

Staff Report to the Zoning Administrator

Application Number: 181585

Applicant: Swift Consulting Services, c/o

Agenda Date: 7/5/2019

Ken Hart

Owner: Kitayama Bros. Inc.

Agenda Item #: 1

APN: 046-151-37

Time: After 9:00 a.m.

Site Address: 481 San Andreas Road, Watsonville, CA 95076

Project Description: Proposal to operate a Class CA indoor co-location cannabis cultivation facility with up to five cultivators on Commercial Agriculture (CA) zoned property, Class 3 manufacturing (volatile extraction) and Class 2 distribution (self and other distribution) of cannabis product. The project includes approximately 590,922 square feet of cultivation within existing greenhouses, manufacturing, processing, distribution, office and storage within an existing 32,458 square foot processing facility on a site containing existing row crops, greenhouse plant production, cannabis cultivation, shipping and office use. Requires a Commercial Development Permit and a Coastal Development Permit Amendment to Permit 86-0351 and a determination that the project is categorically exempt from further review under CEQA.

Location: Property located on the south side of San Andreas Road (481 San Andreas Road), approximately 1.3 miles northwest of its intersection with West Beach Road.

Permits Required: Commercial Development Permit and Coastal Development Permit Amendment

Supervisorial District: 2nd District (District Supervisor: Zach Friend)

Staff Recommendation:

- Determine that the proposal is exempt from further Environmental Review under the California Environmental Quality Act.
- Approval of Application 181585, based on the attached findings and conditions.

Project Description & Setting

The site is approximately 92 acres and developed with a large greenhouse cultivation, processing, and shipping facility as well as row crops and is surrounded by actively farmed commercial agricultural fields within the San Andreas General Plan area.

Project plans include a preliminary site and facility security plan, best management operational

County of Santa Cruz Planning Department 701 Ocean Street, 4th Floor, Santa Cruz CA 95060

practices, and an odor control plan to address cultivation, manufacturing, and distribution in the existing buildings. Site access, circulation, and parking upgrades are proposed to meet current fire agency requirements, County Sheriff, and accessibility requirements. More detailed facility improvements and program statement information are discussed below.

Permit Requirements

Cannabis cultivation, manufacturing, and distribution, as regulated by County Code Section 13.10.311-314 (agricultural regulations), 13.10.650 (non-retail cannabis uses), and 13.20 (coastal regulations). Cannabis cultivation, manufacturing, and distribution located within existing structures within the Coastal Zone are subject to a Development Permit and a Coastal Development Permit with approval by the Zoning Administrator before a noticed public hearing. The original facility included a combined Commercial Development permit and a Coastal Development Permit. Thus, this application amends the original development and coastal development permit, Permit 86-0351.

Project Background

Development Permit 86-0351 authorized a Master Development Plan for commercial greenhouses and support facilities and allow for phased construction. The site is a fully developed agricultural cultivation and processing facility. The development includes six greenhouses and processing/distribution structures, totaling approximately 717,142 square feet. All buildings authorized by the use approval were constructed with exception of one greenhouse. Total building area on site is approximately 623,408 square feet.

All greenhouse structures and processing facility on the site were constructed with building permits, though they were not finaled by the Building Department due to outstanding building permit holds by agency reviewers. Building permit holds will be addressed by agency reviewers prior to issuance of building permits for cultivation, manufacturing, and distribution buildings.

The site is currently cultivated with row crops, greenhouse plant production, cannabis cultivation, shipping and offices uses and occupied by a flower trucking company and flower events business.

Program Statement

The applicant provided a program statement, including phasing plan, detailing the cultivation, manufacturing and distribution operations (Exhibit E). Hours of operation are proposed between 7 a.m. to 7 p.m. daily.

The cannabis cultivation is proposed within five existing indoor greenhouses, comprising 590, 922 square feet. Five cultivation licensees are proposed. The project proposes interior light for all greenhouses and includes light deprivation curtains so light does not escape the greenhouses.

Manufacturing, distribution, and offices are proposed within the existing 32,000 square foot structure and is comprised of approximately 16,000 square feet floor area dedicated to drying, manufacturing, processing and distribution. Manufacturing is proposed as Class 3, and involves

volatile solvents, infusion, and/or extraction using non-volatile solvents such as ethanol. The manufacturing scope involves both on-site manufacturing and manufacturing of off-site product delivered to the site. A Type 2 distribution license is proposed to allow for both self-distribution by cultivation licensees and for delivery of off-site product to the site for product manufacturing.

The project proposes 116 employees for the entire operation. Seventy-five (75) employees are proposed for cultivation by all licensees, 25 employees for manufacturing, 5 for distribution, and 11 for office operations. Parking is provided adjacent to the existing processing facility. An existing overflow parking area is provided adjacent to Greenhouse E1, located to the south. Shared operations may result in reduced employee needs, ultimately reducing parking associated with the site, however, the minimum parking necessary for the potential operation is provided by the application within the developed area of the site.

Plans include Best Management Practices with sheet reference details that implement applicable practices, as noted.

Facility improvements

Proposed site and building improvements are the minimum necessary for cannabis cultivation, manufacturing, and distribution given that the site is fully developed. All proposed improvements would be within the existing developed area of the site and are not proposed in agricultural field areas of the parcel.

Site security improvements include a proposed 6-foot chain link fence along the site frontage at the western property line and a proposed entry gate at the main access roadway to the site, precluding access from the adjacent site access roadway and controlling entry. Cameras and and motion sensor lighting for overall security purposes would also be installed throughout the property.

Internal road access and circulation are proposed to be upgraded, including one-way and two-way internal circulation plan, providing 12 to 20-foot road widths, as well as a fire turnaround, and fire hydrants for fire suppression. Site accessibility is proposed to be improved to meet current accessible parking space dimensions and path of travel as wells as restroom modifications.

Site parking is proposed to be re-striped to formalize parking spaces throughout the site and along the exterior of the buildings to provide additional employee parking. Parking is proposed in the central, developed, and surfaced area of the site. In addition, an overflow parking area is proposed adjacent to greenhouse E1, currently used for equipment storage and overflow parking. No surface improvements are proposed in this area.

A row of Monterey Cypress trees is proposed along the eastern edge of the existing greenhouses in an area where Cypress trees were required by the Permit 86-0351 to screen views of the greenhouses from San Andreas Road, but not planted.

The greenhouses are proposed to be equipped with interior lighting as well as light deprivation curtains to facilitate 24-hour cultivation without light escaping the site. The existing processing facility improvements include interior modifications such as partitions, restroom upgrades,

accessibility improvements, odor mitigation, and security improvements for interior division of the space for drying, processing, and manufacturing areas. The plans include an odor abatement plan to be implemented as part of tenant improvements prior to operations, as required by code.

Zoning & General Plan Consistency

The subject property is a 92-acre lot, located in the CA (Commercial Agriculture) zone district, a designation which allows Agricultural uses. The proposed cannabis cultivation, distribution and manufacturing use is a permitted use within the zone district, subject to Zoning Administrator approval and the project is consistent with the site's AG (Agriculture) General Plan designation.

The cannabis cultivation regulations, County Code Section 13.10.650 calls out the specified canopy allowance associated with each individual parcel associated with the project. Canopy allowances and proposed canopy are based on parcel size and zoning, as noted below.

Cultivation Canopy Allowance						
Zone District - License Type	Number Of Licenses	Site Acreage	Indoor Cultivation Canopy Allowance	Outdoor Cultivation Canopy Proposed	Indoor Cultivatio n Canopy Proposed	Total Canopy Proposed
CA - Class CA	5	92 acres	Canopy limit set by Licensing Official on parcels greater than 10 acres where cultivation solely within structures		590,922 square feet (13.6 acres)	590,922 square feet (13.6 acres)

Key Regulatory Issues

Security/Lighting

The BMOP security section was reviewed by the County Sheriff responsible for reviewing cannabis related projects. The plan received a preliminary recommendation for approval, with final approval required prior to issuance of a cultivation license by the Cannabis Licensing Office. To ensure that the security plan is not compromised by making its details public, the sheriff will retain the detailed security plan. However, in general the security plan includes security fencing, gated access, motion activated lighting, video surveillance, employee training, and transportation/delivery security related controls.

As required, lighting associated with the security plan and greenhouses requires a building permit prior to issuance of the cultivation license. In keeping with regulations, plans call out

that motion sensor lighting is proposed for the cannabis facility security plan and that light is not proposed to leave the site between sunrise and sunset from greenhouses. Light deprivation curtains are proposed within greenhouses to shield the structure when lighting is on. The project is conditioned accordingly.

Odor

County Code Section 7.128.170 (Q)(1) provides an exception to the requirement for an odor Abatement Plan for operations located on CA zoned properties such as the subject property. The Licensing Official may impose a requirement for odor control or require that the licensee(s) take other measures to control odor as a condition of approval.

Notwithstanding, per County Code Section 13.10.650, the project is required to demonstrate that the proposed cultivation location has taken into consideration neighboring sensitive receptors, such as residential uses, schools, and parks. The ordinance requires a minimum 600-foot setback from subject property to a State park and a minimum 400 feet to habitable structures. In keeping with the regulations, the proposed operation is sited to meet the minimum setbacks from the State park and any habitable structures within proximity to the site.

It is noted the project site is located approximately 1400 feet northeast of Sunset State Beach. The nearest habitable structure is approximately 900 feet to the west, and the next nearest habitable structure is approximately 2000 feet (1/3 of a mile) to the northeast of the subject property adjacent to San Andreas Road. Furthermore, odor is typically associated with agricultural crops and the proposed operation will be in keeping with the purpose of the CA zone district for the commercial production of food or fiber. Therefore, the project complies with these standards.

Notwithstanding these factors, given the significant size of proposed cannabis cultivation (590,922 square feet indoor cannabis cultivation space) an odor abatement plan, including an odor report (Exhibit F), as part of the best management operational practices, has been included in the project plans in the event that odor complaints occur. The odor abatement plan provides a vapor emission system intended to neutralize odors leaving the buildings. Should odor complaints be substantiated by the Monterey Bay Air Resources Board, a building permit shall be applied for within 30 days with approval by the Air Resources Board, if necessary. Furthermore, the system will be installed within 30 days of Building Permit Issuance. Operational conditions of approval address this condition.

Project Phasing

The applicant proposes to complete construction of the project in construction phases (Exhibit E), with the bulk of buildings, including site infrastructure, greenhouses, and manufacturing building permit work proposed in Phase One and future conversion of a portion of an existing leased flower processing area within the existing processing facility to be converted to manufacturing space in Phase Two. The applicant has indicated that all building permit work associated with the greenhouses and Phase One manufacturing area would be constructed together. However, given that the applicant cannot guarantee when cultivation space will be leased, conditions of approval allow individual building permits to be issued for each building in

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Phase One, provided that required site access, parking, security, and fire agency requirements are coupled with the first building permit issued. The project is conditioned accordingly.

Operational conditions of approval require that prior to occupancy, the specific building permit associated with any particular phase of the cannabis operation is finaled. Further, the applicant shall obtain the associated cannabis license for cultivation, manufacturing, or distribution, as appropriate.

Local Coastal Program Consistency

The proposed project is in conformance with the County's certified Local Coastal Program, in that the existing facility, including proposed minor alterations to the site and buildings for a change in the crop production and processing within existing structures, continue to be sited and designed to be visually compatible, in scale with, and integrated with the character of the surrounding agricultural area. Most of the existing facility is screened from San Andreas Road per site photos included in the project plans. However, additional landscaping has been included on the plans to fully screen the facility greenhouses from San Andreas Road, a designated scenic roadway. The gap in screening, as seen in Site photo (View 2) is addressed with proposed Monterey Cypress trees, consistent with existing species present along the edge of the development.

Developed parcels in the area contain agricultural uses and the proposed change in agricultural crop production and processing, including minor modifications to the developed portion of the site for improved road access, accessibility, and site security are consistent with the design and function of the original facility. Although the project site is located between the shoreline and the first public road and is not identified as a priority acquisition site in the County's Local Coastal Program. Consequently, the proposed project will not interfere with public access to the beach, ocean, or other nearby body of water.

Conclusion

As proposed and conditioned, the project is consistent with all applicable codes and policies of the Zoning Ordinance and General Plan/LCP. Please see Exhibit "B" ("Findings") for a complete listing of findings and evidence related to the above discussion.

Staff Recommendation

- Determine that the proposal is exempt from further Environmental Review under the California Environmental Quality Act.
- APPROVAL of Application Number 181585, based on the attached findings and conditions.

Supplementary reports and information referred to in this report are on file and available for viewing at the Santa Cruz County Planning Department, and are hereby made a part of the administrative record for the proposed project.

The County Code and General Plan, as well as hearing agendas and additional information

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are available online at: www.co.santa-cruz.ca.us

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Exhibits

- A. Categorical Exemption (CEQA determination)
- B. Findings
- C. Conditions
- D. Project plans
- E. Program Statement and Phasing Plan
- F. Odor Report
- G. Parcel Information
- H. Assessor's, Location, Zoning and General Plan Maps

CALIFORNIA ENVIRONMENTAL QUALITY ACT NOTICE OF EXEMPTION

The Santa Cruz County Planning Department has reviewed the project described below and has determined that it is exempt from the provisions of CEQA as specified in Sections 15061 - 15332 of CEQA for the reason(s) which have been specified in this document.

Application Number: 181585

Assessor Parcel Number: 046-151-37

Project Location: 481 San Andreas Road, Watsonville, CA 95076

Project Description: Proposal to operate a Class CA indoor co-location cannabis cultivation facility with up to five cultivators on Commercial Agriculture (CA) zoned property, Class 3 manufacturing (volatile extraction) and Class 2 distribution of cannabis product. The project includes approximately 590,922 square feet of cultivation within existing greenhouses, manufacturing, processing, distribution, office and storage within an existing 32,458 square foot processing facility on a site containing existing row crops, greenhouse plant production, cannabis cultivation, shipping and office use. Requires a Commercial Development Permit and a Coastal Development Permit Amendment to Permit 86-0351.

Person or Agency Proposing Project: Ken Hart, Swift Consulting Services

Contact Phone Number: (8:	31) 459-9992 x102
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A		The proposed activity is not a project under CEQA Guidelines Section 15378.
B		The proposed activity is not subject to CEQA as specified under CEQA
		Guidelines Section 15060 (c).
C		Ministerial Project involving only the use of fixed standards or objective
		measurements without personal judgment.
D		Statutory Exemption other than a Ministerial Project (CEQA Guidelines Section
		15260 to 15285).
IF.	v	Categorical Exemption

Specify type:

Class	Category	Description
Class 1	Existing Facilities	Consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. (Cal. Code Regs., tit. 14, §15301.)
Class 2	Accessory Structures	Consists of construction, or placement of minor structures accessory to (appurtenant to) existing commercial, industrial, or institutional facilities, including, but not limited small parking lots.
Class 3	New Construction or Conversion of Small Structures	Consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing

EXHIBIT A

	2	small structures from one use to another where only minor modifications are made in the exterior of the structure. (Cal. Code Regs., tit. 14, § 15303.)
Class 4	Minor Alterations to Land	Consists of minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees except for forestry and agricultural purposes. (Cal. Code Regs., tit. 14, § 15304.)
Class 5	Minor Alterations in Land Use Limitations	Consists of minor alterations in land use limitations in areas with an average slope of less than 20%, which do not result in any changes in land use or density. (Cal. Code Regs., tit. 14, § 15305.)

F. Reasons why the project is exempt:

The existing greenhouse flower cultivation, processing, and distribution facility is currently underutilized due to a collapse in the flower market. The proposed change in use to cannabis cultivation, processing, distribution, and manufacturing includes improvements within existing structures and minor alterations to the site within the existing developed portion of the facility to provide additional parking, accessibility improvements, etc., so the existing floor area within the facility may be more fully utilized.

	Date:
Shaile McDoniel Project Planner	

In addition, none of the conditions described in Section 15300.2 apply to this project.

Development Permit Findings

1. That the proposed location of the project and the conditions under which it would be operated or maintained will not be detrimental to the health, safety, or welfare of persons residing or working in the neighborhood or the general public, and will not result in inefficient or wasteful use of energy, and will not be materially injurious to properties or improvements in the vicinity.

This finding can be made, in that the project is located in an area designated for commercial agricultural uses. The proposed improvements are located within the developed portion of the site. The project incorporates the adopted best management operation practices, including maintenance of clustering of development access and infrastructure, proposed water conservation and pesticide management, etc. Furthermore, construction will comply with prevailing building technology, the California Building Code, and the County Building ordinance to ensure the optimum in safety and the conservation of energy and resources.

The ordinance requires a minimum 600-foot setback from subject property to a State park and a minimum 400 feet to habitable structures. In keeping with the regulations, the proposed operation is sited to meet the minimum setbacks from the State park and any habitable structures within proximity to the site. Furthermore, County Code Section 7.128.170 (Q)(1) provides an exception to the requirement for an odor Abatement Plan for operations located on CA zoned properties such as the subject property. Notwithstanding, given the size of the indoor cultivation, an odor control plan has been included in the project plans. As a condition of approval, the Licensing Official may impose the odor control plan for cultivation operations or require that the licensee(s) take other measures to control odor if odor complaints are verified by the Monterey Bay Air Resources Control Board. In addition, an odor control plan has also been included in the manufacturing building, as required by the manufacturing regulations.

A security plan has been submitted and accepted by the County sheriff. The project is conditioned to require final approval of the security plan by the County Sheriff prior to issuance of a cultivation license by the Cannabis Licensing Office.

With the security plan in place and odor control included as condition of project operation by the Cannabis Licensing Official, the project will not be materially injurious to properties or improvements in the vicinity.

2. That the proposed location of the project and the conditions under which it would be operated or maintained will be consistent with all pertinent County ordinances and the purpose of the zone district in which the site is located.

This finding can be made, in that the proposed location of the cannabis cultivation use and the conditions under which it would be operated or maintained will be consistent with all pertinent County ordinances and the purpose of the CA (Commercial Agriculture) zone district as the primary use of the property will be agricultural crops within existing greenhouses and the proposed cannabis use meets all current site standards for the zone district and cannabis regulations. The proposed use continues agricultural production of the site without removal of additional agricultural land.

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Furthermore, the project proposes improvements within the existing developed portion of the site and utilizes existing access and site infrastructure and otherwise retains all existing remaining property for agricultural cultivation, providing protection of agricultural land, consistent with the agricultural preserve contract. Site improvements are the minimum necessary to meet current access, parking, accessibility, and fire requirements.

The proposed project includes a CA Class, co-location, cultivation, Type 3 manufacturing, and Type 2 distribution. These uses comply with the non-retail cannabis cultivation ordinance site development standards and canopy allowances, as approved by the Cannabis licensing Office. The project plans include Best Management Operational Practices as required by the ordinance.

That the proposed use is consistent with all elements of the County General Plan and with 3. any specific plan which has been adopted for the area.

This finding can be made, in that the proposed cannabis cultivation use is consistent with the use and density requirements specified for the AG (Agriculture) land use designation in the County General Plan. The proposed use is essentially a change in the agricultural crop cultivated and processed on site. With security measures, as approved by the County Sheriff, proposed landscape screening along the eastern property line would screen views of the site from San Andreas Road, and with conditions of approval to ensure hazardous materials and pesticide management, the proposed cultivation, manufacturing, and distribution facility use will be consistent with the General Plan policies to ensure public health and safety and visual resource protection.

The proposed use does not significantly modify the the existing agricultural production or processing use associated with the property. The existing operation consists of row crops, greenhouse flower production and processing. The existing greenhouse flower cultivation, processing, and distribution facility is currently underutilized due to a collapse in the flower The proposed change in use to cannabis cultivation, processing, distribution, and manufacturing includes improvements, within existing structures and minor alterations to the site within the existing developed portion of the facility to provide additional parking, accessibility improvements, etc., allows the agricultural facility to be more fully utilized. As a result, the proposed use will not overload utilities and will not generate more than the acceptable level of traffic originally approved for the project site.

A specific plan has not been adopted for this portion of the County.

That the proposed project will complement and harmonize with the existing and proposed 4. land uses in the vicinity and will be compatible with the physical design aspects, land use intensities, and dwelling unit densities of the neighborhood.

This finding can be made, in that security fencing and gated access will be provided, as conditioned to meet the County Sheriff requirements to ensure site security and continued harmony with the surrounding area. Proposed landscaping will fully screen views form San Andreas Road, ensuring that visual resources are protected as a result of the project. The odor control plan, if required by the licensing official as a result of odor complaints, ensures that the use will continue to complement the agricultural area. The proposed cannabis cultivation,

manufacturing, and distribution use is consistent with the agricultural land use intensity of the site and will complement the rural agricultural area.

The use provides the minimum facility improvements within the developed portion of the parcel and otherwise does not propose any additional development disturbance or result in loss of agricultural land on the site, and would continue to protect the commercial agricultural land on the site while allowing continuance of commercial agricultural cultivation within existing greenhouses as well as processing activities associated with crops produced on site.

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Coastal Development Permit Findings

1. That the project is a use allowed in one of the basic zone districts that are listed in LCP Section 13.10.170(D) as consistent with the LCP Land Use Plan designation of the site.

This finding can be made, in that the property is zoned CA (Commercial Agriculture), a designation which allows agricultural uses. The proposed use is a permitted use within the zone district, and the zoning is consistent with the site's AG (Agriculture) General Plan designation.

2. That the project does not conflict with any existing easement or development restrictions such as public access, utility, or open space easements.

This finding can be made, in that no such easements or restrictions are known to encumber the project site.

3. That the project is consistent with the design criteria and special use standards and conditions of this chapter pursuant to SCCC 13.20.130 and 13.20.140 et seq.

This finding can be made, in that the existing development is consistent with the surrounding agricultural area and the design of the facility is not proposed to be significantly modified; the site is surrounded by agricultural development similar in scope and intensity. Although the site is located within view of San Andreas Road, a designated scenic roadway, existing landscaping screens most of the views of the development and additional landscaping has been included in the project plans to fully screen the facility greenhouses from view from San Andreas Road, a designated scenic roadway. Developed parcels in the area contain agricultural uses and the proposed change in agricultural crop, including minor modifications to the site for parking, access and circulation, fire requirements, security, and interior building modifications for processing, manufacturing, and distribution are consistent with the design and function of the original facility.

4. That the project conforms with the public access, recreation, and visitor-serving policies, standards and maps of the LCP Land Use Plan, including Chapter 2: Section 2.5 and Chapter 7.

This finding can be made, in that the project site is not identified as a priority acquisition site in the County Local Coastal Program and public beach access is available at Sunset State beach, located beyond the subject property and adjacent to the shoreline. Although the project site is located between the shoreline and the first public road and is not identified as a priority acquisition site in the County's Local Coastal Program. Consequently, the proposed project will not interfere with public access to the beach, ocean, or other nearby body of water.

5. That the project conforms to all other applicable standards of the certified LCP.

This finding can be made, in that the existing facility is sited and designed to be visually compatible and integrated with the character of the surrounding agricultural area. Modifications to the site for the proposed use do not alter the original footprint of the structures associated facility. Additionally, agricultural uses are allowed uses in the CA (Commercial Agriculture)

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zone district, as well as the General Plan and Local Coastal Program land use designation. Developed parcels in the area contain similar agricultural uses. The proposed use is subject to ongoing Environmental Health Hazardous materials regulations and State Regional Water Quality Control board standards to ensure water quality is not compromised as a result of operations.

6. If the project is located between the nearest through public road and the sea or the shoreline of any body of water located within the Coastal Zone, that the project conforms to the public access and public recreation policies of Chapter 3 of the Coastal Act.

This finding can be made, in that although the project site is located between the shoreline and the first public road and is not identified as a priority acquisition site in the County's Local Coastal Program. Consequently, the proposed project will not interfere with public access to the beach, ocean, or other nearby body of water.

Conditions of Approval

Exhibit D: Project plans, prepared by Spector Corbett Architects, revised to 4/17/2019

Ī. This permit authorizes amendment of Permit 86-0351 for operation of a Class CA indoor co-location cannabis cultivation facility with up to five cultivators on Commercial Agriculture (CA) zoned property, Class 3 manufacturing (volatile extraction) and Class 2 distribution of cannabis product with construction phasing. The project includes approximately 590,922 square feet of cultivation within existing greenhouses and manufacturing, processing, distribution, office and storage within an existing 32,458 square foot processing facility on a site containing existing row crops, greenhouse plant production, shipping and office use. Phase One improvements include 1) Access, parking, circulation, and general site accessibility; 2) Building Permits for individual greenhouses, 3) Building Permit for Phase One manufacturing, processing, and distribution building floor area, including partitions, restroom upgrades, accessibility improvements, odor mitigation system, security; and 4) Cannabis Licensing Office security improvements (parking lot cameras, access control gates and cameras, and lighting, etc. Phase Two improvements include Building Permit for manufacturing building area modifications for conversion of Eventscapes tenant for use as cannabis processing and manufacturing. This approval does not confer legal status on any existing structure(s) or existing use(s) on the subject property that are not specifically authorized by this permit.

Prior to exercising any rights granted by this permit including, without limitation, any construction or site disturbance, the applicant/owner shall:

- A. Sign, date and return to the Planning Department one copy of the approval to indicate acceptance and agreement with the conditions thereof.
- B. Obtain a Class CA Cultivation License (Commercial Agricultural Cultivation) from the Cannabis Licensing Office.
- C. Obtain a Class 3 Manufacturing License (Volatile extraction) from the Cannabis Licensing Office.
- D. Obtain a Class 2 Distribution License (Self Distribution) from the Cannabis Licensing Office.
- E. Obtain a Building Permit(s) from the Santa Cruz County Building Official.
 - 1. Any outstanding balance due to the Planning Department must be paid prior to making a Building Permit application. Applications for Building Permits will not be accepted or processed while there is an outstanding balance due.

- II. Prior to issuance of a Building Permit(s) for Phase One the applicant/owner shall:
 - A. Submit final architectural plans for review and approval by the Planning Department. The final plans shall be in substantial compliance with the plans marked Exhibit "D" on file with the Planning Department. Any changes from the approved Exhibit "D" for this development permit on the plans submitted for the Building Department must be clearly called out and labeled by standard architectural methods to indicate such changes. Any changes that are not properly called out and labeled will not be authorized by any license issued by the Cannabis Licensing Office. Final plans shall include the following additional information:
 - 1. Details showing compliance with Accessibility requirements, dated May 8, 2019.
 - 2. A copy of the text of these conditions of approval incorporated into the full-sized sheets of the architectural plan set.
 - 3. A copy of the preliminary Best Management and Operational Plan (BMOP) incorporated into the full-sized sheets of the architectural plan set.
 - 4. Details showing compliance with Cal Fire requirements, dated May 16, 2019. If greenhouse building permits are submitted separately, Cal Fire Department site improvements, including access and circulation, and hydrants, etc., shall be required when the first Phase One building permit is obtained.
 - 5. Greenhouse plans shall include light deprivation curtains so that lighting used for cultivation does not escape the site between sunset and sunrise.
 - 6. Details showing compliance with Environmental Planning, to include:
 - A. Obtain a grading permit if required. Grading plans shall be prepared by a licensed Civil Engineer.
 - 7. Meet all requirements of the Environmental Health Agency, dated December 12, 2018, including hazardous materials requirements, if applicable.
 - 8. Any improvements required to clear outstanding building permit holds by Agency reviewers authorized by Permit 86-0351 shall be included in the project plans.
- II. Prior to issuance of a Building Permit(s) for Phase Two the applicant/owner shall:

- A. Submit final architectural plans for review and approval by the Planning Department. The final plans shall be in substantial compliance with the plans marked Exhibit "D" on file with the Planning Department. Any changes from the approved Exhibit "D" for this development permit on the plans submitted for the Building Department must be clearly called out and labeled by standard architectural methods to indicate such changes. Any changes that are not properly called out and labeled will not be authorized by any license issued by the Cannabis Licensing Office. Final plans shall include the following additional information:
 - 1. Details showing compliance with Accessibility requirements, dated May 8, 2019.
 - 2. A copy of the text of these conditions of approval incorporated into the full-sized sheets of the architectural plan set.
 - 3. A copy of the preliminary Best Management and Operational Plan (BMOP) incorporated into the full-sized sheets of the architectural plan set.
 - 4. Details showing compliance with Cal Fire Department requirements, dated May 16, 2019.
 - 5. Greenhouses plans shall include light deprivation curtains so that lighting used for cultivation does not escape the site between sunset and sunrise.
 - 6. Any improvements required to clear outstanding agency building permit holds associated with Permit 86-0351.
 - 7. Meet all requirements of the Environmental Health Agency, dated December 12, 2018, including hazardous materials requirements, if applicable.
- III. All construction shall be performed according to the approved plans for the Building Permit (s). Prior to final building inspection, the applicant/owner must meet the following conditions:
 - A. All site improvements shown on the final approved Building Permit plans shall be installed.
 - B. All inspections required by the building permit shall be completed to the satisfaction of the County Building Official.

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C. All building permit holds placed on the building permits authorized under Use Permit 86-0351 shall be cleared by agency reviewers. This includes construction of any requirements previously required.

IV. Operational Conditions

- A. Prior to occupancy of any building used for cannabis cultivation, manufacturing, or distribution, the associated building permit (s) shall be finaled by the Building Official, including clearance of all agency holds, and the Cannabis License shall be issued by the Cannabis Licensing Office.
- B. All licensees shall maintain a valid State license, posted in a conspicuous location.
- C. All Cannabis licensee (s) shall maintain a valid Santa Cruz County license, posted in a conspicuous location.
- D. Deliveries are limited to the hours between 8:00 AM and 5:00 PM Monday through Friday.
- E. The business is authorized to be operated between 7:00 AM and 7:00 PM daily.
- F. The following security measures shall be maintained:
 - 1. Site access gates and building doors shall be locked at all times to prevent unauthorized entry.
 - 2. No cash shall be kept on the premises.
 - 3. No advertising or signage is allowed that displays either in words or symbols the presence of cannabis on-site.
 - 4. All licensees are responsible for reporting any theft or other security breach to the Cannabis Licensing Office.
 - 5. Each employee shall receive training regarding the site's security plan.
- G. There shall be no on-site retail sales of cannabis products and the premises shall not be open to the public.
- H. No light used for cultivation in greenhouses shall escape the site between sunset and sunrise. Light deprivation curtains shall be used in greenhouses to shield the structure(s) when lighting is on.

- I. All accessible paths of travel within greenhouses shall be hard packed soil surfaced with weed cloth. Base rock or impervious surface shall be prohibited within greenhouses.
- J. Employees shall use on-site vehicle parking, overflow parking area, and proposed bicycle parking only. Parking is prohibited within agricultural fields.
- K. If verified odor complaints are received for the site by the Monterey Bay Air Resources Board, the cannabis licensee(s) shall be required to submit a building permit for odor abatement within 30 days. The odor abatement system shall be installed within 30 days of Building Permit Issuance.
- L. In the event that future County inspections of the subject property disclose noncompliance with any conditions of this approval, any conditions of the County-issued license, or any violation of the County code, the owner shall pay to the County the full cost of such County inspections, including any follow-up inspections and/or necessary enforcement actions, up to and including permit revocation.
- V. As a condition of this development approval, the holder of this development approval ("Development Approval Holder"), is required to defend, indemnify, and hold harmless the COUNTY, its officers, employees, and agents, from and against any claim (including attorneys' fees), against the COUNTY, its officers, employees, and agents to attach, set aside, void, or annul this development approval of the COUNTY or any subsequent amendment of this development approval which is requested by the Development Approval Holder.
 - A. COUNTY shall promptly notify the Development Approval Holder of any claim, action, or proceeding against which the COUNTY seeks to be defended, indemnified or held harmless. COUNTY shall cooperate fully in such defense. If COUNTY fails to notify the Development Approval holder within sixty (60) days of any such claim, action, or proceeding, or fails to cooperate fully in the defense thereof, the Development Approval Holder shall not thereafter be responsible to defend, indemnify, or hold harmless the COUNTY if such failure to notify or cooperate was significantly prejudicial to the Development Approval Holder.
 - B. Nothing contained herein shall prohibit the COUNTY from participating in the defense of any claim, action, or proceeding if both of the following occur:
 - 1. COUNTY bears its own attorneys' fees and costs; and
 - 2. COUNTY defends the action in good faith.
 - C. <u>Settlement.</u> The Development Approval Holder shall not be required to pay or perform any settlement unless such Development Approval Holder has approved the settlement. When representing the county, the Development Approval Holder

shall not enter into any stipulation or settlement modifying or affecting the interpretations or validity of any of the terms or conditions of the development approval without the prior written consent of the County.

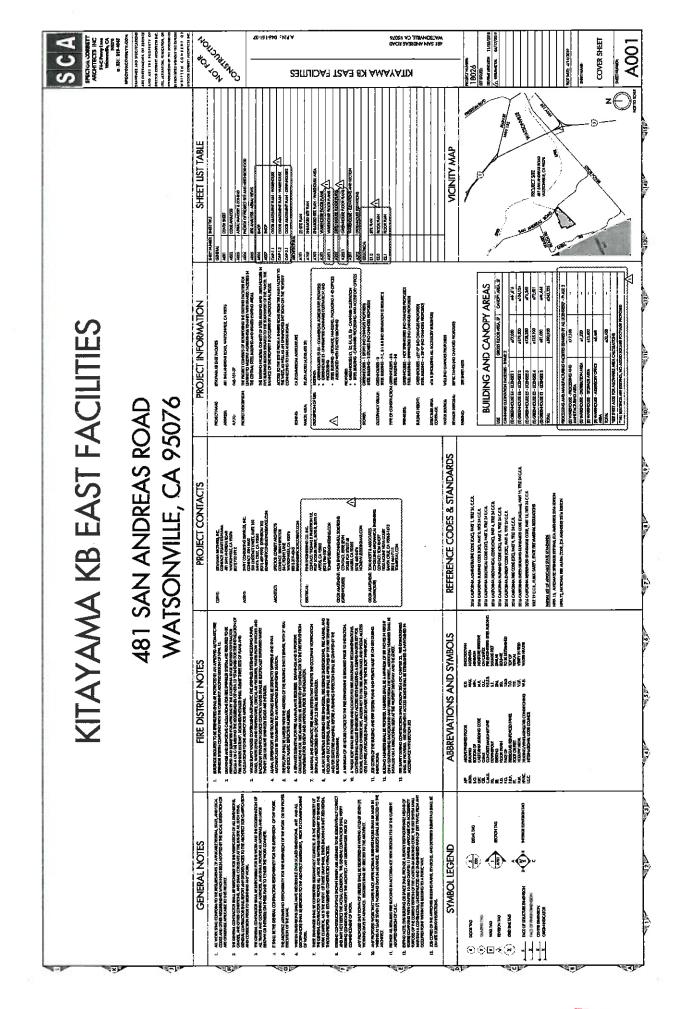
D. <u>Successors Bound</u>. "Development Approval Holder" shall include the applicant and the successor'(s) in interest, transferee(s), and assign(s) of the applicant.

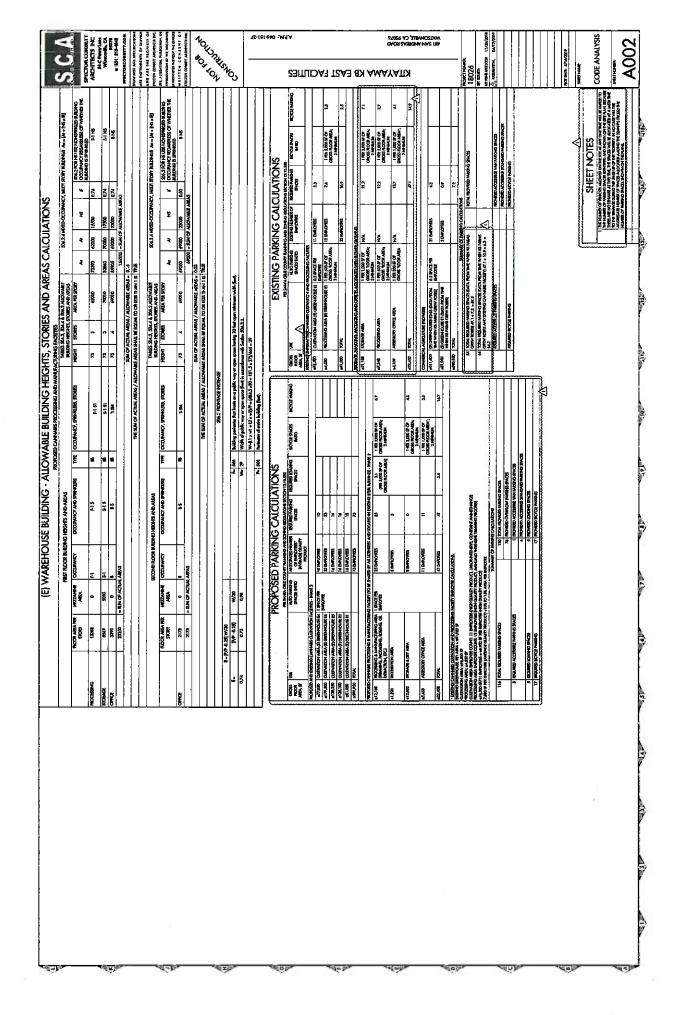
Minor variations to this permit which do not affect the overall concept or density may be approved by the Planning Director at the request of the applicant or staff in accordance with Chapter 18.10 of the County Code.

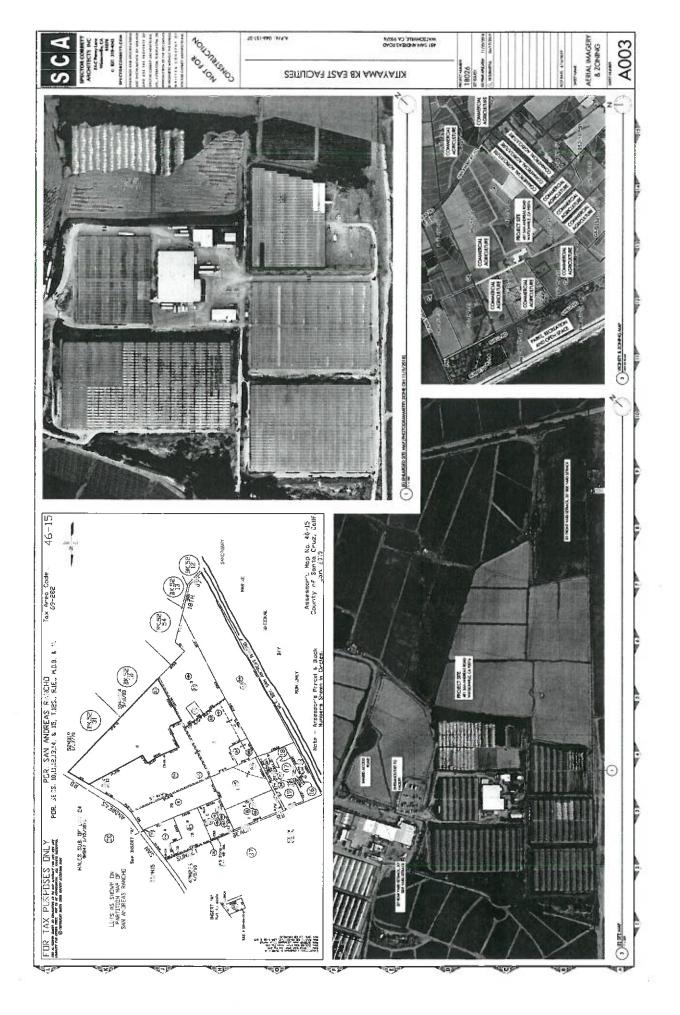
Please note: This permit expires three years from the effective date listed below unless a building permit (or permits) and cannabis license(s) are obtained for the first phase of the project consisting of one of the primary structures described in the development permit (does not include demolition, temporary power pole or other site preparation permits, or accessory structures unless these are the primary subject of the development permit). Failure to exercise the building permit and to complete all of the construction under the building permit, resulting in the expiration of the building permit, and to obtain the cannabis license, will void the development permit, unless there are special circumstances as determined by the Planning Director and Cannabis Licensing Official.

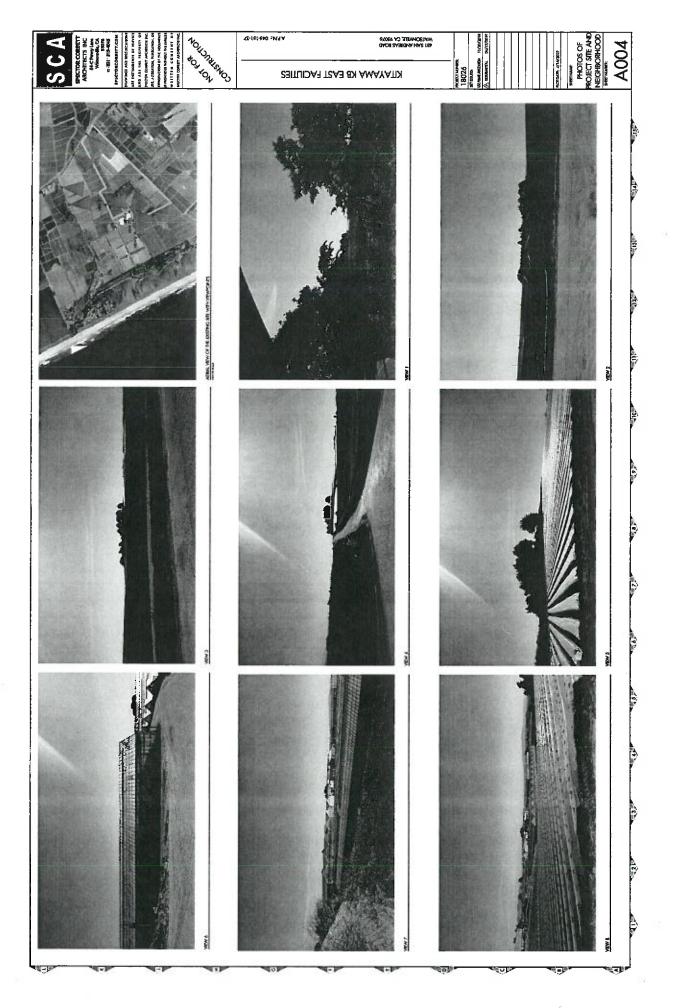
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Expiration Date:	

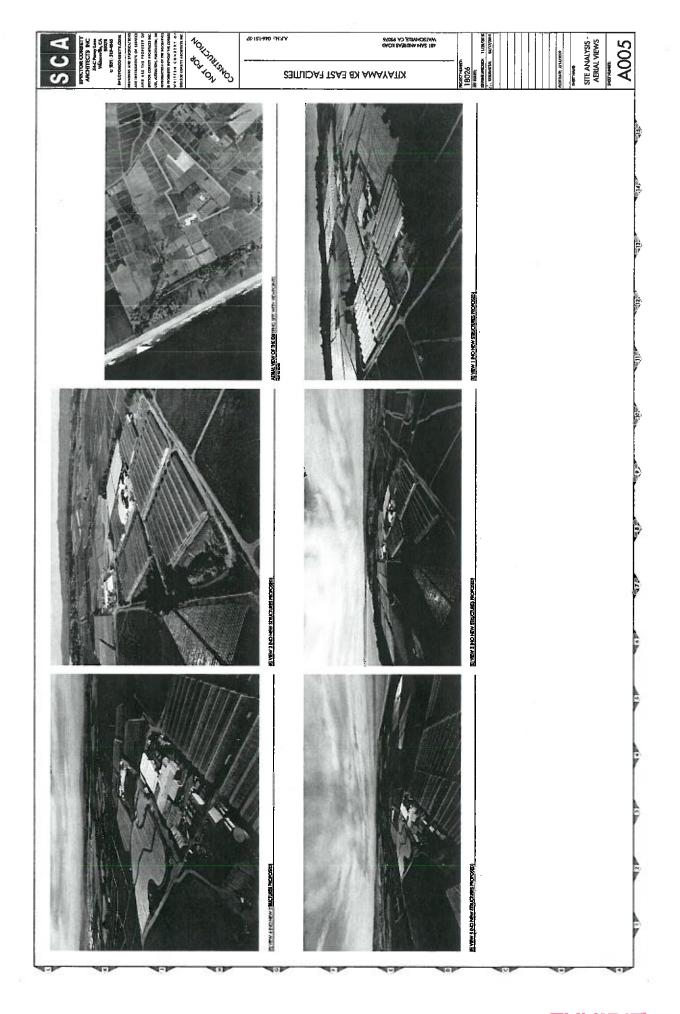
Appeals: Any property owner, or other person aggrieved, or any other person whose interests are adversely affected by any act or determination of the Zoning Administrator, may appeal the act or determination to the Planning Commission in accordance with chapter 18.10 of the Santa Cruz County Code.

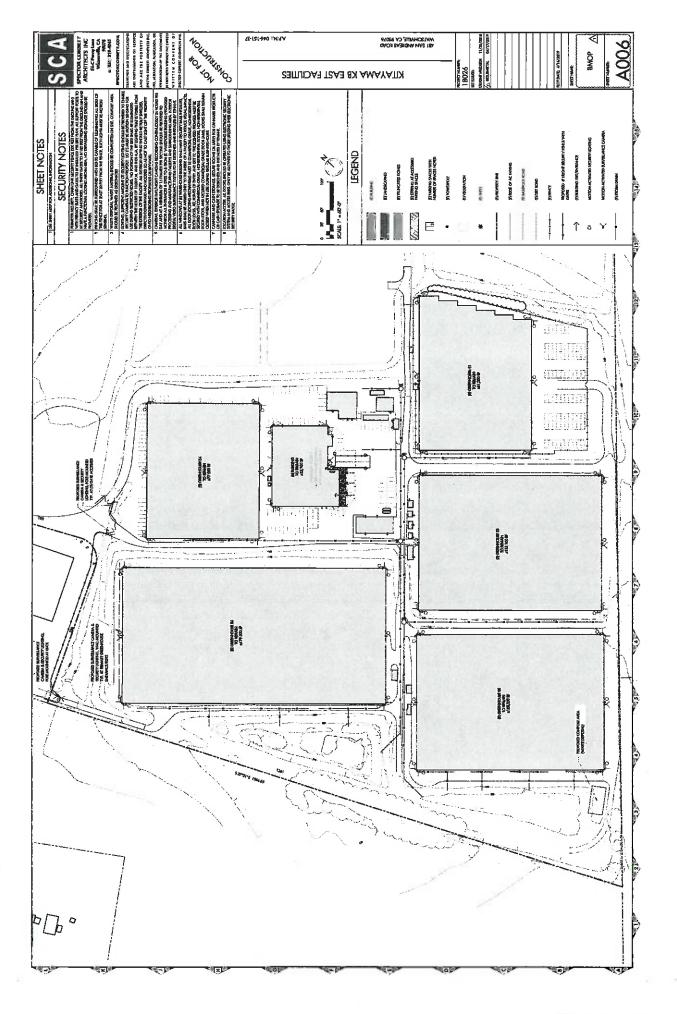




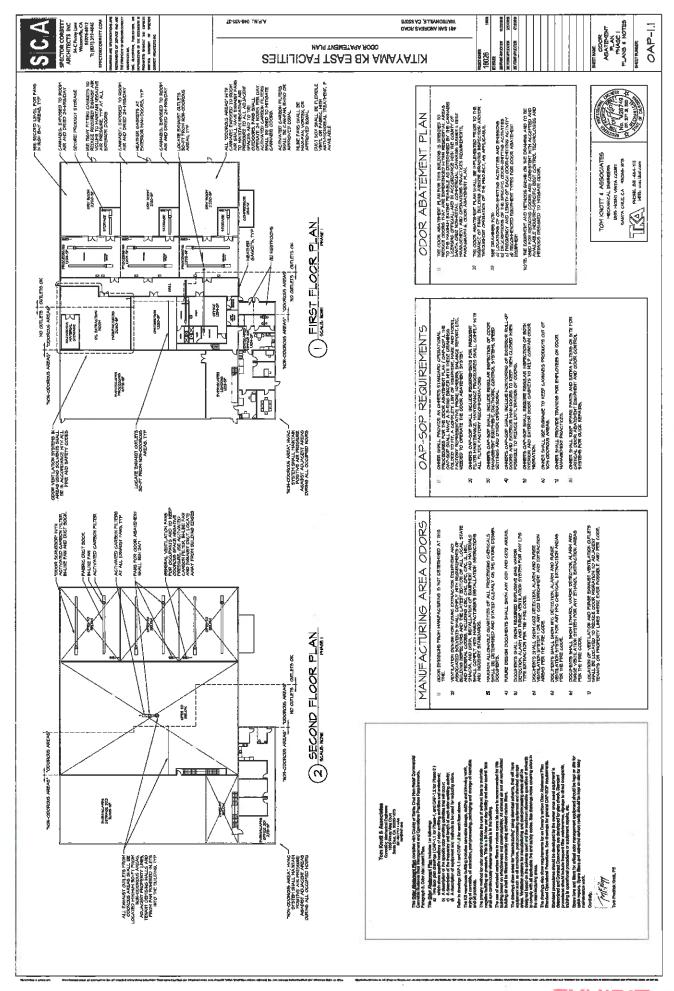


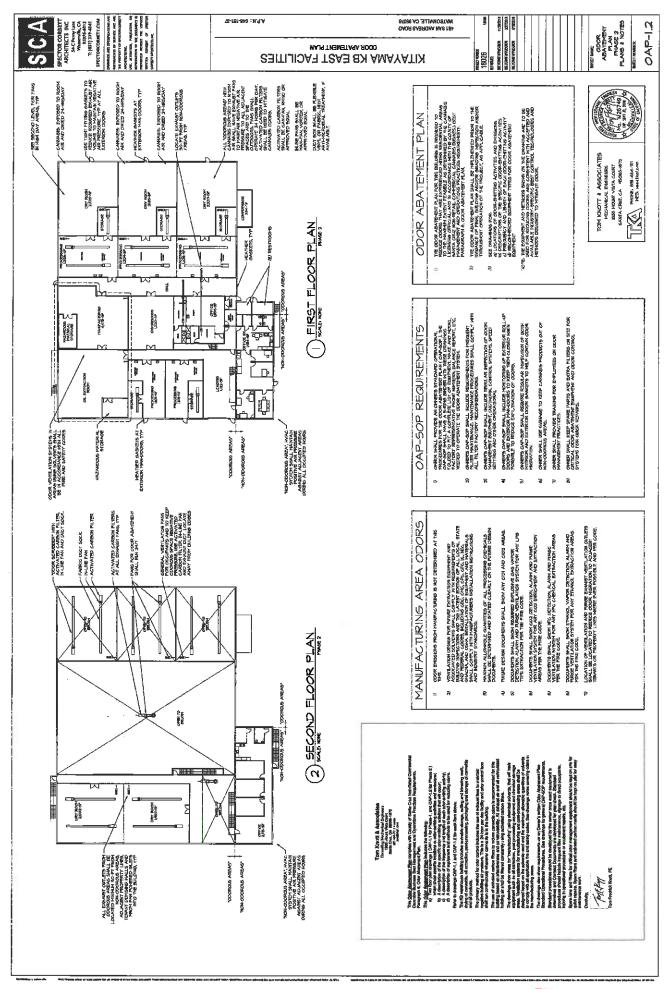


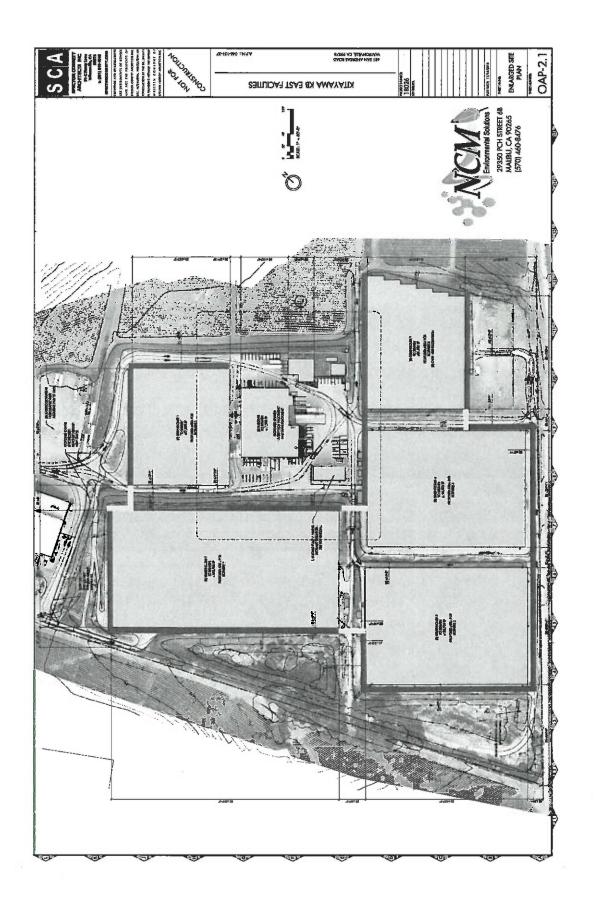


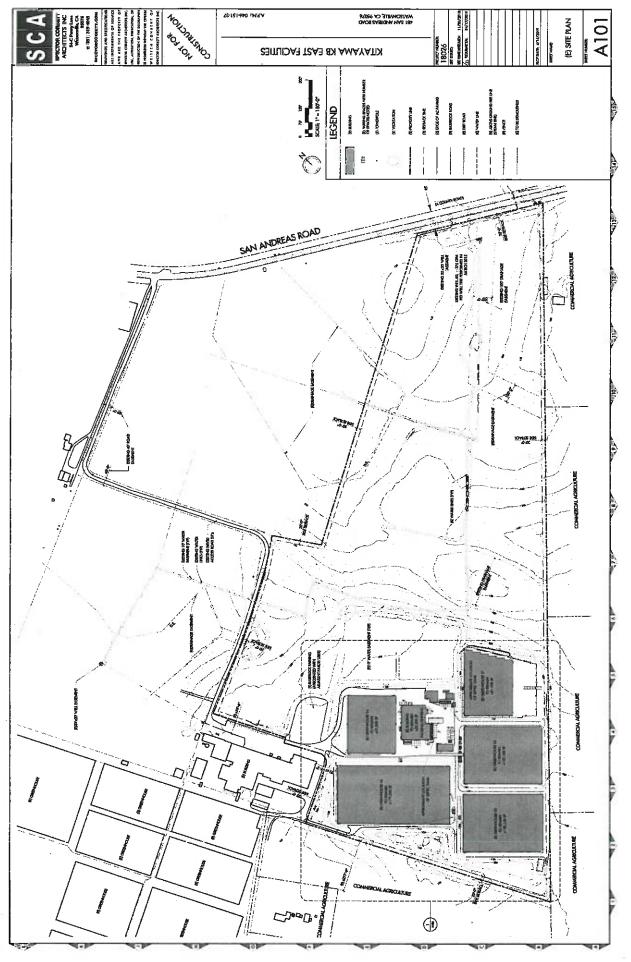


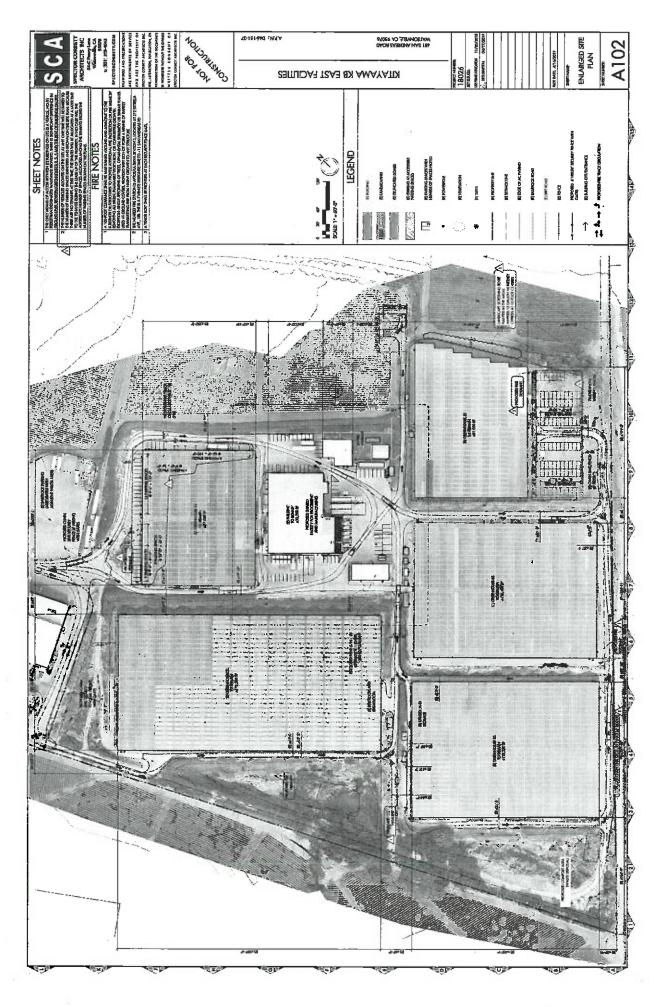
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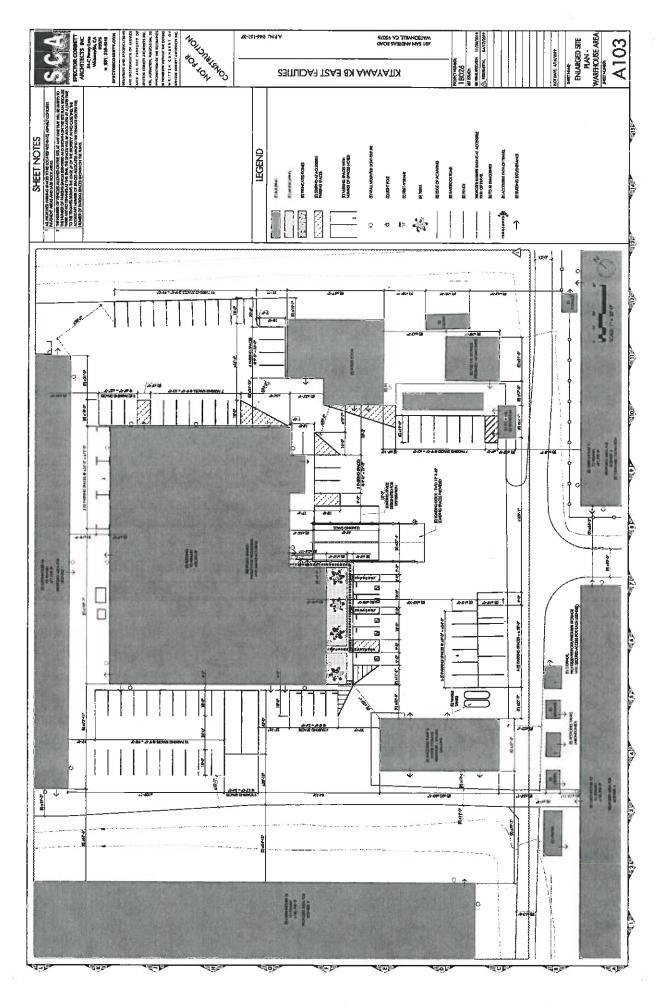


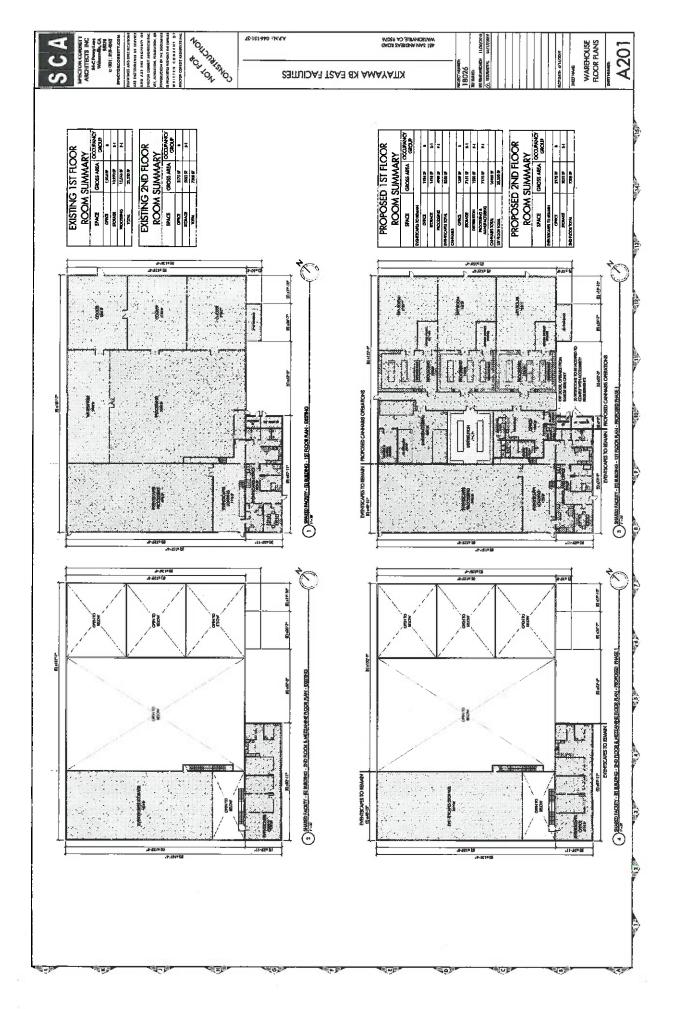


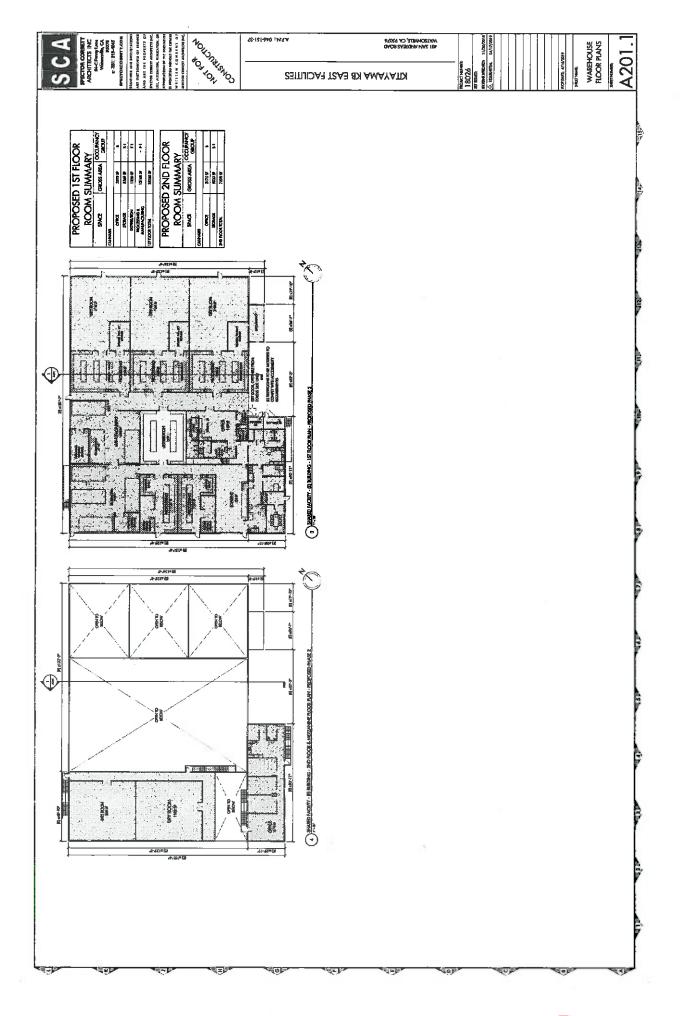


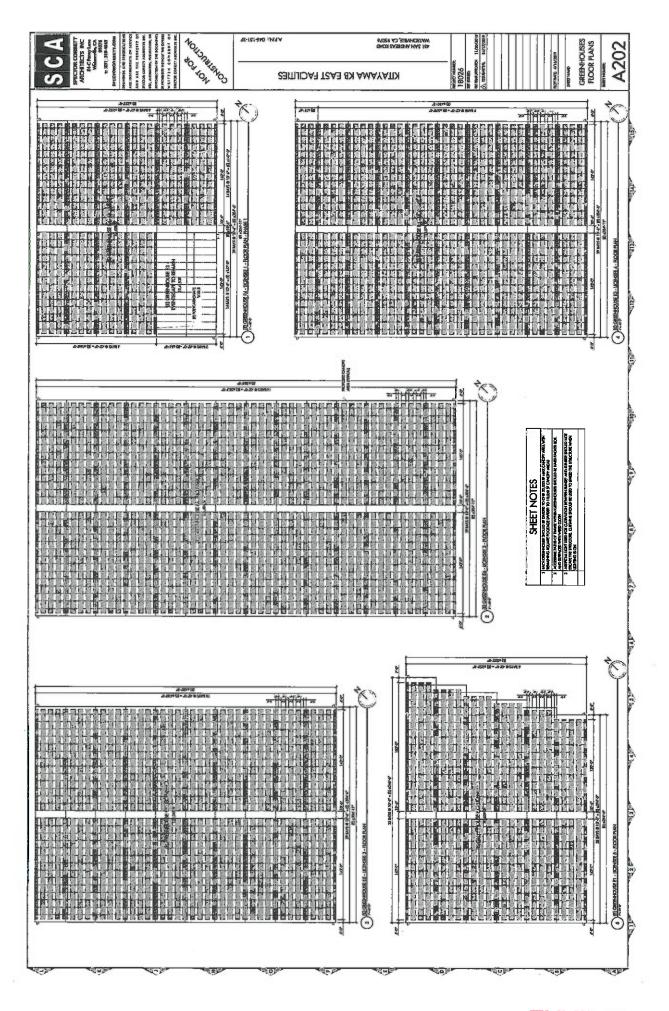


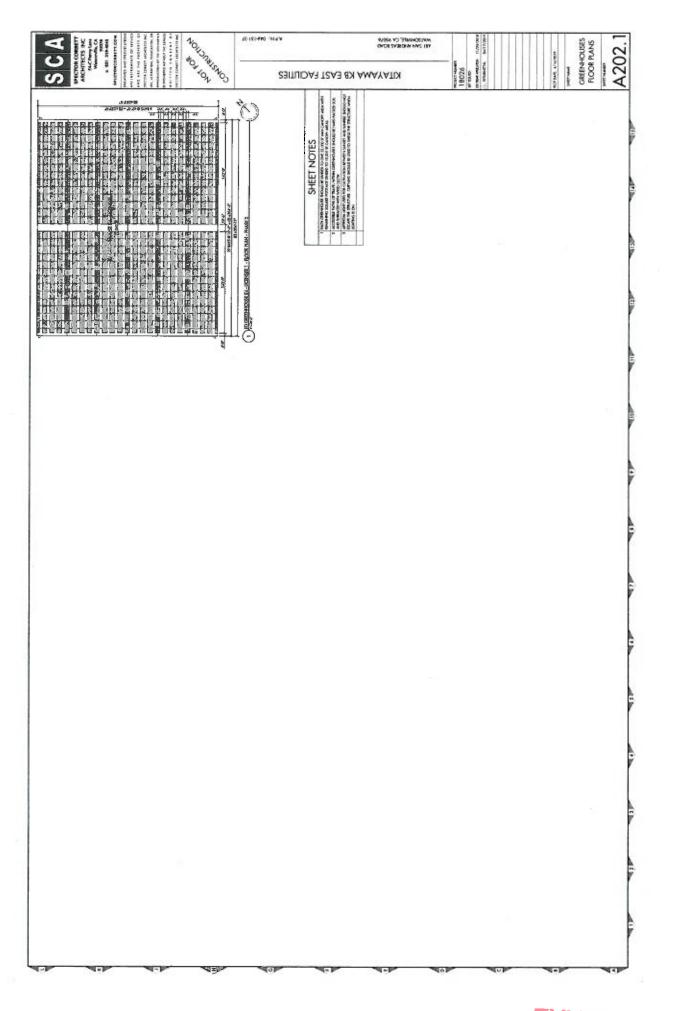


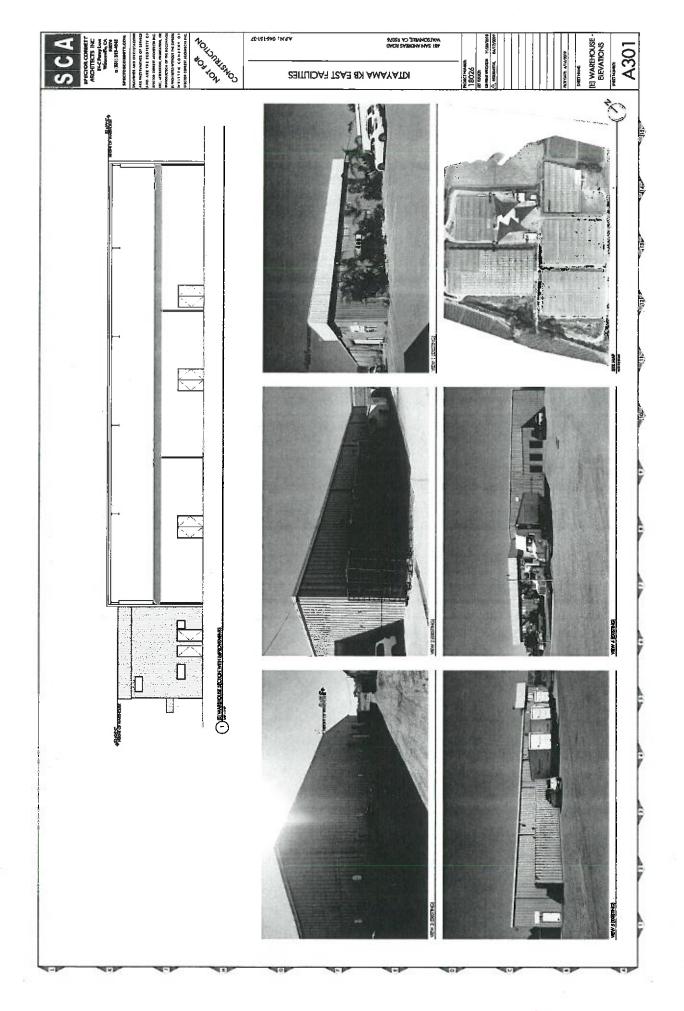


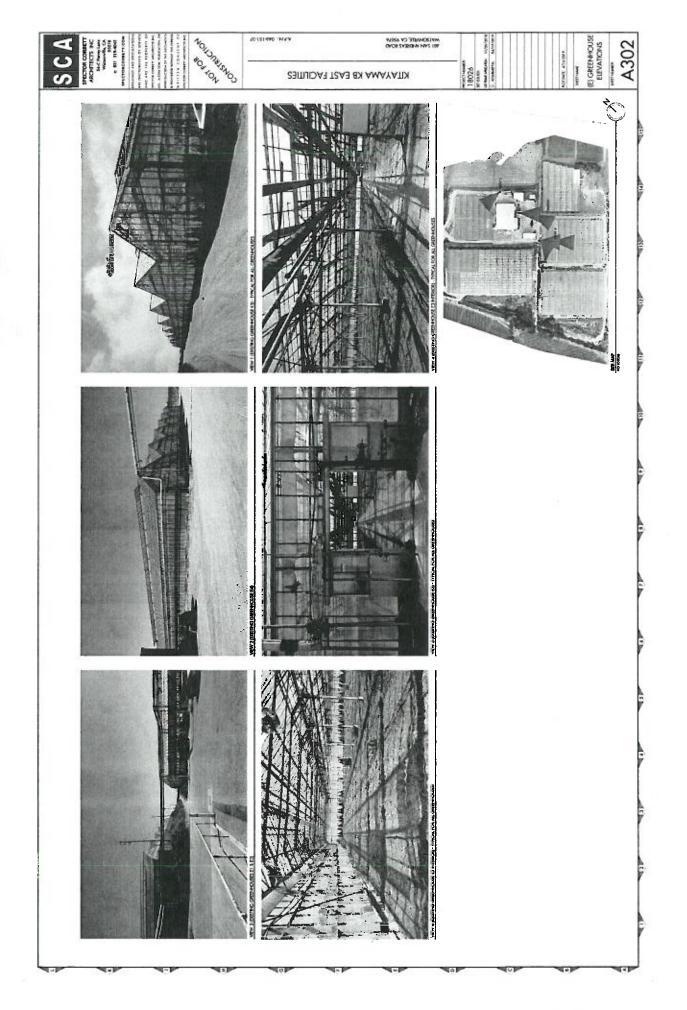


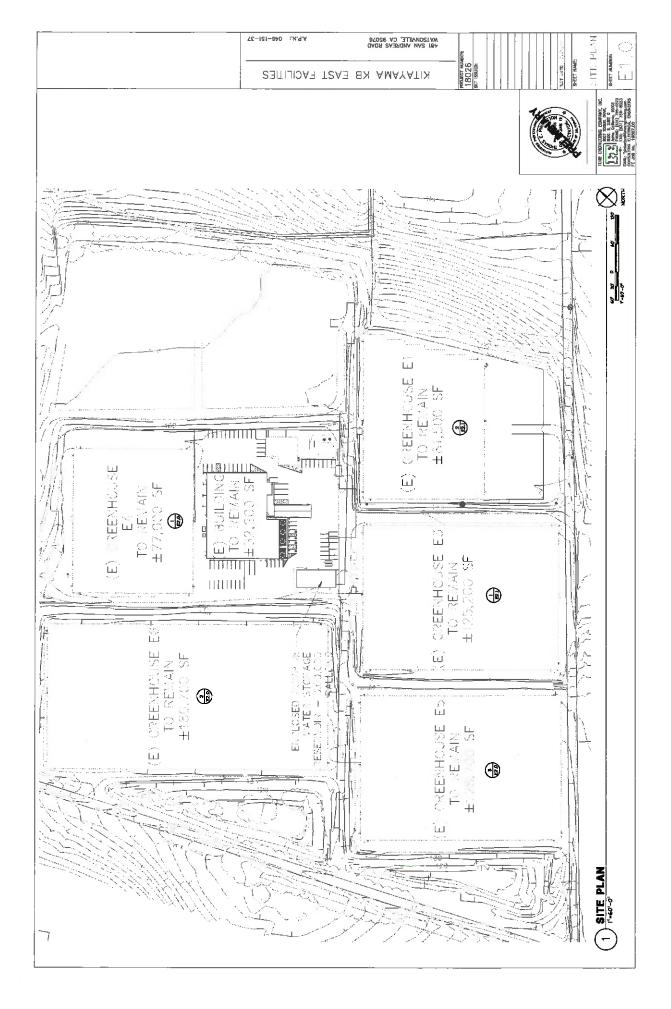


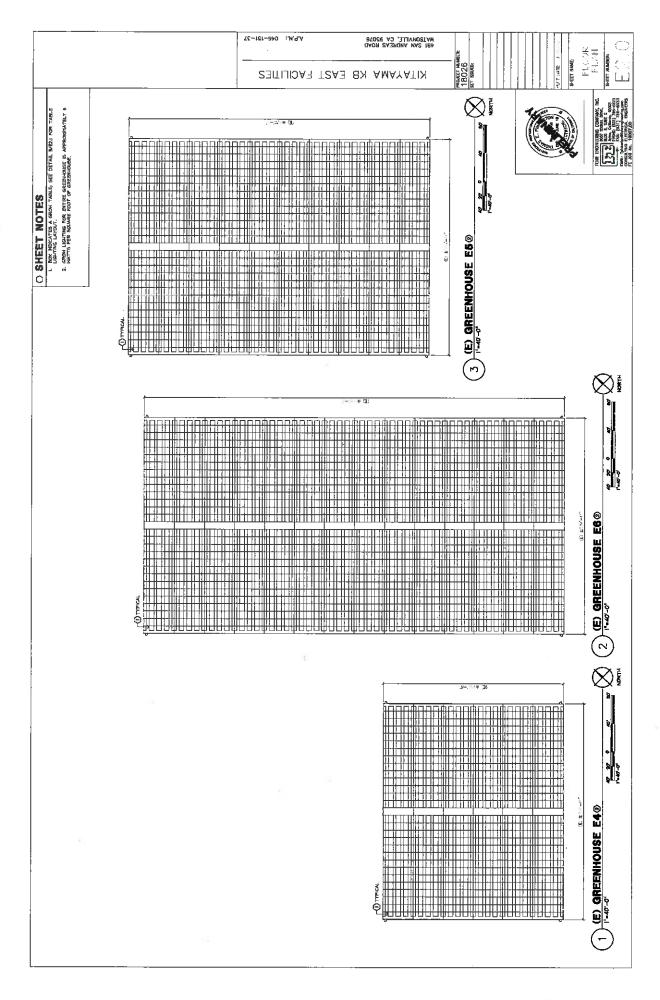


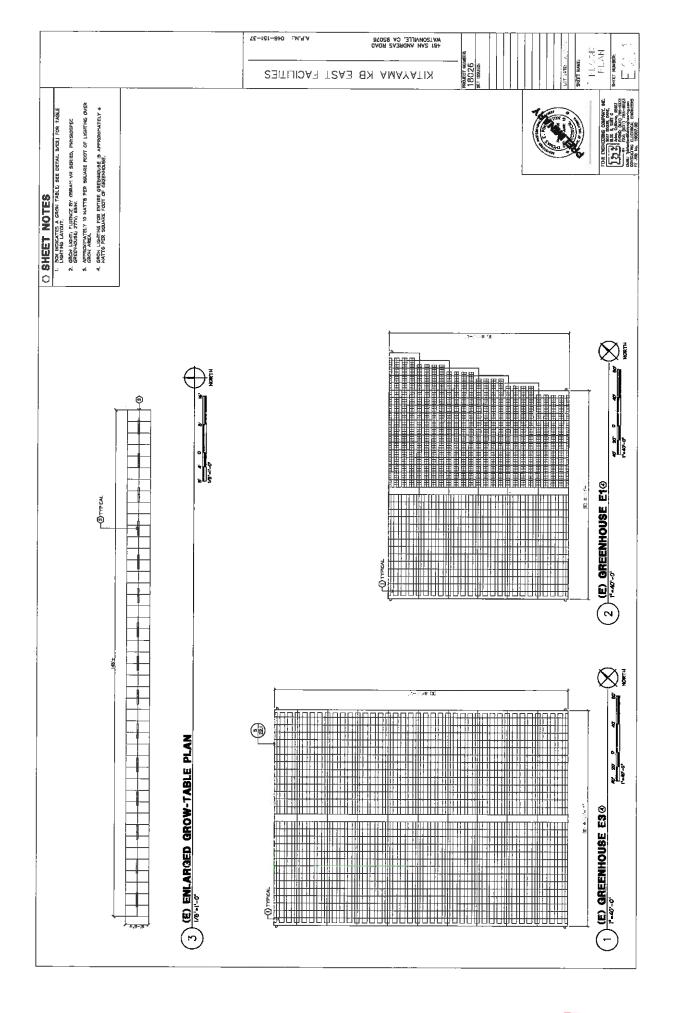












Kitayama Program Statement

Current Uses of the Site

The Kitayama parcel (APN 046-151-37) currently supports a variety of uses, including cultivation of row crops, green house plant production, cannabis cultivation, shipping, and office use related to management of the various operations and tenants. Until recently, the majority of the green houses on the site were used to produce cut flowers. The leases for these tenants were not renewed in anticipation of this transition to cannabis cultivation and those green houses are currently vacant awaiting this transition. This includes green houses E3, E5, E6, and a portion of E4 (see sheets A101 and A102 of the project plans). Green house E1 is occupied by Santa Cruz Canna Farms. This use in green house E1 is included in this application for a Commercial Development and Coastal Permit.

The warehouse in the central portion of the property (see plan sheets A101, 102, 103, 201, and 201.1) is currently occupied by AUW trucking and Eventscapes. AUW Trucking ships cut flowers. Eventscapes supplies plants and flowers for events throughout the central coast. AUW Trucking will be vacating the property to make way for the cannabis manufacturing and distribution operation. The initial layout of the warehouse for manufacturing and distribution operations with the continued use of a portion of the building by Eventscapes is shown on sheet A201of the project plans.

Eventscapes, will vacate the property within the next two to five years. Sheet A201.1 of the project plans depicts the future use of this area of the warehouse as extraction and processing on the ground floor, with a drying room located at the second floor.

Proposed Uses

Kitayama Brothers plans to cultivate, manufacture, and distribute cannabis products at 481 San Andreas Road, in unincorporated Santa Cruz County (APN 046-151-37). This property is zoned CA, with a General Plan designation of AG. A co-location cannabis cultivation operation (Class CA License) is proposed in approximately 590,922 sq. ft. of existing green houses that have historically been used for the production of cut flowers. The cultivation greenhouses are depicted on sheet A102, Enlarged Site Plan.

In addition, we are initially proposing the use of approximately 16,500 square feet of existing warehouse space for drying, manufacturing, processing and distribution of cannabis product. Areas for trimming, packaging, and shipping will be provided, requiring issuance of a Class 2 Distribution License. Manufacturing operations may include extraction using volatile solvents, infusion, and/or extraction using non-volatile solvents such as ethanol, requiring issuance of a Class 3 manufacturing license per Santa Cruz County Code Section 7.128.130(A). The initial layout of the warehouse is shown on sheet A201 of the project plans.

Kitayama Program Statement Page 2

As indicated above, once the existing Eventscapes operation vacates the site, anticipated to occur within the next two to five years, the cannabis drying, manufacturing, and processing uses will be expanded into that portion of the warehouse. The layout of the warehouse, following the cessation of use by Eventscapes, is shown on sheet A201.1 of the project plans.

Co-location Cultivation

Cannabis cultivation operations are proposed in approximately 590,922 square feet of existing greenhouses (see sheets A101 and A102) and we anticipate a maximum of five licensees on the property. The proposed operations are in excess of 22,000 square feet of canopy therefore we plan on having at least one co-location entity. We anticipate that the co-location entity will be utilizing the entirety of greenhouse E1 (see sheet A101 and A102) for their cultivation activities. Santa Cruz Canna Farms, the proposed co-location entity, has registered with the Santa Cruz County Cannabis Licensing Office and is unaffiliated with Kitayama Brothers, Inc or related companies.

Cannabis will be cultivated in all areas of the site denoted on Sheets A101 and A102. Cannabis will be cultivated above grade in a variety of pot and tray sizes based on the individual tenants growing style. All cannabis will be cultivated using a cultivation medium other than water (no hydroponic or aquaculture operations). Cannabis may be grown for flower or for extraction. The floors of the green houses consist of packed earth. The stable walking surfaces for cultivation within greenhouses will consist of packed earth overlain by week cloth.

The cultivation methods (i.e. biomass versus flowers) will influence overall employee requirements. We are estimating the need for approximately 75 employees, or 1 employee per 8,000 square feet of greenhouse space. This projection is consistent with the number of employees currently being used by the Santa Cruz Canna Farms operation on the property and is in line with the needs for historic cut flower use on the site. The site currently has parking capacity for these employees and a parking analysis is included, below.

Harvest Details

Harvest operations are anticipated to occur throughout the year.

Harvested cannabis will be dried and processed on site in the warehouse building as shown on Sheet A201. Harvest operations will be conducted by full time employees and will not result in an influx of additional employees. The site currently has parking capacity for these employees. Each tenant will have their own harvest drying and product storage room within the building, as shown on sheet A201. Harvested cannabis may be weighed on site and removed from site immediately upon harvest by a licensed distributor.

Cannabis waste from cultivation operations will be composted onsite within a secure, fenced area shown on sheet A102 of the project plans. Composted material will be tilled



Kitayama Program Statement Page 3

into the adjacent agricultural fields on the property. Plant residue resulting from the manufacturing process will be picked up by Gaiaca, a California-based and licensed cannabis waste management and waste disposal company.

Manufacturing Details CLASS 3 – Import of Materials

The proposed manufacturing operation will include volatile extraction using a closed loop system paired with a solvent recovery system (ex. vacuum ovens) and a distillation system. Manufacturing operations will include processing (grinding) of raw cannabis into a form ready for extraction, extraction of cannabis materials, solvent recovery, and packaging of material into consumer ready containers. The proposed layout of the manufacturing operations is detailed on Sheet A 201(Sheet A201.1 for the layout following cessation of use by Eventscapes). Trimming and preparing pre rolls is also anticipated to occur as a part of this operation and the total number of employees required for manufacturing is estimated to be 25 individuals.

Manufacturing operations are anticipated to be year-round and, while biomass will primarily be derived from the onsite cultivation operations, it may involve the import of raw biomass from various sources. We anticipate an average of one delivery of cannabis biomass per week. Some deliveries will be completed via our own onsite distribution licensee, others may originate from other distribution licensees.

Delivery of supplies for manufacturing operations is below, under Staffing and Parking Analysis. Weekly deliveries of extraction chemicals will be necessary to keep the total volume of material at an acceptable level for our hazardous materials management plan. Deliveries for packaging supplies, extraction equipment replacement parts and cleaning supplies are anticipated to occur on a monthly basis.

Waste from the extraction process will be processed in compliance with a Hazardous Waste Permit obtained from Environmental Health Services prior to operation. This permit will regulate the transportation, storage, use, and disposal of hazardous material derived from the extraction process.

Distribution Details - Class 2

Proposed distribution operations will require an estimated 5 employees. It will include storage of cannabis products generated on site for analytical testing, final packaging of products, post testing and transportation of product from the site to another licensed distributor, manufacturer or retailer. This operation will require a commercial vehicle and one space is designated for the distribution vehicle, as noted on Sheet A 103. The proposed layout of the distribution operation is detailed on Sheet A 201. Distribution operations are anticipated to include: cannabis/cannabis product: 3 per week per grower or 9 trips per week and biomass deliveries of one per week. Additional weekly vehicle trips are anticipated to occur from an analytical testing laboratory.



Staffing and Parking Analysis

While it is unusual for the County to require employee counts to analyze parking requirements (versus the square footage of the type of use proposed), we have developed the following estimates. Overall, we are anticipating that, at full build-out, the licensees will require approximately 75 employees in total for cultivation activities. Manufacturing, including extraction and processing, will require 25 employees and the distribution operation will require 5 employees. Finally, office staff is estimated to be up to 11 individuals (a high estimate). In total, we anticipate the need for 116 employees.

As shown on the project site plans, we have 120 parking spaces on the project site (refer to sheet A102). This number does not include 76 unimproved overflow parking spaces located to the east of greenhouse E1. Excess vehicles are not proposed and will not be tolerated. Lease agreements with future tenants will include details on parking allocation and parking restrictions. In no case will the number of cars on the site be allowed to exceed the total number parking spaces provided.

Hours of Operation: We propose a broad set of hours of operation in order to provide flexibility in the work schedules of our future tenants. Cultivation and processing are proposed to occur from 7:00 am to 7:00 pm seven days per week. Deliveries, however, will be limited to the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday.

Daily employee vehicle trips to the site are anticipated to include up to 75 for cultivation, 25 trips to support manufacturing operations and 5 employee-related trips to support distribution operations. These numbers assume a worst case scenario of each employee driving their own vehicle. This number is very conservative as operations may share employees and the numbers projected here are assuming the site is operating at its maximum capacity.

Other trips are expected to be generated as follows:

- Deliveries of supplies, packages, etc: 1 per month per grower, assuming 3 growers = 3 trips per month.
- Deliveries of plant biomass and extraction chemicals: 2 trips per week (1 biomass, 1 chemical).
- Outbound cannabis/cannabis product: Assume 3 per week per grower, 9 trips per week.
- Visitors, vendors, etc. Assume 3 per week per grower, 9 trips per week.

Odor Mitigation

We have researched available odor abatement technology related to green houses and have contracted with NCM Environmental for a preliminary design of a vapor phase odor neutralizing system for the site. This odor abatement plan for the green house cultivation operation is included on sheets OAP2.1. In addition, we can provide tests



Kitayama Program Statement Page 5

results for the NCM Environmental product related to acute dermal irritation, acute eye irritation, and acute inhalation toxicity upon request.

Per conversations with the Licensing Manager, we will install the system if verified odor complaints are received. A Condition of Approval for this permit will be included requiring that, following receipt of verified odor complaints, a Building Permit will be applied for within 30 days. Furthermore, the system will be installed within 30 days of Building Permit issuance.

In addition, a licensed civil engineer has been retained to address odors emanating from processing and manufacturing activities in the warehouse. Odor control mitigation for the warehouse is described on sheet OAP1.1 for the initial warehouse layout and OAP 1.2 for the layout following cessation of use by Eventscapes.



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Kitayama Phasing

Infrastructure Improvements - Year 1

Fire access
Hydrant installation
Security fencing
Access control gates and cameras
Cameras – parking lot area
Lighting – additional parking lot lighting/exterior green house lighting

Green house Improvements

Building Permit applications for upgrades to all green houses will be made during year 1, following approval of the Commercial Development Permit

The leasing of the green house spaces will occur in the following order:

E1 (continued tenancy by Santa Cruz Canna Farms)

E3

E5

E4

E6

Warehouse Improvements

Phase 1: This phase would cover improvements to the portion of the warehouse currently occupied by AUW Trucking and would begin during year 1

Partitions
Restroom upgrades
Accessibility improvements
Odor mitigation system
Security – camera and alarm systems

Phase 2: Eventscapes

This phase is dependent on the current tenant, Eventscapes, vacating the property. This could occur within a 2 to 5 year time frame.



Cannabis Odor Report



SUMMARY

Applicable Standard

Santa Cruz County Code Chapter 7.128 states:

- (Q) Aside from outdoor cultivation sites, all facilities where cannabis product is located must use a commercial air scrubbing or filtration system sufficient to prevent the odors associated with business operations from escaping the facility where cannabis products are grown, processed, or stored. In order to mitigate odors, all facilities shall be equipped with a mechanical source capture system. Source capture systems shall comply with all local laws. In-line exhaust filtration may include a carbon filtration capture system or other equivalent filtration apparatus approved by the Building Official. Source capture system apparatus shall be maintained in proper working order.
 - (1) Exception: CA licensees are generally excepted from this requirement. However, based on the proximity of the facility to sensitive receptors such as schools, residences, etc., the Licensing Official may impose this requirement, or require that the licensee take other measures to control odor, as a condition for approval of a CA License.



721 SW Industrial Way, Suite 110

Bend, OR 97702

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Proposed Odor Mitigation Design

Vapor-phase systems are a popular approach to cannabis odor control, in which an odor neutralizer, typically accompanied with a subtle fragrance, is vaporized into an airstream and dispersed around the perimeter of an odor treatment site. This is the type of system proposed here by NCM Environmental. The odor neutralizer used in this system is a proprietary solution called "Botanical RTU". The active odor neutralizer, Metazene, has been developed for odor control since the 1940s. A review of the Safety Data Sheet for this solution did not indicate concerns for nearby people or ecology. ColeBreit has found consistent successful results in their research of industrial and municipal vapor-phase odor mitigation, and has written past reports on similar systems used in cannabis cultivation.

To ensure functionality at all times, the system requires a steady supply of odor neutralizer (typically available in 55-gallon drums), and as-needed maintenance to keep equipment operational. ColeBreit recommends to keep at least one spare, full drum of neutralizer solution on-site. The vapor system's performance is largely determined by ambient air conditions; temperature, humidity, and wind conditions affect vaporization and odor dispersal rates. The levels of odor to be controlled also impact system effectiveness. For example, flowering cannabis will produce significantly higher odor than usual and will require more vaporized neutralizer for equal mitigation. With this system, the grower can anticipate these trends and manually increase the injection rate, delivering more neutralizer throughout the system at certain times. The system shall include the optional weather control package which automatically modulates the injection pump to increase vapor volume in response to weather conditions. This is intended to maintain satisfactory performance regardless of these factors, and requires no manual control. Furthermore, as the solution used here is oil-based rather than waterbased, the system poses no threat for freezing-related malfunction during periods of cold weather. High-speed wind has the potential to disrupt odor mitigation from vapor systems. Full enclosure of the site perimeter as shown in NCM's piping layout and inclusion of weather control package will maximize interaction between vapor and cannabis odors during wind or other inclement weather.



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Bend, OR 97702

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It will be the responsibility of the site owner to meet the following expectations at all times:

Maintenance & Operational Expectations	
System kept operational	
Distribution piping intact, unblocked, and otherwise unimpeded	
Injection pump and vapor distribution fan both maintained in working cond	lition
Delivered vapor density sufficient to neutralize all odors beyond property li	nes,
regardless of weather conditions or level of produced odors	
Chemical collection sump checked at least once every month to ensure con	nplete
delivery through distribution piping	
Facility follows odor complaint response policies & procedures set forth by	NCM
Environmental	

Additionally, it will be the responsibility of NCM Environmental to ensure design and specified equipment are capable of supplying adequate vapor throughout the entire system at all times.

Odor Mitigation Conclusion

Given the factors and expectations presented in this report, It is our opinion that any plausible level of cannabis odors can be neutralized to undetectable levels beyond the property lines.

Sincerely,

Laura Breit, #79874PE.

April 26th, 2019



721 SW Industrial Way, Suite 110

Bend, OR 97702







NCM Environmental Solutions goal is to provide the cannabis industry with company that will aid our clients from seed to sale and/or planning to operating phases by providing state of the art modeling and consulting services to evaluate the localized impacts of odors generated at cannabis operating facilities.

NCM specializes in odor control. Our parent company has over 25 years experience in designing and manufacturing odor control neutralizers at our manufacturing plant. Our neutralizer has two active parts of the product that play key roles in the neutralization of the malodors, fragrance and Metazene®. Metazene® is an odor neutralizing compound that directly interacts with malodors. Typical malodors, such as 'cannabis', 'fishy', 'putrid', or 'rancid', are made up of highly volatile aromatic compounds, meaning they tend to be the first aromas that you smell. Metazene® reacts with these compounds to form a complex ion that acts like a net to surround and envelopes the malodor. This complex ion becomes 'heavy' and less volatile resulting in the neutralization of the malodor. The fragrance is an odor masker. It is made up of various essential oils and nature identical aroma chemicals as well as some solvents to increase tenacity and longevity.

NCM also custom designs, installs and services odor control dispersion systems designed to disperse our neutralizer & neutralize odors before they become a nuisance. In addition to manufacturing neutralizers and delivery systems NCM offers modeling & consulting services to evaluate the localized impacts of odors generated at cannabis growing operations as well as dispensaries and facilities handling cannabis.

By implanting the proposed modeling services, odor control system and neutralizer our clients and municipalities will ensure that it is taking state of the art measures once only available in the waste industry to identify the dispersion of odors and implement the best practices to neutralize them.





Nonaqueous Odor Control Chemicals Delivery System

Nonaqueous Odor Control Chemicals Delivery System (patent pending) is designed by NCM.

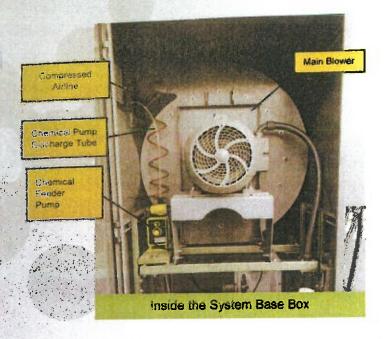
Vapor Odor Control System is designed for simplicity, dependability, and ease of operation. O&M requirements for the system are next to nothing comparing to water based systems. The system reliability system is ensured in any weather conditions from hot and humid to dry with freezing temperatures.

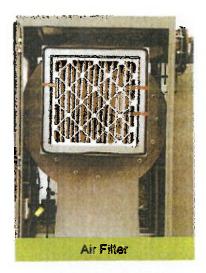
The system has been installed and successfully operating to keep our clients in compliance with regulatory odor control requirements throughout the United States.



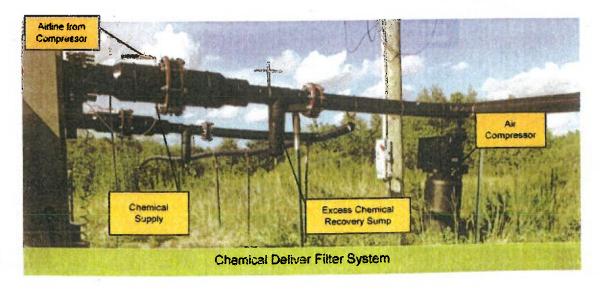
NCM Environmental Solutions designs each system to meet clients' site specific needs. Each base station is manufactured based on the site specific design. The site specific design is developed based on the geographic location and climatological conditions, the odor causing area that requires odor control coverage, and facility specific conditions. The system can be developed for enclosed structures, structure ventilation systems, and for large open areas such as a landfill. The service area of the system can vary from a few 100 feet long coverage to 4,000 feet using a single base station.

Odor Control System Description





The machine box of the system base station includes a main air blower that supplies up to 1,200 cfm of pressured air. A chemical feeder pump supplies nonaqueous odor control chemical to the main airline using a high pressure (over 100 psi) air through the filter system. The filter system safely mixes the chemical into the main airflow generated by the blower. The amount of chemical supplied depends on the characteristics of the odor control chemical supplied by third parties. An excess chemical recovery sump is incorporated into the design to verify the ability of the odor control chemicals to vaporise. Ambient air pulled by the main blower is filtered to prevent particle build up in the system.



ncmenvironmentalsolutions.com

AERO4 OR CONTROL

425 Whitehead Avenue South River, NJ 08882 Phone---800-957-6543 Fax-732-238-5590

GENERAL DESCRIPTION:

AERO4 reacts synergistically with odor molecules. A bal- DIRECTIONS FOR USE: ance must be achieved with stoichiometric concentrations are antagonistic and cancel each other out. When the equilibrium point is reached, the perception of the offensive odor is altered and resultant detection is neutral. Concurrently, Van der Waals forces yield an unrecognizable molecule and the receptor site does not transmit a signal. When used at normal use dilutions, NCM Odor Control products are safe and environmentally nonhazardous, all components are GRAS (Generally Recognized as Safe). They contain no carcinogens; they are biodegradable; they do not bio-accumulate. This series of HANDLING PRECAUTIONS: odor control products show no intro genetic toxicity. The LD₅₀ is greater than 29,000 mg/kg. The NCM Odor Control products do not build up in the food chain. There is virtually no risk to aquatic life when wastewater treatment is handled safely and effectively. AERO4 is a naturally derived, concentrated odor control treatment, which is biologically engineered through micro vaporization to neutralize, absorb and eliminate malodors associated with municipal and industrial garbage, composts, sewage and sludge. It contains proprietary inhibitors and dispersing agents for safe, effective use with NCM Odor Control water to dilute. Obtain medical advice by phone. systems; this also prevents damage to equipment and ensures proper operation of NCM dispersing systems. PROPERTIES:

Chemical composition Essential Oils &Botanicals, proprietary neutral-Emulsifiers and Stabilizers, izer, fragrance Appearance Low viscosity liquid Specific Gravity 1.012 (8.4 lbs/gallon) For storage stability at elevated temperatures Non-Corrosive **CONEG** compliant Does not contain any HAP's. Does not contain any RCRA or SARA III. Non-ODP; does not contribute to Global Warming.

This product is intended for use in high pressure, linear of the malodor and the counteractant, yielding pairs that atomizing systems. Primary application is in landfills and transfer stations. Normal use dilution range is one part to between 500 and 1,500 parts of water. Other dilutions may be applicable depending on operating conditions. Your field representative will supply further use instruction.

CAUTION - FIRST AID

EYES: Flush with water for at least 15 minutes. If irritation persists, obtain medical attention. SKIN: Wash with plenty of water for 15 minutes. If irritation occurs and medical attention. persists. obtain TION: Remove from exposure. If discomfort occurs and persists, obtain medical attention. INGESTION: Drink

KEEP OUT OF REACH OF CHILDREN

PACKAGING:

5 gal plastic pail - 41 lbs net / 44 lbs gross 55 gal plastic drum 473 lbs net / 490 lbs gross 275 gal tote bin 2365 lbs net / 2450 lbs gross



Application #: 181585 APN: 046-151-37

Owner: Kitayama Bros. Inc.

Parcel Information

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Urban/Rural Services Line: ___ Inside __x_ Outside

Water Supply:

Sewage Disposal:

Fire District:

Well

Septic

Cal Fire

Drainage District: Outside Drainage District

Parcel Information

Parcel Size: Approximately 92 acres

Existing Land Use - Parcel: Row crops, greenhouse plant production, processing and

shipping, office, storage

Existing Land Use - Surrounding: Row Crops

Project Access: San Andreas Road Planning Area: San Andreas

Land Use Designation: AG (Agriculture)

Zone District: CA (Commercial Agriculture)
Coastal Zone: ____ Inside ___ Outside

Appealable to Calif. Coastal X Yes No

Comm.

Technical Reviews: None

Environmental Information

Environmental review has not been required for the proposed project per the requirements of the California Environmental Quality Act (CEQA). A CEQA exemption form is attached as Exhibit A. The project qualifies for a number of exemptions, principally Class 1, 2. 3, 4. And 5, in that the proposed use is essentially a continuation of existing agricultural crop production and processing within existing structures on site with negligible or no expansion of use requiring only minor modifications to the site for improved access and circulation, parking and security.

Geologic Hazards: Not mapped/no physical evidence on site

Fire Hazard: Not a mapped constraint

Slopes: N/A

Env. Sen. Habitat: Site improvements located within developed portion of the site and

do not affect mapped biotic resource areas of the site.

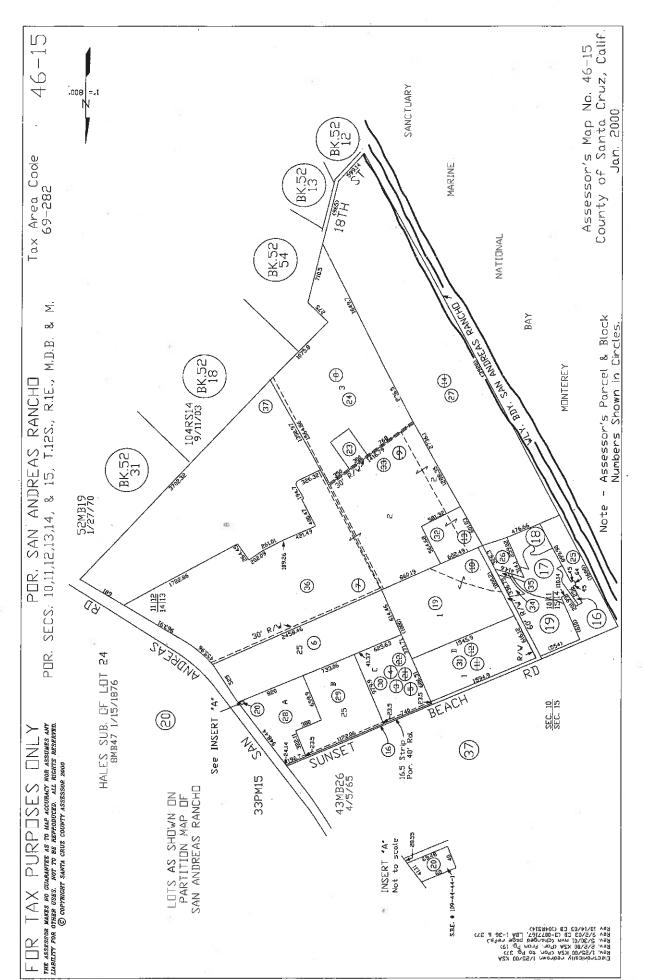
Grading: No grading proposed

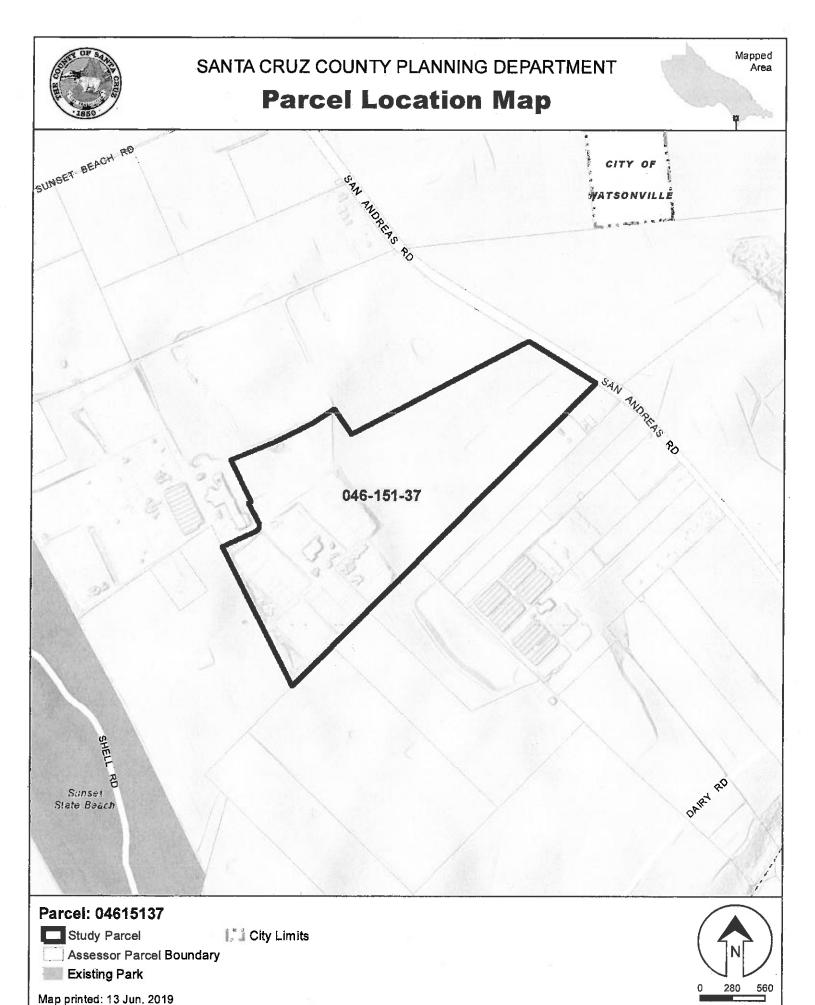
Tree Removal: No trees proposed to be removed

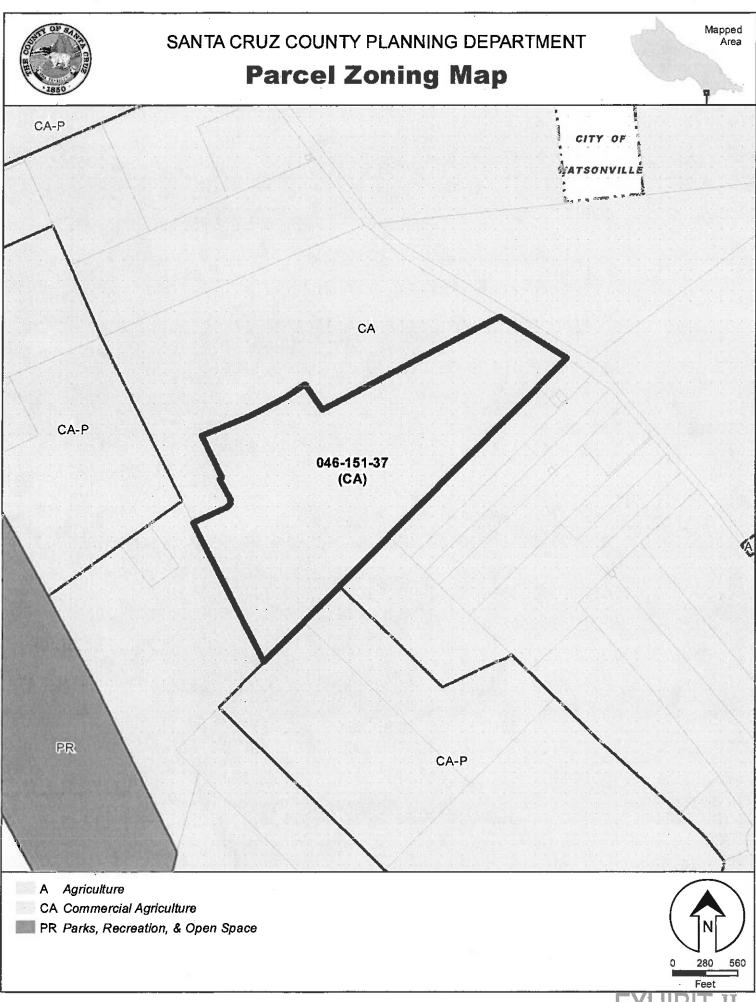
Scenic: San Andreas Road, project includes additional trees to screen existing

greenhouses

Archeology: Not mapped/no physical evidence on site









SANTA CRUZ COUNTY PLANNING DEPARTMENT

Parcel General Plan Map

Mapped Area

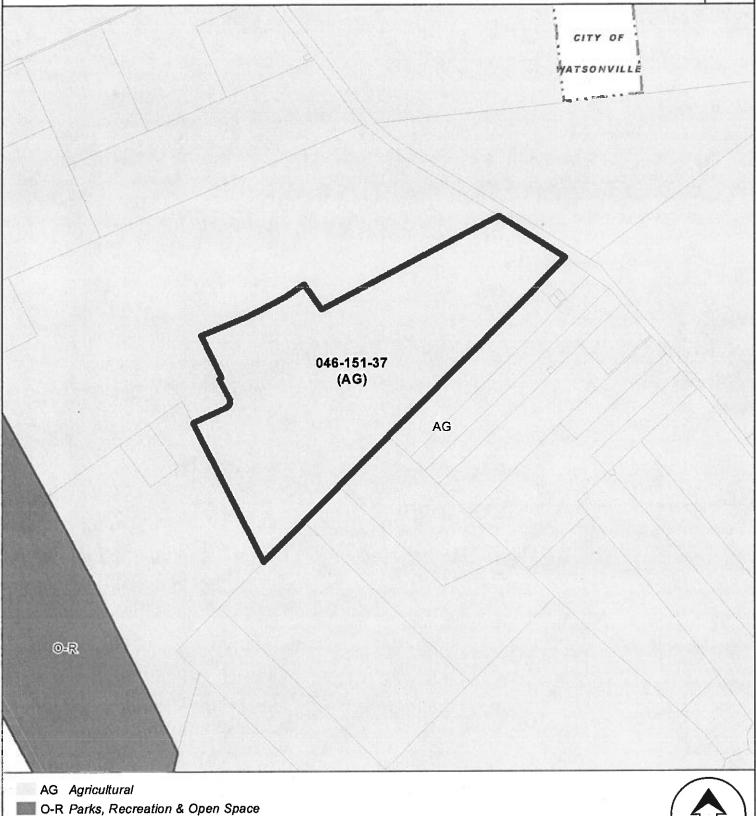


EXHIBIT H