

**MEETING MINUTES OF THE CITY OF
COSTA MESA PLANNING COMMISSION**

November 26, 2018

These meeting minutes represent an "action minute" format with a concise summary of the meeting. A video of the meeting may be viewed on the City's website at www.costamesaca.gov or purchased on DVD upon request.

The Chair called the meeting to order (00:00:23).

Chair Andranian led the Pledge of Allegiance.

ROLL CALL

Present: Chair Stephan Andranian
Commissioner Jeffrey Harlan
Commissioner Carla Navarro Woods
Commissioner Jon Zich

Absent: Vice Chair Byron de Arakal

Staff: Barry Curtis, Director of Economic and Development Services
Jennifer Le, Assistant Director of Development Services
Tarquin Preziosi, Assistant City Attorney
Jon Neal, Assistant Fire Marshall
Mel Lee, Senior Planner
Mathew Eaton, HdL Companies
Julie Colgan, Recording Secretary

ANNOUNCEMENTS AND PRESENTATIONS:

None.

PUBLIC COMMENTS:

Beth Refakes, Costa Mesa resident, spoke about a sign that states the word "pawn" on a pawn shop located off Flower Street and Newport Boulevard and asked that the sign reflect what was approved in the conditional use permit.

PLANNING COMMISSIONER COMMENTS AND SUGGESTIONS:

Chair Andranian asked staff to look into Ms. Refakes' public comment.

CONSENT CALENDAR: None

Chair Andranian stated that the Commission would like to make a motion to hear the New Business item first because it is a discussion regarding non-secured loading and unloading areas for Measure X uses and it may be of some value to the Planning Commission and the public with regard to the public hearings on tonight's agenda.

MOTION: Move that the Planning Commission move New Business and hear that item first.

Moved by Chair Andranian, seconded Commissioner Harlan.

The motion carried by the following roll call vote:

Ayes: Andranian, Harlan, Navarro Woods, Zich

Noes: None

Absent: de Arakal

Abstained: None

NEW BUSINESS:

1. DISCUSSION REGARDING NON-SECURED LOADING AND UNLOADING AREAS FOR MEASURE X USES

Jennifer Le, Assistant Development Services Director, presented the staff report.

Commissioner Navarro Woods and Ms. Le discussed whether the policies of other jurisdictions were considered with regards to the loading and unloading of cannabis and what specific requirements other municipalities have regarding this matter. Commissioner Navarro Woods shared information she found online regarding how other jurisdictions handle this matter.

Mathew Eaton, HdL Companies (the City's security consultant), provided a brief background on his work experience. He explained that: State law requires security to be addressed within the state licensed premise; if loading and unloading of cannabis cannot take place on the licensed premise, ideally it should take place within close proximity to reduce the crime of opportunity; indoor loading may reduce the quality of life complaints; and, most crimes related to the industry on the licensed premise occur internally, as a result of employee theft.

Commissioners, Mr. Eaton, and Ms. Le discussed the security measures applied to secure the loading and unloading operations in jurisdictions where Mr. Eaton has worked; the nature of crimes relating to transportation; whether it is better for transport vehicles to be unmarked; whether armed security guards create a situation of vulnerability during the transportation period; the accountability and role of the City in requiring armed security guards; whether there are any other businesses in the City where the City requires armed security or physical security measures within such facilities; whether the City has consulted the police department regarding the armed security guard condition for Measure X applications; and whether there are building types or characteristics of buildings that do not lend themselves to activities allowed by the City such as distribution, manufacturing, processing, and packaging of cannabis.

Jim Fitzpatrick asked that a fact pattern be sought based on numeric incidences when requiring an armed security guard; asked that the police department and the cannabis industry give their input on whether armed security guards should be required; and spoke in opposition to requiring an armed security guard.

The Chair closed the public comments.

Commissioner Zich spoke regarding a previous Measure X application where an armed security guard was required; that tonight's staff report would suggest that an armed security guard may have more of a negative impact than mitigating security concerns; and his read on the question of what distance is too far for loading and unloading of cannabis is that there is not a distance that is too far, as long as the entire path has adequate surveillance.

Chair Andranian spoke in opposition to the condition of approval requiring armed guards; suggested to wait on requiring armed guards until the City has statistics or evidence to support the need for it; stated that he was still not sure how to deal with the distance for loading and unloading areas for cannabis; and suggested reaching out to the cannabis industry professionals to get their input and guidance on what is the best practice for distribution, security, etc.

Commissioners and Barry Curtis, Director of Economic and Development Services, discussed what the process would be if the City wanted to relieve an applicant from a condition like requiring an armed security guard that they find is no longer necessary.

Commissioner Navarro Woods stated that she concurs with Mr. Eaton's expertise that armed security guards are not necessary; that there still is an uncertainty regarding how to deal with activities that occur outside Measure X licensed premises; and suggested establishing criteria for when additional security measures are needed.

Chair Andranian stated to receive and file this item.

PUBLIC HEARINGS (01:02:32)

1. PLANNING APPLICATION 18-19 FOR A MARIJUANA MANUFACTURING AND DISTRIBUTION FACILITY (TRANZ, LLC) AT 3505 CADILLAC AVENUE, UNIT M-102

Project Description: Planning Application 18-19 is a request for a Conditional Use Permit (CUP) for a marijuana manufacturing and distribution facility within a 2,109-square-foot tenant space in an existing industrial building. The facility will be operated by Tranz, LLC. The proposed facility will include, but is not limited to, volatile butane/propane extraction, distillation, packaging and formulation, and distribution of the final product (distillates, wax/shatter, and vape cartridges). Rooms include extraction and distillation, storage and packaging, and ancillary offices. Distribution vehicles will be loaded and unloaded outside the suite in a proposed designated loading area within the parking lot. The facility will have security systems (card readers, security cameras, etc.) throughout the facility. No cultivation of marijuana, or marijuana dispensary, is permitted.

Environmental Determination: The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1), Existing Facilities.

Ms. Le stated that staff is requesting that the Commission continue this item to the December 10, 2018 meeting.

The Chair stated that if any members of the public would like to speak on the item to come speak now.

PUBLIC COMMENTS

No public comments.

MOTION: Move that the Planning Commission continue the hearing to the December 10, 2018.

Moved by Chair Andranian, seconded Commissioner Zich.

The motion carried by the following roll call vote:

Ayes: Andranian, Harlan, Navarro Woods, Zich

Noes: None

Absent: de Arakal

Abstained: None

2. PLANNING APPLICATION 18-33 FOR A MARIJUANA MANUFACTURING AND DISTRIBUTION FACILITY (POTOLOGY, LLC) AT 3505 CADILLAC AVENUE, BUILDING H

Project Description: Planning Application 18-33 is a request for a Conditional Use Permit for a marijuana manufacturing and distribution facility (Potology, LLC) within a 2,620-square-foot tenant space of an existing industrial building. The proposed facility will include non-volatile CO2 extraction, packaging, and distribution of the final product in vaping cartridges and pens. Rooms include extraction, packaging, storage, and ancillary offices. Vehicles used for the distribution of cannabis products will be pulled into a secured area inside the building during loading and unloading. The facility will have security systems (card readers, security cameras, etc.) throughout the facility. No cultivation of marijuana, or marijuana dispensary, is permitted.

Environmental Determination: The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1), Existing Facilities.

No ex-parte communications to report.

Ms. Le stated that staff is requesting that the Commission continue this item to the December 10, 2018 Planning Commission meeting.

The Chair opened the public hearing for any public comments.

PUBLIC COMMENTS

No public comments.

MOTION: Move that the Planning Commission continue the hearing to the December 10, 2018 Planning Commission meeting to allow staff time to coordinate additional details with the applicant.

Moved by Chair Andranian, seconded by Commissioner Zich.

The motion carried by the following roll call vote:

Ayes: Andranian, Harlan, Navarro Woods, Zich

Noes: None

Absent: de Arakal

Abstained: None

3. PLANNING APPLICATION 18-41 FOR A MARIJUANA MANUFACTURING AND DISTRIBUTION FACILITY (TRIID) AT 3525 HYLAND AVENUE, SUITE 265

Project Description: Planning Application 18-41 is a request for a Conditional Use Permit for a marijuana manufacturing and distribution facility (Triid) within a 2,035-square-foot tenant space in an existing multi-tenant industrial building. The facility will be operated by Triid CC&M Corporation. The proposed facility would include preparation, non-volatile extraction, manufacturing, processing, packaging, storage, and distribution of cannabis products as well as ancillary offices. Distribution vehicles will be loaded and unloaded outside the suite in a proposed designated loading area within the parking lot. The facility will have security systems (card readers, security cameras, etc.) throughout the facility. No cultivation of marijuana, or marijuana dispensary, is permitted.

Environmental Determination: The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1), Existing Facilities.

Two ex-parte communications to report: Commissioner Zich met with the owners of Triid and also talked with the owners of Shelf Life (also in the Hyland building). Chair Andranian had a conversation with the attorney for the applicant and exchanged some emails with the applicant to coordinate a site meeting.

Ms. Le stated that staff is requesting that the Commission continue this item to the December 10, 2018.

Chair Andranian invited any members of the public to speak on this item.

PUBLIC COMMENTS

No public comments.

MOTION: Move that the Planning Commission continue the hearing to the December 10, 2018 Planning Commission meeting to allow staff time to coordinate additional details with the applicant.

Moved by Chair Andranian, seconded by Commissioner Harlan.

The motion carried by the following roll call vote:

Ayes: Andranian, Harlan, Navarro Woods, Zich

Noes: None

Absent: de Arakal

Abstained: None

4. **PLANNING APPLICATION 18-39 FOR A MARIJUANA PRODUCT MANUFACTURING FACILITY (EXPANDO PRODUCTS, LLC) AT 3505 CADILLAC AVENUE, UNIT N2**

Project Description: Planning Application 18-39 is a request for a Conditional Use Permit for a marijuana product manufacturing facility (Expando Products, LLC) within a 2,818-square-foot tenant space of an existing industrial building. The proposed operation includes the delivery of pre-purchased cannabis oil to the facility, which will then be heated and injected into vape cartridges, packaged and stored for shipping from the facility. No marijuana extraction will occur at this facility. Licensed third-party distributor vehicles used for the delivery and pickup of cannabis products will be parked adjacent to the rear door of the building for loading and unloading. The facility will have security systems (card readers, security cameras, etc.) throughout the facility. No cultivation or dispensing of marijuana is permitted.

Environmental Determination: The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1), Existing Facilities.

No ex-parte communications to report.

Mel Lee, Senior Planner, presented the staff report.

Commissioners and staff discussed where the information came from that the proposed suites are vacant; the suites availability on the market; what secure access the adjacent suite has; and whether the proposed suite could accommodate a roll-up door.

PUBLIC COMMENTS

Craig Fry, applicant's representative, stated he has read the conditions of approval and agrees to them. Mr. Fry and Nick Rohan, applicant's representative, presented a slideshow on the proposed application.

Commissioner Zich and the applicant's representatives discussed the proposed non-volatile manufacturing; what temperature the oil would be heated to; whether the independent HVAC system exists now or would it be a part of the tenant improvements; where the carbon filters would be placed in the HVAC system; whether there will be a certified clean room; waste material; whether the air quality would be the same throughout the facility; whether they intend to provide an armed security guard; and whether a roll up door was a factor when they looked for a tenant space.

No public comments.

The Chair closed the public hearing.

Commissioner Navarro Woods and staff discussed whether the loading and unloading area would be striped; and whether the applicant could sublease the first floor or second floor in its entirety to another business.

MOTION: Move that the Planning Commission find that the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under

CEQA Guidelines Section 15301, Class 1, Existing Facilities; and approve Planning Application 18-39, subject to conditions of approval without Condition of Approval No. 40 which requires an armed security guard.

Moved by Chair Andranian, seconded by Commissioner Harlan.

Commissioner Zich and Commissioner Navarro Woods spoke in support of the motion.

RESOLUTION PC-18-79 – A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA APPROVING CONDITIONAL USE PERMIT PA-18-39 TO ALLOW A MARIJUANA DISTRIBUTION FACILITY AT 3505 CADILLAC AVENUE, UNIT N2

The motion carried by the following roll call vote:

Ayes: Andranian, Harlan, Navarro Woods, Zich
Noes: None
Absent: de Arakal
Abstained: None

The Chair explained the appeal process.

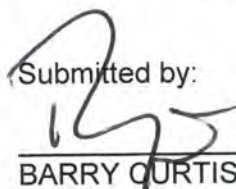
DEPARTMENTAL REPORT(S)

1. Public Services Report – none.
2. Development Services Report – none

CITY ATTORNEY'S OFFICE REPORT(S)

1. City Attorney – Tarquin Preziosi, Assistant City Attorney stated that, for those Commissioners who are members of the state bar and are in need of CEB credits, there is currently a presentation available with 1.5 hours of CEB credits regarding medical marijuana.

ADJOURNMENT (01:57:51)

Submitted by:


BARRY CURTIS, SECRETARY
COSTA MESA PLANNING COMMISSION