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**COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING AND BUILDING
STAFF REPORT
Tentative Notice of Action**

MEETING DATE October 16, 2020 EFFECTIVE DATE October 31, 2020	CONTACT/PHONE Eric Hughes (805) aa ehughes@co.slo.us	APPLICANT Copper Creek Farms, LLC	FILE NO. DRC2019-00042
SUBJECT A request by Copper Creek Farms, LLC for a Minor Use Permit (DRC2019-00042) to establish a phased cannabis cultivation operation including approximately 3.0 acres (130,680 square-feet) of outdoor mature cannabis cultivation canopy, a maximum of 22,000 square-feet of indoor mixed-light cannabis cultivation canopy, up to 5,000 square-feet of ancillary nursery cannabis cultivation canopy for use only onsite, and ancillary processing (trimming, drying, packaging) of the cannabis grown and harvested onsite. The project includes a request for a modification from the parking provisions set forth in Section 22.18.050.C.1 of the County Land Use Ordinance to allow for a total of 3 parking spaces where 55 are required. The proposed project would result in the disturbance of approximately 5.7 acres and would result in less than 50 cubic yards of grading on a portion of a 54-acre parcel. The project site is located on the north side of Neal Spring Road, approximately 2.5 miles east of the Templeton Urban Reserve Line. The project site is in the Agriculture land use category and in the El Pomar-Estrella Sub-Area of the North County Planning Area.			
RECOMMENDED ACTION Approve Minor Use Permit DRC2019-00042 based on the findings listed in Exhibit A and the conditions listed in Exhibit B.			
ENVIRONMENTAL DETERMINATION The Environmental Coordinator, after completion of the initial study, finds that there is no substantial evidence that the project may have a significant effect on the environment, and the preparation of an Environmental Impact Report is not necessary. Therefore, a Mitigated Negative Declaration (pursuant to Public Resources Code Section 21000 et seq., and California Code of Regulations Section 15000 et seq.) has been issued on July 10, 2020, for this project. Mitigation measures are proposed to address potential impacts on aesthetics, agriculture, air quality, biological resources, energy, greenhouse gases, and hydrology and water quality are included as conditions of approval.			
LAND USE CATEGORY Agricultural	COMBINING DESIGNATION None	ASSESSOR PARCEL NUMBER 020-301-010	SUPERVISOR DISTRICT(S) 1
PLANNING AREA STANDARDS: Pomar-Estrella Sub-Area Standards, North County Planning Area Does the project conform to the Land Use Ordinance Standards: Yes - see discussion			

LAND USE ORDINANCE STANDARDS:

Section 22.40.040 – Requirements for All Cannabis Activities

Section 22.40.050 – Cannabis Cultivation

Does the project conform to the Land Use Ordinance Standards: Yes - see Attachment 4

EXISTING USES:

There are two storage containers currently on the property, and applications have been submitted for new residential structures. The property is currently used for grain production.

SURROUNDING LAND USE CATEGORIES AND USES:

North: Agriculture / Rural single-family residences

East: Residential rural / Rural single-family residences / Agricultural uses / blue-line creek

South: Agriculture/ agricultural uses / accessory structures / Single-family residences

West: Agriculture / Blue-line creek / single family residences

OTHER AGENCY / ADVISORY GROUP INVOLVEMENT:

The project was referred to: Building Division, Assessor Office, Public Works, Agricultural Commissioner, Sheriff, Planning Division- Williamson Act, Cal Fire/County Fire, California Department of Fish and Wildlife, US Fish and Wildlife, Regional Water Quality Control Board, Assembly Bill 52 Tribes

TOPOGRAPHY:

Gently rolling

VEGETATION:

Agriculture, Non-native grassland, Oaks

PROPOSED SERVICES:

Water supply: *On-site well*

Sewage Disposal: *Individual septic system*

Fire Protection: *County/CAL FIRE Station #30*

ACCEPTANCE DATE:

January 29, 2020

ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING & BUILDING AT:
COUNTY GOVERNMENT CENTER □ SAN LUIS OBISPO □ CALIFORNIA 93408 □ (805) 781-5600 □ FAX: (805) 781-1242

DISCUSSION

PROJECT HISTORY:

The property currently has two storage containers developed on it and is being used for grain production. There have been applications submitted for development of new residential structures on the property.

PROJECT DESCRIPTION:

The proposed project would establish the phased development of 3.0 acres, or 130,680 square feet (sf) of outdoor mature cannabis cultivation canopy, up to 22,000 sf of indoor mixed-light cannabis cultivation, and up to 5,000 sf of immature cannabis cultivation (ancillary nursery). The project also proposes the development of ancillary structures for onsite cannabis processing activities including trimming, drying, and packaging.

Outdoor Cultivation

Phase 1 of the project would include the development of 3.75 acres of outdoor mature cannabis cultivation area. The proposed development during this phase includes the establishment of a 3.0-acre (130,680 sf) outdoor cannabis cultivation canopy with 0.75 acres of walkway area, and the installation of two new 320-sf shipping containers for processing of cannabis grown onsite. The outdoor cultivation area would be located in an existing plowed field near the center of the property that has been historically used to grow grain crops. The cultivation area would be located within temporary hoop structures and would be planted in furrows and covered in plastic to retain soil moisture.

Indoor Cultivation

Phase 2 of the project would include the construction of seven (7) 3,000-sf greenhouses for indoor mixed-light cannabis cultivation (21,000 sf) and a 5,000-sf greenhouse to be used as an ancillary nursery within the fenced area proposed in Phase 1. Minimal grading of less than 50 cubic yards would be required to provide vehicle access around the facilities. Construction of Phase 2 structures would take approximately 6 months.

Ancillary Activities

Phase 1 would include the installation of two 320-sf shipping containers for the purpose of processing. Removal of the two 320-sf shipping containers proposed in Phase 1 and the construction of a new 3,000-sf metal building for ancillary processing activities would occur during Phase 2. Ancillary structures would be used for onsite cannabis processing activities including trimming, drying, and packaging.

Other Development

Phase 1 of the project also proposes installation of new irrigation lines, installation of new 6-foot fencing around the cannabis operation, installation of solar-powered security cameras, installation of electrical utilities to service the security system, and erection of temporary restroom facilities and wash trailers. The irrigation lines would connect to the cultivation area from the existing 5,000-gallon water storage tank near the onsite well. Two new 5,000-gallon water storage tanks would be constructed to support the project's water demands and for fire suppression. A six-foot-six-inch-high, welded pipe and chain link fence would be constructed around the proposed perimeter of the operation including those proposed in Phase 2. The portable restrooms and washrooms would be located within the fenced area and a designated parking area would be located outside

of the fenced area. The project proposes a modification to LUO Section 22.18.050 to allow for the construction of 3 parking spaces (that includes ADA accommodations). Another designated parking area would be located to the east of the project site on already graded land.

Phase 2 of the project proposes the installation of overhead electrical service to the greenhouses and processing facilities through preexisting structures and would be supplied by PG&E. Additionally, a septic system and leach lines will be installed as part of Phase 2

Operations

The project would employ up to 2 full-time employees, with an average of 2 employees on site each day, and the hours of operation would be from sunrise to sunset, seven days a week. During peak harvest times, the operation could employ up to 10 additional part-time/temporary employees.

The outdoor cultivation area would be harvested two times per year and the indoor mixed-light cultivation area would be harvested three times per year. The proposed ancillary nursery would be utilized to support onsite cannabis cultivation only and immature plants would not be distributed offsite.

The project is expected to generate a maximum of 8 daily trips including up to 3.3 vehicle trips during the PM peak hour (4:00 PM – 6:00 PM). The project would not include sales on-site and no exterior signage is proposed.

Odor Control

The project would need to comply with odor control standards set forth in County Land Use Ordinance (LUO) Section 22.40.050.D.8. To prevent nuisance odors from disturbing surrounding areas the project proposes the use of carbon scrubbers in the greenhouses and processing buildings.

As required by LUO 22.40.50.D.3, the proposed cultivation site would be setback at least 300 feet from the property line. This cultivation area could produce objectionable odors during the maturing and harvest season each year and has been determined to be located and designed in a manner that would prevent all cannabis nuisance odors from being detected offsite, in accordance with LUO 22.40.50.D.8.

The project site meets all location setback standards related to sensitive receptors such as schools, parks and playgrounds, and day care centers. Apart from sensitive receptors to cannabis operations as defined by state law, additional consideration is given to proximity to residential structures. Proximity to residential structures is considered in relation to neighborhood compatibility and potential for nuisance odor. The nearest off-site residence is located approximately 640 feet to the north.

The project would be required to participate in an ongoing cannabis monitoring program. Once implemented by the County, the project site would be inspected four times per year to ensure ongoing compliance with conditions of approval, including those relating to odor management. In the event of a verified nuisance complaint, the County could pursue remedial action that may include the reduction or cessation of operations until a revised operations plan is reviewed and approved by the County Department of Planning and Building, abatement of the violation pursuant to LUO Section 22.40.130, and/or permit revocation pursuant to LUO Sections 22.40.110 and 22.40.120.

Water Usage

The projected annual water use for the project is 2,157,480 gallons per year (5.28 acre-feet). The project proposes to use water from an existing onsite well that pumps approximately 67 gallons per minute. The onsite well draws water from the Paso Robles Formation aquifer within the Paso Robles Groundwater Basin (PRGWB), which is categorized as being in a state of critical overdraft. It is also located within the area that is categorized as being in severe decline and is required to offset water usage at a 2:1 ratio per LUO Requirements. Per the Countywide Water Conservation Program (CWWCP), the project applicant would be required to offset this new water use at a 2:1 ratio through installation of efficient water systems and fixtures and/or participation in an approved water conservation program. Offsetting the water demand of the proposed project in accordance with the CWWCP would result in a net-neutral water demand on the groundwater basin. The project would incorporate technology and infrastructure that would reduce project impacts on water usage.

Water for the project would be stored in an existing 5,000-gallon water tank and a proposed 5,000-gallon water tank. The water would be delivered to the cultivation site through the development of new irrigation lines that would run from the storage tanks to the site.

Security

The project proposes to implement solar-powered security cameras and a six-foot-six-inch welded pipe and chain link fence around the project area.

Neighborhood Compatibility

The area surrounding the proposed project area is currently used for agricultural purposes and supports scattered rural residences. The project site is located within the center of the 54-acre parcel in order to comply with LUO 22.40.50.D.3 which requires a minimum of a 300-foot setback from the property line. The project would be screened from public viewing in accordance with LUO 22.40.050.D.6. The project would prevent nuisance odors from disturbing surrounding areas through the use of carbon scrubbers and maintaining a minimum of a 300-foot setback from the property line in accordance with LUO 22.40.050.D.3 and LUO 22.40.050.D.8. Noise from the project is expected to stay below 65 db during project operation therefore would not surpass a county identified level of significance.

MODIFICATIONS:

Section 22.18.050 – Required Number of Parking Spaces

For purposes of parking requirements, the LUO considers cannabis cultivation similar to Nursery Specialty which requires one parking space per 500 square feet of indoor floor area. In addition, the cannabis drying, processing and storage activities are considered equal to Ag Processing, which requires one parking space per 1,000 square feet of use area. A modification from the parking standards is requested to reduce the required number of parking spaces onsite to 3 (from 55) with additional undesignated space onsite for other vehicles.

Staff comments: The project proposes 3 designated parking spaces (including an Americans with Disabilities Act [ADA] compliant space), and additional room for parking is available adjacent to the greenhouses. Up to 12 employees could be on-site at any time during the day during peak harvest times; therefore, the 3 proposed designated spaces, along with the additional parking areas, would be sufficient to meet the parking demands of the project. The required 55 parking spaces would not be appropriate for the project based on the following evidence:

- *The proposed use of the site would not be open to the public and therefore does not need additional parking spaces for customers or other visitors, which normal Nursery Specialty uses do.*
- *The project proposes to develop 3 parking spaces and provide additional undesignated space onsite for parking. This is sufficient to accommodate full-time employees and seasonal employees during harvest time of the cultivation areas.*
- *The requested reduction of required parking spaces onsite would not result in any traffic safety issues or offsite parking.*

PLANNING AREA STANDARDS:

22.94.025 – Paso Robles Groundwater Basin

F. Offset requirements for discretionary permits. New development requiring discretionary land use permits shall offset the resulting net new water demand as follows:

1. Land use permit applications shall include existing water use data, if it is available, that is sufficient to calculate net existing water demand on the proposed project site. The land use application shall include descriptions of all proposed uses on the site in a level of detail adequate to calculate the proposed project's net new water demand. In any case, determinations of net new water demand, net existing water demand and net increase shall be the responsibility of the Planning Director or designee.
2. The net new water demand shall be offset at a ratio of 2:1 through participation in water conservation programs listed in subsection c below. Any net existing water demand shall be taken into account in the calculation of required offsets of net new water demand.
3. Programs to offset water used for non-agricultural purposes may include but are not limited to the following, but in any case, shall conserve only water used or potentially used for non-agricultural purposes:
 - a. Retiring the development potential of lots in the Paso Robles Groundwater basin through an agreement with the County or qualified land trust.
 - b. Retrofitting plumbing fixtures in the Paso Robles Groundwater Basin.
 - c. Purchasing supplemental water for a water supplier that uses groundwater from the main Paso Robles Groundwater Basin.
 - d. Participating in an approved water conservation program in the Paso Robles Groundwater Basin that results in water savings.
 - e. Reducing water demand in the Paso Robles Groundwater Basin through other means approved by the Planning Director.
 - f. Water from the Nacimiento or State Water Projects shall not be used for development in the rural area.
4. Any required offset of net new water demand shall be completed at the time of final inspection or issuance of a certificate of occupancy unless an alternative completion time (which may be more or less time) is approved by the review authority. In any case, the review authority must find the offsets to be verifiable, permanent and enforceable.

5. Agricultural Processing uses (as defined in the Land Use Ordinance), including outdoor and other appurtenant water use, shall be exempt from the preceding offset requirements for discretionary permits. Instead, agricultural processing uses shall be subject to project-specific land use and/or water conservation mitigation measures required by the review authority based on environmental review.

Staff comments: Based on the location and depth of the on-site well that would support the operation, the well draws water from the Paso Robles Formation aquifer within the PRGWB, which is categorized as being in a state of critical overdraft and is located within the area that is categorized as being in severe decline and is required to offset water usage at a 2:1 ratio per LUO requirements. The project has been conditioned to require a Water Conservation Plan prior to issuance of building permits that would implement strategies that would improve the efficiency of water usage during project operation and result in a net-positive water supply impact. The efficiency of water usage would need to be maintained throughout the project's lifetime.

LAND USE ORDINANCE STANDARDS:

The project's compliance with relevant LUO standards specific to cannabis land uses is summarized in Attachment 4 – Land Use Ordinance Consistency Analysis Table. The project, as conditioned, would comply with all applicable LUO standards with the exception of parking standards, for which a request for modification is included.

CODE ENFORCEMENT HISTORY:

The project site currently has an active Code Enforcement action related to an unpermitted 240 square-foot structure with electrical and plumbing (CODE2019-00248). The code violation is not considered to be "cannabis-related" and does not impact the processing of this permit. The project has been conditioned so that the violation is resolved prior to establishment of any cannabis uses.

ENVIRONMENTAL DETERMINATION:

A Mitigated Negative Declaration has been prepared for the project, pursuant to CEQA Guidelines Section 15070(b). Mitigation measures have been identified to address potentially significant impacts related to aesthetics, air quality, biological resources, energy, greenhouse gases, and hydrology and water quality and are included as conditions of approval. These conclusions are supported by the following technical reports and supporting information provided with the project permit application package:

Althouse and Meade, Inc. 2019. Biological Resource Assessment for CC Ranch, 2200 Neal Spring Road, San Luis Obispo County.

Central Coast Archaeological Research Consultants. September 2019. Cultural Resources Survey of the Neal Springs Cannabis Cultivation, San Luis Obispo County, California.

The MND was circulated for public review and comment for 30 days in accordance with Section 15073 of the State CEQA Guidelines. During the 30-day public review period the Planning and Building Department received comment from the California Highway Patrol on the revised MND dated July 17, 2020. The document referred review to the local (Templeton) Highway Patrol station (Attachment 8). Additional comments from the referred agency have not been received.

With incorporation of recommended mitigation measures for aesthetics air quality, biological resources, energy and greenhouse emissions, and hydrology and water quality, project-specific and cumulative impacts are considered less than significant.

COMMUNITY ADVISORY GROUP COMMENTS:

The project site is not located within the boundaries of a Community Advisory Group.

AGENCY REVIEW:

Department of Public Works

Per the response letter dated September 14, 2020, from David E. Grim, the County Public Works Department recommended conditions of approval to address project related drainage and stormwater impacts. The Department also recommended conditions related to site access and excessive driveway connections. These conditions have been incorporated into the project conditions of approval (Attachment 2, Exhibit B).

Agricultural Commissioner's Office

Per the referral response letter dated July 1, 2020, from Lynda Auchinachie, the County Agricultural Commissioner's office noted that the project would be located near vineyards that use pesticides that Cannabis cultivation are tested for by California law to ensure there are no pesticide residues above the established tolerance levels. Conditions have been recommended related to surrounding use of pesticides that have been incorporated into the project conditions of approval (Attachment 2, Exhibit B).

Air Pollution Control District (APCD)

Per the referral response letter dated April 15, 2019, from Jackie Mansoor, the APCD notes that APCD Rule 501 prohibits developmental vegetative burning in San Luis Obispo County and recommends that if the site leads to an increase of 11 or more vehicle trips per day, PM₁₀ mitigation measures should be implemented. The letter also discusses nuisance odors which have been discussed in the MND.

Assessor's Office

Per email correspondence from April 8, 2019 with Jeff Stranlund, the Assessor's Office notes that any copy of any leases (ground, greenhouse, etc.) or production sharing agreements related to "cannabis Activities" should be shared with the Assessor's office.

Building Department

Per email correspondence from April 11, 2019 with Michael Stoker, the Building Division has reviewed the project and identified standard code requirements that would be applicable..

Environmental Health	Per the email correspondence from April 16, 2019 with Kealoha Ghiglia, the project applicant shall complete a Hazardous Materials Declaration Flowchart. The project has been conditioned to require submittal of the Hazardous Materials Declaration Flowchart (Attachment 2, Exhibit B).
CAL FIRE	Per letter from Dell Wells dated September 8, 2020, conditions are required and relate to access/turnaround, requirement for a Fire Protection Engineer, water storage, sprinkler systems, and defensible space/hazard reduction.
Northern Chumash Tribal Council (NCTC)	Per the email correspondence from April 8, 2019 with Fred Collins, the NCTC requests to see the records search for the property and any other archaeological report for the property.

LEGAL LOT STATUS:

The one existing parcels (APN 020-301-010) is Lot 105 of Rancho Santa Ysabel and was legally created by map (Book of Maps 1, Page 29) at a time when that was a legal method of creating lots.

Staff report prepared by SWCA Environmental Consultants and reviewed by Eric Hughes.

ATTACHMENTS

- Attachment 1 – Exhibit A – Findings
- Attachment 2 – Exhibit B – Conditions of Approval
- Attachment 3 – Graphics
- Attachment 4 – Land Use Ordinance Consistency Table
- Attachment 5 – Operations Plan
- Attachment 6 – Referral Responses
- Attachment 7 – Mitigated Negative Declaration
- Attachment 8 – Comments received on Mitigated Negative Declaration
- Attachment 9 – Staff Presentation