved through teamwork at our company. Each employee, supervisor and manager must practice safety awareness by thinking defensively, anticipating unsafe situations and reporting unsafe conditions immediately.

Please observe the following precautions:

1. Notify your supervisor of any emergency situation. If you are injured or become sick at work, no matter how slightly, you must inform your supervisor immediately.
2. Report all workplace injuries as soon as reasonably possible to your supervisor even if no medical treatment is required. It is our sincere hope that you or your coworkers are never injured.
3. The use of alcoholic beverages or illegal substances during working hours will not be tolerated. The possession of alcoholic beverages or illegal substances on the company's property is forbidden.
4. Use, adjust and repair machines and equipment only if you are trained and qualified.
5. Know the proper lifting procedures. Get help when lifting or pushing heavy objects.
6. Understand your job fully and follow instructions. If you are not sure of the safe procedure, don't guess; just ask your supervisor.
7. Know the locations, contents and use of first aid and fire-fighting equipment.

8. Wear personal protective equipment in accordance with the job you are performing.

A violation of a safety precaution is in itself an unsafe act. A violation may lead to disciplinary action, up to and including discharge.

Workplace Searches

To protect the property and to ensure the safety of all employees, clients and the company, the company reserves the right to conduct personal searches consistent with state law, and to inspect any packages, parcels, purses, handbags, brief cases, lunch boxes or any other possessions or articles carried to and from the company's property. In addition, the company reserves the right to search any employee's office, desk, files, locker, equipment or any other area or article on our premises. In this regard, it should be noted that all offices, desks, files, lockers, equipment, etc. are the property of the company, and are issued for the use of employees only during their employment. Inspection may be conducted at any time at the discretion of the company. Persons entering the premises who refuse to cooperate in an inspection conducted pursuant to this policy may not be permitted to enter the premises. Employees working on or entering or leaving the premises who refuse to cooperate in an inspection, as well as employees who after the inspection are believed to be in possession of stolen property or illegal substances, will be subject to disciplinary action, up to and including discharge, if upon investigation they are found to be in violation of the company's security procedures or any other company rules and regulations.

Substance Abuse

The company has vital interests in ensuring a safe, healthy and efficient working environment for our employees, their co-workers and the clients we serve. The unlawful or improper presence or use of controlled substances or alcohol in the workplace presents a danger to everyone. For these reasons, we have established as a condition of employment and continued employment with the company the following substance abuse policy.

Employees are prohibited from reporting to work or working while using illegal or unauthorized substances. Employees are prohibited from reporting to work or working when the employee uses any controlled substance, except when the use is pursuant to a doctor's orders and the doctor advised the employee that the substance does not adversely affect the employee's ability to safely perform his or her job duties.

In addition, employees are prohibited from engaging in the unlawful or unauthorized manufacture, distribution, sale or possession of illegal or unauthorized substances and

alcohol in the workplace including: on company paid time, on company premises, in company vehicles, or while engaged in company activities. Our employees are also prohibited from reporting for duty or remaining on duty with any alcohol in their systems. Employees are further prohibited from consuming alcohol during working hours, including meal and break periods. This does not include the authorized use of alcohol at company-sponsored functions or activities.

Your employment or continued employment with the company is conditioned upon your full compliance with the foregoing substance abuse policy. Any violation of this policy may result in disciplinary action, up to and including discharge.

Consistent with its fair employment policy, the company maintains a policy of non-discrimination and reasonable accommodation with respect to recovering addicts and alcoholics, and those having a medical history reflecting treatment for substance abuse conditions. We encourage employees to seek assistance before their substance or alcohol use renders them unable to perform their essential job functions or jeopardizes the health and safety of themselves or others. The company will attempt to assist its employees through referrals to rehabilitation, appropriate leaves of absence and other measures consistent with the company's policies and applicable federal, state or local laws.

The company further reserves the right to take any and all appropriate and lawful actions necessary to enforce this substance abuse policy including, but not limited to, the inspection of company issued lockers, desks or other suspected areas of concealment, as well as an employee's personal property when the company has reasonable suspicion to believe that the employee has violated this substance abuse policy.

Although the state has legalized marijuana, the company is not required to allow the use of marijuana in the workplace. Use is strictly prohibited on company property and may result in discipline, up to and including immediate discharge. This policy represents management guidelines. For more information, please speak to the human resource manager.

Traffic

No public access to the site will occur at any time. At full capacity, the operation will staff no more than 25 employees, which was the most at any one time that historical rose cultivation activities had on the site. Deliveries will continue consistent with historical agricultural operations on the site. Standard traffic trip numbers for employees, deliveries, and all agricultural operations will continue.

Neighborhood Compatibility

Cannabis cultivation is consistent with previous and current agricultural use of the property and surrounding areas to the north and west. The existing structures were previously used for agricultural purposes, are currently utilized for cannabis and are configured appropriately to meet the intended use. There is no projected increase in noise level from this project. The boiler, generators, and air conditioning units (HVAC) all have noise ratings of 60 Hz.

Measures proposed to control odor from the cannabis operation have been proven in other jurisdictions including Santa Barbara County in areas where cannabis cultivation is located in proximity to sensitive receptors such as schools. The Byer's Odor Control System is a proven successful tool to neutralize odors when installed on structures surrounding odorous uses. Installation of this system will significantly reduce/eliminate offsite detection of cannabis plant odor, making the site a compatible ag use with surrounding residential receptors that may detect a nuisance odor from a cannabis cultivation with no odor control measures installed. The noise ratings for this system include an evaporation fan at 36 Hz and main blower at 59.46 Hz.

Waste Management

Cannabis cultivation will not produce any wastewater as all water is used within the planting environment. All green waste consisting of dead and/or stripped of flower plants and soil are composted in a designated fenced/contained area onsite (52'x48'). Any non-compostable waste produced onsite will be hauled off by API Waste Management.

Wastewater

No sewage improvements are necessary. There are two restrooms onsite (both ADA accessible), located in the middle of the property within the building proposed for processing. Additional portable restrooms will continue to be available for employees with regular service.

Storage and Hazard Response Plan

Pesticide and fertilizer usage will be conducted following good farming practices and in accordance to the County of San Luis Obispo Department of Agriculture standards. The pesticides will be stored in an existing shed in between the mixed-light and outdoor cultivation areas. The soil will be stored towards the rear of the

property, behind the mixed-light cultivation greenhouse structure. The pesticides will be stored in an existing secure shed next to the parking area, on the east side of the greenhouse structure. The following products will be used for soil and pest control: 0-0-50 sulfate of potash, 1-0-1 Cal-mag, 14-0-0 growers secret nitrogen, algamin, blood meal, bloom-bat guano, calcium mainstay, dipel, forge, gnatrol WDG, Grandevo, H2H 3-2-1 Grow, humega humic acid, liquid potassium, metalosate multiminerals, mycotrol, mykos, natures nectar 0-0-5 potassium, natures nectar 0-4-0 phosphorus, Nu-film P, Omni, Silwet, SS SCI suncor soil, trilogy, and worm castings. See attached Chemical List Binder for corresponding material safety data sheets (25 total). Totals will only be what is necessary for the upcoming grow cycles, and stored on shelves with secondary containment. All staff is properly trained on handling practices of chemicals used for the cultivation and what to do in the event of unintended exposure. No additional controls other than standard cultivation and greenhouse operational standards are necessary.

Setbacks

The indoor cultivation area will be at a ~767' foot setback from the Southern property line, ~298' foot setback from the Western property line, ~339' foot setback from the Northern property line, and a ~427' foot setback from the Eastern property line. The nearest sensitive receptors (schools, parks, libraries, licensed recover facilities, et. al) are located well outside the 1000-foot setback required by 22.30.D.1. Further, the nearest offsite residence from the proposed outdoor cultivation is over 500'.

Air Quality

The project is located on an existing agricultural site, with no grading required. There are no predicted air quality impacts, as the carbon filters placed within the buildings related to cannabis cultivation will mitigate any odor.

Screening and Fencing

The parcel is accessed from Eucalyptus Road, a public road that extends to parcels beyond the site. Fencing to either securely enclose all cannabis use areas or include adequate locking mechanisms installed on all cannabis-containing buildings. The fencing is 6' tall chain link with barbed wire on top with black privacy plastic (see example below). Additional security controls as required by the Sheriff's Dept. as required would be incorporated into existing operations, including perimeter

fencing and security cameras at key locations throughout the site. Refer to Site Plan Sheet 1.



Water Management Plan

The property is in the South Coast Water Planning Area, within the Santa Maria ground water basin (undefined watershed). The project site is served by two existing groundwater wells that have historically served the property for rose cultivation. No import of water is necessary or will occur in association with the proposed cannabis cultivation operations. Limited surrounding agriculture combined with high recharge potentials support the land use of commercial cannabis cultivation. The following water demand analysis was prepared by Wallace Group:

Figure 3: Water Estimates

Table 1: Annual Water Estimates			
Use	Rate	Gross Demand (gallons/ year)	Gross Demand (AFY)
Greenhouse Cultivation	22,000 sf plant canopy x 0.1 gal/sf/day x 270 days	594,000	1.82
Nursery (cannabis)	78,122 sf nursery area x 0.1 gal/sf/day x 270 days	2,109,294	6.47
Cannabis Cultivation Water Demand		2,703,294	8.30
Removal of Historical Rose Cultivation	6.44 acres roses x 2.5 AFY/acre	-5,426,201	-16.10
Net Water Demand			-7.80

The annual estimated water usage for the year: 967,236 gal/year (or 80,603 gal/month). This is a major reduction compared to the prior water usage for rose cultivation, which ranged from 140,000 gallons to 210,000 gallons per week.

Water Offset

The project site is located within the Nipomo Mesa Water Conservation Area and is required to provide a 1:1 offset. As shown in Table 3 above, the water offset for the proposed cannabis cultivation will be provided by the removal of the irrigated rose cultivation. Since the cannabis cultivation will require less water demand than the previous rose operation, a water credit of 13.13 acres remain.

Energy Use

The existing power source that was used for the rose crops is a 600 amp 3 phase 480 supply. A PG&E upgrade is in process to add 1,500-2,000 amp of 3 phase 480. There is an existing meter and co-generation facility.

Power necessary for the 22,000 sq. ft. canopy mixed-light grow is 1,700 amps at 240 volts to add grow lights to the greenhouse. Current operation consists of light deprivation only, with no artificial lighting.

Energy demand will be 8.3 watts per foot once artificially lighted. As required, all supplemental lighting will be dark skies compliant and utilize black out screens to preclude offsite spillage of nighttime lighting.

Parking Modification and Required Findings

The project site is designed to accommodate staff for the greenhouse cultivation adjacent to the proposed greenhouse site outside the proposed fencing. Due to the limited nature of the staff required for the operation, parking standards as outlined in Chapter 22.18, Nursery Specialties are not appropriate for the project.

The following findings are provided for use in a request for modification of parking standards of Chapter 22.18, Nursery Specialties.

In accordance with Chapter 22.18.18.020.H, the following three findings support the request to modify the parking standards:

- a. The characteristics of the project, which consists of an owner-operated cannabis operation with minimal staff, do not necessitate the number of

parking spaces, types of design, or improvements required by this chapter as the activities will be conducted by the business owner and up to 25 full-time staff who will have a designated parking area provided on site adjacent to the greenhouses (two separate areas with approximately 30 spaces total).

- b. The existing parking area is adequate to accommodate on the site all parking needs generated by the use as the proposed parking area will have approximately 30 spaces for the 25 full-time employees. No additional parking is needed than what is currently existing onsite and proposed for this operation.
- c. No traffic safety problems will result from the proposed modification of the parking standards as there is ample existing parking on the site for the cultivation project. In addition, the hours of operation are proposed from 6:00am-5:00pm, outside of morning peak traffic hours.

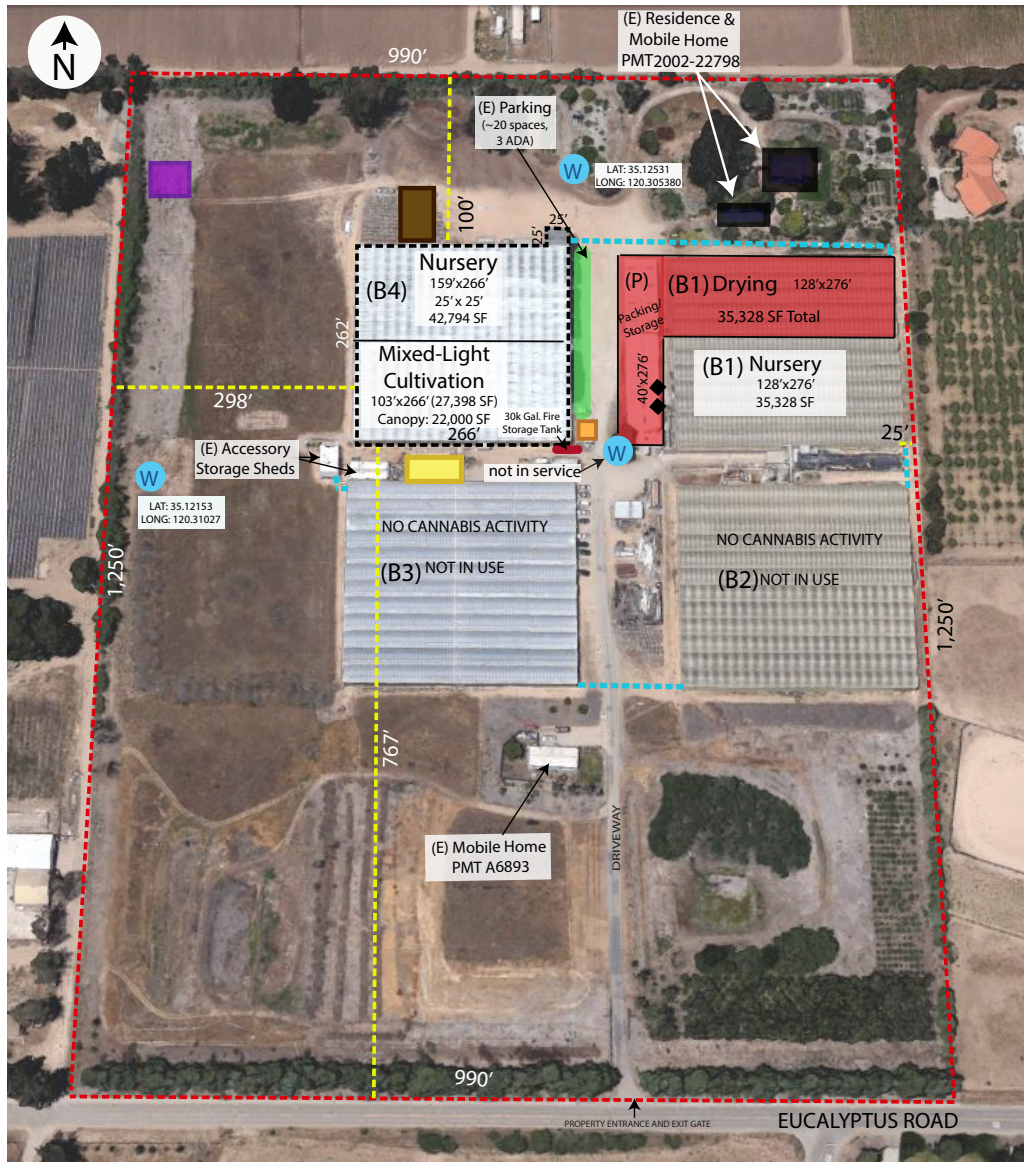
CEQA Categorical Exemption

Section 15301 of the State CEQA Guidelines allows for existing projects and projects that have no potential for causing a significant effect on the environment to be exempt from the provisions of CEQA. The project application proposes to utilize existing buildings and install an odor management program around the entirety of the operation that could potentially cause any offsite nuisance odor issues. There is no possibility that this project may have a significant effect on the environment.

No enlargement of the access driveway, parking area, or developed use area is proposed. Baseline conditions shall remain constant for operational elements such as persons on the site and traffic, with water use being significantly reduced from historical non-cannabis agricultural activities on the site.

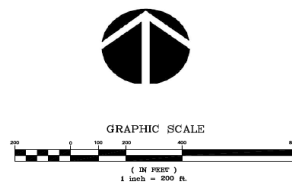
No other measures beyond those required by County ordinances are necessary to address the environmental impacts associated with the proposed project. The proposed project does not include any environmental impacts or significant changes to the project site.

SITE PLAN



Site: 28.82 Acres

* Site is located over 1000 feet from any sensitive use, as defined by 22.40.050D.1, and 22.40.060D.1, Location



LEGEND

- Property Line
- Existing Fencing
- Proposed Fencing
- W Well
- ◆ Restrooms (ADA accessible)
- Soil Storage
- Pesticide Storage
- Fertilizer Storage
- Compost (52'x48')

Fencing Example



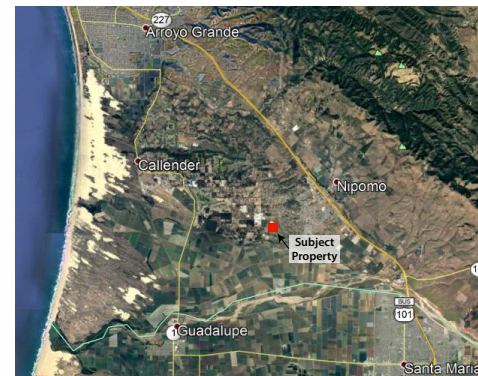
Scope of Work

- 1) 22,000 SF Greenhouse/Mixed-Light
- 2) 46,368 SF Drying/Curing/Processing
- 3) 78,122 SF Vegetative Nursery

Sheet Index

- 1) Overall Site Plan
- 2) Odor Management Plan
- 3) Buffer Map
- 4) Building Elevations
- 5) Building Elevations
- 6) Storage Container Floorplans

Vicinity Map



Sheet 1: Site Plan
Nipomo AG LLC
662 Eucalyptus Road
Nipomo, CA
APN: 091-311-032

SCALE: 1" = 200'

DATE: June 2019

Nipomo AG

Sheet


1 of 6

Kirk Consulting

ODOR MANAGEMENT PLAN



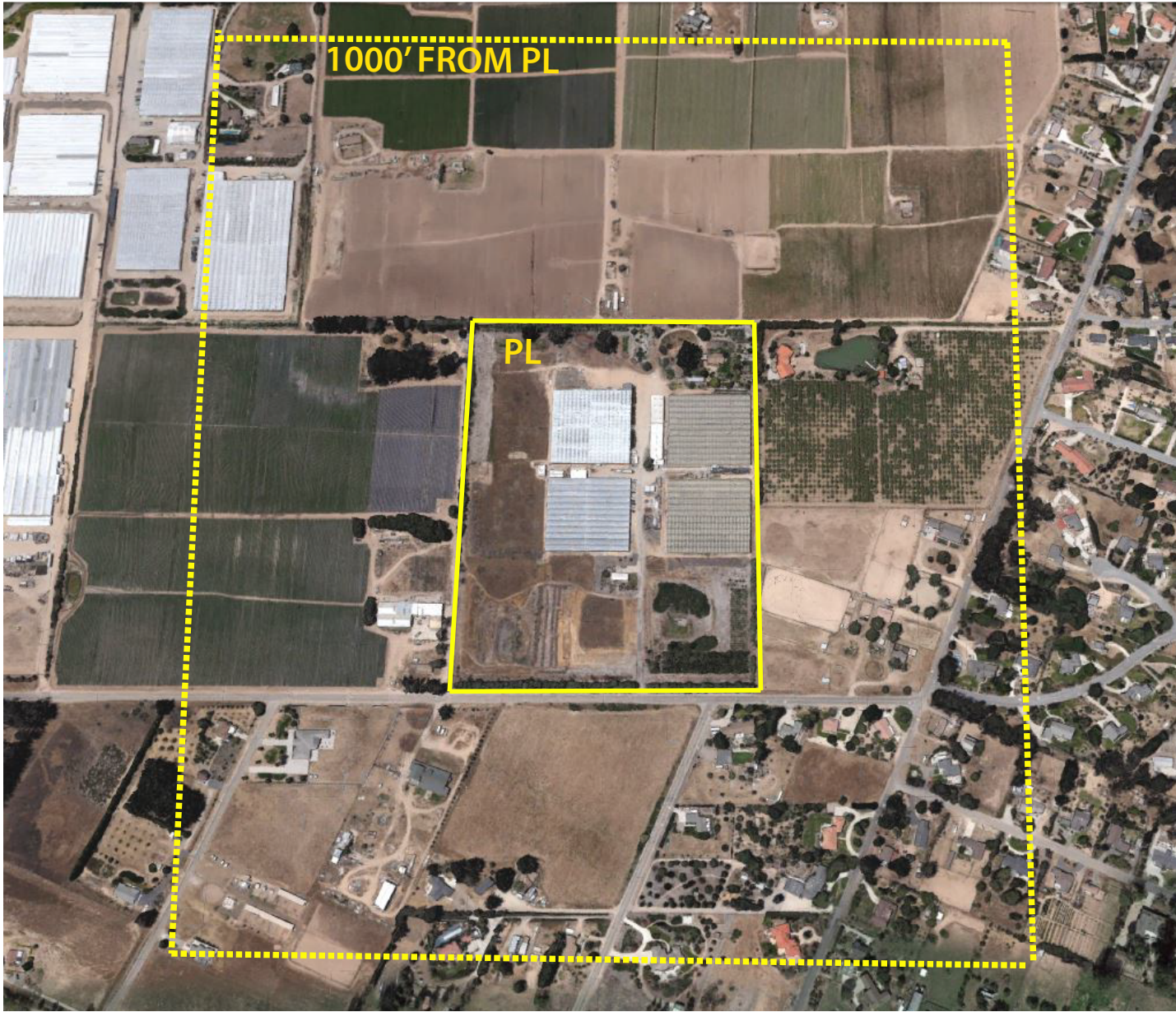
LEGEND

 Vapor-Phase
Odor
Neutralization
System

Sheet 2: Odor Management Plan
Nipomo AG LLC
662 Eucalyptus Road
Nipomo, CA
APN: 091-311-032

DATE: April 2019	
Nipomo AG	
Sheet	
2 of 6	

BUFFER MAP



Sheet 3: Buffer Map
Nipomo AG LLC
662 Eucalyptus Road
Nipomo, CA
APN: 091-311-032

DATE: April 2019	
Nipomo AG	
Sheet	
3 of 6	

Building Elevations



Accessory Storage Shed next to B3



B4 - 18' tall



Entrance to B4



Storage Shed next to B4

Building Elevations



B1 - Front Elevation (16'5" tall)



B1 - Side Elevation

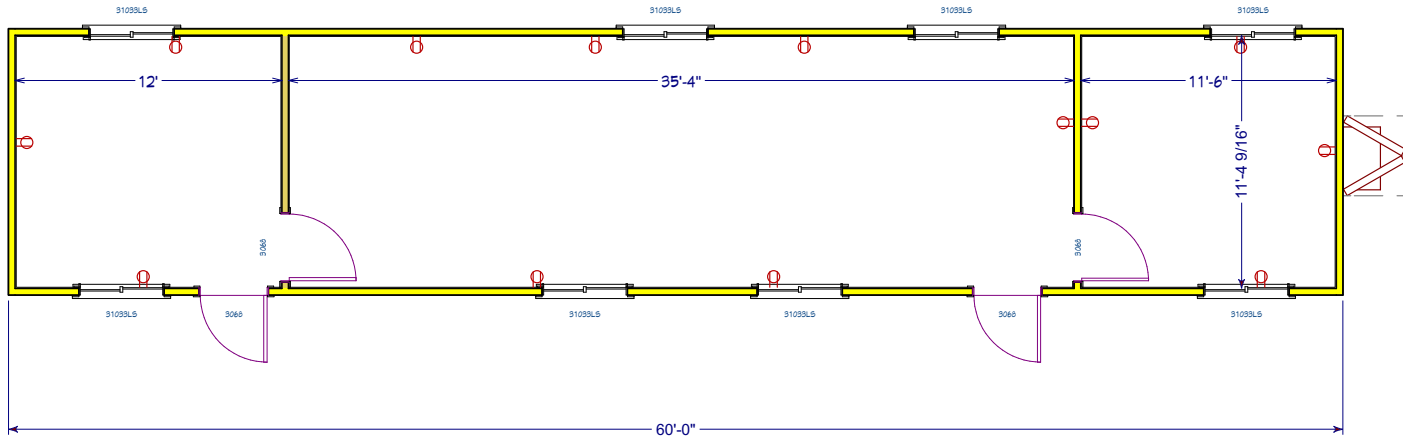


P/Processing - 15' tall

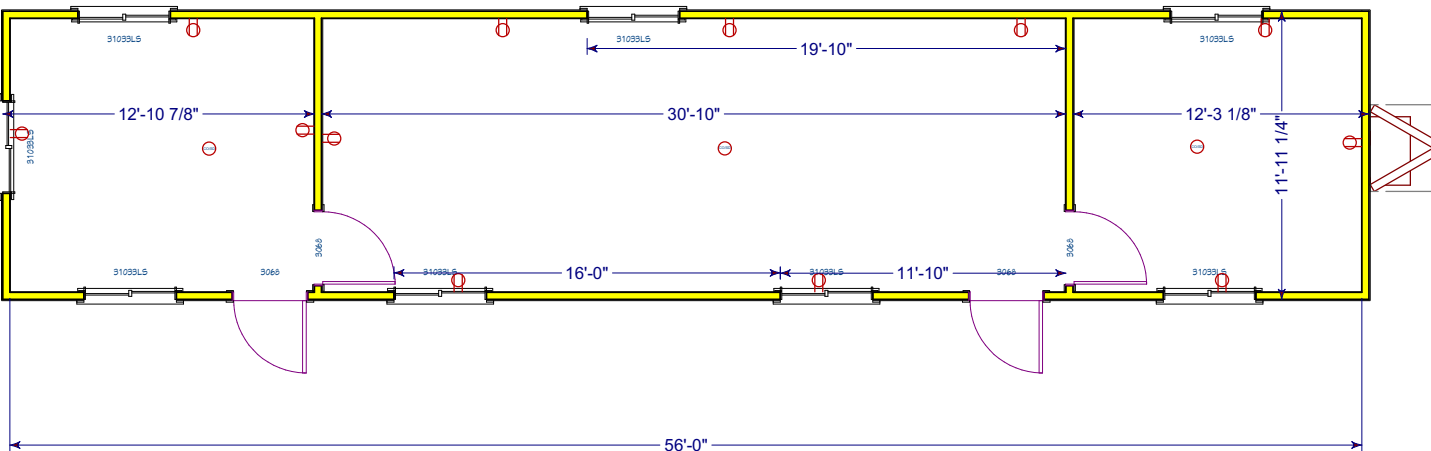


Offices in front of Processing Building - temporary buildings that will be removed upon receipt of final occupancy for the processing building.

STORAGE CONTAINER FLOORPLAN



Modular Building size: 12x60	Floor Cover: Charcoal Carpet	HVAC: Bard wall mount 3 ton
Electrical: 100-125 amp sub-panel, single phase, 110-220volt	Base Cove: 4" Vinyl Charcoal Gray	Code: Commercial Modular Department of Housing
Interior wall Finish: Hampton Gray Panel	Windows: 4'-0" W x 3'-4" H Aluminum	Body Paint: Sherwin Williams Gloss Latex, Color: Taupe
Roofing: Metal	Window Covering: 1" White Mini-Blinds	Trim Paint: Sherwin Williams Gloss Latex, Color: White
Siding: Metal	Ceiling: T-Bar drop ceiling / 2x4 fiberglass Tile	
Exterior Doors: 3'-0" x 6'-8" Metal RLC-1	Lighting: 2x4 Recessed Fluorescent	



Modular Building size: 12x60	Floor Cover: Sheet Vinyl	HVAC: Bard wall mount 3 ton
Electrical: 100-125 amp sub-panel, single phase, 110-220volt	Base Cove: 4" Vinyl Charcoal Gray	B Occupancy
Interior wall Finish: Vinyl Wrapped Luan	Windows: Dual Pane white Vinyl	Body Paint: Sherwin Williams Gloss Latex, Color: Taupe
Roofing: White EPDM Over Densdeck Class A		Trim Paint: Sherwin Williams Gloss Latex, Color: White
Siding: Smart Panel	Ceiling: T-Bar 2x4 suspended	
Exterior Doors: 3'-0" x 6'-8" Metal	Lighting: 2x4 Recessed Fluorescent	