

**TAAG CANNABIS PROJECT REVIEW COMMITTEE (CPRC)
DECEMBER 2, 2020 COMMITTEE MEETING REPORT**

**REVIEW OF PROPOSED CANNABIS PROJECT
VERTICAL INTEGRATION CORPORATION – PROJECT NO. DRC2019-00250**

The TAAG Cannabis Project Review Committee held a publicly noticed Zoom teleconference meeting on December 2, 2020. The CPRC met for approximately two and one quarter hours. The following Committee voting members were present: Murray Powell, Chair, Don Potts and Jon DeMoralis. Committee member Kristen Gemeny was absent. The meeting was attended by project applicant Steve Herring representing project applicant Vertical Integration Corporation, the applicant's Planning consultants Jamie Jones and Ian Mc Carville of Kirk Consulting, SLO County Planning Department staffer Eric Hughes, Ian Brandon Hall, Pastor of the Life Community Church, and several members of the public who also participated and made public comments during the meeting.

Vertical Integration Corporation Project No. DRC2019-00250 applied for a SLO County Conditional Use Permit to establish a cannabis processing and storage operation in an existing Warehouse building located at 198 Cow Meadow Place, Paso Robles CA 93446. APN 040-153-019. The proposed project is located less than 2 miles from the commercial district of downtown Templeton off of Ramada Drive. The project is located in a Commercial Services (CS) zoned area occupied by various commercial and retail businesses. The project's SLO County Land Use Permit application proposes to convert the existing building into a cannabis processing facility.

PROJECT DESCRIPTION. The subject property consists of a one acre parcel zoned Commercial Service. Existing uses on the site include an existing 11,100 sq. ft. building with roof mounted solar used for storage/wholesale distribution and office space for an event rental company owned by the project's applicant. The proposed project proposes to convert the existing 11,100 sq. ft. building space for 6,000 sq. ft. of cannabis offsite processing, 1,500 sq. ft. of cannabis shipping and packaging, 2,100 sq. ft. of storage, 1,260 sq. ft. of office space. Additional uses will include cannabis distribution. The project proposes to conduct all processing activities with the existing warehouse structure. Additional information concerning the processing facilities design and operation can be found as part of the SLO County 40 page revised Land Use Permit application package.

According to the project's revised 40 page May 4, 2020 SLO County Land Use Permit application package, the property owner is Rich Properties Management LLC. The California Secretary of State's business search website indicates that Steven Herring is this LLC's Manager and Chief Operating Officer. The California Secretary of State website also indicates that Steven Herring is the CEO, Secretary and CFO of the project's applicant, Vertical Integration (CA Corporate Number C4538930) incorporated on December 23, 2019. As noted above Mr. Herring participated in the entire meeting.

Discussions during this Committee meeting focused on several issues. It should be noted that comments made by the applicant, its planning consultants, the Planning Department staffer members, the Pastor of the church and other public speakers were allowed to comment in full and respond to questions and comments from the Committee members and other members of the public without any comment or discussion time limit restrictions.

- The concern with the proximity of the proposed cannabis facility and its compatibility with the neighboring businesses and the Life Community Church activities noted above. • Concerns with cannabis odor detection offsite. Cannabis processing activities produce substantial levels of cannabis odor. SLO County cannabis ordinance Section 22,40.065 D.4 – Processing Facilities Nuisance Odors states that “All cannabis processing shall be sited and /or operated in a manner that prevents cannabis nuisance odors from being detected offsite. All structures utilized for processing shall be equipped and/or maintained with sufficient ventilation controls (e.g carbon scrubbers) to eliminate nuisance odor emission from being detected off site.”
- Lack of the project’s odor mitigation systems details the allows for the determination that proposed odor control systems appear sufficient to prevent cannabis odor detection offsite.

COMPATIBILITY OF THE PROJECT WITH ADJACENT LIFE COMMUNITY CHURCH ACTIVITIES

This project site is located adjacent to a property occupied by the Life Community Church located at 3770 Ruth Way Paso Robles CA. The congregation has more than 500 members. The Church conducts a number of youth oriented activities during the week and on weekends for various youth age groups including preschool, elementary, middle and high school age youth groups. See the Church’s website at [Children's Ministries — Life Community Church \(lccpaso.org\)](http://lccpaso.org). A concern regarding the location of this proposed cannabis project is SLO County’s cannabis ordinance requiring that the location of cannabis processing facility structures to be located at least 600 feet from the property line of any pre school, elementary school, junior high school, high school, library, park, playground, **recreation or youth center**, licensed drug or alcohol recovery facility or licensed sober living. This proposed cannabis project’s structure is located approximately 35 feet from the church’s property line.

SLO County Title 22 ordinance Section 22.40.010 – Cannabis Activities Purpose of Chapter makes the following statement.

“The purpose of this County Ordinance Chapter is to protect the public health, safety, and welfare, enact strong and effective regulatory and enforcement controls in compliance with State law and federal enforcement guidelines, **protect neighborhood character, and minimize potential for negative impacts on people, communities, and the environment in the unincorporated areas of San Luis Obispo County** by establishing minimum land use requirements for cannabis activities. Cannabis activity, as defined in [Chapter 22.80](#) of [Title 22](#), includes the cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of cannabis or a cannabis product. Therefore, this Chapter recognizes that cannabis activities require land use controls due to the unique federal and State legal constraints on cannabis activity, and the potential environmental and social impacts associated with cannabis activity. These standards cannot be waived or modified through Conditional Use Permit approval, except as specifically noted.”

The location of this proposed cannabis processing project is subject to SLO County Cannabis Ordinance Section 22.40.065 D.1.a. – Location that requires that “the location of cannabis processing facility structures be located no less than 600 feet from the property line of any pre-school, elementary school, junior high school, high school, library, park, playground, **recreation or youth center**, licensed drug or alcohol recovery or licensed sober living facilities. Distance shall be measured from the cannabis processing’s structure to the property line of the enumerated use using a direct straight-line measurement.” **In this case the proposed existing cannabis processing structure is located approximately 35 feet from the Life Community Church’s property line.** The Church conduct’s a considerable number of youth activities during weekdays, evenings and on weekends that appear to

qualify the Church property as a **“youth center”**. California Health and Safety Code Section 11353.1 (e) (2) defines youth centers as: (2) “Youth center” means any public or private facility that is primarily used to host recreational or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or similar amusement park facilities.”

Presently to COVID-19 activity restrictions require the Church to conduct outdoor services. The following photo is a recent shot of a Sunday outdoor service. Please note the presence of the proposed processing facility at the far end of this photo shot and the presence of infants and children.



SLO County cannabis ordinance Section 22.04.40 A.5.j. requires a “Statement of neighborhood compatibility and a plan for addressing potential compatibility issues” to be submitted with the project’s

Land Use Permit application. This statement and plan were not made available to the Committee and is not included in the revised project’s County Land Use Permit application.

It is the Committee’s opinion that that project is subject to the minimum 600 foot setback requirements of SLO County cannabis ordinance 22.40.065 D.1.a. and is not compatible with the character of neighboring areas or the community. The project’s proposed operations indicate the definite potential to negatively impact people and the environment in the project’s area in violation of Cannabis ordinance Section 22.40.010.

CANNABIS ODOR MANAGEMENT

The project's 40 page revised SLO County Land Use Application includes a Kirk Consulting 10 page Project Description memo that presents the following odor management comments (page 5).

"Odor Management The building to be utilized for processing will be equipped with carbon filters. The building has seven roll up doors; four of these doors will be sealed to further enclose the building and control the odor. Odor is not anticipated to create any nuisances as the surrounding parcels are commercial and the nearest offsite residence is located over 1,550 feet away from the project site. Compliance with the County's monitoring program will ensure that any concerns due to nuisance odors that may be raised will be addressed as appropriate."

The design and specifications of the project's odor, air conditioning, and other temperature and humidity controls were discussed at length during the Committee meeting. Other than the term "carbon filters" and the comment that four (4) of the seven (7) warehouse size rollup doors will be sealed" no other details of the project's odor control systems were submitted to the Committee for review.

County Planning's Citizen's Self Service (CSS) website system for this project number posts a four (4) page odor management system plan that is not incorporated in the project's revised May 4, 2020 Land Use Permit application. This document makes a number of comments regarding property line setback distances, references to County cannabis processing ordinance "sensitive site definitions" indicated above and odor mitigation techniques such as:

- Following land use approval, the applicant will obtain building permits (tenant improvements) to seal four (4) of seven (7) doors to eliminate and control odors from being detected offsite. The doors will be used for unloading and loading of cannabis products from other licensed facilities, transported to the site for processing.
- The product will then be trimmed, dried, and packaged entirely within the building.
- Can Fans with Carbon Filters will be installed in the processing area within the building to abate odor.
- Compliance with Section 22.40.040.O – Monitoring Program, the applicant will enroll in the County-run monitoring program and participate in site visits and inspections to verify compliance with the Cannabis Ordinance and conditions of approval of the land use permit.

The Committee asked for more odor control design details primarily regarding whether the project's odor control management systems will exhaust or vent interior odor and humidity laden air into the surrounding exterior environment. There appears to be no indication whether the system will be designed to prevent venting or exhausting of its cannabis odor to the surrounding exterior environment.

Project applicant Steven Herring indicated that a similar operating processing facility is located in the Grover Beach area and that he has visited the facility to review its operations and odor control system design. Mr. Herring claims that that Grover Beach facility has never experienced a cannabis odor complaint. Mr. Herring has offered to arrange a tour of the exterior of the Grover Beach facility in order to check for any evidence of cannabis odor emitting from the processing building. Committee

Chair Murray Powell questioned the value of such a tour based on the late time of the year when most cannabis processing activity, especially from outdoor cultivation harvests, are usually completed by late October and whether significant processing activity would exist during a mid-December exterior tour of the Grover Beach facility.

Another question that remains unanswered is whether the design and specifications of the Grover Beach facility's odor control systems will be essentially identical to the Cow Meadow facility's proposed odor mitigation systems.

The TAAG Cannabis Project Review Committee recommends to the TAAG Board that approval of a SLO County Cannabis Land Use Conditional Permit be denied for the following reasons.

1. The Committee has determined that the cannabis project is incompatible with the surrounding community area and is incompatible with neighboring activities such as the adjacent Life Community Church and various commercial and retail business activities located in the immediate area.
2. The Committee determined that the location of the proposed project violates the intent and spirit of Cannabis ordinance Section 22.40.065 D.1.a. requiring that the location of Cannabis Processing Facilities shall not be located within six hundred (600) feet from the Life Community Church property line on the basis that the Church's activities qualify the Church property as a "youth center".
3. Offsite cannabis odor detection is prohibited by various SLO County cannabis ordinances such as Section 22.40.065 D.4 – Nuisance Odor. The project's proposed odor control and mitigation system design and operating information made available to the Committee is insufficient. The Committee was unable to conclude that such systems are likely to comply with the County's cannabis nuisance odor offsite detection prohibitions.

Please note that Mr. Herring was encouraged to gather additional information and attend the December 17 Board meeting that will be reviewing this project and considering recommendations.

The TAAG Board should also consider the following that were not specifically addressed during the Committee meeting.

1. TAAG established a policy that reviews and submission of TAAG recommendations should be based on "complete" SLO County Land Use Permit application packages submitted for review. This project's Land Conditional Use Application is considered incomplete and does not comply with SLO County Land Use Permit application ordinance, policies and guidelines.
2. TAAG also established a policy that consideration of project Land Use permits referrals will not be made until receipt of SLO County final project environmental determinations that were properly publicly noticed and subject to legally required public comment periods. An environmental determination has not been provided to TAAG for review. The project's Land Use Permit application's Kirk Consulting Project Description memo indicates that the applicant is requesting the County's consideration of a Class 1 Exemption under State CEQA Guidelines Section 15301. The Kirk Consulting memo also makes the observation "that the project may also be covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. It can be seen with certainty that there is no possibility that this project may have a significant effect on the environment, therefore, the activity is not subject to CEQA".

In my opinion, this project, as discussed in this report, definitely has the potential to cause significant impacts on the environment that require consideration of an EIR. It can be demonstrated that a fair argument exists that the Project may result in significant impacts to the environment, and preparation of an Environmental Impact Report (EIR) is required for this Project.

Please contact me if you have any questions or comments.

The comments and opinions presented in this report are solely those of Murray Powell, Chair of the TAAG Cannabis Project Review Committee.

Murray Powell
TAAG Vice Chair
CPRC Chair
805-434-0707
510-914-3754 (Cell)

December 11, 2020