City of Woodland

Meeting Agenda

City Council

City Hall
Council Chambers
300 First Street
Woodland, CA 95695

October 16, 2018
6:00 PM

CLOSED SESSION
5:30 PM

A. CALL TO ORDER

B. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

   Pursuant to Government Code Section 54956.9(d)(1)
   Name of case: *Idle Wheel MHP LLC v. City of Woodland et. al,* Yolo County Superior Court Case No. PT16-201

JOINT REGULAR MEETING CITY COUNCIL/WOODLAND FINANCE AUTHORITY
6:00 PM

C. CALL TO ORDER

D. ROLL CALL

E. PLEDGE OF ALLEGIANCE

F. COMMUNICATIONS - PUBLIC COMMENT

This is an opportunity for the public to speak to the Council on any item other than those listed for public hearing on this agenda. Speakers are requested to use the microphone in front of the Council and to begin by stating their name, whether they reside in Woodland and the name of the organization they represent if any. The Mayor may impose a time limit on any speaker depending on the number of people wanting to speak and time available for the rest of the agenda. In the event comments are related to an item scheduled on the agenda, speakers may be required to wait to make their comments until that item is considered.

G. COMMUNICATIONS - COUNCIL/STAFF STATEMENTS AND REQUESTS

This is an opportunity for the Council Members and Staff to make comments and announcements, to express concerns, or to request Council's consideration of any items a Council Member would like to have discussed at a future Council meeting.

2. Long Range Calendar

   Staff recommends that the City Council receive the Long Range Calendar for informational purposes only.

H. PRESENTATIONS

3. Proclamation declaring October 21-27, 2018 as National Friends of Libraries Week

   Staff recommends that the City Council adopt a Proclamation declaring October 21-27, 2018 as National Friends of Libraries Week, in the City of Woodland.

4. Proclamation Honoring William Hubert Jr.

   Staff recommends that the City Council adopt a Proclamation Honoring William Hubert Jr. for his 22 years of continuous employment at Orchard Supply Hardware Store.

5. Proclamation to Commemorate World War I Armistice and Parade

   Staff recommends that the City Council adopt a Proclamation commemorating the end of World War I, honoring and remembering those who served, and recognizing the efforts of Fred Bailard and the Yolo County Historical Society's efforts to hold a World War I parade on November 10, 2018.

6. Manufacturing Awareness and Appreciation Month

   Staff recommends that the City Council adopt a proclamation recognizing October 2018 as Manufacturing Awareness and Appreciation Month in the City of Woodland, California.

7. Resolution Declaring the Week of October 20-26, 2018 Flood Preparedness Week

   Staff recommends that the City Council adopt Resolution No. _____, declaring the week of October 20-26, 2018 as Flood Preparedness Week

I. CONSENT CALENDAR

8. Community Services Department Quarterly Status Report for the period of July through September 2018

   Staff recommends that the City Council receive the Community Services Department quarterly Status Report.

9. Final Acceptance and Notice of Completion for West Street Transmission Main Project (Phase One), CIP 17-08.

   Staff recommends that the City Council adopt Resolution No. _____, accepting the West Street Transmission Main Project (Phase One), CIP 17-08, construction contract as complete and authorize the City Clerk to file a Notice of Completion.

10. Receive a Project Update on the Woodland Community and Senior Center HVAC project and Authorize Carryover of $201,836 of Fiscal Year 2017/18 Unencumbered Budget Appropriation to Fiscal Year 2018/19

    Staff recommends that the City Council adopt Resolution No. _____, authorizing the carryover of unencumbered appropriations from Fiscal Year 2017/18 to Fiscal Year 2018/19 totaling $201,836 to the Facilities Replacement Fund for the Woodland Community and Senior Center HVAC project.

11. Authorize the Sole-Source Purchase of Ultraviolet (UV) Lamps and the Associated Parts for Effluent Disinfection Purposes at the Water Pollution Control Facility

    Staff recommends that the City Council approve Resolution No. _____, authorizing the sole-source purchase of UV lamps and other system parts from DC Frost Associates, Inc. with an amount not-to-exceed $214,000.

12. Authorize the Lease Purchase of a Replacement Hybrid Aerial Truck for Electrical Maintenance

    Staff recommends that the City Council adopt Resolution No. _____, authorizing the lease purchase of a replacement Hybrid Aerial Truck through National Cooperative Leasing (NCL) for a total amount of $228,389.90 over a 10-year term.

13. Adopt Ordinance Relating to the Composition of the Parks and Recreation Commission and the terms of members relating to Parks and Recreation Commission, Traffic Safety Commission, Commission on Aging and Personnel Board

    Staff recommends that the City Council adopt Ordinance No. 1639 amending certain sections related to composition and terms of members of various Boards and Commissions.

J. PUBLIC HEARINGS

14. PUBLIC HEARING - OPEN AND CONTINUE - Technology Fee for Digitized Documents

    THIS ITEM WILL BE OPENED AND CONTINUED TO A DATE UNCERTAIN.

15. ProTerp Manufacturing, LLC, a Request to Approve a Conditional Use Permit for a Commercial Cannabis Manufacturing Facility: A proposed Conditional Use Permit for a Commercial Cannabis Manufacturing facility located at 1230 Harter Avenue, Suite F: PLNG 18-00039

    Staff recommends that the City Council:

    1. Receive a staff report; and
    2. Conduct a public hearing; and
    3. Find that the project is exempt from further environmental review pursuant to Class 1 and Class 32 Categorical Exemptions under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA; and
    4. Adopt City Council Resolution No. _____, approving a Conditional Use Permit for commercial cannabis manufacturing at 1230 Harter Avenue, Suite F, conditioned upon approval of an appropriate Cannabis Business Permit and recommended conditions of approval; and
    5. Adopt City Council Resolution No. _____, authorizing the City Manager, pursuant to Section 13A-3-04(9) to approve a final Operating Agreement for a commercial cannabis manufacturing business at 1230 Harter Avenue, Suite F.

16. Epic Bros Enterprises, Inc. a Request to Approve A Conditional Use Permit for a Commercial Cannabis Distribution Facility: A proposed Conditional Use Permit for a Commercial Cannabis Distribution facility located at 1230 Harter Avenue, Suite J: PLNG 18-00069

    Staff recommends that the City Council:

    1. Receive a staff report; and
    2. Conduct a public hearing; and
    3. Find that the project is exempt from further environmental review pursuant to Class 1 and Class 32 Categorical Exemptions under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA; and
    4. Adopt Resolution No. _____, approving a Conditional Use Permit for commercial cannabis distribution at 1230 Harter Avenue, Suite J, conditioned upon approval of an appropriate Cannabis Business Permit and recommended conditions of approval; and
    5. Adopt Resolution No. _____, authorizing the City Manager, pursuant to Section 13A-3-04(9) to approve a final Operating Agreement for a commercial cannabis distribution business at 1230 Harter Avenue, Suite J.

17. Tanforan Ventures, LLC., a request for a Conditional Use Permit for a Commercial Cannabis Manufacturing, Distribution, and Testing Laboratory Facility: A proposed Conditional Use Permit for a Commercial Cannabis Manufacturing, Distribution, and Testing Laboratory Facility located at 1460 Tanforan Avenue, PLNG 18-00027

    Staff recommends that the City Council:

    1. Receive a staff report; and
    2. Conduct a public hearing; and
    3. Find that the project is exempt from further environmental review pursuant to Class 1 and Class 32 Categorical Exemptions under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA; and
    4. Adopt Resolution No. _____, approving a Conditional Use Permit for commercial cannabis manufacturing,distribution, and testing businesses at 1460 Tanforan Avenue, conditioned upon approval of an appropriate Cannabis Business Permit and recommended conditions of approval; and
    5. Adopt Resolution No. _____, authorizing the City Manager, pursuant to Section 13A-3-04(9) to approve a final Operating Agreement for a commercial cannabis manufacturing, distribution and testing business at 1460 Tanforan Avenue.

K. REPORTS OF THE CITY MANAGER

18. Lower Cache Creek Feasibility Study Update

    Staff recommends that the City Council receive an informational report on the status of the Army Corps of Engineers' Lower Cache Creek Feasibility Study and ongoing efforts to advance projects to provide 200-year flood protection to the City of Woodland.

19. Lower Cache Creek Flood Feasibility Study, CIP 09-15; Approve Contract Amendment with Larsen Wurzel Associates for Consulting Services

    Staff recommends that the City Council adopt Resolution No. _____, authorizing the City Manager to execute Amendment #4 to the consultant services agreement with Larsen Wurzel & Associates, Inc. (LWA) for the Lower Cache Creek Feasibility Study, CIP 09-15, for an additional amount up to $86,600.

20. Fiscal Year 2018/19 Quarterly Budget Update

    Staff recommends that the City Council receive an informational report representing the FY2018/19 First Quarter Budget Update.

L. ADJOURN

I declare under penalty of perjury that the foregoing Agenda for the Joint Regular City Council/Woodland Finance Authority of the City of Woodland scheduled for October 16, 2018 was posted on October 12, 2018 in the outside display case at City Hall, 300 First Street, Woodland, CA, and was available to the public during normal business hours.

Ana B. Gonzalez
City Clerk

Upon request, agendas and documents in the agenda packet will be made available in appropriate alternative formats to persons with a disability, as required by law. Any such requests must be made in writing to the Office of the City Clerk of the City of Woodland. Requests will be valid for the calendar year in which the request is received, and must be renewed prior to January 1st.
Persons needing disability-related modifications or accommodations in order to participate in public meetings, including persons requiring auxiliary aids or services, may request such modifications or accommodations by calling the Office of the City Clerk (530-661-5806) at least 48 hours prior to the meeting.

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: G.2.
SUBJECT: Long Range Calendar

Recommendation for Action:
Staff recommends that the City Council receive the Long Range Calendar for informational purposes only.

Staff Contact:
Ana B. Gonzalez, City Clerk, (530) 661-5806, ana.gonzalez@cityofwoodland.org

Background:
This calendar is being provided for planning purposes only and is intended to keep the Council apprised of upcoming agenda items and better plan for upcoming Council items.

Attachments:
1. Council Long Range Calendar

Paul Navazio
City Manager

UPDATED COUNCIL LONG RANGE CALENDAR

NOVEMBER 6TH **REGULAR MEETING**

Minutes
City Council Meeting Minutes of Oct. 2nd and October 16th 2018

Presentations
Proclaim Saturday, November 24th as Small Business Saturday in Woodland

Consent Calendar
Award Contract for Water and Sewer Rate Study Consultant
Award SCBA Contract – Willow Oak Fire Supression District
Cal Trans Contract

Reports of the City Manager
Neighborhood Traffic Calming Program Update
Update to Fee Deferral Program
Community Service Award Discussion

NOVEMBER 20TH **REGULAR MEETING**

Reports of the City Manager
1st Reading Ag Mitigation
Reserve Policy Update

DECEMBER 4TH **REGULAR MEETING**

Minutes
City Council Meeting Minutes of November 6th and November 20th 2018

Reports of the City Manager
Certification of Election Results
Council Reorganization

DECEMBER 18TH **REGULAR MEETING**

Council Appointments/Assignments
2019 Council Calendar
Urban Forestry / Master Plan Tree Update
Tree Preservation Ordinance Update
Hazard Mitigation Plan

Future Topics / Study Sessions:
Adoption of Conflict of Interest Code
City Code Clean-up Ordinance
Animal Control Ordinance – November
Non-Conforming Use Zoning Update
Final Acceptance and NOC – 2018 Road Maintenance Project CIP #18-02
Approve Final Map 4851, Country Oaks and related agreements

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: H.3.
SUBJECT: Proclamation declaring October 21-27, 2018 as National Friends of Libraries Week

Recommendation for Action:
Staff recommends that the City Council adopt a Proclamation declaring October 21-27, 2018 as National Friends of Libraries Week, in the City of Woodland.

Staff Contact:
Greta Galindo, Library Services Director, 530-661-5980, greta.galindo@cityofwoodland.org

Background:
Woodland City Council is asked to proclaim October 21-27, 2018 as National Friends of Libraries Week, in the City of Woodland.

The Friends of the Woodland Public Library will be spending the week of October 21-28, 2018, celebrating its Friends of the Library group as part of the 13th annual celebration of National Friends of Libraries Week. National Friends of Libraries Week is coordinated by United for Libraries, a division of the American Library Association with approximately 4,000 personal and group members representing hundreds of thousands of library supporters. United for Libraries supports those who govern, promote, advocate, and fundraise for libraries, and brings together library trustees, advocates, friends, and foundations into a partnership that creates a powerful force for libraries in the 21st century. For more information, visit www.ala.org/united.

Discussion:
The Friends of the Woodland Public Library were established in 1981. Currently over 100 community members contribute annually to the Friends, and nearly 20 of these contributors actively volunteer their time to assist the group with fundraising efforts that include bi-monthly book sales. Over the years the Friends have contributed thousands of dollars to fund programming, provide new furniture, contribute funding for new and emerging technology, and help support staff training. In addition, the Friends have rallied countless times to advocate for adequate library funding.Please visit WoodlandFOL.org to find out how to become a member of the Friends.

Attachments:
1. Proclamation 2018 FOL

Paul Navazio
City Manager

Proclamation
National Friends of Libraries Week, October 21-27, 2018

WHEREAS, the Friends of the Woodland Public Library (Friends) raises money that enables our library to move from good to great — providing much needed resources for additional programming (children, teens and adults), equipment, support for summer of learning and numerous other special events throughout the year; and,

WHEREAS, the Friends understands the critical importance of well-funded libraries and is an advocate to ensure that our library gets the current and future resources that it needs to provide a wide variety of services to all ages including access to print and electronic materials, along with expert assistance in research and readers' advisory and children's services; and

WHEREAS, the work of the Friends highlights on an on-going basis the fact that our library is the cornerstone of the community by providing free opportunities for all to engage in the joy of life-long learning and to connect with the thoughts and ideas of others from ages past to the present; and

WHEREAS, the Friends' extensive gift of time and commitment to the library sets an example for all in how volunteerism leads to positive civic engagement and the enrichment of our community.

NOW, THEREFORE, BE IT RESOLVED that the City of Woodland proclaims October 21-27, 2018 as Friends of Libraries Week in Woodland, California and urges the citizens of Woodland to join with the Friends of the Woodland Public Library in supporting our City Library and to thank the Friends for all they do to make our library and community better.

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: H.4.
SUBJECT: Proclamation Honoring William Hubert Jr.

Recommendation for Action:
Staff recommends that the City Council adopt a Proclamation honoring William Hubert Jr. for his many years of service at OSH Hardware store.

Staff Contact:
Ana B. Gonzalez, City Clerk, (530) 661-5806, ana.gonzalez@cityofwoodland.org

Attachments:
1. Proclamation Honoring William Hubert Jr.

Paul Navazio
City Manager

PROCLAMATION
HONORING
WILLIAM HUBERT JR.

WHEREAS, William Hubert Jr. has served with distinction at OSH Hardware since its opening in 1995 where he has fulfilled 22 years of continuous employment at the Woodland, California location; and

WHEREAS, William Hubert Jr.'s mission, carrying on the tradition of William Hubert Sr., is delivering superior customer service through applied product solutions; and

WHEREAS, William Hubert Jr. is a strong customer service advocate, for home or business hardware needs and emergencies; often, providing better solutions than a customer anticipates; and

WHEREAS, William Hubert Jr. exhibits an encyclopedic knowledge of hardware products and their applications; listens carefully to his customers, anticipating their needs; recommends the best customer solutions while making the customer feel valued and respected; and

WHEREAS, Bill modestly describes himself only as a "workhorse," his energy is matched by his kindness and sincere interest in solving customer needs, thus, enriching any Woodland community member who crosses his path; and

WHEREAS, William Hubert Jr. serves as a good friend and colleague to the whole Woodland Community.

NOW, THEREFORE, BE IT RESOLVED, that the Woodland City Council, recognizes William Hubert Jr.'s achievements and his contributions to the world of customer service and sales, and express our appreciation and gratitude for those contributions and wish him well in all the years to come, with many customers wanting to know where he will work next, so they can go visit him once again.

Dated: October 16, 2018

_____

Enrique Fernandez, Mayor

Xochitl Rodriguez, Mayor Pro Tem

Marlin H. "Skip" Davies, Council Member

Angel Barajas, Council Member

Tom Stallard, Council Member

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: H.5.
SUBJECT: Proclamation Commemorating World War I Armistice and Parade

Recommendation for Action:
Staff recommends that the City Council adopt a Proclamation commemorating the end of World War I, honoring and remembering those who served, and recognizing the efforts of Fred Bailard and the Yolo County Historical Society's efforts to hold a World War I parade on November 10, 2018.

Staff Contact:
Christine Engel, Community Services Director, 530-661-5800, Christine.engel@cityofwoodland.org

Background:
A century ago, 4.7 million American families sent their sons and daughters off to World War I. On June 5, 1917 a total of 1,625 young men from Yolo County registered for the World War I draft.

Discussion:
On November 11, 1918, Armistice was declared that ended the fighting in World War I.

To commemorate the 100th anniversary of the Armistice that ended World War I, Woodland resident Fred Bailard and the Yolo County Historical society have planned a World War I parade on November 10 beginning at 11 am. The parade will be held on Lincoln Avenue, starting at First Street and ending at the historic Woodland Train Deport (where there will be festivities until approximately 3 pm). This proclamation commemorates the end of World War I, honors and remembers those who served, and recognizes the efforts of Fred Bailard and the Yolo County Historical Society for their planning efforts with the November 10 parade and celebration.

Attachments:
1. Proclamation WWI

Paul Navazio
City Manager

Proclamation

World War I Commemoration

WHEREAS, a century ago 4.7 million American families sent their sons and daughters off to World War I; and

WHEREAS, men and women from the City of Woodland and Yolo County served selflessly and honorably in World War I; and

WHEREAS, on June 5, 1917, a total of 1,625 young men from Yolo County registered for the World War I draft; and

WHEREAS, 116,516 Americans gave their lives, and more than 200,000 were wounded in service to their country during World War I;

WHEREAS, at 11:00 a.m., November 11, 1918 -- the eleventh hour of the eleventh day of the eleventh month – Armistice was declared which ended the fighting in World War I; and

WHEREAS, during the month of November, 2018 the world will commemorate the 100th anniversary of the Armistice that ended WW I; and

WHEREAS, the City of Woodland appreciates the efforts of Fred Bailard and the Yolo County Historical Society to commemorate the end of World War I with a parade in downtown Woodland, to be held on November 10, 2018.

NOW THEREFORE, BE IT RESOLVED that the City of Woodland honors and remembers those who served and commemorates the end of World War I.

AND BE IT FURTHER RESOLVED, that the City of Woodland commends all who are working to make this remembrance possible and encourages all citizens to participate if possible.

Dated this 16th day of October, 2018

_____

Enrique Fernandez, Mayor

Xochitl Rodriquez, Mayor Pro Tem

Marlin H. “Skip” Davies, Council Member

Angel Barajas, Council Member

Tom Stallard, Council Member

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: H.6.
SUBJECT: Manufacturing Awareness and Appreciation Month

Recommendation for Action:
Staff recommends that the City Council adopt a proclamation recognizing October 2018 as Manufacturing Awareness and Appreciation Month in the City of Woodland, California.

Staff Contact:
Wendy Ross, Economic Development Manager-530-661-5921, wendy.ross@cityofwoodland.org

Background:
Manufacturing is the most important industry in the United States contributing nearly $2.2 trillion dollars to our economy and for every dollar spent, another $1.89 is added to the economy. For every manufacturing worker hired, there are another four employees hired in an adjacent market. And, according to Industry Week, the american workforce is changing. As of 2015 the millenial generation has overtaken baby boomers to be the largest generation of the American population.

With this evolving workforce the manufacturing industry faces a distinct new challenge-how to update the public perception to attract the new workforce. Few workforce development organization will promote manufacturing as the industry to go into. Today, millenials see manufacturing as their least preferred career destination. It is expected that manufacturing will face a shortage of two million skilled workers over the period of 2015-2025. Woodland manufacturers employ more than 4,000 employees.

What can we do to change the perception of the manufacturing industry:

Actively dispell the myths of manufacturing careers
Highllight the advanced technologies that drive modern manufacturing
Re-evaluate recruiting strategies
Focus on career development
Consider a co-mentoring program
Provide opportunities for learning
Focus on capturing tribal knowledge
Implement feedback loops to foster creative thinking

Although Manufacturing Day falls on October 5, this year the Sacramento Region is celebrating Manufacturing Awareness and Appreciation Month. It is an opportunity to extend Manufacturing Day so that we can better understand what manufacturing really means to our region. Sacramento Valley Manufacturing Initiative is staging a tour of manufacturing facilities throughout the region between October 5 and 19. The Woodland manufacturer tour will take place at 9:00 am on Friday, October 19, 2018 at Pacific Coast Producers.

These tours will provide an opportunity to understand what a modern manufacturing facility is really like. It helps the community and available workforce to better understand what the companies in this community

create/process and who they sell it to. It is also a great opportunity to get a good description of what kinds of jobs are available in manufacturing. Lastly, the tours provide an opportunity for you to better understand what skills and education are needed to qualify for today's manufacturing jobs.

Prepared by: Wendy Ross, Economic Development Manager

Reviewed by: Ken Hiatt, Assistant City Manager/Community & Economic Development Director

Attachments:

1. Proclamation

Paul Navazio
City Manager

Manufacturing Awareness and Appreciation Month, October 2018

WHEREAS, Manufacturing Day is celebrated nationally on the first Friday of the month of October to showcase their facilities in an effort to educate the community about manufacturing career opportunities; and

WHEREAS, manufacturers provide over 4,000 jobs in Woodland and 12,480,000 jobs nationwide; and

WHEREAS, manufacturing is the most important industry in the United States contributing nearly $2.2 trillion dollars to our economy and for every dollar spent, another $1.89 is added to the economy, and for every manufacturing worker hired, there are another four employees hired in an adjacent market; and

WHEREAS, the average manufacturing worker in the United States earns $82,023 annually, including pay and benefits; and

WHEREAS, over the next decade, nearly 3.5 million manufacturing jobs will likely be needed, and 2 million are expected to go unfilled due to the skills gap; and

WHEREAS, increasing the exposure of manufacturing careers within our local area to our students, educators, business owners, media and politicians is needed to bridge the gap in skilled labor shortage and create viable career pathways for students and adults; and

WHEREAS, manufacturers and educational systems such as the Sacramento Valley Manufacturing Initiative, Yuba Community College (Woodland Community College) District, Los Rios Community College District, Valley Vision, California State University, Sacramento, UC Davis, the California Community Colleges, United State Congress, Yolo County Workforce Innovation Board (WIB) and One Stop Shop, California Manufacturers & Technology Association, SME Sacramento Valley Chapter 145, California Food Producers, North Central Counties Consortium, Golden Sierra and JPMorgan Chase & Company work together to promote careers within the manufacturing field; and

WHEREAS, the City of Woodland appreciates all of our manufacturers and commend them for their commitment to the betterment of the City of Woodland and County of Yolo.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the City of Woodland, that we do hereby recognize October 2018 as Manufacturing Awareness and Appreciation Month in the City of Woodland, California.

DATED: _____ October, 2018

_____
Enrique Fernandez, Mayor

Xochitl Rodriguez, Mayor Pro Tem
Angel Barajas, Council Member
Tom Stallard, Council Member
Marlin “Skip” Davies, Council Member

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: H.7.
SUBJECT: Resolution Declaring the Week of October 20-26, 2018 Flood Preparedness Week

Recommendation for Action:
Staff recommends that the City Council adopt Resolution No. _____, declaring the week of October 20-26, 2018 as Flood Preparedness Week.

Staff Contact:
Paul Navazio, City Manager, (530) 661-5800, paul.navazio@cityofwoodland.org

Fiscal Impact:
There is no fiscal impact associated with the staff recommendation.

Discussion:

The risk of floods exists every year, and periods of heavy rains often lead to dangerous flooding conditions, ranging from localized storm run-off to major catastrophic flooding events. Because of the flood risks throughout the state and within the Sacramento Region, it is important for residents to assess their flood risk, prepare and practice response plans, and learn from past floods.

Annually, the State Department of Water of Resources (DWR) sponsors Flood Preparedness Week, which for 2018 has been designated as the week of October 20-26. During this week, DWR assists communities with flood activities, and through collaboration with federal agencies seeks to improve our understanding of atmospheric rivers and their effects on flooding and water supply.

Given the continued flood risks impacting the City of Woodland, and as a reminder of the significant historical flooding events that affected our community in 1983 and 1995, we believe it is appropriate to continue to raise awareness of flood risks and support Flood Preparedness Week.

Also on this evening's agenda, the City Council is scheduled to receive an update on the ongoing efforts underway, in collaboration with, DWR, the Army Corps of Engineers, the Central Valley Flood Protection Board, Yolo County and affected property owners to advance projects to provide 200-year flood protection to the City of Woodland.

Conclusion:
Staff recommends that the City Council adopt Resolution No. _____, declaring the week of October 20-26, 2018 as Flood Preparedness Week.

Attachments:
1. Resolution Flood Preparedness Week

Paul Navazio
City Manager

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND DECLARING THE WEEK OF OCTOBER 20-26, 2018 TO BE CALIFORNIA FLOOD PREPAREDNESS WEEK

WHEREAS, the City of Woodland recognizes the significant public safety threat flooding poses to the population, assets and economy of our community; and

WHEREAS, the City of Woodland has endured multiple flood events including the historic floods of January 1983 which resulted in failure of the Cache Creek levee near CR102 and flooding of the current industrial area of the City, and in March 1995 which flooded primarily west of Woodland which was protected through flood-fighting on the levee north of Woodland.

WHEREAS, the City of Woodland is at particular risk of flooding from Lower Cache Creek as well as the West Levy of the Yolo Bypass; and

WHEREAS, statewide over 7 million people at least $600 billion in assets (buildings, infrastructure and crops) are exposed to the hazard of flooding; and

WHEREAS, during California Flood Preparedness Week, local, state and federal agencies across the state work together to inform the public about the dangers of flooding, how to prepare their homes and families for a flood, and plan for recovery; and

WHEREAS, California Flood Preparedness Week 2018 will be held during the week of October 20-26; and

NOW THEREFORE, BE IT RESOLVED, the City of Woodland will participate in California Flood Preparedness Week, expresses support for increased public awareness of flood threats, and encourages all residents to take action to know their flood threat and prepare appropriately.

PASSED AND ADOPTED by the City Council this 16th day of October, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Enrique Fernandez, Mayor

ATTEST:

_____
Ana B. Gonzalez, City Clerk

APPROVED AS TO FORM:

_____
Kara K. Ueda, City Attorney

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: I.8.
SUBJECT: Community Services Department Quarterly Status Report for the period of July through September 2018

Recommendation for Action:
Staff recommends that the City Council receive the Community Services Department quarterly Status Report.

Staff Contact:
Kris Bain, Community Services Program Manager, (530) 661-2000, krista.bain@cityofwoodland.org

Background:
This quarterly status report covers the period of July through September 2018. The report represents a summary of recreation and senior programming, events, affordable housing, the community development block grant entitlement program, parks and recreation facilities operation and maintenance, and urban forestry. This report also contains a narrative description of major work performed and/or notable Department highlights.

Conclusion:
Staff recommends that the City Council accept the Community Services Department's Quarterly Status Report.

Attachments:
1. Community Services Department Quarterly Status Report Quarter 1 FY19

Paul Navazio
City Manager

Community Services Department Quarterly Report: July-September 2018

The following provides a summary of the Community Service Department's programs, activities, and events for July-September 2018. This report refers to participant hours; the methodology for calculating participant hours is described at the end of the document.

Quarterly Highlights

- The Summertime Fun Club program had 268 participants utilizing three park sites and seventeen volunteers who accumulated over 1,471 hours in community service time.
- Thirty-three Teens Helping Seniors participants completed 112 jobs, serving 86 seniors and amassed over 1,068 hours in community service time.
- The Summer Teen Pack filled to capacity (40 participants) during seven of the nine weeks of the program. The Drop-In Teen Pack program was offered for one week and had 35 sign-ins.
- The 5-day Outdoor Adventure program took 18 participants to Golden Gate Recreation Area, as a last minute change from Yosemite due to a wildfire in Yosemite National Park.
- The Fall Movies Series started with a Dive-In Movie Night held at the pool with 300 in attendance. A Park Movie Night held at Campbell Park had 250 in attendance.
- Approximately 91,204 participant hours were recorded for aquatics; and youth, teen and adult recreation classes.
- Approximately 3,891 people attended events at the Community & Senior Center during facility rentals.
- Over 166 soccer and baseball teams participated in tournaments at the Woodland Sports Park.
- Senior Center programs and events totaled over 9,700 in participant hours.
- Park projects included installation of exercise equipment at Crawford Park and installation of benches at Hiddleson and Gonzales Parks.

Movie in the Park at Campbell Park

Program Marketing

During this reporting period, the Department used the following marketing efforts to promote the recreation program offerings as well as community events and senior programs.

- The Fall Mini Recreation Guide was released and directly mailed to over 3,500 households in Woodland with children up to 16 years old. Mini Guides were also available at outreach events and at city facilities. The publication advertised upcoming activities and events from September through February.
- School Flyers: One school flyer (September 2018) was distributed to WJUSD students to promote fall activities and programs. All school flyers are distributed in English and Spanish.
- Banners & Posters: Banners and posters were hung throughout town advertising activities and events.
- Social Media: The Department utilizes Facebook and Instagram to advertise upcoming events and recreation programs.
- Special Events: Staff attended the monthly Food Truck Mania in August and September to promote upcoming programs. The Rec2Go van also attended events including the Farmer's Market, Bayside Movie nights, Plainfield's Back to School Night, a Costco Health and Safety Event, and the Yolo County Baby Shower. Rec2Go also offered activities at various parks and other locations throughout Woodland during the months of July and August.
- Direct Marketing: Staff directly marketed events and activities onsite to students and parents of Lee and Douglass Middle Schools. Flyers, posters, and banners were distributed directly to new middle school students during orientation, Back to School Nights, and P.E. classes. To increase awareness of the mobile recreation program, Rec2Go staff reached out to the neighborhoods of the parks for upcoming visits (going door-to-door).
- Senior Newsletter: The "Senior Gram" newsletter was mailed to over 450 households every month. It was also available on the CSD webpage for download.

Facilities

Community & Senior Center Facility Reservations

The Community & Senior Center facility rental program is designed to both generate revenue for the City of Woodland and provide a location for community events. Types of rentals held at the Community Center include: meetings, parties (bridal and baby showers), weddings and receptions, quinceañeras, and several business meetings. July-September reservations of the facility are shown below.

	General Facility Rentals *Includes rentals receiving discounts*	**Facility Rentals** *with Fees Waived*
Number of Rentals	43	9
Approximate Participants	3,406	485
Total Fees	**$22,762**	**$8,650 (waived)**

Tournaments

Tournament rentals are available for the Sports Park Complex. Local tournament directors have the first choice of dates for the following year during the tournament weekend allocation period each August. All of the available weekend dates during July and August were reserved for tournaments (during September fields are used for soccer games). During the first quarter, the Sports Park was reserved for youth baseball and softball tournaments.

Tournament Rentals of Sports Park	
Number of Rentals	16
Number of Teams	166
Total Fees Collected	**$29,400**

Field Allocation

Players Fees

Youth organizations use city-owned fields for practices and games for soccer, baseball, and softball. Youth sports that used City of Woodland fields reported 1,096 youth players during the fall season of 2018 (247 baseball players and 849 soccer players). Historically, "Player Fees" have been charged to each organization to cover the cost for use of the field for practices. With the passage of Measure J, the "Player Fees" for Woodland residents have been waived for all youth organizations saving the organizations $17,860 during the fall season. Those participating with youth organizations who do not reside within city limits are deemed non-residents and pay $39 per player per season.

League	Players	Non Residents	Non-Resident Fees ($39 each)	Total MJ Players	Total league savings from MJ	League total cost
Girls Fast Pitch	54	4	$152	50	$1,000	$152
Little League	163	19	$722	144	$2,880	$722
Babe Ruth	30	4	$152	26	$520	$152
YMCA	300	39	$1,482	261	$5,220	$1,482
DASA	147	70	$2,660	77	$1,540	$2,660
WSC	402	67	$2,546	335	$6,700	$2,546
Total Fees	**1,096**	**203**	**$7,714**	**893**	**$17,860**	**$7,714**

Parks

Parks and urban forestry projects during this reporting period include:

CalFire Urban Forestry Grant

Staff submitted the fourth quarterly report for the California Climate Investment Grant, completing year-one of a three-year grant. The City and the Woodland Tree Foundation are on schedule for the requirements of the grant and, in most areas, are ahead of schedule. Some highlights include:

- The staff matching hours that are required by the grant are a little over half way complete.
- During this quarter, 132 trees were planted. The project has planted 536 trees out of the 1,200 total trees required over a three-year period.
- Due to tree plantings so far, the perceived Green House Gas (GHG) reduction over a 40-year period is 2,122 Metric Tons of Carbon Dioxide Emissions (MTCO2e). This is equivalent to taking 454 vehicles off the road for a year.

The first draft of the Urban Forest Master Plan was submitted to staff in early August. The Woodland Tree Foundation, Urban Forest Committee, and staff made comments on the draft plan. Comments were submitted to Davey Resource Group and the second draft is expected by October.

Cemetery Columbarium

Yolo County has been working with staff to place a new indigent columbarium at the cemetery. In the past the City has worked with the County to provide these services; however, most recently the County was utilizing a columbarium in Knights Landing (which is now at capacity). Yolo County is funding this project and the new columbarium will be no cost to the City.

Crawford Park

With grant funds from the John & Eunice Davidson Fund, staff completed the installation of workout equipment in three locations around the track at Crawford Park, and installation has started for eight new locations throughout the park. When completed, there will be a total of eleven new workout stations installed at Crawford Park.

Exercise Equipment at Crawford Park

Gonzales Park

Staff installed three new benches along the walking path. A new bike rack and additional garbage cans will be installed soon.

Hiddleson Park

Two outdated benches that were poorly placed were removed from Hiddleson Park. In addition, staff has added two new benches for better seating within the park.

Mandela Washington Fellows Tree Planting

The City hosted a tree planting, organized in collaboration with the Woodland Tree Foundation and UC Davis, for Mandela Washington Fellows for Young African Leaders. This event took place at Jack Slaven Park on July 27 and included the planting of thirty-two trees.

Woodside Park

Local business, "Musictown" volunteered to paint the wall adjacent to the basketball court at Woodside Park. Approximately 80 volunteers participated in painting the wall and were able to paint benches and picnic tables as well.

Freshly painted wall and park table at Woodside Park

New Facilities Update

On August 21, 2018, the City Council received an update on a potential new pool to be located at Pioneer High School. At this meeting, they also appointed Council Members Stallard and Davies to a subcommittee to explore funding options for the $7.1 pool complex. On September 4, 2018, the City Council authorized the City Manager to enter into a Joint Use Agreement with Woodland Joint Unified School District for the Pioneer High School pool site (WJSUD board of trustees later approved this agreement as well). At the same meeting, the City Council authorized an agreement with the Woodland Tennis Club in order to allow them to commence fundraising for the approximate $3.5 tennis complex to be located at the Woodland Community & Senior Center/Woodland Sports Park property.

Staff and members of the *adhoc* committee that was established to recommend new recreation facilities continued to meet with user groups proposing new facilities. Specifically, meetings were

held with Woodland Soccer Club and Davis Alliance Soccer Academy in September and Woodland Girls Fast Pitch Softball Association in August.

Events

Event	Event Date	Total Participants	Participant Hours	Fees Collected
4th of July Celebration	July 4	Over 3,000	Over 3,000	Free Program
Dive In Movie Night*	Aug. 24	300	900	Free program
Park Movie Night*	Sept. 14	250	1,000	Free Program
Total Participants		**3,550**	**4,900**	**$0**

**Event made possible by Measure J*

Aquatics

All aquatic programs are held at the Charles Brooks Community Swim Center. Aquatics programming is available for children as young as six months old through seniors and includes swimming lessons, lifeguard training, recreation swimming, recreation swim teams, lap swim and water aerobics. Summer programming at the pool ran through August 19.

Aquatics Program	Total Participants	Participant Hours	Fees Collected
Junior Lifeguards	28	1,344	$2,100
Public Swim (Measure J)	13,401	40,203	N/A
Lap Swim & Water Aerobics	1,091	1,636	$1,549
Pool Reservations Private League Reservations	3,100	n/a	$16,026
Swim Lessons	1,050	4,200	$97,646
Woodland Swim Team (rental)	900	n/a	$8,430
Woodland Wreckers Swim Team	107	n/a	$15,282
Total	**19,677**	**47,383**	**$141,033**

Youth & Teen Recreation

A variety of youth and teen recreation programs are offered by the Department year-round; however, the majority of the programs are offered during the summer. In addition to the programs listed below, please refer to the Contract Classes section for other program offerings that are available for youth and teens.

Youth Recreation Program	Total Participants	Participant Hours	Fees Collected
After School Teen Pack (Measure J)	1,899	4,829	Free Program
Baby & Me (Measure J)	113	113	Free Program
Boxing Club (partial Measure J)	1,271	1,907	$3,570
Night Hoops (Measure J)	425	637	Free Program
Outdoor Adventure Trip to Yosemite (Measure J)	18	1,728	$3,510
Rec2Go (Measure J)	2,289	6,467	Free Program
Summer at City Hall (Measure J)	13	1,092	Free Program
Summer Teen Pack weekly (Measure J)	355	14,739	$24,070
Summer Teen Pack daily (Measure J)	35	298	$175
Summer Time Fun Club	268	4,556	$90,278
Summer Time Fun Club Volunteer	17	1,471	$428
Teens Helping Seniors	33	1,068	$835
Toddler Time	31	31	$510
Total	**6,767**	**38,936**	**$123,376**

Summer at City Hall

Outdoor Adventure Trip

Contract Classes

The City contracts with outside (special interest) instructors to teach a variety of recreation and leisure classes for participants of all ages. With the exception of tennis, the City retains 30% of the fees collected for each class (in addition to non-resident fees). The City retains 10% of the fees collected for the tennis program.

Contract Class	Total Participants	Participant Hours	Fees Collected	Expenses	Net Revenue
Art with Emily	14	168	$1,404	$946	$458
Dynamic Dancing	53	191	$1,649	$1,102	$547
Fall Prevention	25	130	$1,012	$707	$305
Feldenkrais	5	20	$132	$84	$48
Freshi Media	7	105	$1,097	$779	$318
Karate	21	212	$650	$455	$195
Lego Engineering	32	480	$5,041	$3,539	$1,501
Mad Science	29	435	$3,872	$2,741	$1,131
National Academy of Athletics*	19	465	n/a	n/a	$677
Pilates	17	136	$561	$393	$168
Pioneer Football Conditioning	19	969	$360	$252	$108
Stepping Out	21	168	$800	$560	$240
Tennis	172	1,230	$13,622	$12,259	$1,363
Yoga	44	176	$1,075	$630	$445
Totals	**478**	**4,885**	**$31,275**	**$24,447**	**$7,504**

*Fees collected by contractor and revenue paid to the City

Adult Sports

Adult sports offered through the City include drop-in sports as well as organized softball, basketball, and volleyball leagues. Drop-in basketball (open gym) numbers are not reported, however, participation for the other programs is listed below.

Sport	Total Participants	Participant Hours	Fees Collected
Basketball (fall league)	190	1,520	$9,812
Softball (summer league)	630	5,040	$13,484
Volleyball (fall league)	32	256	$2,750
Volleyball (open gym)	177	531	$532
Total	**1,029**	**7,347**	**$26,578**

Seniors

Programs at the Woodland Senior Center include art classes; exercise classes; games; leisure programs and activities; education resources; support groups, and special events resulting in a total of 9,764 participant hours during the first quarter.

Senior Programs

Programs	Total Sign Ins	Participant Hours	Fees Collected
Art Classes	395	72	$231
Exercise Classes	2,822	2,989	$642
Games	1,496	3,170	Free Program
General Programs	1,601	1,648	$2,201
Education/Resources	143	323	Free Program
Support Groups	211	422	Free Program
Special Programs	153	290	Free Program
Total	**6,821**	**8,914**	**$3,074**

Senior Events

Events	Date	Participants	Participant Hours
Teens Helping Seniors Spaghetti Feed	July 18	200	400
Volunteer Appreciation Dinner	August 16	165	330
Senior Potluck	September 27	60	120
Total		**425**	**850**

Grants and Housing

In addition to implementing recreation and senior programs, the Community Services Department also implements the Community Development Block Grant Entitlement program, grants for non-profit organizations, and affordable housing programs. The highlights of these programs for the first quarter are provided below.

Community Development Block Grant (CDBG) Program

The City Council approved the Fiscal Year 2019 CDBG Action Plan in August and the plan has been submitted to the U.S. Department of Housing and Urban Development for review and approval. Staff is in the process of completing environmental reviews and preparing funding contracts for the Action Plan construction and public service activities.

Action Plan construction activities include the Yolo Wayfarer Center's Shelter Courtyard Phase 2 to add approximately 780 square feet of space client day services (access to showers, laundry,

medical, life skills classes, case management, and other supportive services), the Yolo Community Care Continuum's Safe Harbor rehabilitation, and the City of Woodland's ADA Accessibility Program. Safe Harbor which was constructed in 2003 provides crisis residential services to individuals experiencing a mental health crisis and CDBG funds will be used to replace exterior building features, improve internal spaces not meeting licensing requirements, and install efficiency upgrades to reduce the operating costs for service delivery. The ADA Accessibility Program will result in the construction of ADA-compliant sidewalk ramps and driveways at a number of locations in Woodland.

Status of CDBG Construction Activities

Fiscal Year 2017

1. Empower Yolo, Fencing/Gates/Handrails: A contract for the work was awarded in September and the work will be completed by November.

Fiscal Year 2018

1. St. John's Retirement Village, Inc., Reroof for Building 515-516: The reroof was completed in September.
2. New Hope Community Development Corporation, Cottonwood Meadows Rehabilitation: Construction started in September and a number of staircases have been re-built. It is anticipated that construction will be completed in October. Cottonwood Meadows provides affordable housing for senior citizens.

Permanent Supportive Housing Grants

In September, the City submitted three grant applications through the U.S. Department of Housing and Urban Development's (HUD) 2018 Continuum of Care Competition to provide permanent supportive housing through facilities operated by Fourth & Hope for homeless individual and families. The applications are renewals of existing projects funded by HUD.

Participant Hours Calculation

The Community Services Department measures programs through "participant hours". Participant hours are a calculation of total program hours multiplied by the total number of unique participants within a program. Total participant hours reports how much time participants spend within each program. The measurement breaks down to 1 person x 1 hour = 1 Participant Hour. It should be noted that a higher number of participant hours is not, by itself, a measurement of greater program success compared to the participant hours of another program.

Participant Hours (PH) is calculated by:
Drop In Programs: 1 Class meeting (in hours) x Total sign ins
Examples include Water Aerobics & Lap Swim, Badminton, and Night Hoops

Classes/Camps/Leagues: Total unique participants x total class time (in hours)
Examples include: Swim Lessons, Mad Science

Individual Entry: Each class meeting (in hours) x Total in attendance (adding each day)
Examples include: Teens Helping Seniors, Teen Pack

Event: Total Attendants x Average Time
Examples include: ReXpo, 4th of July

Participant hours and participants in this report are listed for the three month reporting period; therefore if 100 participants are listed, the 100 refers to the total participants for the three month period and could double or triple count the same participants if they participated each month (i.e. drop in volleyball).

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: I.9.
SUBJECT: Final Acceptance and Notice of Completion for West Street Transmission Main Project (Phase One), CIP 17-08.

Recommendation for Action:
Staff recommends that the City Council adopt Resolution No. _____, accepting the West Street Transmission Main Project (Phase One), CIP 17-08, construction contract as complete and authorize the City Clerk to file a Notice of Completion.

Staff Contact:
Ed Wisniewski, Associate Civil Engineer - (530) 661-5975; ed.wisniewski@cityofwoodland.org

Fiscal Impact:
The construction contract was awarded to Civil Engineering Construction, Inc. on April 3, 2018 in the amount of $1,772,945 with an approved 10% construction contingency in the amount of $177,295. The project was entirely funded through Water Enterprise Funds until an August 21, 2018 Council Resolution reallocated $95,000 of Sewer Enterprise Funds from Replacement of Orangeburg Laterals, CIP 14-03, to West Street Transmission Main Project (Phase One), CIP 17-08 to cover the cost of sewer repairs that were not originally scoped for the project. This funding was added to the construction contingency for the project, increasing it $272,295. The total construction cost was $2,017,769, which includes $244,824 in change orders. The overall project is planned to be constructed in two phases and currently has a total budget of $4,050,300. Phase 1 costs, including construction, design, contingency, construction inspection, and management time, totaled $2,328,989. The second phase is currently being design and is planned for construction in 2019. After bids are received for the second phase of work, the project costs will be updated.

All work was completed within the authorized construction contract budget.

There is no impact to the City's General Fund.

Background:
Phase One of the West Street Transmission Main Project scope included the construction of a new 16-inch diameter water transmission main from the existing transmission main at the southern City limit to Southwood Drive. Also included in phase 1 was the construction of the new pipeline through the intersection of West Street & Court Street, which was added to the project scope to facilitate installation of the new pipeline prior to completion of the new roadway under the Court Street project (CIP 17-09). All construction for phase 1 was completed in September 2018.

In early June, staff identified sewer services to 21 residences on Clover Street in need of replacement prior to pavement restoration. In order to expedite the repairs, staff negotiated a change order with the transmission main contractor, as they were already under contract and well equipped to quickly perform the Clover Street repairs. Once completed, the repairs corrected a number of defects, such as joint offsets and pipe sags, and reduce the risk of sanitary sewer overflows. The work was coordinated and completed in time for City crews

to execute the much needed restoration of the pavement.

Discussion:
Three change orders were executed throughout the course of the project in a total amount of $244,824, which is $27,471 under the Council approved contingency. The primary catalyst for the change orders was the discovery of unknown or undocumented utilities in conflict with the design and pavement thicknesses in those areas that differed from what was anticipated. This is not surprising for a project of this nature where old infrastructure is being replaced. In the end, the project team was able to come together and adapt quickly to the changed site conditions and overcome some significant obstacles.

See below for a breakdown of the project costs:

Construction	$1,772,945
Change Orders	$244,824
Total Construction Cost	**$2,017,769**
Design	$101,220
Construction Inspection	$160,000
Management/Project Expenses	$50,000
Total Project Costs	**$2,328,989**
Total Project Budget (Phase 1 & 2)	**$3,955,300**

Conclusion:
Staff recommends that the City Council adopt Resolution No. _____, accepting the West Street Transmission Main Project (Phase One), CIP 17-08, construction contract as complete and authorize the City Clerk to file a Notice of Completion.

Prepared by: Ed Wisniewski, Associate Civil Engineer

Reviewed by: Tim Busch, Principal Utilities Civil Engineer
Brent Meyer, City Engineer
Ken Hiatt, Assistant City Manager / Community & Economic Development

Attachments:
1. Resolution

Paul Navazio
City Manager

RESOLUTION NO. ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND TO ACCEPT THE WEST STREET TRANSMISSION MAIN PROJECT (PHASE ONE), CIP 17-08 CONSTRUCTION CONTRACT AS COMPLETE AND AUTHORIZE THE CITY CLERK TO FILE A NOTICE OF COMPLETION.

WHEREAS, the City Council approved the plans and specifications for West Street Transmission Main Project (Phase One), CIP 17-08 (the "Project") and authorized advertisement for bids on January 16, 2018; and the City of Woodland advertised for bids on March 5, 2018; and

WHEREAS, the City Council, on April 3, 2018, approved the construction contract with Civil Engineering Construction, Inc. in the amount of $1,772,945 and approved a 10% construction contingency in the amount of $177,295.; and

WHEREAS, the City Council, on August 21, 2018, authorized a reallocation of $95,000 of Sewer Enterprise Funds to the Project, increasing the construction contingency to $272,295; and

WHEREAS, the construction of the Project began on May 1, 2018 and was completed in September 2018.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WOODLAND AS FOLLOWS:

Section 1. The City Council hereby accepts the West Street Transmission Main Project (Phase One), CIP 17-08 as complete.

Section 2. The City Council hereby authorizes the City Clerk to file a Notice of Completion for the West Street Transmission Main Project (Phase One), CIP 17-08.

PASSED AND ADOPTED this Sixteenth day of October, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Enrique Fernandez, Mayor

ATTEST:

_____
Ana B. Gonzalez, City Clerk

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: I.10.
SUBJECT: Receive a Project Update on the Woodland Community and Senior Center HVAC project and Authorize Carryover of $201,836 of Fiscal Year 2017/18 Unencumbered Budget Appropriation to Fiscal Year 2018/19

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. _____, authorizing the carryover of unencumbered appropriations from Fiscal Year 2017/18 to Fiscal Year 2018/19 totaling $201,836 to the Facilities Replacement Fund for the Woodland Community and Senior Center HVAC project.

Staff Contact:
Troy Thompson, Fleet & Facilities Manager, troy.thompson@cityofwoodland.org, 530-661-5956

Council Goal:
Maintain City Infrastructure – providing reliable building systems for the needs of the Community Services Department

Fiscal Impact:
The City Council authorized a $250,000 budget appropriation in Fiscal Year 2017/18. Because the project has not been completed, staff requests to carry over the remaining budget appropriation for the project in the amount of $201,836.

Background:
The Woodland City Council authorized a budget appropriation of $250,000 in November 2017 to resolve ongoing cooling issues with the Community and Senior Center's geothermal system during peak summer periods. Guttmann and Blaevoet (G&B) was selected among a list of qualified engineering firms in March 2018 to assess the overall geothermal system. Their study revealed that the geothermal field was significantly under-capacity. G&B recommended the installation of a fluid cooler to improve the cooling capacity of the system to an adequate level. After researching the design and construction costs of installing the fluid cooler, staff determined that the total cost would almost double the approved project budget.

Discussion:
Using the information from the G&B Facility Assessment, staff developed a more cost efficient approach of using standalone units to replace units on the geothermal loop. Using standalone units independent of the geothermal loop increases the cooling available to that zone and reduces the load on the geothermal loop, increasing the capacity of the remaining units. The majority of this work will be completed using in-house staff to reduce the use of contractors. In addition to replacing units, staff anticipates making improvements to the geothermal loop to enhance potential thermal transmission and implementing other energy saving measures identified in the G&B report.

Conclusion:
Staff recommends that the City Council approve Resolution No. _____, authorizing the carryover of unencumbered appropriations from Fiscal Year 2018 to Fiscal Year 2019 totaling $201,836 to the Facilities

Replacement Fund for the Woodland Community and Senior Center Geothermal project.

Prepared by: Troy Thompson, Fleet & Facilities Manager

Reviewed by: Craig Locke, Public Works Director

Attachments:

1. Resolution for Carryover

Paul Navazio
City Manager

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND AUTHORIZING THE CARRYOVER OF UNUSED BUDGET APPROPRIATION FUNDS FROM FISCAL YEAR 2018 TO FISCAL YEAR 2019 FOR THE WOODLAND COMMUNITY & SENIOR CENTER GEOTHERMAL PROJECT

WHEREAS, the Woodland Community & Senior Center Heating Ventilation and Air Conditioning (HVAC) system is based on a geothermal loop which has been the source of unresolved cooling issues over the past several years, and

WHEREAS, the Woodland City Council authorized $250,000 in November 2017 to resolve the HVAC and Geothermal system inadequacies, and

WHEREAS, the project was not completed prior to the end of the Fiscal Year on June 30,2018, and

WHEREAS, the City wishes to carryover the remaining unencumbered funds from the budget appropriation authorized by the City Council in Fiscal Year 2018 to Fiscal Year 2019 (approximately $202,000) towards the Woodland Community & Senior Center Geothermal project; and

WHEREAS, the remaining funds will be used to purchase and install standalone cooling units to address inadequate cooling in key portions of the building and reduce load on the geothermal loop, improve the efficiency of the geothermal loop and complete recommended energy efficiency projects, further improving the geothermal system's performance.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WOODLAND: That the City Council hereby authorizes the carryover of unencumbered appropriations from Fiscal Year 2018 to Fiscal Year 2019 an amount totaling $201,836 to the Facilities Replacement Fund.

PASSED AND ADOPTED this 16th day of October 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Enrique Fernandez, Mayor

APPROVED AS TO FORM:

_____
Kara K. Ueda, City Attorney

ATTEST:

_____
Ana Gonzalez, City Clerk

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: I.11.
SUBJECT: Authorize the Sole-Source Purchase of Ultraviolet (UV) Lamps and the Associated Parts for Effluent Disinfection Purposes at the Water Pollution Control Facility

Recommendation for Action:
Staff recommends that the City Council approve Resolution No. _____, authorizing the sole-source purchase of UV lamps and other system parts from DC Frost Associates, Inc. with an amount not-to-exceed $214,000.

Staff Contact
Shane Carlsen, Chief Plant Operator, (530) 661-2054, shane.carlsen@cityofwoodland.org

Council Goal
Ensure that the City's physical infrastructure is planned, funded, and maintained to provide for current and future community needs, in support of commercial, recreational, and environmental requirements and standards, while managing the overall cost consistent with available resources.

Fiscal Impact
No additional funds are being requested for this procurement. The FY 2018-19 budget, previously approved by Council on 6/19/18, included $214,000 for the purchase of UV lamps for the Water Pollution Control Facility (WPCF).

UV lamps are a part of the wastewater disinfection system/treatment process at the WPCF. Disinfection is the final treatment procedure and inactivates any remaining pathogens prior to discharge of the final effluent. Given the importance of final disinfection in the treatment process, it is critical to maintain a functionally reliable disinfection system. In addition, this process is a required element of the City's National Pollutant Discharge Elimination System (NPDES) permit which is regulated by the Regional Water Quality Control Board (RWQCB).

There are multiple manufacturers of UV lamps, each producing lamps of differing qualities, (i.e., UV intensity and duration of effective operation). The effectiveness of a given lamp can vary greatly from plant to plant dependent upon design and treatment processes. As such, the NPDES permit is conditioned to the type of lamp that was Title 22 bioassay tested and the lamp type is specifically approved by the California Department of Health Services (CDPH) at the time of initial disinfection system installation. Currently, the WPCF is using the permitted Trojan brand UV disinfection system utilizing lamps approved and validated by Trojan Technologies and distributed by DC Frost Associates, Inc. To change lamp manufacturers, a Title 22 bioassay test must be performed and the results approved by the CDPH. The testing process is expensive (approximately $45,000) and does not ensure CDPH approval.

Discussion

Due to the success we've experienced with lamps approved and validated by Trojan Technologies, and to

maintain compliance with our NPDES permit, we wish to sole-source the purchase of the UV lamps from DC Frost Associates, Inc. Their staff has shown themselves to be dedicated in supporting the City's needs and offer assistance with testing, evaluating, parts and repair of the UV system.

At the WPCF there are 10 banks of UV lights, each containing 168 lamps. This purchase is for 4- banks. These lamps are designed to provide a useful operating life of 12,000 hours. Our experience indicates they start losing intensity (their ability to disinfect) at about 10,000 hours. As such, they are replaced when their operating hours fall between 10,000 and 12,000 hours. Exceeding the 12,000 hours places the lamps outside of the manufacturer's recommended replacement time frame which, in turn, places the plant in violation of its NPDES permit.

Woodland Municipal Code section 17B-140(e) authorizes the City to sole source the procurement of materials and supplies when the City Manager makes a determination that it is in the best interest of the City and its administrative operations to dispense with public bidding and allow the specification of sole-source products. The City Manager has made this determination and Staff recommends the Council ratify the City Manager's determination and approve the sole source purchase of Ultraviolet (UV) Lamps and the Associated Parts for Effluent Disinfection Purposes at the Water Pollution Control Facility from DC Frost Associates, Inc. with an amount not-to-exceed $214,000.

California case law excuses compliance with competitive bidding requirements in exceptional circumstances such as where requests for competitive bids would be futile, unavailing, or would produce an advantage, including when there is only one contracting party who can complete the work (*Los Angeles Dredging Co. v. Long Beach* (1930) 210 Cal. 348; *Graydon v. Pasadena Redevelopment Agency* (1980) 104 Cal. App. 3d 631).

Conclusion

Staff recommends that the City Council approve Resolution No. _____, authorizing the sole-source purchase of UV lamps from DC Frost Associates, Inc. with an amount not-to-exceed $214,000.

Prepared by: Shane Carlsen, Chief Plant Operator.

Reviewed by: Craig Locke, Public Works Director

Attachments:

1. WOODLAND_ DC Frost Trojan UV lamps Resolution-FY19

Paul Navazio
City Manager

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND ADOPTING AND APPROVING THE CITY MANAGER'S DETERMINATION THAT THE SOLE-SOURCE PURCHASE OF ULTRA VIOLET LAMPS FROM DC FROST ASSOCIATES, INC., IN AN AMOUNT NOT-TO-EXCEED $214,000.00, IS IN THE CITY'S BEST INTERESTS, AND APPROVING THE AWARD OF A CONTRACT TO DC FROST ASSOCIATES, INC., FOR THE SAME

WHEREAS, there are multiple manufacturers of UV lamps, each producing lamps of differing qualities. The effectiveness of a given lamp can vary greatly from plant to plant depending upon design and treatment processes. As such, the National Pollution Discharge Elimination System (NPDES) permit is conditioned to the type of lamp that was Title 22 bioassay tested and the lamp type is specifically approved by California Department of Health Services (CDPH) at the time of initial disinfection system installation; and

WHEREAS, the City's Water Pollution Control Facility (WPCF) is using the permitted Trojan brand UV disinfection system utilizing lamps approved and validated by Trojan Technologies and distributed by DC Frost Associates, Inc.; and

WHEREAS, at the WPCF there are 10 banks of UV lights, each containing 168 lamps. This purchase is for 4-banks. These lamps are designed to provide a useful operating life of 12,000 hours. Our experience indicates they start losing intensity (their ability to disinfect) at about 10,000 hours. As such, they are replaced when their operating hours fall between 10,000 and 12,000 hours. Exceeding the 12,000 hours places the lamps outside of the manufacturer's recommended replacement time frame which, in turn, places the plant in violation of its NPDES permit; and

WHEREAS, due to the success the City has experienced with lamps approved and validated by Trojan Technologies to maintain compliance with our NPDES permit and to match the existing lamps in use, the City wishes to sole-source the purchase of the UV lamps from DC Frost Associates, Inc. Moreover, the vendor's staff has shown themselves to be dedicated in supporting the City's needs and offer assistance with testing, evaluating, parts and repair of the UV system. If the City were to change lamp manufacturers, a Title 22 bioassay test would need to be performed and the results approved by CDPH. The testing process is expensive (approximately $45,000) and does not ensure CDPH approval; and

WHEREAS, Woodland Municipal Code section 17B-140(e) provides the City Manager may approve of the waiver of competitive bidding when a determination is made that it is in the best interest of the City and its administrative operations to dispense with public bidding; and

WHEREAS, the City Manager has determined that the waiver of competitive bidding for ultra violet (UV) lamps from DC Frost Associates, Inc., used in the disinfection/treatment of wastewater is in the best interests of the City and its administrative operations based on the foregoing facts; and

WHEREAS, California case law excuses compliance with competitive bidding requirements in exceptional circumstances such as where requests for competitive bids would be futile, unavailing, or would produce an advantage, including when there is only one contracting party who can complete the work (*Los Angeles Dredging Co. v. Long Beach* (1930) 210 Cal. 348; *Graydon v. Pasadena Redevelopment Agency* (1980) 104 Cal. App. 3d 631); and

WHEREAS, the UV system at the WPCF was designed and manufactured by Trojan Technologies; and

WHEREAS, DC Frost Associates, Inc. is the authorized representative of Trojan Technologies for the State of California and provides UV lamps that are approved and validated by Trojan Technologies; and

WHEREAS, this product is necessary to comply with requirements dictated by the wastewater treatment plant's NPDES permit; and

WHEREAS, this authorization shall be for FY 19 and is in an amount not-to-exceed $214,000.00; and

WHEREAS, funding for these lamps has been previously approved in the current FY19 budget, and no additional funds are being requested.

NOW, THEREFORE, BE IT RESOLVED

SECTION 1. The above recitals are true and correct and adopted herein by this reference.

SECTION 2. That the City Council hereby approves and adopts the City Manager's determination that the sole-source purchase of UV lamps from DC Frost Associates, Inc. in an amount not-to-exceed $214,000.00 is in the best interests of the City and approves award of a contract to DC Frost Associates, Inc., for the same.

SECTION 3. That the City Council hereby authorizes the City Manager to execute a sole source contract with DC Frost Associates, Inc., in an amount not-to-exceed $214,000.00, for the purchase of UV lamps.

PASSED AND ADOPTED this 16th day of October 2018 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Enrique Fernandez, Mayor

APPROVED AS TO FORM:

_____
Kara K. Ueda, City Attorney

ATTEST:

_____
Ana Gonzalez, City Clerk

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: I.12.
SUBJECT: Authorize the Lease Purchase of a Replacement Hybrid Aerial Truck for Electrical Maintenance

Recommendation for Action: Staff recommends that the City Council adopt Resolution No. _____, authorizing the lease purchase of a replacement Hybrid Aerial Truck through National Cooperative Leasing (NCL) for a total amount of $228,389.90 over a 10-year term.

Staff Contact:
Troy Thompson, Fleet & Facilities Manager, troy.thompson@cityofwoodland.org, 530-661-5956

Council Goal:
Maintain City Infrastructure – providing equipment for the needs of the Public Works department

Fiscal Impact:
The proposed annual payments of the replacement Hybrid Aerial Truck are $22,838.99 per year. The combined total of all lease payments over the 10-year term of the lease will be $228,389.90.

Staff determined the most cost-effective method for replacing the existing truck is through a lease-purchase, as there were no funds available in the existing truck's reserve account since it was also a leased vehicle. Leasing the new truck will enable the City to purchase the truck without creating a deficit in the vehicle replacement reserve fund.

Lease payments would begin in FY2018/19, and the term schedule will continue through FY2024/25. Funding, which is already appropriated in the budget, will be provided from the following accounts:

Account Name	Account Code	Annual Payment
General Fund	101-083-7836	$3,425.85
Traffic Signal O&M	355-083-7834	$2,283.90
Street Light O&M	355-083-7835	$2,283.90
Gibson Ranch L&L	381-083.7837	$2,969.06
Spring Lake L&L	389-083-7416	$10,277.55
Gateway L&L	392-083-7440	$1,598.73
	Total	$22,838.99

Background:
The existing truck was scheduled for replacement in FY2018/19 due to age and high maintenance costs. Fleet Services received a proposal from Altec Industries for the new Hybrid Aerial truck under the National Joint Powers Alliance (NJPA) contract #012418-ALT. There were no local dealerships that sell this type of specialized equipment. Fleet Services also obtained a lease proposal through NCL under Sourcewell contract #032615-NCL.

Discussion:

The hybrid model costs $19,373 more than the conventional model truck, but this amount will be offset by a projected cost savings of $43,000 over the life of the truck along with a significant reduction in emissions. The boom will operate on electricity thereby eliminating the need for the truck to run idle while the boom is in use, thus saving a significant amount of fuel along with wear and tear on the engine. Purchasing another hybrid vehicle will be another stepping stone towards the City meeting its Climate Action Plan goal.

Although the budget to replace the existing truck was already authorized by the City Council, the City's Purchasing Ordinance states that any vehicle purchase over $50,000 must also be approved by the City Council. Staff will execute the lease agreement with NCL once the City Council approves this resolution. The new truck should be fully operational and ready for use in Spring of 2019. The City of Woodland will be the titled owner of the vehicle with NCL as the lienholder until the lease has been paid in full.

Conclusion:

Staff recommends that the City Council adopt Resolution No. _____, authorizing the lease purchase of a replacement Hybrid Aerial Truck through National Cooperative Leasing (NCL) for a total amount of $228,389.90 over a 10-year term.

Prepared by: Troy Thompson, Fleet & Facilities Manager

Reviewed by: Craig Locke, Public Works Director

Attachments:

1. Resolution for Lease Purchase
2. NCL Proposal
3. Altec Hybrid Quote 09262018
4. Altec Hybrid Truck Specs 09262018

Paul Navazio
City Manager

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING THE LEASE PURCHASE OF A REPLACEMENT HYBRID AERIAL TRUCK

WHEREAS, the City Council already authorized the budget to replace an older aerial truck for Electrical Maintenance in FY2018/19 due to high maintenance costs and downtime; and

WHEREAS, the City's Purchasing Ordinance states that any vehicle purchase over $50,000 must also be approved by the City Council; and

WHEREAS, the City of Woodland staff received a proposal from Altec Industries for a new Hybrid Aerial Truck under National Joint Powers Association (NJPA) Contract #012418-ALT; and

WHEREAS, there are no local dealerships that sell this unique piece of equipment; and

WHEREAS, the City Council acknowledges that the hybrid model costs $19,373 more than the conventional model truck, however, this amount will be offset by a projected cost savings of $43,000 over the life of the truck along with a significant reduction in emissions; and

WHEREAS, the City staff determined the most cost-effective method for replacing the existing truck is through a lease-purchase; and

WHEREAS, the City of Woodland staff wishes to enter into a lease agreement with National Cooperative Leasing (NCL) towards the purchase of the replacement hybrid truck in the amount of $22,838.99 per year for ten years beginning in FY2018/19 for a total amount of $228,389.90 under Sourcewell Contract #032615-NCL.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WOODLAND: hereby authorizes the lease purchase of a replacement Hybrid Aerial Truck through NCL for a total amount of $228,389.90 over a 10-year term.

PASSED AND ADOPTED by the City Council on this 16th day of October 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Enrique Fernandez, Mayor

APPROVED AS TO FORM:

_____
Kara K. Ueda, City Attorney

ATTEST:

_____
Ana Gonzalez, City Clerk

NATIONAL COOPERATIVE LEASING

220 22nd Avenue East, Suite 106, Alexandria, MN 56308 • Phone: 320-763-7600 • Fax: 320-763-9600

October 8, 2018

City of Woodland

Re: Municipal Lease/Purchase Financing Proposal

Dear Sir or Madam:

Lease Servicing Center, Inc. dba National Cooperative Leasing ("NCL") is pleased to propose to the City of Woodland the following tax-exempt Lease/purchase transaction as outlined below. Under this transaction, the City of Woodland would enter into a municipal Lease/purchase agreement with NCL for the purpose of acquiring a Altec AT41M. This transaction is subject to formal review and approval by both the Lessor and Lessee.

LESSEE:	City of Woodland	
LESSOR:	Lease Servicing Center, Inc. dba National Cooperative Leasing & it's assigns	
EQUIPMENT:	Altec AT41M	
EQUIPMENT COST:	$187,682.72	
DOWN-PAYMENT:	$0	
AMOUNT FINANCED:	$187,682.72	
TERM:	7 Years	10 Years
ANNUAL LEASE PAYMENTS:	$30,738.96	$22,838.99
Rate:	4.29%	4.32%
FIRST PAYMENT DUE:	3/9/2019	
PURCHASE OPTION:	$1.00	
PRICING:	The Rates and Payments outlined above are locked, provided this proposal is accepted by the Lessee by October 31, 2018 and the transaction closes/funds prior to December 01, 2018. After these days, the final Rate and Payments shall be adjusted commensurately with market rates in effect at the time of funding and shall be fixed for the entire lease term.	
DOCUMENTATION FEE:	$250 paid to Lessor at closing	

DOCUMENTATION: Lessor shall provide all of the documentation necessary to close this transaction. This documentation shall be governed by the laws of the State of lessee.

TITLE / INSURANCE: Lessee shall retain title to the equipment during the lease term. Lessor shall be granted a perfected security interest in the equipment and the Lessee shall keep the equipment free from any/all liens or encumbrances during the term. Lessee shall provide adequate loss and liability insurance coverage, naming Lessor as additional insured and loss-payee.

TAX STATUS: Interest under the Financing will be tax-exempt and shall be designated by Lessee as a Qualified Tax Exempt Obligation pursuant to Section 265(b)(3) of the IRS Code.

NJPA CONTRACT: #032615-NCL NCL has been competitively bid and awarded a contract through the National Joint Powers Alliance (NJPA). **NCL's NJPA Contract # is 032615-NCL.**

We appreciate this opportunity to offer an NCL Financing Solution. Please do not hesitate to contact me if you have any questions at (866) 763-7600. Acceptance of this proposal is required prior to credit underwriting by NCL. Upon acceptance of this proposal, please scan and e-mail to my attention. Thank you again.

Sincerely,

Jake Ost -(866) 763-7600
jost@lscfinancial.com

ACCEPTANCE

As a duly authorized agent of the City of Woodland, I hereby accept the terms of this proposal as outlined above and intend to close this financing with NCL, subject to final approval.

ACCEPTED: _____ DATE: _____

NAME: _____ TITLE: _____

PHONE: _____

WE ARE PROVIDING THE INFORMATION CONTAINED HEREIN FOR INFORMATIONAL PURPOSES ONLY IN CONNECTION WITH POTENTIAL ARMS-LENGTH COMMERCIAL BANKING TRANSACTIONS. IN PROVIDING THIS INFORMATION, WE ARE ACTING FOR OUR OWN INTEREST AND HAVE FINANCIAL AND OTHER INTERESTS THAT DIFFER FROM YOURS. WE ARE NOT ACTING AS A MUNICIPAL ADVISOR OR FINANCIAL ADVISOR TO YOU, AND HAVE NO FIDUCIARY DUTY TO YOUR OR ANY OTHER PERSON PURSUANT TO SECTION 15B OF THE SECURITIES EXCHANGE ACT OF 1934. THE INFORMATION CONTAINED IN THIS DOCUMENT IS NOT INTENDED TO BE AND SHOULD NOT BE CONSTRUED AS "ADVICE" WITHIN THE MEANING OF SECTION 15B OF THE SECURITIES EXCHANGE ACT OF 1934 AND THE MUNICIPAL ADVISOR RULES OF THE SEC. WE ARE NOT RECOMMENDING THAT YOU TAKE AN ACTION WITH RESPECT TO THE INFORMATION CONTAINED HEREIN. BEFORE ACTING ON THIS INFORMATION, YOU SHOULD DISCUSS IT WITH YOUR OWN FINANCIAL AND/OR MUNICIPAL, LEGAL, ACCOUNTING, TAX AND OTHER ADVISORS AS YOU DEEM APPROPRIATE. IF YOU WOULD LIKE A MUNICIPAL ADVISOR THAT HAS LEGAL FIDUCIARY DUTIES TO YOU, THEN YOU ARE FREE TO ENGAGE A MUNICIPAL ADVISOR TO SERVE IN THAT CAPACITY.

Altec Industries, Inc.

Opportunity Number: 787547
Quotation Number: 433021-4
Sourcewell Contract #: **012418-ALT**
Date: **9/26/2018**

Quoted for: City of Woodland

Quoted by: Rhawnie Kraak
Phone: (707) 689-6262 / **Email:** rhawnie.kraak@altec.com
Altec Account Manager: William Hamburger

REFERENCE ALTEC MODEL

AT41M	**Articulating Telescopic Aerial Device with Material Handling Insulated, 41'**	**$132,085**

(A.) SOURCEWELL OPTIONS ON CONTRACT (Unit)

1	AT41M-US48M	AT41M-US48	$11,824
2			
3			
4			

(A1.) SOURCEWELL OPTIONS ON CONTRACT (General)

1	SPOT4	SIX (6) POINT STROBE SYSTEM (LED)	$781
2			
3			
4			
5			
6			
7			
8			
		SOURCEWELL OPTIONS TOTAL:	$144,690

(B.) **OPEN MARKET ITEMS** *(Customer Requested)*

1	**UNIT**	AT48ME with JEMS 6E6	$38,783
2	**UNIT & HYDRAULIC ACC**	Jib Stick (For ARM Jib), 36" L, Non-Extension Dependent, Certified Hotstick Tool, Orange ILO Non-certified. Jib Storage System. Platform Lighting.	$1,876
3	**BODY**	2019 Altec Stock Body ILO Sourcewell Pricing	$881
4	**BODY & CHASSIS ACC**	Fold Over, Post Style Cone Holder - Curbside Rear	$203
5	**ELECTRICAL**	Whelen Light Bar. Post-Mounted Go Light on Curbside 1st Vertical. 30 Amp Receptacle. 3000 Watt Inverter & Deep Cycle Battery. Opticom 794R LED Emitter with 793R switch. Trailer Brake Controller.	$4,261
6	**FINISHING**		
7	**CHASSIS**	2019 Dodge 4x2, 19,500 GVWR with Bluetooth & Backup Camera ILO Sourcewell Pricing	$1,840
8	**OTHER**	Regional Build	$3,675
		OPEN MARKET OPTIONS TOTAL:	$51,519

SUB-TOTAL FOR UNIT/BODY/CHASSIS:	**$196,209.00**
Estimated Sales Tax (8%):	$15,696.72
Delivery to Customer:	$210.00
JEMS 3-Year Warranty:	$2,567.00
HVIP Voucher:	-$27,000.00
TOTAL FOR UNIT/BODY/CHASSIS:	**$187,682.72**

(C.) **ADDITIONAL ITEMS** (items are not included in total above)

1			
2			
3			
4			

Pricing valid for 39 days

NOTES

PAINT COLOR: White to match chassis, unless otherwise specified
WARRANTY: Standard Altec Warranty for Aerials and Derricks - One (1) year parts warranty One (1) year labor warranty Ninety (90) days warranty for travel charges (Mobile Service) Limited Lifetime Structural Warranty. Chassis to include standard warranty, per the manufacturer.
TO ORDER: To order, please contact the Altec Account Manager listed above.
CHASSIS: Per Altec Commercial Standard
DELIVERY: No later than **330** days ARO, FOB Customer Location
TERMS: Net 30 days
BEST VALUE: Altec boasts the following "Best Value" features: Altec ISO Grip Controls for Extra Protection, Only Lifetime Warranty on Structural Components in Industry, Largest Service Network in Industry (Domestic and Overseas), Altec SENTRY Web/CD Based Training, Dedicated/Direct Gov't Sales Manager, In-Service Training with Every Order.
TRADE-IN: Equipment trades must be received in operational condition (as initial inspection) and DOT compliant at the time of pick-up. Failure to comply with these requirements, may result in customer bill-back repairs.
BUILD LOCATION: Dixon, CA

September 26, 2018
Our 89th Year

Ship To:
CITY OF WOODLAND
655 N PIONEER AVE
WOODLAND, CA 95776
US

Bill To:
CITY OF WOODLAND
PURCHASING OFFICE
300 FIRST ST
WOODLAND, CA 95695-0000
United States

Attn:
Phone:
Email:

Altec Quotation Number: 433012 - 4
Account Manager: William Hamburger
Technical Sales Rep: Rhawnie Kraak

Item	Description	Qty	Price Unit
1.	Altec Model AT48ME Articulating Telescopic Aerial Device with a fiberglass upper boom and fiberglass insulator in the articulating arm, proportional joystick upper controls, and includes Altec low power fiber optic system. Built in accordance to ALTEC's standard specifications and to include the following features: **A.** Ground to Bottom of Platform Height: 47.5 feet at 6.7 feet from centerline of rotation (14.48 m at 2.04 m) **B.** Working Height: 52.5 feet (16.00 m) **C.** Maximum reach to edge of platform with Upper Boom Non- overcenter: 31.2 feet (at 21.9 feet platform height) **D.** Upper boom extension: 110 inches **E.** Continuous rotation **F.** Articulating Arm: Articulation is from -3 to 82 degrees. Insulator provides 19 inches of isolation. **G.** Compensation System: By raising the articulating arm only, the telescopic boom maintains its relative angle in relation to the ground. The work position is achieved through a single function operation. **H.** Upper Boom: Articulation is from -25 to 85 degrees. The fiberglass section provides a minimum of 33.1 inches of isolation in the upper boom when retracted and 64.6 inches when extended. **I.** Platform leveling is achieved by a hydraulic master-slave leveling system. This lifetime system is very low maintenance. **J.** High Electrical Resistant Upper Controls. All controls at the platform are classified as High Electrical Resistant according to ANSI A92.2 5.4.2.6 that can provide an additional layer of secondary electrical contact protection. This is not a primary protection system. Control Handle: A single handle controller that is dielectrically tested to 40 kV AC with no more than 400 microamperes of leakage. The control handle is green in color to differentiate it from other non-tested controllers. The handle also includes an interlock guard that reduces the potential for inadvertent boom operation. Control Console: Non-tested non-metallic control console plate.	1	

Item	Description	Qty	Price
	Boom Tip Covers: Non-tested non-metallic boom tip covers. The covers are not dielectrically tested, but they may provide some protection against electrical hazards. **K.** Hydraulic system: Open center (full pressure), maximum flow 7-8 GPM, maximum operating pressure 3,000. **L.** Dielectric rating: Category C, 46 kV and below **M.** Unit is painted with a powder coat paint process which provides a finish-painted surface that is highly resistant to chipping, scratching, abrasion and corrosion. Paint is electrostatically applied to the inside as well as outside of fabricated parts then high temperature cured prior to assembly ensuring maximum coverage and protection. **N.** Manuals: Two (2) Operator's and two (2) Maintenance/ Parts manuals containing instructional markings indicating hazards inherent in the operation of an aerial device. **O.** Unit meets or exceeds ANSI 92.2 standards.		
2.	Pedestal	1	
3.	No Load Monitoring	1	
4.	No Galvanization	1	
5.	Single 1-Man Platform, Fiberglass (Insulated), 24" x 30" x 42", End Mount, 180 Degree Rotation	1	
6.	Platform Mounted Single Handle Controls	1	
7.	Material Handling Jib/Winch, Hydraulically Articulating, Top Mounted, Round (ARM Jib)	1	
8.	Two(2) Platform steps - located on the side of the platform nearest the elbow in the stowed position	1	
9.	Platform Elevator	1	
10.	Platform Cover - soft vinyl, 24 x 30 inches (610 x 762 mm)	1	
11.	Platform Liner, 24 x 30 x 42 inches (610 x 762 x 1067 mm), 50 kV Rating	1	
12.	Hydraulic Tool Circuit at Platform: One set of quick disconnect couplings at the boom tip for open center tools.	1	
13.	Remote Engine Start/Stop With Secondary Stowage System, Electronic/Fiber Optic	1	
14.	Aerial Speed Control, Electronic/Fiber Optic	1	
15.	Jib Stick, 36" L, non-extension, non certified, grey in color	1	
16.	Platform Lighting for illumination of platform controls	1	

Item	Description	Qty	Price
17.	Outriggers, Primary, Modified A-Frame, 30"-34" Chassis Height, Electric Interlock, No Valves On Legs, 112" Spread, Fixed Shoe (AT48M/ME/P/PE/S/SE)	1	
18.	Auxiliary Vertical H Frame Outriggers with fixed shoe. For installation on a 30 to 34 inch chassis frame height. **A.** Maximum Spread: 87 inches to the outer edge of shoes **B.** Outrigger Motion Alarms **C.** Outrigger Interlocks: will not allow the unit to be operated until the outriggers have been at least partially deployed	1	
19.	Slip Ring	1	
20.	Lifting Eye - lifting eye on underside of lower boom. Rated at 1,000lbs (454kg) lifting capacity.	1	
21.	Winch load line swivel hook	1	
22.	Altec Aerial Device Powder Painted White	1	
	Unit & Hydraulic Acc.		
23.	Subbase	1	
24.	Electric Outrigger Controls for two (2) sets of outriggers, drive hydraulic outrigger control valves. Durable weather proof sealed electronic switches mounted in aluminum boxes located at the rear of the unit unless otherwise specified.	1	
25.	Steel Reservoir, 15 gallon capacity, rectangular, 26" L x 8.5" W x 20" H, and includes breather caps and dipsticks	1	
26.	Temperature Sight Gauge	1	
27.	HVI-22 Hydraulic Oil (Standard).	25	
28.	Standard Pump For PTO	1	
29.	Electric Shifted PTO	1	
30.	Standard Altec PTO/Machine Functionality: PTO won't engage until parking brake is set. -Once parking (holding) brake is set, PTO and machine functions are enabled. -If parking (holding) brake is disengaged, both PTO and machine functions are disabled.	1	
31.	Standard PTO/Transmission Functionality for Small Ford and Dodge Chassis	1	

Item	Description	Qty	Price
	Body		
32.	Altec LGSS-132-84 (81) Low-Side General Service Body With Step:	1	
	A. Steel Body		
	B. Steel Structural Channel Crossmembers And Smooth Floor With Ladder-Style Understructure		
	C. 132" Body Length		
	D. 94" Body Width		
	E. 40" Body Compartment Height		
	F. 20" Body Compartment Depth		
	G. 24" From Body Floor To Compartment Tops		
	H. Finish Paint Entire Body Altec White		
	I. Undercoat Applied Under The Body		
	J. 5.5" Drop-In Composite Cargo Retaining Board At Rear Of Body		
	K. 5.5" Drop-In Composite Retaining Board At Top Of Side Access Step		
	L. Stainless Steel Rotary paddle Latches With Locks		
	M. Gas Props On All Vertical Doors		
	N. Chains On All Horizontal Doors		
	O. Standard Master Body Locking System		
	P. Hotstick Shelf Extending Full Length Of Body On Streetside		
	R. One Chock Holder On Each Side of Body With Retaining Lip In Fender Panel		
	S. 1st Vertical (SS) - 34" W - One (1) Outrigger Housing And Two (2) Adjustable Shelves With Removable Dividers On 4 Inch Centers		
	T. 2nd Vertical (SS) - 24" W - Two (2) Adjustable Shelves With Removable Dividers On 4 Inch Centers		
	U. 1st Horizontal (SS) - 50" W - One (1) Fixed Shelf With Removable Dividers On 4 Inch Centers On Bottom of Compartment		
	V. Rear Vertical (SS) - 24" W - Six (6) Locking Swivel Hooks On An Adjustable Rail (1-4-1)		
	W. 1st Vertical (CS) - 34" W - One (1) Outrigger Housing And Two (2) Adjustable Shelves With Removable Dividers On 4 Inch Centers		
	X. 2nd Vertical (CS) - 24" W - Gripstrut Access Steps With Two (2) Sloped Grab Handles, Vented Battery Storage		
	Y. 1st Horizontal (CS) - 50" W - One (1) Adjustable Shelf With Removable Dividers On 4 Inch Centers And One (1) Fixed Shelf With Removable Dividers On 4 Inch Centers On Bottom Of Compartment		
	Z. Rear Vertical (CS) - 24" W - Six (6) Locking Swivel Hooks On An Adjustable Rail (1-4-1)		
	AA. Body Floor Cut-Out For AT48M/ME/P/PE Aerial Device Near Center Of Body		
	AB. Steel Tailshelf, 29" L x 94" W, With Rear Cross Storage And Drop Down Doors		
	Body and Chassis Accessories		
33.	ICC (Underride Protection) Bumper Installed At Rear	1	
34.	T-60 Style Pintle Hitch (10,000 LB MGTW with 2,000 LB MVL)	1	

Item	Description	Qty	Price
35.	Set Of Eye Bolts for Trailer Safety Chain, installed one each side of towing device mount.	1	
36.	Rigid Step Mounted Beneath Side Access Steps (Installed To Extend Approx. 2" Outward)	1	
37.	Platform Rest, Rigid with Rubber Tube	1	
38.	Articulating Arm Rest for a Telescopic Unit	1	
39.	Boom Rest for a Telescopic Unit	1	
40.	Manual Boom Latch Installed on Boom Rest	1	
41.	Wood Outrigger Pad, 19" x 19" x 2.5", With Rope Handle	2	
42.	Pendulum Retainers For Outrigger Pad Holders	2	
43.	Custom Outrigger Pad Holder Outrigger Pad Holder, 20" L x 20" W x 7" H,	2	
44.	Mud Flaps With Altec Logo (Pair)	1	
45.	Wheel Chocks, Rubber, 9.75" L x 7.75" W x 5.00" H, with 4" L Metal Hairpin Style Handle (Pair)	1	
46.	Slope Indicator Assembly For Machine With Outriggers	1	
47.	Fold Over, Post Style Cone Holder (Holds up to four 15"x15" large cones) Curbside Rear	1	
48.	Safety Harness & 4.5 FT Lanyard (Medium To X-large)	1	
49.	Driveaway Safety Kit	1	
50.	Vinyl manual pouch for storage of all operator and parts manuals	1	
	Electrical Accessories		
51.	Lights and reflectors in accordance with FMVSS #108 lighting package. (Complete LED, including LED reverse lights)	1	
52.	Altec Standard Amber LED Strobe Light with Brush Guard One (1) each side, installed on posts at the front of the body	2	
53.	6-Position Strobes, Amber, LED, Two (2) Surface Mounted Lights In Grille, Two (2) Oval Lights On Body Sides, Two (2) Round Lights At Rear	1	

Item	Description	Qty	Price
54.	Directional Light Bar, Amber, LED, 47" Long	1	
55.	Remote Spot Light, LED, Permanent Mount with Wireless Dash Mounted Controls and Programmable Wireless Remote Post-Mounted on Curbside 1st Vertical - ensure light clears rotation	1	
56.	Dual Tone Back-Up With Outrigger Motion Alarm	1	
57.	Altec Standard Multi-Point Grounding System	5	
58.	Copper U Shaped Grounding Lug (Threaded) One (1) installed at front bumper One (1) installed at rear	2	
59.	PTO Hour Meter, Digital, with 10,000 Hour Display	1	
60.	6-Way Trailer Receptacle (Pin Type) Installed At Rear	1	
61.	Electric Trailer Brake Controller (Tekonsha Voyager #9030)	1	
62.	Dodge Upfitter Switches (Supplied With Chassis)	1	
63.	Inverter Wired Battery Hot with Dash Mounted Switch	1	
64.	Deep Cycle Auxiliary Battery For Vented Applications (Group 31)	1	
65.	120 Volt GFCI Receptacle Includes Weather-resistant Enclosure Altec Recommended Location	1	
66.	Custom Electrical Receptacle 30 Amp Receptacle (need location)	1	
67.	Dodge Module	1	
68.	Install Chassis (OEM) Supplied Backup Camera in Final Assembly	1	
69.	Install secondary stowage system.	1	
70.	Install Remote Start/Stop system in Final Assembly.	1	
71.	Install Outrigger Interlock System	1	
72.	Standard Duty Secondary Stowage Pump	1	
73.	PTO Indicator Light Installed In Cab	1	
74.	Custom Electrical Option Q70006-Sol7 - Heavy Duty vehicle 16+ Type 2 (Green Connector) LTE Verizon Telematics Kit	1	

Item	Description	Qty	Price
75.	Additional Electrical Accessory Opticom 794R LED Emitter with 793R switch	1	
	Finishing Details		
76.	Powder Coat Unit Altec White	1	
77.	Finish Paint Body Accessories Above Body Floor Altec White	1	
78.	Altec Standard; Components mounted below frame rail shall be coated black by Altec. i.e. step bumpers, steps, frame extension, pintle hook mount, dock bumper mounts, D-rings, receiver tubes, accessory mounts, light brackets, under-ride protection, etc.Components mounted to under side of body shall be coated black by Altec. i.e. Wheel chock holders, mud flap brackets, pad carriers, boxes, lighting brackets, steps, and ladders.	1	
79.	Apply Non-Skid Coating to all walking surfaces	1	
80.	English Safety And Instructional Decals	1	
81.	Vehicle Height Placard - Installed In Cab	1	
82.	Placard, HVI-22 Hydraulic Oil	1	
83.	Dielectric test unit according to ANSI requirements.	1	
84.	Stability test unit according to ANSI requirements.	1	
85.	Non-Focus Factory Build	1	
86.	Delivery Of Completed Unit	1	
87.	Inbound Freight	1	
88.	Installation - AT48ME	1	
89.	JEMS 6E6 Hybrid System Installation	1	
	Hybrid		
90.	JEMS 6E6 (Jobsite Energy Management System) includes ePTO as Primary Hydraulic Power	1	

A. Electric PTO (ePTO): 6 kW electric motor that is powered from the energy storage system and activated automatically when hydraulic power is demanded.
B. Hydraulic Pump: A gear pump rated for 7 gpm.
C. Energy Storage System (ESS): Lithium Ion Iron Phosphate (LiFePO4) chemistry

Item	Description	Qty	Price

with at least 4.8 kWhr of Energy, mounted in an enclosure to be installed on top of a compartment or in the cargo bed area.

D. Idle Mitigation System (IMS):
The chassis engine automatically stops running when these conditions are met:
•The transmission is in Park/Neutral
•The ESS contains adequate power
•The cabin temperature is within preset range
•The parking brake is engaged
The chassis engine automatically starts when these conditions are met:
•The operator depresses brake pedal or activates ignition
•The ESS reaches a low SOC or when maximum system current draw limits are exceeded
•Pre-set cabin temperature limits are exceeded
•Note: The engine compartment hood must be closed for JEMS to start the chassis engine

E. Battery Management System (BMS): Senses key parameters of the energy storage system to supervise the charging, discharging and maintenance of the modules within the ESS. The BMS shall provide signals to manage state of charge (SOC) during plug-in charge, opportunity charge and jobsite charge cycles.

F. Auxiliary Power Distribution Module (PDMA): Provides supervisory control of and communication between the chassis, aerial device, in-cab display and jobsite energy management system components. The PDMA monitors energy requirements and user preferences to manage the IMS and chassis, integrates with the vehicle data bus, energy storage system, ePTO, power distribution module, and sensors.

G. Battery Charger: Input shall be compatible with a standard 120 VAC 15 Amp electrical circuit connected to a body-mounted shore-power 3-prong charging plug.

H. In-cab display: An integral display & function keys used to present operating information, preferences and status to the user, while accepting operating inputs from the user. The in-cab display provides the following information: cabin target temperature parameters, internal/external temperatures, engine coolant temperature, battery state of charge, battery voltage, management metrics, and diagnostic information.

I. Cab Comfort System (HVAC): An engine-off cab comfort system providing heated or cooled air through the factory ventilation system. Cooling is provided by a supplementary 36 VDC air conditioning compressor and heat is provided by an engine coolant loop. Temperature set points and operating status of the HVAC system are provided to the user on the in-cab display.

J. Hybrid Disconnect: A hybrid disconnect will be provided to disable operation of the system for maintenance, testing or in case the vehicle is involved in an accident to disconnect the energy storage system from external power cables.

K. Charging Modes: The system provides 3 methods to recharge the LiFePO4 Energy Storage System: 1) Plug- in shore power charging from a 120VAC 15A electrical circuit, 2) Drive-cycle recharge from the chassis alternator, and 3) Jobsite recharge. If the battery management system detects the energy storage system has reached a low state of charge, the engine will start automatically to provide electrical power to recharge the battery from the alternator.

L. Operational Interlocks: The system includes integral safety interlocks to ensure the aerial unit will operate only when:
•the parking brake is set
•transmission is in park/neutral
•engine compartment hood is closed
•platform control interlock is engaged(when in upper controls)
•lower control interlock is engaged (when in lower controls)

Item	Description	Qty	Price
	M. System Weight (maximum): The weight of the jobsite energy management system weighs less-than 500 lbs. (not including the weight of the inverter option selected).		
91.	Compartment Top Installation at Streetside Front of Body Above 1st Vertical. AC 100 battery pack is installed Streetside front of body. Must provide 9 inches of clearance off connection side of box. Body reinforcement required.	1	
92.	Cabin Air, Engine Off. Provides cooled air through factory ventilation system. Temperature set points and operating status are provided on the in cab display.	1	
	A. Cooling is provided by a supplementary air conditioning compressor.		
93.	Cabin Heat, Engine Off. Provides heated air through factory ventilation system. Temperature set points and operating status are provided on the in cab display.	1	
	A. Heating is provided by an electrically driven heat pump tied into the factory system.		
94.	Intellimetrics remote data management reporting solution provides key vehicle data such as engine run time, idle time, emissions reduced, battery charging history, and diagnostic trouble codes through a secure on-line portal.	1	
95.	3000 Watt Pure-Sine Wave Inverter Include Auxiliary Power Module	1	
96.	Auxiliary Lithium Ion Power Module required for Inverter Outputs Greater Than 1200 Watts. The PM100 must be mounted near the inverter and must not be exposed to water contact or impacts from cargo.	1	
97.	Mechanical bypass with turnkey operation used to bypass the JEMS system in the unlikely event of a system fault. Operated by a key located on top of the bypass enclosure. Installed in cab.	1	
98.	PTO/ePTO Engaged Through Chassis Upfitter Switch	1	
	Chassis		
99.	Chassis	1	
100.	Altec Supplied Chassis	1	
101.	2019 Model Year	1	
102.	Dodge Ram 5500	1	
103.	4x2	1	
104.	84 Clear CA (Round To Next Whole Number)	1	

Item	Description	Qty	Price
105.	Regular Cab	1	
106.	Chassis Cab	1	
107.	Chassis Color - White	1	
108.	Cummins 6.7L Turbo Diesel (Dodge)	1	
109.	Aisin AS69RC Automatic Transmission (Dodge Chassis)	1	
110.	GVWR 19,500 LBS	1	
111.	7,250 LBS Front GAWR	1	
112.	Spring Suspension	1	
113.	13,500 LBS Rear GAWR	1	
114.	4.44 Axle Ratio	1	
115.	225/70R19.5 Front Tire (Traction)	1	
116.	225/70R19.5 Rear Tire (Traction)	1	
117.	Hydraulic Brakes	1	
118.	Park Brake In Rear Wheels	1	
119.	Dodge 3500-5500 Single Horizontal Right Side Exhaust	1	
120.	AZB - Heavy Duty Front Suspension Group	1	
121.	Dodge PTO Prep Package (Right Hand Side PTO) (LBN)	1	
122.	50-State Emissions	1	
123.	Clean Idle Certification	1	
124.	NFH - RAM 52 Gallon Fuel Tank (Rear)	1	
125.	RAM 9 Gallon DEF Tank (Under Cab Left Hand)	1	
126.	AM/FM Radio	1	
127.	Bluetooth	1	

Item	Description	Qty	Price
128.	110VAC Outlet, OEM Supplied	1	
129.	Air Conditioning	1	
130.	Backup Camera, OEM Supplied	1	
131.	Cruise Control	1	
132.	Keyless Entry	1	
133.	Power Door Locks	1	
134.	Power Windows	1	
135.	Tilt Steering Wheel	1	
136.	Alternator (220amp)	1	
137.	Cold Weather Group (Includes Block Heater)	1	
138.	Vinyl Split Bench Seat	1	
	Additional Pricing		
139.	Standard Altec Warranty: One (1) year parts warranty, one (1) year labor warranty, ninety (90) days warranty for travel charges, limited lifetime structural warranty	1	
140.	Documentation Fees	1	
	Miscellaneous		
141.	Ext Warranty Material(Parts Only NO Travel) (Day 366-1095) Mid-Size Model JEMS Hybrid (TA, L Series,LR, AT40M)	1	

Unit / Body / Chassis Total	**196,209.00**
Estimated Sales Tax (8%)	**15,696.72**
Delivery to Customer	**210.00**

JEMS 3-Year Warranty	**2,567.00**
HVIP Voucher (See Below)	**-27,000.00**
Total	**187,682.72**

Altec Industries, Inc.

BY _____

Rhawnie Kraak

Notes:

1 HVIP Voucher:

The California Hybrid Vehicle Incentive Program (HVIP) has approved this application for funding vouchers. The voucher for this application as specified is $17,000.00 plus an additional $10,000.00 one-time voucher.

Customer will be required to fill out a two page application with the State of California.
This is a simple process that Altec will manage. This is a state program based on the availability of funds at the time of order/application.

See https://www.californiahvip.org/ to confirm funding availability.
For the purpose of this quote, the voucher amount ($27,000.00) has been deducted from the full quote price.

2 Altec Standard Warranty:

One (1) year parts warranty.

One (1) year labor warranty.

Ninety (90) days warranty for travel charges.

Warranty on structural integrity of the following major components is to be warranted for so long as the initial purchaser owns the product: Booms, boom articulation links, hydraulic cylinder structures, outrigger weldments, pedestals, subbases and turntables.

Altec is to supply a self-directed, computer based training (CBT) program. This program will provide basic instruction in the safe operation of this aerial device. This program will also include and explain ANSI and OSHA requirements related to the proper use and operation of this unit.

Altec offers its standard limited warranty with the Altec supplied components which make up the Altec Unit and its installation, but expressly disclaims any and all warranties, liabilities, and responsibilities, including any implied warranties of fitness for a particular purpose and merchantability, for any customer supplied parts

Altec designs and manufactures to applicable Federal Motor Vehicle Safety and DOT standards

3 Unless otherwise noted, all measurements used in this quote are based on a 40 inch (1016mm) chassis frame height and standard cab height for standard configurations.

4 Altec Extended Warranty Option:

Labor/Material/Expense for 1 Year. Price to be quoted

An Altec Extended Warranty is an extension of Altec's Limited Warranty, that protects you from the repair cost associated with defects of materials and workmanship beyond the first year of ownership.

A number of packages are available and can be quoted upon request.

5 F.O.B. - Customer Site

6 Changes made to this order may affect whether or not this vehicle is subject to F.E.T. A review will be made at the time of invoicing and any applicable F.E.T. will be added to the invoice amount.

7 Price does not reflect any local, state or Federal Excise Taxes (F.E.T). The quote also does not reflect any local title or licensing fees. All appropriate taxes will be added to the final price in accordance with regulations in effect at time of invoicing.

8 Any payments made by credit card will incur a 3% convenience fee.

9 Delivery: 300-330 days after receipt of order PROVIDING:
A. Order is received within 14 days from the date of the quote. If initial timeframe expires, please contact your Altec representative for an updated delivery commitment.
B. Chassis is received a minimum of sixty (60) days before scheduled delivery.
C. Customer approval drawings are returned by requested date.
D. Customer supplied accessories are received by date necessary for compliance with scheduled delivery.
E. Customer expectations are accurately captured prior to line set date. Unexpected additions or changes made at a customer inspection will delay the delivery of the vehicle.

Altec reserves the right to change suppliers in order to meet customer delivery requirements, unless specifically identified, by the customer, during the quote and or ordering process.

10 Trade-in offer is conditional upon equipment being maintained to DOT (Department of Transportation) operating and safety standards. This will include, but is not limited to tires, lights, brakes, glass, etc. All equipment, i.e., jibs, winches, pintle hooks, trailer connectors, etc., are to remain with unit unless otherwise agreed upon in writing by both parties. ALTEC Industries reserves the right to re-negotiate its trade-in offer if these conditions are not met.

All reasonable and necessary expenses required of ALTEC Industries to execute transportation of the trade-in will be invoiced to the customer for payment if these conditions are not met to maintain DOT standards.

Customer may exercise the option to rescind this agreement in writing within sixty (60) days after receipt of purchase order. After that time ALTEC Industries will expect receipt of trade-in vehicle upon delivery of new equipment as part of the terms of the purchase order unless other arrangements have been made.

11 This quotation is valid until OCT 31, 2018. After this date, please contact Altec Industries, Inc. for a possible extension.

12 After the initial warranty period, Altec Industries, Inc. offers mobile service units, in-shop service and same day parts shipments on most parts from service locations nationwide at an additional competitive labor and parts rate. Call 877-GO-ALTEC for all of your Parts and Service needs.

13 Please email Altec Capital at finance@altec.com or call 888-408-8148 for a lease quote today.

14 Please direct all questions to Don Hildebrandt at (707) 678-0800

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: I.13.
SUBJECT: Adopt Ordinance Relating to the Composition of the Parks and Recreation Commission and the terms of members relating to Parks and Recreation Commission, Traffic Safety Commission, Commission on Aging and Personnel Board

Recommendation for Action:
Staff recommends that the City Council adopt Ordinance No. 1639, amending Section 2-7-25 relating to Composition of Parks and Recreation Commission, amending Section 2-7-27 relating to Terms of Members of Parks and Recreation Commission, amending 2-7-42 relating to Terms of Members of Traffic Safety Commission, amending Section 2-7-84 relating to Terms of Members of Commission on Aging, and Amending Section 16A-1-3 relating to Personnel Board Terms.

Staff Contact:
Ana B. Gonzalez, City Clerk (530) 661-5806, ana.gonzalez@cityofwoodland.org

Background:
At its October 2, 2018 meeting, the City Council introduced and waived the first reading of Ordinance No. 1639, amending and addressing certain issues related to the structure and administration of the city's boards, commissions and committees.

It was also recommended that the personnel board members' terms be four years instead of three. This change is also reflected in the attached ordinance.

Prepared by: Ana B. Gonzalez, City Clerk

Attachments:
1. Ord_1639 Amending composition and terms of certain boards and commissions (BBK revised 9.27.18)-c2

Paul Navazio
City Manager

ORDINANCE NO. 1639

AN ORDINANCE OF THE CITY OF WOODLAND AMENDING SECTION 2-7-25 RELATING TO COMPOSITION OF PARKS AND RECREATION COMMISSION, AMENDING SECTION 2-7-27 RELATING TO TERMS OF MEMBERS OF PARKS AND RECREATION COMMISSION, AMENDING SECTION 2-7-42 RELATING TO TERMS OF MEMBERS OF TRAFFIC SAFETY COMMISSION, AMENDING SECTION 2-7-84 RELATING TO TERMS OF MEMBERS OF COMMISSION ON AGING, AND AMENDING SECTION 16A-1-3 RELATING TO PERSONNEL BOARD TERMS

The City Council of the City of Woodland does hereby ordain as follows:

Section 1. Purpose. The purpose of this Ordinance is to amend sections 2-7-25, 2-7-27, 2-7-42, 2-7-84, and 16A-1-3 of the City of Woodland Municipal Code to revise and streamline the total membership size and effective term dates of Boards and Commissions established by City Council.

Section 2. Authority. The City Council enacts this ordinance under the authority granted to cities by Article XI, Section 7 of the California Constitution, Government Code section 37100, and Woodland Municipal Code section 2-7-53.

Section 3. Amendment. Sections 2-7-25, 2-7-27, 2-7-42, 2-7-84, and 16A-1-3 of the City of Woodland Municipal Code are hereby amended as follows (deletions indicated by ~~strikethrough~~, additions indicated by *underlined italics*):

Sec. 2-7-25. Composition.
The parks and recreation commission shall consist of five~~, six, or seven~~ members. When there are five members, three members present at a meeting shall constitute a quorum. ~~When there are six or seven members, four members present at a meeting shall constitute a quorum.~~

Sec. 2-7-27. Terms of members.
The term of office of each member of the parks and recreation commission shall be four years. All terms shall begin ~~January~~ *July 1st* and end on *June 30th*~~December 31st. In order to establish staggered terms of office, of the members first appointed, two members shall be appointed for one-year terms, two members shall be appointed for two-year terms, and three members shall be appointed for three-year terms.~~ If a vacancy shall occur other than by expiration, it shall be filled by appointment for the unexpired portion of the term~~, subject to the city council's discretion to leave the seat vacant in order to allow the size of the commission to be five or six members pursuant to Section 2-7-25~~. Upon expiration of ~~such designated~~ *each member's* term~~s~~, successors shall be appointed for full four-year terms as provided above. ~~If the city council determines to allow the commission to be five or six members in size, t~~ *T*he terms in office of the members shall, to the extent practical, be staggered according to a system that avoids having more than

half of the commissioners' terms expire concurrently. Each member, unless sooner terminated, shall serve until his or her successor is appointed and qualified.

Sec. 2-7-42. Terms of members.
Members of the traffic circulation and parking commission created by Ordinance No. 935, Section 2 shall serve as members of the traffic safety commission until their term expires. At expiration of each member's term, a successive member thereafter shall be appointed by the council for a term of four years and, unless sooner terminated, *each member* shall serve until his or her successor is appointed and qualified. *All terms shall begin July 1st and end on June 30th.* However, if a vacancy shall occur other than by expiration, the council shall fill it by appointment for the unexpired portion of the term.

Sec. 2-7-84. Terms.
At expiration of each of the terms of members of the commission on aging provided under Resolution No. 2550 dated May 6, 1974, each successive member thereafter shall be appointed by the council for a term of four years. *All terms shall begin July 1st and end on June 30th.* ~~and, it~~*Unless* sooner terminated, *each member* shall serve until his successor is appointed and qualified. However, if a vacancy shall occur other than by expiration, it shall be filled by appointment for the unexpired portion of the term.

Sec. 16A-1-3. Personnel board.
There is hereby created a personnel board to consist of five members to be appointed by the city council. A majority vote of the city council shall be required to appoint a member of the personnel board. Members of the personnel board shall be residents of the city. No person will be appointed to the board who holds a salaried office or employment with the city of Woodland.

The term of office of each member of the personnel board shall be *four* ~~three~~ years and each term shall begin on ~~January~~ *July* 1st and end on *June 30th*~~December 31st~~. If a vacancy shall occur other than by expiration of a term, it shall be filled by appointment for the unexpired portion of the term. ~~In order to establish staggered terms of office of the members first appointed, one member shall be appointed for a one-year term, two members shall be appointed for two-year terms, and two members shall be appointed for three-year terms.~~ Upon expiration of *each member's* ~~such designated~~ term~~s~~, successors shall be appointed for full *four* ~~three~~-year terms as provided above. Each member, unless sooner terminated, shall serve until his/her successor is appointed and qualified.

Section 4. Extension of Existing Terms. All members of the Parks and Recreation Commission, Traffic Safety Commission, Personnel Board, and Commission on Aging serving as of the effective date of this Ordinance shall have their terms extended for an additional six (6) months to June 30 of the following year in which their terms would otherwise expire.

Section 5. Publication. The City Clerk shall certify to the adoption of this Ordinance and shall cause a summary thereof to be published in the Daily Democrat, a newspaper of general circulation, printed and published in the City of Woodland and County of Yolo, at least five (5)

days prior to the meeting at which the proposed ordinance is to be adopted and shall post a certified copy of the proposed ordinance in the office of the City Clerk, and within fifteen (15) days of its adoption, shall cause a summary of it to be published, including the vote for and against the same, and shall post a certified copy of the adopted ordinance in the office of the City Clerk, in accordance with California Government Code section 36933.

Section 6. Effective Date. This Ordinance shall take effect thirty (30) days after its adoption.

PASSED AND ADOPTED by the City Council this 16th day of October, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Enrique Fernandez, Mayor

ATTEST:

_____
Ana B. Gonzalez, City Clerk

APPROVED AS TO FORM:

_____
Kara K. Ueda, City Attorney

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: J.14.
SUBJECT: PUBLIC HEARING - OPEN AND CONTINUE - Technology Fee for Digitized Documents

THIS ITEM WILL BE OPENED AND CONTINUED TO A DATE UNCERTAIN.

Attachments:

None

Paul Navazio
City Manager

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: J.15.
SUBJECT: ProTerp Manufacturing, LLC, a Request to Approve a Conditional Use Permit for a Commercial Cannabis Manufacturing Facility

Recommendation for Action:

Staff recommends that the City Council

1. Receive a staff report;
2. Conduct a public hearing;
3. Find that the project is exempt from further environmental review pursuant to Class 1 and Class 32 Categorical Exemptions under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA;
4. Adopt Resolution No. _____, approving a Conditional Use Permit for commercial cannabis manufacturing at 1230 Harter Avenue, Suite F, conditioned upon approval of an appropriate Cannabis Business Permit and recommended conditions of approval; and
5. Adopt Resolution No. _____, authorizing the City Manager, pursuant to Section 13A-3-04(9) to approve a final Operating Agreement for a commercial cannabis manufacturing business at 1230 Harter Avenue, Suite F.

Staff Contact:

Cindy A. Norris, Principal Planner, (530) 661-5911, cindy.norris@cityofwoodland.org

Fiscal Impact:

The applicant has funded a developer deposit account to cover all costs associated with the review and processing of the Conditional Use Permit and Cannabis Business Permit. Should the conditional use permit and cannabis business permit be approved, the applicant shall pay an annual fee in the amount of $46,280 for a commercial cannabis manufacturing business permit that will provide cost recovery to the city for all activities, including police surveillance, associated with the business review and monitoring. Further, as provided in a required operating agreement, a generalized contribution based on gross receipts is proposed in the amount of $5,000 or five percent (5%), whichever is greater, per month. This community benefit fee will generate essential funds for protecting vital City services and facilities and mitigate impacts, will help fund general municipal services, and which will place such businesses on more equal footing with existing City businesses.

Background

On November 8, 2016 California voters approved Proposition 64, known as the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA). AUMA legalized non-medical cannabis use, possession and cultivation by persons 21 years of age and older. With the majority vote passage, the provisions related to personal use, possession and cultivation of non-medical cannabis went into effect on November 9, 2016. Commercial non-medical cannabis activities also became legal on November 9, 2016, although commercial activities require state licenses. The state began issuing licenses for commercial activities on January 1, 2018.

On June 27, 2017, California Senate Bill 94 was signed into law, repealing the Medical Cannabis Regultion and Safety Act (MCRSA) and amending AUMA to consolidate state licensing of medical and non-medical commercial activities. The new law is now called the Medicinal and Adult-Use Cannabis Regulation and

Safety Act (MAUCRSA).

On September 16, 2017, Assembly Bill 133 was signed into law by Governor Brown and it made numerous minor amendments to MAUCRSA. One of the amendments removed the requirement that cannabis businesses maintain separate and distinct premises for each use. Now multiple uses may be located at the same location, so long as a separate state license is obtained for each location where commercial cannabis activity occurs, subject to applicable state regulations.

To date the City of Woodland has passed several Ordinances to update the Municipal Code to address both personal and commercial cannabis uses. On December 5, 2017 the City Council approved Ordinance 1629 to add Article 21.6 of Chapter 25 to the Municipal Code relating to the zoning of Commercial Cannabis uses. The Council also approved Ordinance 1630 to add Chapter 13A to the Municipal Code related to commercial cannabis business permits and operating regulations. Ordinance 1629 allows consideration for up to six (6) conditional use permits for cannabis uses, which may be located in the Industrial or Industrial with Light Industrial Flex Overlay zones. The Ordinance allows the consideration of multiple cannabis license type in one location to be considered under one Conditional Use Permit. However, each business entity will be required to obtain separate Cannabis Business Permits (CBP). An operating agreement, to be approved by the Community Development Director, consistent with council approved conditions, will be required with each CBP.

To date, the City has received three (3) Cannabis conditional use permit applications proposing a total of five (5) possible cannabis businesses. The applications were reviewed by the Planning Commission on September 20, 2018 and recommended for approval by the City Council.

Environmental Assessment

Staff has determined that a Class 1 Categorical Exemption (Existing Facilities) pursuant to Section 15301 of the CEQA Guidelines and a Class 32 Categorical Exemption (Infill Development) pursuant to Section 15332 of the CEQA Guidelines is the appropriate level of CEQA review for this document. Class 1 consists of the operation, repair, maintenance, permitting, leasing, 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 agencies' determination. Class 32 exemption consists of projects characterized as in-fill development within urbanized areas. The class consists of environmentally benign in-fill projects located on sites that are less than 5 acres and consistent with local general plan and zoning requirements. The project will not have any biological, air, water, traffic, or noise impacts. The proposed use would occupy approximately 10,055 square feet space within an existing industrial multi-tenant building that has previously been occupied by industrial and manufacturing uses similar to the proposed project.

Discussion

On May 15, 2018, ProTerp Manufacturing, LLC applied for a Conditional Use Permit (CUP). The applicant is requesting a recommendation of approval by the City Council for a Conditional Use Permit, which will allow ProTerp Manufacturing to occupy approximately 10,055 square feet in the existing building at 1230 Harter, Suite F, as a volatile manufacturing extraction lab. Approximately 1,455 square feet of space will be for office use with 8,600 square feet allocated for manufacturing purposes (See Attachment 3, Statement of Justification and Vicinity Map). Under the terms and conditions of approval ProTerp Manufacturing, LLC will be required to obtain a Cannabis Business Permit for Volatile Manufacturing, (Ordinance 1629 and 1630), and appropriate State Licensing (Type 7 – Medical and Adult Volatile Commercial Cannabis Manufacturing). No customers or sales will occur at the facility along with no signage or identification regarding the type of business that is operating.

The overall project site is 3.66 acres in size and occupied by three buildings at 460, 1230, and 1250 Harter Avenue. The subject building at 1230 Harter Avenue is an existing one-story multi-tenant building approximately 42,241 square feet in size and houses multiple tenants (See Attachment 2, Site and Floor Plan). The property is bounded by vacant land, existing industrial development and East Street to the west, Harter Avenue and Interstate-5 to the north, and existing industrial development to the east and south. The applicant is proposing to occupy Suite F which is located in the south east corner of the building.

The property is zoned for Industrial with a Light Industrial Flex Overlay and the proposed use may be considered with approval of a Conditional Use Permit by the City Council as the final acting body.

Project Analysis and Review

General Plan Consistency

The 2035 General Plan (GP) designation for the site is Industrial with a Light Industrial Flex Overlay (I/LIF). The proposed use of the site is consistent with the General Plan The General Plan describes this land use designation as follows:

> *When applied over the Industrial base designation, the Light Industrial Flex Overly provides for a mix of general, light to custom industrial and manufacturing uses, including multi-tenant spaces with offices, contractor storage, agricultural processing, food producers, industrial technology, and other sensitive processing uses that require controlled performance standards.*

Climate Action Plan Consistency (CAP)

The project involves the re-use of an existing building that will be re-purposed and upgraded to encourage new technology and an employment generating use. CAP Strategy T/LU-2 encourages Redevelopment and Repurposing. The Climate Action Plan assumed that development would occur and continue within the urban areas of the city. In this instance, project has been conditioned to encourage energy saving features as appropriate consistent with Strategy E-3. The applicant will be required to submit a statement with their building construction plans describing measures that they will be implementing.

Zoning Consistency – Chapter 25

The zoning designation for the site is Industrial with Light Industrial Flex Overlay (I/LIF), which provides for types of animal and food processing uses, manufacturing uses, industrial yard uses, warehouse and storage uses and other related miscellaneous uses, such as office space and general agriculture. The proposed future use of the site is industrial and is consistent with the Zoning Ordinance.

The site is existing and developed as an industrial multi-tenant development. No significant exterior changes are proposed. The site meets all standards and criteria required in the Industrial District. The site has significant parking available. The site is not located within 600-feet of a sensitive use. Detailed discussion is provided in the Planning Commission staff report included as Attachment 4.

Conditional Use Permit Review

A conditional Use Permit (CUP) affords broad public review and evaluation of those uses which require special

consideration to ensure proper integration into the community, the mitigation of any potentially adverse impacts; and the making of required findings to permit the use. In considering an application for a conditional use, due regard shall be given to the nature and condition of the proposed or existing use and all adjacent uses and structures and may impose such requirements and conditions with respect to location, construction, maintenance, and operation, as may be deemed necessary for the protection of adjacent properties and the public interest. Conditional Use Permit analysis typically includes consideration of the proposed use; hours of operation; consistency with zoning standards such as parking; compatibility with existing uses and structures in the surrounding area; and other criteria as may be deemed appropriate.

A CUP runs with the land unless the use ceases or the CUP is revoked. Once approved, should ownership of the land or the business change, the CUP would remain valid at the location approved. In addition to the CUP land use considerations above, the Cannabis Ordinance 1629 (Municipal Code 25-21.6.50(c)): provides other specific factors that shall be considered by the Planning Commission and ultimately the City Council including the following:

(1) *The type of proposed use by the applicant:*

The requested use is a conditionally allowed use in the zone regulations. The use would fit the category of cannabis manufacturing (volatile) in the Zoning Land Use Matrix. The use is consistent with the General Plan. General Plan policies that specifically relate to this request include the following:

2.D.3 – Technology Sector: Grow the technology sector in Woodland by leveraging the research strength at U.C. Davis. Encourage smaller companies and start-ups to locate in incubator spaces in Downtown and in areas with the Light Industrial Overlay designation.

2.E.7 – Public Safety and Community Design: Promote design that enhances public safety and discourages crime by providing buildings that engage the street, as well as adequate lighting and sight lines.

4.C.6 – Monitor Trends: Monitor economic trends to identify emerging industries, new market opportunities, and the performance and mix of businesses to allow the City to be proactive and adjust to market changes.

4.C.9 – Importance of Agricultural Industry. Recognize the importance of agriculture-related business and industries to the City and region, and support the continuation and development of agriculture and agriculture-related enterprises in and around Woodland.

4.E.1 – Job Expansion though Business Expansion: Encourage the expansion and attraction of diverse businesses and industries that create and increase the quality and amount of stable, year-round jobs locally.

(2) *Whether the proposed use will be detrimental to the health, safety and welfare of the community:*

The proposed facility would be contained within the existing building with numerous redundant security measures employed via a security plan reviewed and approved by the City of Woodland Police Department. The proposed cannabis business use will not adversely affect the peace or general welfare of the surrounding neighborhood, as follows:

- The proposed use is not consumer based (no retail sales will occur at the premises) and therefore, will result in low vehicle traffic;
- The odor control plan will ensure no odors will be detectible outside the building;
- All activities will take place inside the building and will not be visible from the outside;
- A secured and fenced yard area will provide a secure entry for ingress and egress of product;
- All signage will be limited and the applicant will have a final lighting and security plan approved by the Police and Fire Departments to ensure internal and external safety;
- Vehicles used to transport cannabis would be unmarked but also secure.
- The tenant improvement plans will undergo review and inspection by both the Building and Fire Divisions to ensure the proper construction, installation and operation of manufacturing equipment.
- The City will conduct annual review of the facilities and annual review of the general business operations.
- The applicant must also comply with all other agencies including health and state operating requirements.

(3) *Whether the use would enhance the economic viability of the area in which it is proposed to be located, including adjacent and surrounding properties*:

The proposed facility will provide a new source of employment and revenue to the City while remaining under close regulation and oversight by both the City and State.

(4) *Whether the applicant has adequately addressed potential community benefits of the use to offset potential adverse impacts*:

At the time of approval of a Cannabis Business Permit, an applicant will be required to pay a fee which has been determined to provide adequate cost recovery to the city for all activities, including police surveillance, associated with the proposed business. Further, as provided in a required operating agreement, a generalized contribution will be determined based on gross receipts derived from cannabis uses that will generate essential funds for protecting vital City services and facilities and mitigate impacts, and will help fund general municipal services and place such businesses on more equal footing with existing City businesses.

The applicant has also included a Community Relations Plan and assigned a Community Relations Manager, Nuriya Safarova. In a letter to adjacent businesses they have provided contact information and explained their intent and mission to be a compliant business and to be a model for other similar businesses (Attachments 5 and 6 to the Planning Commission Report)

(5) *The extent of support or opposition to the proposed use and the location from members of the community*:

The applicant has sent letters of intent describing the proposed business to adjacent business owners. Upon receipt of the initial application, several letters of support from adjacent businesses were provided and are included with this report (Included as Attachment 6 to the Planning Commission Report). Further, public notice of the proposed cannabis use was provided in accordance with state law and in accordance with city requirements for notice within a 1,000-foot radius. One individual spoke at the Planning Commission meeting on September 20, 2018, to express a more general concern with regard to local and state regulations regarding cannabis use that may be in conflict with federal law. He expresses

caution and concern.

(6) *The number of cannabis uses located or proposed to be located within 1,000 feet of the proposed location*:

The closest proposed cannabis use is for a cannabis distribution facility located within the same building in Suite J, by Epic Bros Enterprises, Inc. An additional commercial cannabis facility is proposed at 1460 Tanforan Avenue which is approximately 2,090 feet from this project site (measured from parcel to parcel) and separated by the I-5 Freeway.

However, the reality is that there are a limited number of sites and/or buildings currently available to cannabis uses. This limitation may be due to a number of reasons, such as the reluctance of some owners to lease space to cannabis uses; a lack of availability of smaller spaces within industrial buildings, which are more suitable to smaller scale manufacturing uses; and a number of restricted sites due to their proximity to sensitive uses. It is possible in the future that more cannabis related uses may request to locate in this proximate area due to the appropriate facility size available and a willing property owner.

Comments received have also intimated that vertical integration of uses is the most desirable for quality control purposes and safety. Vertical integration involves the combination of related cannabis uses housed in one facility. It has been suggested that should the city consider allowing indoor commercial cultivation, that additional larger sized buildings may function better for cannabis uses.

(7) *The extent to which the proposed use would cause a further overconcentration of that particular type of use in the area*:

At this time, there is no overconcentration of cannabis uses. See discussion above. The City may find that on a limited scale that it is acceptable to have multiple cannabis uses located in a specific area.

(8) *The background and history of the applicant, including the nature and extent of problems on any premises where he or she has operated a cannabis business in the past*:

The applicants have completed all requests for "Live Scan" and provided all required background information concerning past history with regard to Cannabis uses. At this time, there do not appear to be any significant concerns identified.

(9) *Whether there is a history of police or crime related problems in the area of the proposed location which may be exacerbated by the establishment of the proposed cannabis use*:

The Police Department ran review of calls for service within a 1000-foot radius from the project site for the past calendar year. The calls for service do not reflect a high volume of police activity, especially for crime related calls. It is believed that establishment of the proposed cannabis operation, as conditioned, would not exacerbate crime related activities.

Cannabis Business Permit Review – Municipal Code Chapter 13A

The CBP provides for the review of operational features for each cannabis business entity and is required in addition to a state license. A CBP is required prior to initial operation and requires annual review. Prior to issuance of the CBP fees must be paid and a final Operating Agreement and Indemnification statement

approved. The CBP is approved by the Community Development Director. Operating details including a Security Plan, Lighting Plan, Odor Control Plan, Business Plan, and Community Relations Plan are required as part of the CBP review. Some of these items, such as the Odor Control Plan and Community Relations Plan have been provided as part of the Conditional Use Permit review and are included as Attachments to the Planning Commission Staff Report (Attachment 4). Items of particular concern that are required as part of the CBP review include a Business Plan, Security Plan, and an Operating Agreement and Indemnification Statement.

Business Plan

A plan describing how the cannabis business will operate in accordance with this code, state law, and other applicable regulations. The plan must include plans for hours of operation, handling cash, and transporting cannabis and cannabis products to and from the business site, as may be applicable. Some aspects of this plan may be confidential. The applicant has provided an initial Business Plan with the CUP application, as well as an Odor Control Plan, Energy Efficiency Plan, and a Plant and Chemical Oil Disposal Plan (Attachments 4, 7, 8 and 9 to the Planning Commission Staff Report).

Security Plan

The Draft Security Plan is a confidential document that generally addresses safety concerns related to vandalism, internal and external theft, lighting, video surveillance, security personnel, and other crime prevention. All interested parties to a cannabis business permit application are subject to fingerprinting and a criminal background investigation. The security plan has been reviewed by the Police and Fire Departments as part of the conditional use permit review. A final security plan will be required prior to issuance of the CBP.

Operating Agreement and Indemnification:

The City and applicant shall enter into an operating agreement, in a form approved by the City Council and City Attorney, in which the applicant releases the city from any damages or liabilities of any kind for violation of state or federal law and agrees to defend, indemnifies, against any and all claims or actions. In addition, the applicant agrees to operating terms and conditions mutually agreed upon that ensure that the community benefits derived from the proposed cannabis business adequately address potential adverse effects.

A copy of the draft template operating agreement is included with the Resolution authorizing the City Manger to execute the final agreement. The agreement includes specific provisions as follows:

- Length of agreement term; a two-year "Initial Term", with two (2), two -year (2-year) extensions possible
- Requires a monthly community benefit fee payment of either $5,000 or five percent (5%), whichever is greater
- Provides the basis for calculating the monthly payment based upon a definition of annual gross receipts which allows for specified exceptions
- Includes Termination Rights for the City, in addition to those provided in the Conditional Use Permit and code provisions contained in Chapter 13A
- Includes Release and Indemnification obligations
- Includes Insurance requirements.

Staff is seeking City Council's agreement with the baseline terms for the operating agreements, subject to possible minor revisions at the discretion of the City Manager and City Attorney.

Public Contact and Notification:

Public notice advertising for the public hearing on this project was prepared by the Community Development Department in accordance with notification procedures set forth in the City of Woodland's Municipal Code and

State Planning Law. Two methods of public notice were used:

- Legal notice was published in the Woodland Daily Democrat at least ten days prior to the public hearing.
- Notices were mailed to all property owners within 1,000 feet of the project site.

Notice of the applications were provided prior to both the Planning Commission and City Council hearings.

One member of the public, Dale Dennis, spoke at the Planning Commission meeting of September 20, 2018. Mr. Dennis expressed concern that the State and Local regulations are not consistent with Federal regulations concerning marijuana, which is still considered a class-1 drug.

Commission Recommendation:
The Planning Commission reviewed this item at a public hearing during the September 20, 2018 regular agenda. They received a staff presentation as well as heard comments from the public and from the applicant as they considered the matter. Commissioner Holt expressed some reservations about the volatile manufacturing processes and related security concerns. The applicant, Ron Mellon, explained the safety protocols and measures that will be used to ensure safety of the manufacturing process, including using a closed loop system to contain any volatile gases or liquids, as well as a containment room that will provide additional layers of safety should there be any type of hazardous event. Staff explained that both the Building and Fire Departments have code requirements to address the manufacturing uses and have not expressed concern to staff regarding the proposed use. Further, while the manufacturing process is highlighted as "volatile" in the State regulations, there are in fact many manufacturing businesses, including any type of extraction of oils, that utilize similar systems.

The Planning Commission voted Ayes (4) (Wells, Harris, Lizzarraga, Murphy); Noes (0); Abstain (2) (Holt, Lopez); Absent (1) (Lampkin) to approve the ProTerp Manufacturing cannabis manufacturing application as conditioned and recommended by staff.

Council Committee Recommendation:
Staff met with the Council Subcommittee to review the proposals and draft operating agreements on October 10, 2018.

Recommendation for Action:
Staff recommends that the City Council:

1. Receive a staff report;
2. Conduct a public hearing;
3. Find that the project is exempt from further environmental review pursuant to Class 1 and Class 32 Categorical Exemptions under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgment of the City as lead agency under CEQA;
4. Adopt Resolution No. _____, approving a Conditional Use Permit for commercial cannabis manufacturing at 1230 Harter Avenue, Suite F, conditioned upon approval of an appropriate Cannabis Business Permit and recommended conditions of approval; and
5. Adopt Resolution No. _____, authorizing the City Manager, pursuant to Section 13A-3-04(9) to approve a final Operating Agreement for a commercial cannabis manufacturing business at 1230 Harter Avenue, Suite F.

Attachments:

1. 1 CC Resolution ProTerp CANN CUP with Condtions of Approval
2. 2 CC Resolution Operating Agreement for ProTerp CANN Manuf-with OA
3. 3 Applicaiton Justification Statement and Floor Plans
4. 4 Planning Commission Report ProTerp from 9.20.18

Paul Navazio
City Manager

RESOLUTION NO. CC 18-0_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING A CONDITIONAL USE PERMIT FOR A CANNABIS MANUFACTURING BUSINESS LOCATED AT 1230 HARTER AVENUE, SUITE F

WHEREAS, the applicant has applied for a Conditional Use Permit to manufacture cannabis in a 10,055 square foot suite within an existing one-story multi-tenant 42,241 square foot building on a 3.66-acre parcel in the Industrial with a Light Industrial Flex Overlay zone; and

WHEREAS, the project is exempt from further environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Class 1 Categorical Exemption, Existing Facilities) and CEQA Guidelines Section 15332 (Class 32 Categorical Exemption, Infill Development), as the City Council of the City of Woodland finds as follows:

- The project consists of the permitting and minor alterations of an existing private structure that involves negligible expansion of the use beyond that existing at the time of the lead agencies initial determination as the existing facility is already zoned to allow industrial and manufacturing uses similar to the proposed project;
- The project consists of minor alterations for additional mechanical and security equipment to operate a cannabis business that utilizes existing utility infrastructure;
- The project is located on a site that is less than 5 acres and will not have any biological, air, water, traffic, or noise impacts; and

WHEREAS, the proposed use and its operating characteristics are consistent with the general plan, as the site is located in the Industrial/ Light Industrial Flex Overlay designation, which provides for industrial and manufacturing uses that occur entirely within an enclosed building and are employment generating; and

WHEREAS, the Planning Commission, at its regularly scheduled meeting on September 20, 2018, conducted a public hearing to consider the proposed use and after review, public testimony, and deliberation voted to recommend approval of the ProTerp Manufacturing, LLC conditional use permit to the City Council as follows: (4) Ayes; (0) Noes; (2) Abstain; and (1) Absent; and

WHEREAS, The City Council finds that the proposed use is consistent with policies that encourage job expansion through business expansion, that encourage emerging industries and new market opportunities, that support agricultural related industry as well as the technology sector; and

WHEREAS, the City Council finds that the proposed use and its operating characteristics are consistent with the applicable standards, requirements, and regulations of the zoning district in which it is located, and of all other provisions contained in Article 25-21.6 pertaining to commercial cannabis uses, and all operations will be conducted inside of the existing building; and

WHEREAS, the proposed use is in on a site and in a building that is physically suitable in terms of location, size, topography, and access, and that is adequately served by public and private services and utilities; and

WHEREAS, the proposed cannabis business uses will not adversely affect the peace or general welfare of the surrounding neighborhood, as follows:

- The proposed use is not consumer based (no retail sales will occur at the premises) and therefore, will result in low vehicle traffic;
- The odor control plan will ensure no odors will be detectible outside the building;
- All activities will take place inside the building and will not be visible from the outside;
- All signage will be limited and the applicant will have a final lighting and security plan approved by the Police and Fire Departments to ensure internal and external safety; and

WHEREAS, the proposed use will enhance the economic vitality of the area in which it is proposed to be located, including adjacent and surrounding properties, the applicant will provide tenant improvements to the building including the addition of walls, partitions, a new entrance, loading door and fenced secure loading and trash enclosures out side the building, and the project will be required to maintain the site in a clean and well kept manner; and

WHEREAS, based on existing circumstances, police data, and the background and history of the applicant, the City Council finds that proposed use will not cause an overconcentration of cannabis uses in the area, potential community benefits of the use are likely to offset potential adverse impacts, and the proposed use is not likely to exacerbate crime-related problems in the area; and

WHEREAS, a public notice describing the proposed cannabis conditional use permit was published in the Daily Democrat, a newspaper of general circulation, in accordance with Government Code section 60661 and mailed to properties within 1,000 feet; and

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Woodland, based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby make the above findings, determinations, and recommendations with respect to the proposed Conditional Use Permit, approves of the proposed Conditional Use Permit, as conditioned and attached hereto.

PASSED AND ADOPTED by the City Council this 16th day of October, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Enrique Fernandez, Mayor

ATTEST:

_____
Ana Gonzalez, City Clerk

APPROVED AS TO FORM:

_____
Kara K. Ueda, City Attorney

CONDITIONS OF APPROVAL
ProTerp Manufacturing, LLC – 1230 Harter Avenue, Suite F

1. The project is as described in the staff report prepared for the September 20, 2018, Planning Commission meeting and the October 16, 2018 City Council meeting and shall consist of administrative offices, cannabis manufacturing facility (including authorized volatile extraction) within an existing 10,055 square foot tenant space. The project shall be established and operated as depicted in the staff report, except as modified in these conditions of approval and with any changes necessary to comply with City codes and specifications.

2. The applicant shall defend, indemnify, and hold harmless the City of Woodland, its agents, officers or employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul an approval of the subject application by the City, its legislative body, advisory agencies or administrative officers. The City will promptly notify the applicant of any such claim, action or proceeding against the City and the applicant will either, at the City's discretion, undertake defense of the matter and pay the City's associated legal costs, or will advance funds to pay for defense of the matter by the City Attorney.

3. The applicant shall secure approval and satisfy requirements of all agencies with jurisdiction prior to operating the cannabis business.

4. The Conditional Use Permit shall not be issued until the appeal period has expired or final action on an appeal has been rendered.

5. The Conditional Use Permit must be exercised within one year of issuance, or it shall be deemed null and void by act of law (Section 25-27-70).

6. The project approval is for the project as described in the above staff report and related attachments, which depict the projects proposed map, site and floor plans, business plan, community relations plan, odor control plan, energy efficiency plan, and plant oil and chemical waste disposal plan. Should there be a change in the use or an intensification of the described use, the change shall be described and provided in writing to be evaluated by the Community Development Director to determine general consistency with the provisions of the use permit. The Director shall either approve the proposed changes based on a finding that the changes shall not result in significant traffic, noise, safety or security concerns or other potential nuisance to surrounding property owners or within public right-of-ways beyond that anticipated by the original approval, or, if these findings cannot be made, the Director shall make a determination that a Conditional Use Permit Modification is required, which shall include Planning Commission review including applicable processing and development fees.

7. Environmental Recording Fee. Applicant shall provide the Community Development Department with a check for the sum of $50 made out to Yolo County to record the CEQA environmental document (Notice of Exemption) with the County.

8. The applicant shall comply with all state and local laws and ordinances, including the provisions of Chapter 13A of the Municipal Code and the requirement to secure a Cannabis Business Permit, including approval of an Operating Agreement, for each business entity operating at the location as part of the approved conditional use permit. The applicant shall obtain and maintain, prior to operation of the business and continuing at all times the business is in operation, a valid Cannabis Business Permit and all applicable state license(s). All requirements, terms and conditions of the

Cannabis Business Permit, Operating Agreement, and applicable state license(s) shall be considered conditions of this conditional use permit. Failure to comply with all applicable state and local laws and ordinances, the Cannabis Business Permit, Operating Agreement, and/or applicable state license(s) shall be deemed a violation of the conditional use permit and may result in revocation of the use permit.

9. As set forth and agreed to in the Operating Agreement for each approved Cannabis Business Permit, the business/applicant shall pay a fee in the form and in the amount and manner agreed upon between the City and the business receiving a Cannabis Business Permit. If, during the term of the Operating Agreement, the city imposes an alternative revenue mechanism, specifically related to cannabis operations (e.g. cannabis tax), the business/applicant will pay the city the greater of the two payments, or as otherwise agreed by the city or mandated by law.

10. If the applicant wishes to relocate, significantly modify the approved site layout and allowed cannabis uses, the applicant shall secure a new conditional use permit, or modification to the existing conditional use permit prior to any modification or occupancy of the site by a new or modified use.

11. If the Community Development Director finds evidence that conditions of approval have not been fulfilled or that the use or uses has or have resulted in a substantial adverse effect on the health, and/or general welfare of users of adjacent property, or have a substantial adverse impact on public facilities or services, the Community Development Director may refer the Conditional Use Permit to the Planning Commission for further review. If, upon such review, the Commission finds that any of the adverse results above have occurred, the Planning Commission shall recommend to the City Council to modify or revoke the Conditional Use Permit. If upon such review the City Council finds that any of the above results have occurred, the City Council shall modify or revoke the Conditional Use Permit.

12. Upon receipt of a Cannabis Business Permit the applicant shall be subject to provisions relating to violations contained in Municipal Code Section 13A-1-09, or as may be amended.

13. The applicant shall submit a final security plan for review and approval by the Police Department prior to operation and shall comply with requirements included in Section 13A-4-02, or as may be amended.

14. The applicant's business shall not employ any juvenile under the age of 21.

15. No customers or sales shall occur at the facility.

16. All cannabis related activities shall take place in the interior of the building and any cannabis related activities outside the premises are strictly prohibited with the exception of the lawful receipt of raw cannabis materials received by the business and the delivery of finished lawful cannabis products to another lawful cannabis business, in accordance with all applicable state and local laws governing transportation of cannabis goods. There shall be no exterior storage of materials or equipment.

17. Approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be plainly visible and legible from the street or road fronting the property. Said numbers shall contrast with their background.

18. The main entrance to the facility shall be clearly identified with proper signage to include name of business and address. Main entrance shall also provide adequate lighting per the City Security Ordinance and lighting regulations.

19. Applicant shall comply with the design requirements as stated in the Community Design Standards for any exterior changes, modifications, and additions to the subject building. All exterior changes beyond those stated in the original approval will require staff level design review.

20. The site shall be inspected and maintained daily to be clear of litter.

21. Any new signage, modifications or changes to the signage the applicant shall conform to the City Zoning Code and Sign Ordinance and shall comply with provisions of Section 13A-4-04 of the Municipal Code. Except as otherwise approved by the City in writing or by law, project signage shall include nothing in word or symbol, identifying the fact that the property is used for cannabis related activities.

22. No vehicle owned or operated by the business, or used for the transportation of product or individuals associated with the Facility shall include markings (in words or symbols) identifying the vehicle as a vehicle used for cannabis-related activities, unless otherwise required by law.

23. Photometric data shall be provided, and indicate that the parking area will be equipped with one (1) foot-candle of minimum maintained illumination per square foot of parking surface to include the entire paved area. The parking area shall be illuminated from dusk until the termination of business every operating day. Photometric data must also confirm the absent of "Hot Spots" or areas of ten (10) foot-candle of illumination per square foot or more.

24. All existing landscape planter areas shall be replanted and maintained per City Standards. Vegetative matter shall cover no less than 75% of the required landscape area unless otherwise approved by the Community Development Director. Maintenance shall include but is not limited to watering, fertilizing, weeding, cleaning, pruning, trimming, spraying and cultivation.

25. The applicant shall utilize building energy saving measures to reduce energy usage. The applicant shall submit a statement with the initial submittal of their building construction plans describing energy conserving measures that they will be implementing.

26. The applicant shall provide a minimum of two bike parking spaces for employees. Bike parking shall be provided in a safe a secure location.

27. Waste materials shall be appropriately handled. The applicant shall describe methods that will be used to make cannabis waste unusable and unrecognizable, and how cannabis waste will be stored prior to removal from the business. The applicant shall describe methods used to transport cannabis waste from the manufacturing site to a solid waste facility.

28. The applicant shall include a solvent waste disposal plan, including projected accumulation volumes and where on the property the solvent waste will be stored. The applicant shall describe how the business will transport solvent waste from the manufacturing site to a waste facility.

29. The applicant shall have an appropriate plan that considers all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.

30. The applicant shall establish safety protocols that will be adopted, including, but not limited to: staff training, protective equipment, hazardous material handling, emergency communication/response protocols, etc. The applicant shall conform to all Cal OSHA workplace safety standards.

31. The applicant shall develop a quality control guidelines and standard operating procedures that are in strict adherence to MAUCRSA and applicable state regulations. The applicant shall establish quality control procedures for each business, manufacturing and testing to ensure that cannabis products are safe and suitable for human consumption and /or use. Quality control procedures will consider the proper handling and storage of raw materials, in-process materials, and finished product throughout the production process and shall ensure uniformity between each separately produced batch of cannabis product. This includes equipment inspection and maintenance, internal controls for each step in the process, internal batch sampling and testing.

32. The applicant shall institute policies and procedures used by the business to help prevent contamination of any cannabis product. This will include hand washing, employee training, use of facemasks/gloves, prohibiting employees who are showing signs of illness, open wounds, sores or skin infections from handling cannabis, etc.

33. A toxic material control plan will be provided with the Cannabis Business Permit application that contains a description of all toxic, flammable, or other materials that will be used or kept at the cannabis business, the location of such materials, and how such materials will be stored. The toxic material control plan will include all materials regulated by a federal, state, or local government that would have authority over the business if it was not a cannabis business.

34. The applicant will establish and utilize Standard Operating Procedures that describe the steps the manufacturing facility will take when notified from a testing agency, Health Officials, or California State Regulators, that the tested cannabis product does not meet appropriate health standards. The manufacturing operator shall describe how the business will dispose of all rejected cannabis product associated with the test sample, and ensure that rejected cannabis product is not released to the public. In addition, the manufacturing operator shall provide a recall procedure which describes the policy for communicating with customers and businesses who have purchased the product from the manufacturing facility, as well as health officials. The recall plan shall describe the method to collect recalled product and dispose of it in a manner that ensures it will not be consumed.

35. Any Cannabis manufacturer shall comply with all requirements provided by the California Department of Public Health (CDPH)

BUILDING

The following comments are from the City of Woodland Building Division and are applicable to the reference project:

36. This project must meet all criteria and mandates for these City adopted codes or the most current code:

    a. 2016 California Building Code
    b. 2016 California Plumbing Code
    c. 2016 California Mechanical Code
    d. 2016 California Electrical Code
    e. 2016 Building Energy Efficiency Standards
    f. 2016 California Green Building Code

g. The Code of the City of Woodland

37. The project will require engineered building plans for the proposed work to be plan reviewed and inspected to ensure safety. This would include compliance with California Building Codes (including the 2016 California Fire Code Chapter 38 in the July 1st, 2018 Supplement, Plant Processing and Extraction Facilities) and applicable NFPA standards.
38. Other City and County Agencies (Health, Fire, Public Works, and Planning) are be required to approve the project prior to a building permit being issued.
39. A licensed architect or licensed engineer shall be responsible for reviewing and coordinating all submittal documents prepared by others, including deferred submittal items, for compatibility with the design of the building.
40. The project will provide a final odor control plan for review and approval prior to issuance of building permits.

FIRE

41. One-hour separation wall shall be inspected for integrity and conformance to original installation standards. Inspection shall be performed on both sides of the rated wall.

42. Exit doors shall be provided with panic hardware. Exit doors shall swing in the direction of egress travel.

43. Provide exit signs and emergency means of egress illumination.

44. Prior to final occupancy, provide confirmation from a licensed professional (fire protection engineer) indicating the existing fire sprinkler system adequately provides the level of protection required for the specific operation and associated hazardous materials involved.

ENVIRONMENTAL SERVICES

45. Management of Waste
    a. If the waste generated from the cannabis facility contains green byproduct, meaning that it contains buds or that the byproduct can still be used for the making of oils or the like, then the materials must be serviced as waste (trash). Yolo County Central Landfill requires these loads to obtain a certificate of destruction with each disposal.

    b. If the waste generated is brown and does not contain buds or usable byproduct, then the materials should be hauled as organic waste, which will be composted and considered diverted materials. If loads taken to the Yolo County Central Landfill contain any green byproduct, they will be processed as waste and will require a certification of destruction.

    c. Any hazardous waste materials generated (i.e. solvents, pesticides, chemicals, lamp ballasts, canisters/cylinders, personal protection equipment with residual, etc.) must be disposed of through a hazardous waste facility. Yolo County Central Landfill accepts commercial hazardous waste through their Conditionally Exempt Small Quantity Generator (CESQG) business program.

    d. Recycling (cardboard, paper, and plastic, glass, or metal containers) is also required and should be separated from any waste or organics recycling loads.

e. Materials may be self-hauled to a waste or compost facility by the business in which the materials were generated. If self-hauled to the Yolo County Central Landfill, the above disposal procedures will be in effect.

f. If the materials are not self-hauled, Waste Management is the exclusive waste, recycling and organics recycling hauler for Woodland and must be used for disposal services. The business may not pay another company besides Waste Management to haul waste, recyclables, or organic materials.

g. The types of services, collection frequency, and bin sizes for waste and/or organics recycling services should be determined through Waste Management upon an assessment of the facility and types of materials generated.

h. Depending on the amount of materials generated, all waste generated from the facility should be removed from the premise no less than one time per week.

i. The City of Woodland, its residents and businesses have an obligation to meet state-mandated waste diversion requirements and requests that businesses make the highest effort possible to divert their waste through recycling or composting (organics recycling). Waste generated by a business should be processed in a manner that meet the landfill's requirements for acceptance as organic waste/composting.

j. Bins (dumpsters), roll-offs (debris boxes), or trailers used to collect materials must be stationed in an area not generally accessible to the public. Bins should be either padlocked, located inside a non-accessible enclosure or inside of the business to deter scavenging.

POLICE

46. Site plans and floor plans shall be completed to the satisfaction of the Police Department CPTED requirements prior to issuance of building permits.

47. Exterior lighting shall be white light using LED lamps with full cutoff fixtures to limit glare and light trespass. Color temperature should be between 2700K an d4200K with a color rendering index of 75 or better and a light loss factor of 0.95 or better. All existing exterior fixtures shall be replaced with fixtures that meet this requirement.

48. Broken or damaged exterior lighting shall be repaired or replaced within 48 hours of being noted.

49. Exterior lighting shall be shielded or otherwise designed to avoid spill-over illumination to adjacent streets and properties.

50. Tree canopies shall not interfere with or block lighting. This creates shadows and areas of concealment. The landscaping plan shall allow for proper illumination and visibility regarding lighting and surveillance cameras through the maturity of trees and shrubs.

51. All solid core doors shall be equipped with a 180 degree viewing device to screen persons before allowing entry.

52. The business shall be equipped with and maintain a security system with an alarm system with a valid UL Certificate in accordance with ANSI/UL Standard 681-2014 (Standard for Installation and Classification of Burglar and Holdup Alarm), Extent No 3; and a Video Assessment and Surveillance System (VASS).

53. A hold up alarm shall be employed near the transport area, lobby, employee entrance and safe(s).

54. Burglar alarms shall cause the dispatch of a properly licensed private patrol.

55. Hold up alarms shall cause the dispatch of the Woodland Police Department.

56. The Security system shall be equipped with at least 24 hours of continued operation time in case of power failure.

57. The Security system shall be equipped with cellular backup in case of phone line disruption.

58. The facility shall be staffed at all times that the security system is not fully functional.

59. A log shall be maintained that shows when the alarm system was armed and disarmed, and by whom.

60. VASS storage shall be kept off-site or in a secured area accessible only to management.

61. VASS shall be capable of no less than 30-days worth of activity and shall provide comprehensive coverage of: safe, areas of ingress and egress, parking lot, loading areas, areas not clearly visible from public streets, and coverage of all exterior areas of the building.

62. Monitors displaying the employee parking area shall be mounted in a visible location near the door from which employees will arrive and depart so that employees may monitor the outside environment prior to departing the facility.

63. The applicant is responsible for reasonably controlling the conduct of persons of the site and shall immediately disperse loiterers.

64. Applicant shall install a “Knox Box” for police access of the exterior areas of the property after hours.

RESOLUTION NO. CC 18-0_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN OPERATING AGREEMENT WITH PROTERP MANUFACTURING, LLC FOR A CANNABIS MANUFACTURING BUSINESS LOCATED AT 1230 HARTER AVENUE, SUITE F

WHEREAS, the applicant ProTerp Manufacturing submitted a Conditional Use Permit application to operate a Commercial Cannabis Manufacturing Facility ("Cannabis Business") in approximately 10,055 square feet in the existing building located at 1230 Harter, Suite F ("Subject Property"), conducting cannabis volatile manufacturing extractions, and using approximately 1,455 square feet of the space for office use; and

WHEREAS, the City Council, following a Planning Commission recommendation to approve the use, approved granting a conditional use permit to the Cannabis Business to conduct commercial cannabis activities at the Subject Property, subject to conditions of approval and contingent on issuance of a cannabis business permit, state license(s) and execution of an Operating Agreement; and

WHEREAS, Section 13A-3-04(a)(9) of the Woodland Municipal Code provides that the City shall enter into an Operating Agreement and Indemnification, in conjunction with the issuance of a Cannabis Business Permit, in which the Cannabis Business agrees to abide by the requirements of the Municipal Code and any other operating terms and conditions as mutually agreed by the parties; and

WHEREAS, the City Council finds that both community benefits and potential adverse impacts may result from the operation of cannabis businesses in the City, and therefore desires to ensure all such impacts are adequately mitigated and offset by the potential community benefits the businesses can provide to the City and its residents; and

WHEREAS, the Cannabis Business and the City have therefore mutually agreed to enter into an operating agreement whereby the Cannabis Business will make certain minimum payments to the City to provide for projects, programs, and other services and activities that will positively contribute to the community and account for any adverse impacts or increases in need for services caused by the operation of the Cannabis Business in the community; and

WHEREAS, the proposed Operating Agreement additionally addresses other mutually agreeable terms and conditions regarding operation of the Cannabis Business, including minimum insurance requirements, security procedures, and indemnification.

NOW, THEREFORE, the City Council hereby resolves as follows:

1. The City Council adopts the findings above as true and correct.

2. The City Council hereby approves of an Operating Agreement between the City and ProTerp Manufacturing, LLC, generally consistent with the terms and conditions provided in the Operating Agreement attached hereto as Attachment 1.

3. The City Manager, or his or her designee, is authorized to execute an Operating Agreement in substantially the form provided in Attachment 1, subject to any minor, technical, non-substantive or necessary changes approved by the City Attorney, and any other supporting documents necessary to execute the Operating Agreement. The City Attorney is hereby authorized to make clarifying and confirming changes to the Agreement, provided the total payment amount under the Agreement does not change.

4. The Operating Agreement shall be executed prior to issuance of a Cannabis Business Permit.

PASSED AND ADOPTED by the City Council this 16th day of October, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Enrique Fernandez, Mayor

ATTEST:

_____
Ana Gonzalez, City Clerk

APPROVED AS TO FORM:

_____
Kara K. Ueda, City Attorney

Attachment 1: Draft Operating Agreement

DRAFT

OPERATING AGREEMENT FOR CANNABIS BUSINESS LOCATED IN THE CITY OF WOODLAND

PROTERP MANUFACTURING, LLC LOCATED AT 1230 HARTER AVENUE, SUITE F

This Operating Agreement for a Cannabis Business (hereinafter "Agreement"), dated _____, 2018 ("Effective Date"), is entered into by and between the City of Woodland (the "City"), a California municipal corporation, and ProTerp Manufacturing, LLC a volatile cannabis manufacturing facility ("Cannabis Business"). The City and Cannabis Business may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Cannabis Business submitted an application to the City for a conditional use permit to conduct certain cannabis uses in the City, located at 1230 Harter Avenue, Suite J ("Subject Property"); and

WHEREAS, the City granted a conditional use permit to the Cannabis Business on October 16, 2018, to permit volatile manufacturing at the Subject Property, subject to conditions of approval, issuance of a cannabis business permit and execution of this Agreement; and

WHEREAS, Section 13A-3-04(a)(9) of the Woodland Municipal Code provides that the City shall enter into an Operating Agreement and Indemnification, in conjunction with the issuance of a Cannabis Business Permit, in which the Cannabis Business agrees to abide by the requirements of the Municipal Code and any other operating terms and conditions as mutually agreed by the parties; and

WHEREAS, the City Council of the City of Woodland has determined that both community benefits and potential adverse impacts may result from the operation of cannabis businesses in the City, and therefore desires to ensure all such impacts are adequately mitigated and offset by the potential community benefits the businesses can provide to the City and its residents; and

WHEREAS, the Cannabis Business and the City have mutually agreed to certain minimum payments to the City to provide for projects, programs, and other services and activities that will positively contribute to the community and account for any adverse impacts or increases in need for services caused by the operation of the Cannabis Business in the community.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants set forth herein, the Parties agree as follows:

AGREEMENT

1. **Incorporation of Recitals.** The Recitals, and all defined terms set forth in this Agreement, are hereby incorporated into this Agreement as if set forth herein in full.

2. **Definitions.** The following terms shall have the following meanings for purposes of this Agreement, but other terms may be defined elsewhere in this Agreement.

A. "Cannabis business permit" means the regulatory permit issued by the City to the Cannabis Business pursuant to the provisions of Chapter 13A of the Woodland Municipal Code.

B. "Cannabis manufacturing" means the compounding, blending, extracting, infusing, or otherwise making or preparing a cannabis product, as permitted by Article 21.6 of the Zoning Code, expressly including the production, preparation, propagation, processing, or compounding of cannabis or cannabis products directly or indirectly, including through extraction and/or chemical synthesis methods. Nothing in this definition shall be construed to conflict with, preempt or replace applicable state law requirements for authorized cannabis manufacturing activities, nor does this definition authorize any activity that is otherwise illegal under state law.

C. "City" means the City of Woodland.

D. "City Permits" means all building permits, conditional use permits, zoning amendments, operating agreements, and other permits, including the Cannabis Business Permit, licenses, entitlements, and agreements that the City, acting in its governmental capacity, must issue or approve for the Cannabis Business to operate in accordance with this Agreement.

E. "Commencement Date" means the date that all of the following have occurred: (1) the City has issued all necessary City Permits; (2) the Cannabis Business has obtained all necessary State Licenses to operate; and (3) the Cannabis Business has obtained a certificate of occupancy.

F. "Community Development Director" means the Community Development Director and his or her designee.

G. "Conditional Use Permit" means the conditional use permit issued by the City to the Cannabis Business pursuant to the City's Zoning Code, as approved by the City Council on or about October 16, 2018, as may be amended, related to the operation of a commercial cannabis business.

H. "Effective Date" means the date first entered above as the Effective Date that both Parties have signed this Agreement.

I. "Gross Receipts" means the total amount actually received or receivable from sales and the total amounts actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, all cost of materials used, labor or service costs, interest paid or losses or other expenses. The following shall not be included in the definition of "Gross Receipts: (1) Cash discounts allowed and taken on sales; (2) Such part of the sale price of property returned by purchasers upon rescission of the contract of sale as is refunded either in cash or by credit; and (3)

Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business shall not be excluded.

J. "Manager" means a person with responsibility and authority over the establishment, management, supervision, or oversight of the operation of the Cannabis Business.

K. "State License" means all licenses required to be issued by the State of California for operation of the Cannabis Business pursuant to Division 10 of the Business and Professions Code and applicable state regulations, including Division 42 of Title 16, Division 8 of Title 3, and Division 1 of Title 17 of the California Code of Regulations, as those provisions may be amended.

L. "Term" means the period of time this Agreement is in effect, and any renewal periods, as specified in Section 3.

3. Term of Agreement. The Term of this Agreement shall commence on the Effective Date and continue for a period of two (2) years therefrom ("Initial Term"), unless earlier terminated as specified in this Agreement. Prior to the expiration of the Initial Term and any subsequent Renewal Period, the Parties may mutually agree to extend the Term of this Agreement for up to two (2) additional two-year (2-year) terms to run consecutively (each a "Renewal Period").

4. General Terms and Conditions. The Cannabis Business shall comply with all of the following terms and conditions for the Term of this Agreement:

A. This Agreement is only valid for the Cannabis Business to operate at the Subject Property identified in this Agreement. The rights and obligations set forth in this Agreement shall not be transferred, assigned, or assumed unless agreed to in advance in writing by the City.

B. Conditions placed on the Cannabis Business Permit and the Conditional Use Permit shall be conditions of this Agreement. Violations of the Cannabis Business Permit, the Conditional Use Permit and/or applicable State Licenses shall be deemed violations of this Agreement and shall constitute a material breach of this Agreement.

C. The Cannabis Business shall obtain and maintain at all times a valid Cannabis Business Permit, Conditional Use Permit, and applicable State License(s) prior to and during operation of the Cannabis Business.

i. As soon as practicable, the Cannabis Business shall inform the City when it obtains its necessary State License(s), and shall provide a copy of the State License(s) to the Community Development Director. The City shall cooperate with the Cannabis Business as appropriate and as needed to facilitate the State's issuance of a State License(s) to the Cannabis Business.

ii. The City shall diligently process the Cannabis Business's applications for all City Permits. This Agreement does not commit the City in advance to approve the City Permits; nor does this Agreement constrain the City's discretion to

determine compliance with all requirements regarding issuance of any City Permits. Nothing in this Agreement relieves the Cannabis Business of the obligation to comply with all requirements and application procedures set forth in Chapter 13A of the Woodland Municipal Code.

D. The Cannabis Business understands, acknowledges and agrees to comply with all applicable then-existing state and local laws and regulations applicable to operation of the Cannabis Business, including Chapter 13A of the Woodland Municipal Code.

5. Operational Requirements. In addition to all operating requirements set forth in Article IV of Chapter 13A of the Woodland Municipal Code, the Cannabis Business shall comply with the following specific operational requirements:

A. The Cannabis Business shall immediately notify the City Police Department of any criminal activity, or suspected criminal activity, occurring at the Subject Property. In the event of any internal security system breach, including a faulty alarm system, broken or damaged surveillance cameras or other video recording equipment, or broken or damaged locks, doors, or lighting which may increase risk of criminal activity at the Subject Property, the Manager of the Cannabis Business shall notify the City Police Department as soon as practicable after becoming aware of the security system breach. The Cannabis Business shall diligently attempt to fix or resolve any such security breach immediately; if circumstances require additional time and delay to remedy, the Cannabis Business shall so notify City police and provide an estimated timeline the breach will be cured.

B. If the Cannabis Business receives any criminal threats, or otherwise suspects any criminal targeting related to movement of product or cash from or to the Subject Property, the Cannabis Business shall immediately notify the City Police Department.

C. [INSERT ANY OTHER SPECIFIC REQUIREMENTS FOR THE PARTICULAR SITE]

6. Consideration. As consideration for the rights and benefits it enjoys under this Agreement, including its operation of approved cannabis uses in the City during the Term, the Cannabis Business shall do all of the following:

A. Monthly Payment. The Cannabis Business shall pay to the City a community benefit fee in the amount of $5,000 or five percent (5%) of the Cannabis Business's gross receipts, whichever is greater, per month ("Monthly Payment").

i. Monthly Payments shall be calculated per calendar month, due and payable on the 15th day of the subsequent calendar month. By way of example only, a Monthly Payment for the month of September would be calculated from September 1 through September 30, due and payable on October 15.

ii. The obligation to make Monthly Payments shall begin as of the Commencement Date. If the Commencement Date falls on a day other than the

first day of a month, the $5,000 flat-rate amount shall be prorated for purposes of calculating the first Monthly Payment.

iii. If a Monthly Payment is not paid in full within fifteen (15) days after it is due and payable, the Monthly Payment shall accrue a penalty of five percent (5%) compounding for each month the Monthly Payment is late, until the Monthly Payment and all penalties are paid in full.

iv. Monthly Payments shall be made to the City's Finance Department. In the event the Cannabis Business intends to pay a Monthly Payment in cash in an amount that exceeds $5,000, the Cannabis Business shall notify the City in advance to make prior arrangements.

v. The Cannabis Business shall keep accurate and adequate records and documentation to reflect its monthly gross receipts. Pursuant to section 13A-4-09 of the Woodland Municipal Code, the Cannabis Business shall maintain all such records for at least three (3) years, and shall produce those records to the City within 24 hours after receipt of the City's request.

vi. Accompanying the Monthly Payment, the Cannabis Business shall deliver to the City a report ("the Monthly Report") showing (1) Gross Receipts of the Cannabis Business for the immediate prior month; 2) a cumulative total of all amounts of Gross Receipts received by the Cannabis Business to date for the calendar year, (3) a calculation of the Monthly Payment currently due to the City; and (4) a calculation of the cumulative total of all Monthly Payments made to the City to date for the calendar year.

vii. In the event that City voters approve a cannabis-specific tax to be imposed on cannabis businesses operating in the City, including the Cannabis Business, the obligation to make Monthly Payments under this Agreement shall terminate as of the effective date of the cannabis tax. Nothing in this Agreement shall relieve the Cannabis Business of the obligation to pay all applicable State and local taxes, including a possible future City cannabis tax.

B. Community Contributions. The Cannabis Business, as part of its project proposal submitted to the City and accepted and approved by the City Council, promised to make certain additional community contributions to the City of Woodland to ensure that any potential adverse impacts of the Cannabis Business are adequately offset by the business's positive community contributions. Accordingly, the Cannabis Business agrees to provide the following: (List)

i. [REMOVE THIS SUBSECTION B IF NOT APPLICABLE; IF THE BUSINESS PROPOSED ADDITIONAL COMMUNITY CONTRIBUTIONS THAT ARE ACCEPTABLE TO THE CITY, LIST THEM HERE]

7. Termination. The City and/or Cannabis Business may terminate this Agreement prior to expiration of the Term for the reasons and subject to the requirements set forth below. The Cannabis Business understands and acknowledges that the right to operate the Cannabis

Business is expressly contingent on full execution of an Operating Agreement, as required by section 13A-3-04(a)(9) of the Woodland Municipal Code. As such, termination of this Agreement shall result in the immediate termination of the Cannabis Business's operations, unless and until a new Operating Agreement is executed by the Parties

A. City's Termination Rights. Without prejudice to its other remedies at law or in equity, the City may terminate this Agreement, at any time and in its sole discretion, effective thirty (30) days after the City provides written notice of termination to the Cannabis Business, if any of the following circumstances occurs:

    i. The Cannabis Business breaches its obligation to pay the Monthly Payments when due and fails to cure the breach within thirty (30) days after the City provides the Cannabis Business with a written notice of default.

    ii. The Cannabis Business breaches its obligation to perform in accordance with any material provision of this Agreement, other than the obligation to pay the Monthly Payment, and: (A) does not cure the breach within thirty (30) days after the City provides the Cannabis Business with a written notice of breach or, if the breach cannot reasonably be cured within 30 days, (B) does not begin work to cure the breach within thirty (30) days after the City provides the Cannabis Business with a written notice of breach. The Parties may mutually agree in writing to extend the time period to cure the breach. The express designation in this Agreement of a provision as "material" does not imply that other provisions are not material.

    iv. The Cannabis Business fails to obtain and maintain at all times prior to and during operation of the Cannabis Business a valid Cannabis Business Permit and State License(s), or violates any condition of approval of the Conditional Use Permit.

    v. The uses and business activities of the Cannabis Business are declared unlawful by order of Court, or become illegal by operation of State law.

B. Cannabis Business's Termination Rights. The Cannabis Business may, at any time and in its sole discretion, effective thirty (30) days after the Cannabis Business provides written notice of termination to the City, may terminate this Agreement if the Cannabis Business has permanently ceased operations, or intends to cease operations within thirty (30) days, in the City of Woodland.

8. Release & Indemnification. The Cannabis Business shall release and hold harmless the City, its agents, officers, elected officials, staff and employees (collectively, "City Parties") from any and all claims, injuries, damages, or liabilities of any kind arising from: (i) any repeal or amendment of Chapter 13A of the Woodland Municipal Code, or any provision of the Zoning Code relating to the Cannabis Business, and (ii) any arrest or prosecution of the Cannabis Business or its owners, Managers, staff, employees, or members for violation of state or federal laws. The Cannabis Business shall further defend, indemnify and hold harmless the City Parties from and against any and all claims or actions: (i) brought by

adjacent or nearby property owners or any other parties for any damages, injuries, or other liabilities of any kind arising from or related to the Cannabis Business operations at the Subject Property, and (ii) brought by any party for any problems, injuries, damages, or other liabilities of any kind, including bodily injury, death or property damage, arising out of the distribution of cannabis or cannabis products at the Subject Property. The obligations in this Section 7 Release & Indemnification shall survive any expiration or termination of this Agreement.

9. Insurance.

A. Time for Compliance. The Cannabis Business shall not begin operations until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. Failure to provide and maintain all required insurance shall constitute a material breach of this Agreement.

B. Types of Required Coverages. Without limiting the indemnity provisions of this Agreement, the Cannabis Business shall procure and maintain in full force and effect during the term of the Agreement, the following policies of insurance:

i. Commercial General Liability. Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 0001, with minimum limits of at least $1,000,000 per occurrence. Defense costs shall be paid in addition to the limits.

The policy shall contain no endorsements or provisions limiting coverage for (1) products and completed operations; (2) contractual liability; (3) third party action over claims; or (4) cross liability exclusion for claims or suits by one insured against another.

ii. Automobile Liability. Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) with minimum limits of $1,000,000 each accident.

iii. Workers' Compensation. Workers' Compensation Insurance, as required by the State of California and Employer's Liability Insurance with a limit of not less than $1,000,000 per accident for bodily injury and disease.

If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement.

C. Endorsements.

i. The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability shall be endorsed to provide the following:

a. Additional Insured. The City's indemnified parties shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement. Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of Consultant; or (4) contain any other exclusions contrary to the Agreement.

b. Primary Insurance and Non-Contributing Insurance. This insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the indemnified parties shall not contribute with this primary insurance.

c. Severability. In the event of one insured, whether named or additional, incurs liability to any other of the insureds, whether named or additional, the policy shall cover the insured against whom claim is or may be made in the same manner as if separate policies had been issued to each insured, except that the limits of insurance shall not be increased thereby.

d. Cancellation. The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon the City except ten (10) days prior written notice shall be allowed for non-payment of premium.

e. Duties. Any failure by the named insured to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the indemnified parties.

f. Applicability. That the coverage provided therein shall apply to the obligations assumed by the Cannabis Business under the indemnity provisions of this Agreement, unless the policy or policies contain a blanket form of contractual liability coverage.

ii. The policy or policies of insurance required by this section for Workers' Compensation shall be endorsed, as follows:

a. Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the City's indemnified parties.

b. Cancellation. The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon the City except ten (10) days prior written notice shall be allowed for non-payment of premium.

D. Deductible. Any deductible or self-insured retention must be approved in writing by the City and shall protect the City's indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

E. Evidence of Insurance. The Cannabis Business shall, concurrently with execution of this Agreement or as soon thereafter as may be authorized by the City, deliver either certified copies of the required policies, or original certificates and endorsements on forms approved by the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, the Cannabis Business shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

F. Failure to Maintain Coverage. The Cannabis Business agrees to suspend and cease all operations hereunder during such period of time if the required insurance coverage is not in effect and evidence of insurance has not been furnished to the City.

G. Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

H. Insurance for Subcontractors. All subcontractors shall be included as additional insureds under the Cannabis Business's policies, or the Cannabis Business shall be responsible for causing subcontractors to purchase the appropriate insurance in compliance with the terms of this Agreement, including adding the City as an Additional Insured.

10. Notice. Any notice or other communication provided pursuant to this Agreement must be in writing and shall be considered properly given and effective only when mailed or delivered in the manner provided by this Section 9 to the persons identified below. A mailed notice or other communication shall be considered given and effective on the third day after it is deposited in the United States Mail (certified mail and return receipt requested). A notice or other communication sent in any other manner will be effective or will be considered properly given when actually delivered. A Party may change its address for these purposes by giving written notice of the change to the other Party in the manner provided in this Section 9.

If to the City:	**If to Cannabis Business:**
City of Woodland City Manager's Office	ProTerp Manufacturing, LLC

300 First Street
Woodland, California 95695
Attention: Paul Navazio

11. Force Majeure.

A. "Force Majeure Event" means a cause of delay that is not the fault of the Party who is required to perform under this Agreement and is beyond that Party's reasonable control, including the elements (such as floods, earthquakes, windstorms, and unusually severe weather), fire, energy shortages or rationing, riots, acts of terrorism, war or war-defense conditions, acts of any public enemy, epidemics, the actions or inactions of any governmental entity (excluding the City) or that entity's agents, litigation, labor shortages (including shortages caused by strikes or walkouts), and materials shortages.

B. Except as otherwise expressly provided in this Agreement, if the performance of any act required by this Agreement to be performed by either the City or Cannabis Business is prevented or delayed because of a Force Majeure Event, then the time for performance shall be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused.

12. Waiver. A Party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon the other Party's breach of this Agreement shall not constitute a waiver of any performance, right, or remedy. A Party's waiver of the other Party's breach of any provision in this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in writing and signed by the waiving Party.

13. Relationship of Parties. This Agreement does not create any employment relationship, ownership interest, or other association between the City and Cannabis Business. Nothing herein shall be construed to create the relationship of principal and agent, partnership or other joint venture between the City and Cannabis Business.

14. Attorneys' Fees. The Party prevailing in any litigation concerning this Agreement, the Subject Property, or the Cannabis Business operations, shall be entitled to an award by the court of reasonable attorneys' fees and litigation costs. If the City is the prevailing party, then this Section shall apply whether the City is represented in the litigation by the designated City Attorney or by outside counsel.

15. Severability. If a court with jurisdiction finds any provision of this Agreement to be invalid, void, or unenforceable, then the remaining provisions shall remain in full force and effect, and to this end this Agreement shall be severable.

16. Counterparts. The parties may execute this Agreement in counterparts, each of which shall constitute an original, but all of which shall collectively constitute this same Agreement.

17. Integration and Modification. This Agreement sets forth the Parties' entire understanding and agreement regarding the matters addressed herein. This Agreement supersedes all prior

or contemporaneous agreements, representations, and negotiations (written, oral, express, or implied) and may be modified only by written agreement signed by both Parties.

(*Signature Page Follows*)

DRAFT

IN WITNESS WHEREOF, the parties enter into this Agreement as of the date first set forth on this Agreement.

City of Woodland

By: _____
Paul Navazio, City Manager
Dated: _____, 2018

Cannabis Business:
Epic Bros Enterprises, Inc

By: _____
[INSERT]

Dated: _____, 2018

Approved as to Form

Woodland City Attorney

By: _____
Kara K. Ueda, City Attorney

City of Woodland

Community Development Department
300 First St, Woodland CA 95695
(530) 661-5820 Fax (530) 406-0832
www.cityofwoodland.org

General Application Form

1. Owner/Applicant

PROPERTY OWNER: Ethan Conrad Properties
MAILING ADDRESS: 1300 National Drive, Suite 100
CITY STATE ZIP CODE: Sacramento, CA 95834
PHONE NUMBER: 916-779-1000
E-MAIL ADDRESS: ethan@ethanconradprop.com

PROJECT APPLICANT ProTerp Manufacturing, LLC
MAILING ADDRESS: 1230 Harter Ave Suite F
CITY STATE ZIP CODE: Woodland, CA 95776
PHONE NUMBER: 916-718-0793
E-MAIL ADDRESS: proterpmanufacturing@gmail.com

2. Application Requested

- ☐ General Plan Petition
- ☐ Zoning Amendment
- ☐ General Plan Amendment
- ☐ Tentative Subdivision Map
- ☐ Tentative Parcel Map
- ☐ Lot Line Adjustment
- ☐ Site Plan Review
- ☐ Design Review
- ☐ Sign Design Review
- ☐ Conditional Use Permit (CUP)
- ☐ Zoning Administrator Permit
- ☐ Variance
- ☐ Public Convenience or Necessity
- ☒ Other Commercial Cannabis CUP

Is this request part of another application? ☐ Yes ☒ No If so, what? _____

3. Project Description

Project Name: ProTerp Manufacturing
Total Acres or Square Feet 10,055 sqft

Site address or location: 1230 Harter Ave Ste F Woodland CA 95776
Assessor's Parcel Number: 027-420-023-000

Is Your Project Located in a Flood Zone? ☐ Yes ☒ No

Does this request include signage? ☐ Yes ☐ No

4. Justification for Request

☞ On a separate sheet, explain in detail your request and why you believe your request is justified.

5. General Plan Amendment

Existing General Plan Designation	Gross Acres	Proposed General Plan Designation	Gross Acres

6. Zoning Amendment

Existing Land Use Zone	Gross Acres	Proposed Land Use Zone	Gross Acres

7. Residential Development

No. of residential units are being requested? ____

Single Family _____ Half-plex _____

Duplex _____ Apartments _____

Condominiums _____ Other _____

Townhomes _____ **Total Units** _____

No. of lots will be created by this project? _____

Do you intend to market the units for sale?

☐ YES ☐ No

Do you intend to market the units for rent?

☐ YES ☐ No

8. Commercial/Industrial Development

Indicate the type of commercial/industrial development proposed:

Commercial Cannabis Type 7 Manufacturing

Indicate the gross and leasable square footage for each type of development:

10,055 sqft

9. Authority to File Application

Check one:

☐ Property Ownership ☐ Power of Attorney*

☐ Contract to Purchase* ☒ Other

Specify Letter of Agency

*Attach Evidence of Authority

I hereby certify that the above information and accompanying documents are true and accurate to the best of my knowledge and acknowledge that the processing of this application may require additional fees and expenses for the preparation of necessary environmental documentation and planning studies. I certify that I have reviewed the current Hazardous Waste and Substances Site List, developed pursuant to AB 3750, and found that my project is not on the list.

APPLICATION WILL NOT BE ACCEPTED WITHOUT SIGNATURE OF LEGAL OWNER OR OFFICIAL AGENT

(Nuriya Safarova) 3/5/2018

Applicant: **Date**

3/16/18

Legal Owner: **Date**

Legal Owner: **Date**

DEPARTMENT USE ONLY

Amount Paid: _____ Project No: _____

Amount Due:: _____ Logged by: _____ Date: _____

GP / Zoning Designation: _____ Planner: _____ Date: _____

Applicant Narrative/ Justification (Updated 6/12/2018)

Preamble. ProTerp Manufacturing, LLC (hereinafter referred to as "Applicant") is pleased to present our Commercial Cannabis Application Package to the City of Woodland's Community Development Department for one Type 7 Medical and Adult Volatile Commercial Cannabis Manufacturing. A Type 7 state license will be requested in the Cannabis Business Permit.

Applicant recognized the need for strict adherence to legal guidelines and requirements as outlined by the City of Woodland, the State of California as well as other relevant stakeholders. Our team of qualified professionals looks forward to working with all necessary agencies and authorities having jurisdiction to ensure compliance with all requirements. We believe that we are offering a comprehensive solution that can help satisfy the growing demand for cannabis in a safe and clean manner, while being a good member to the community and contributing in a significant way to the local economy.

Summary of Proposed Location. Applicant is proposing their project to be located at 1230 Harter Avenue in the City of Woodland in suite F within the proposed building. Property is zoned as M1 in the City of Woodland with an immediate access to I-5 freeway. The building has 120/208 and 277/480 Volts with a 3-phase power and natural gas service available. The boundaries of the property are greater than 600 feet from any K-12 school, commercial daycare center and youth center, and are greater than 600 feet of any residences of libraries on a neighboring property.

The existing facility needs only minor modifications. The facility currently has commercial glass doors that were previously installed in place of a roll-up door. Applicant will be installing a roll-up door for secure intake and output, installing an exhaust and filtration system for the manufacturing room, building cool storage area and secured solvents storage area and a security system. Applicant is having a C1D1 explosion proof container engineered and installed in the facility. The facility will be fully compliant with the Local and State requirements.

Project Size. The project itself occupies 8,600 sqft of warehouse space and 1,455 sqft of office space as a portion of a 42,241 total sqft of an industrial/manufacturing building. Warehouse clear height is 19'.

RECEIVED
JUN 13 2018
City of Woodland
Community Development

Facility Advantages. The following are advantages of the facility at 1230 Harter Ave, Suite F:

- Located in a concealed location that is not immediately visible
- Warehouse space with sufficient power
- Sufficient space for secure intake/output area
- Facility comes with fire sprinklers
- Full ADA Compliance with no additional modification requirements
- Facility will not impact the peace, order, or welfare of the local community

Additional Advantages.

Applicant ensured that surrounding neighborhood businesses are aware of applicant's intentions of establishing a cannabis manufacturing business. Those business owners and employees are exceptionally welcoming and thrilled to collaborate to create positive vibes and relationships amongst the neighbors.

Volatile Manufacturing Extraction Lab. Applicant is acquiring a class 1 division 1 (C1D1) extraction lab "FlexLab". This C1D1 explosion proof container design includes a 3-phase safety process:

Phase 1: Fresh air flows into the Lab from the make-up air unit and is pulled out by the 800 CFM fan to maintain constant airflow to prevent gas build-up.
Phase 2: If a higher level of gas is detected, the gas detection system will initiate the opening of a vent and the 5000 CFM fan will forcefully flush out all contaminated air.
Phase 3: If gas levels continue to rise, the system will activate an audible alarm that also shuts down the electrical outlets inside.

- All interior light fixtures, electrical outlets, and switches are spark-proof and meet Class 1 Division 1 hazardous area requirements.
- The spark-proof exhaust fans, in conjunction with the temperature controlled makeup air unit, use 100% outside fresh air to provide the required air flow rate over your equipment. The system provides a slightly negative pressure within the lab to prevent hazardous gasses from leaking into surrounding areas. If there is no need for temperature control in your location, the makeup air unit can be replaced with a pleated filtration intake for a nice cost reduction.
- The module is equipped with a gas detection alarm system that will initiate when hazardous gas begins to be detected. If the gas levels continue to rise, the system will activate an audible alarm and shut down power to the equipment inside the room well before dangerous levels are reached.
- The weatherproof main electrical distribution panel is located on the exterior of the module, outside of the hazardous area and out of the way. The entry door is of steel construction and equipped with an automatic closer, a panic exit device, a safety window, and weather seals. The optional sink is of quality stainless steel construction and equipped with a gooseneck faucet to accommodate large canisters or vessels.

- The module can be mounted on a wheeled chassis (for ease of relocation), directly on a shop floor or foundation (inside a building or as a stand-alone building).

Addressing Negative Effects on the Community. Applicant recognizes City's concerns surrounding commercial cannabis businesses. Pursuant to both City of Woodland ordinance, California State's regulations and reasonable good neighbor policies, our manufacturing operation will include the following:

Security. Our manufacturing facility will employ a comprehensive security plan mandated by ordinance which includes security patrols, use of security cameras, and strategic placement of lighting that will deter crime in the area. **Please see Security Plan.**

Odor Control. Our manufacturing facility will have a comprehensive odor control system which will make odors typically associated with cannabis manufacturing undetectable. **Please see Odor Control Plan.**

Cross Contamination. Our manufacturing operation is subject to strict guidelines under local and State's regulations. It requires us to establish and implement written manufacturing operation procedures to ensure that all of our product manufacturing is conducted properly. Our operations shall be conducted under conditions and controls that are necessary to eliminate contamination that could potentially affect our product and other surrounding businesses' production.

Community Benefits. A critical component to our operating model is deeply rooted in good stewardship to our community and the populations we serve. Applicant intends to engage in a responsibility agreement with the City of Woodland to remit $48,280 annually to City of Woodland, for the purpose of mitigating any adverse impacts the facility might have on our neighborhood. Second, a well-run manufacturing business does much more for a dispensary and its patients and customers than merely providing access to cannabis. Our vision includes fostering a sense of community among our neighbors to build stronger, healthier populations. Our organization is committed to creating a community-based entity to support the needs of dispensaries, their customers and patients, and improve our community by creating more jobs for residents.

Applicant believes that this facility is a great choice for this type of business and will enhance the local neighborhood, providing added security, economic viability, and responsible partnerships.

Distribution and Transport. Distribution and shipping shall be performed by a licensed distributor for inbound and outbound transportation. Applicant is currently working with establishing a relationship with Gold Mountain Distribution (West Sacramento). Inbound transportation shall include any biomass material to be manufactured as well as bulk material from other manufacturers for white labeling purposes. Inbound transportation of tested flower shall also be included for packaging purposes. Outbound transportation shall include any bulk material to be transported to other manufacturers for packaging and/or infusion purposes, finished and packaged batch products shall be transported to a testing laboratory for testing purposes. Distribution shall also include transportation of tested, finished manufactured products to be distributed to licensed retailers.

Statement of Proposed Use

Manufacturing as defined in the Woodland Municipal Code as the compounding, blending, extracting, infusing, or otherwise making or preparing a cannabis product.

Number of People Involved.

Owners: ProTerp Manufacturing ("ProTerp") has total of 2 owner/members. Detailed biographies and qualifications of each individual is described in "**Business Plan**". Each member of ProTerp is dedicating 100% of their skills to proposed project in order to become fully compliant, prosperous and bring in community benefits to City of Woodland and its surrounding areas. Both owners have extensive knowledge in the corporate business environment as well as the commercial cannabis industry. Both owners have great knowledge of the extraction processes through consulting various lab technicians across the country, getting familiarized with procedures of the manufacturing facility and shadowing colleagues that are involved in the volatile manufacturing processes that have established and licensed facilities. Upon arrival of the equipment ProTerp and its team shall undergo a mandatory training program that is offered by the company that is currently being engineered for ProTerp.

Employees: ProTerp is in the process of interviewing and finalizing hire packets for local residents and qualified individuals to become part of ProTerp's team. ProTerp developed a **"Staffing Plan"** (see additional information) and will initiate employees according to the proposed plan. By October 1st, 2018 ProTerp plans on initiating a CEO and CCO positions that are being held by each owner, an administrative assistant, an operations manager and a lab manager. As the project develops and grows, ProTerp shall initiate additional staff as described in the Staffing Plan.

Characteristics of the surrounding area: The business is located within an area surrounded by like kind of businesses that are typical of a light industrial area. Cabinet shops, distribution businesses, bakeries, and small manufacturing companies are the types of operations that are found in the general area. Given the fact that this location is near the freeway you'll find businesses that move and distribute their products throughout all of central California and the majority of these operations are housed in buildings that are 20,000 sq ft or less and have numerous points of entry allowing for small to medium sized trucks to load and unload. The area sees very little foot traffic and does not appear to have much retail presence. Most of the nearby businesses tend to be service providers or in the wholesale side of their respective industries. As a typical light industrial neighborhood one will see very few sidewalks, a great

deal of blacktop, and lots of parking areas for workers. Much of the parking areas have shade trees to break up the monotony of the black top and there is some vegetation that was strategically planted when most of the newer buildings were created.

Hours of Operation: The operation will not be open to the public at any time. As a manufacturing facility, the operations may require staff to be present on premises 24 hours per day. Only authorized staff and distribution personnel will be allowed to enter the premises. We will have between 4 and 8 employees on site at any given time and run up to 3 eight hour shifts per day. Shifts are scheduled so that there is parking sufficient for all employees at all times even if there is overlap in staff times.

Type of vehicular traffic and deliveries; hazardous or volatile materials or chemicals involved: Cannabis products manufactured on site will be safely and securely transported from the facility in unmarked vehicles (cargo vans) only by a licensed distributor. Outbound transport will occur only within the building itself through the secure roll up door.

This business will not conduct a large volume of inbound or outbound shipping. Our hours for receipt of delivery will be between 8 AM-12 Noon M-F. Anticipated deliveries are as follows:

- ETHYL ALCOHOL – up to a 50-gallon barrel or as allowed by the City of Woodland will be delivered as often as once per week by a cargo truck with a lift gate. No more than 50 gallons or as allowed by the City of Woodland will be on site at any given time.
- ISOPROPYL ALCOHOL – 8 gallon containers will be delivered as often as once per week accompanying the ethyl alcohol.
- PLANT MATTER – 200-1000lbs delivered 1-2 times/week via a secure cargo van or 15ft truck.
- BUTANE – up to5 times/week delivered by a 25 ft open flatbed truck in 1-2 secure skids of up to 8 tanks holding up to 150lbs of BUTANE each or as allowed by the City of Woodland. Empty tanks are removed by the same vendor.
- PROPANE - up to5 times/week delivered by a 25 ft open flatbed truck in 1-2 secure skids of up to 8 tanks holding up to 150lbs of PROPANE each or as allowed by the City of Woodland. Empty tanks are removed by the same vendor.
- GENERAL and OFFICE SUPPLIES – 1 time/week office supply delivery via UPS or USPS van/truck, amounts will be commensurate with the usual office supply deliveries for a business.

General and outdoor activities: No cultivation, production, distribution, storage, display, or wholesale of cannabis products shall be visible from the exterior of the building where the Commercial Cannabis activity is being conducted. There will be no outdoor activities outside of the premises.

Odors, noise, dust or glare: Odors shall be contained on the property on which the Cannabis activity is located, no dust or glare will be involved with the Commercial Cannabis activity. Existing requirements applicable to the manufacturing of food and drug products (US Food and Drug Administration [USFDA] regulations, 21 Code of Federal Regulations [C.F.R.] Part 111 and Part 117) are not applicable to cannabis products. However, because many cannabis products

are intended to be consumed, the need to ensure the safety and integrity of the manufacturing process is still present. Using its experience with oversight of food and drug manufacturing, our Commercial Cannabis activities are subject to regulations to include substantively similar requirements to ensure sanitary manufacturing practices. Such practices will eliminate odors, and dust. ProTerp does not anticipate any noise or glare that shall be visible and detectible outside of the premises.

PROTERP MANUFACTURING LLC.

TENANT IMPROVEMENT

CONDITIONAL USE PERMIT DRAWINGS

PROJECT ADDRESS:

1230 HARTER AVE., SUITE F

WOODLAND, CA 95776

APN # 027-420-030-000

SHEET INDEX

GENERAL	
CS.1	COVER SHEET
CS.2	NEIGHBORHOOD CONTEXT MAP
ARCHITECTURAL	
A1.1	SITE PLAN
A1.2	CONTEXT PHOTOS
A1.3	CONTEXT PHOTOS
A1.4	LANDSCAPE PLAN
A2.1	DEMOLITION PLAN
A3.1	PROPOSED FLOOR PLAN
A3.2	EXISTING ROOF PLAN
A3.3	EXTERIOR ELEVATIONS
A4.1	LIGHTING PLAN AND PHOTOMETRIC STUDY

ABBREVIATIONS:

@	AT	(N)	NEW
℄	CENTER LINE	NTS	NOT TO SCALE
Ø	DIAMETER OR ROUND	O/C	ON CENTER
#	POUND OR NUMBER	PL	PLATE
BLKG	BLOCKING	℘	PROPERTY LINE
CONC	CONCRETE	PT	PRESSURE TREATED
CP	CARPET	R	RISER
DF	DOUGLAS FIR	RAD	RADIUS
DN	DOWN	REF	REFRIGERATOR
DS	DOWNSPOUT	S&P	SHELF AND POLE
DW	DISHWASHER	SEL.STR.	SELECT STRUCTURAL
DWG	DRAWING	SF	SQUARE FEET
(E)	EXISTING	SIM	SIMILAR
EA	EACH	SQ	SQUARE
EF	EXHAUST FAN	T&G	TONGUE AND GROOVE
EN	EDGE NAIL	TBD	TO BE DETERMINED
EQ	EQUAL	TV	TELEVISION
FLUOR	FLUORESCENT	TYP	TYPICAL
FT	FOOT OR FEET	UNO	UNLESS NOTED OTHERWISE
GA	GAUGE	W/	WITH
GALV	GALVANIZED	WD	WOOD
GFI	GROUND FAULT NTERRUPT	W/D	WASHER/DRYER
GWB	GYPSUM WALL BOARD	W/O	WITHOUT
HB	HOSE BIBB	WP	WATERPROOF
HD	HOLDOWN		
HT	HEIGHT		
MAX	MAXIMUM		
MFR	MANUFACTURER		
MIN	MINIMUM		

NORTH

300' RADIUS MAP

SCALE: NOT TO SCALE

PROJECT INFORMATION

BUILDING INFORMATION

NUMBER OF STORIES:	1-STORY
EXISTING BUILDING AREA:	9,801 sqft
OCCUPANCY (BUILDING):	B, F-1, S-1
FIRE SPRINKLERS:	YES
BUILDING DIMENSIONS:	99' x 99'

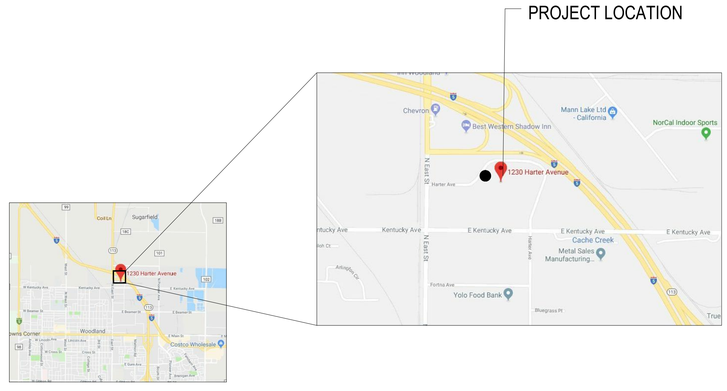
SITE INFORMATION

ZONING:	C-H HIGHWAY COMMERCIAL ZONE
GENERAL PLAN DESIGNATION:	EMPLOYMENT CENTER (LOW-RISE)
LOT AREA:	3.65 ACRES

APPLICABLE CODES

2016 BUILDING STANDARDS ADMINISTRATIVE CODE, PART 1, TITLE 24 C.C.R
2016 CALIFORNIA BUILDING CODE (CBC), PART 2, TITLE 24 C.C.R.
2016 CALIFORNIA ELECTRICAL CODE (CEC), PART 3, TITLE 24 C.C.R
2016 CALIFORNIA MECHANICAL CODE (CPC), PART 5, TITLE 24 C.C.R.
2016 CALIFORNIA ENERGY CODE (CEC), PART 6, TITLE 24 C.C.R.
2016 CALIFORNIA FIRE CODE, PART 9, TITLE 24 C.C.R.
2016 CALIFORNIA GREEN BUILDING STANDARDS CODE (CAL GREEN), PART 11, TITLE 24 C.C.R.

VICINITY MAP



PROJECT TEAM

OWNER

PROTERP MANUFACTURING LLC.
ETHAN CONRAD PROPERTIES

CONTACT: NURIYA SAFAROVA, PARTNER
TAX GEAR, LLC
1700 EUREKA ROAD
SUITE 155
ROSEVILLE, CA 95661
C: 916-718-0793

ARCHITECT

STACEY HALL
7500 COLBERT DRIVE
RANCHO MURIETA CA 95683
PH: 510-220-1193
EMAIL: SBOWEN505@YAHOO.COM

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

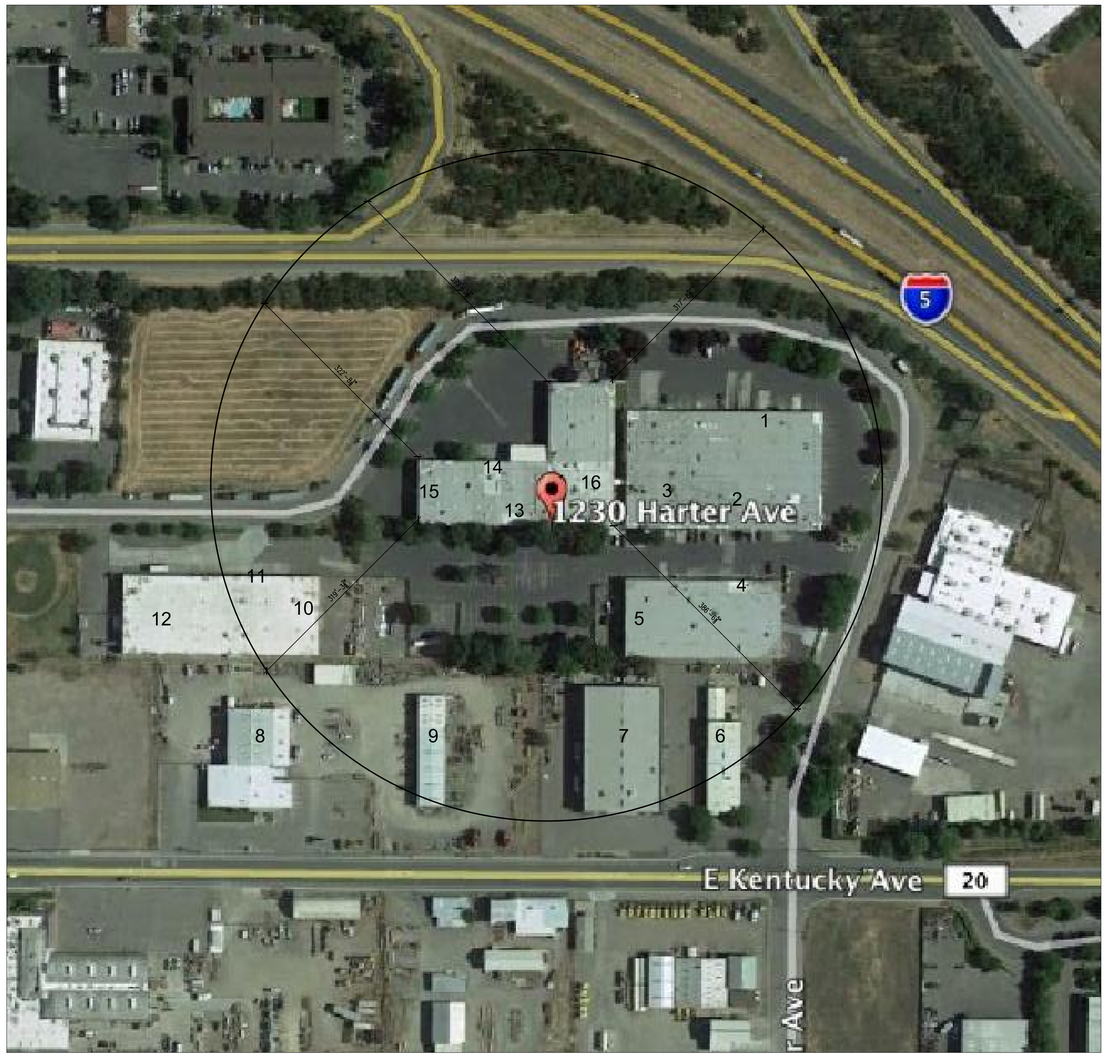
DRAWING:
COVER SHEET

PAGE: CS.1

DATE:

MAY 15, 2018

CUP SUBMITTAL DRAWINGS



300' RADIUS MAP

SCALE: NOT TO SCALE

N

ZONING MAP LEGEND

REF #	ADDRESS #	PARCEL #	BUSINESS TYPE	ZONE
1	1250 HARTER AVE., SUITE D	027-420-031	BAKING COMPANY	
2	1250 HARTER AVE., SUITE F	027-420-031	NORTH COAST ENERGY SERVICES	
3	1250 HARTER AVE., SUITE C	027-420-031	SINA BAKERY	
4	460 HARTER AVE., SUITE B	027-420-032	WOODLAND DRAPER MANUFACTURING	LIGHT INDUSTRIAL
5	460 HARTER AVE., SUITE A	027-420-032	CONTINENTAL DRILLING TOOLS AND SUPPLY	
6	1249 E. KENTUCKY AVE.	027-420-004	VALLEY HYDRAULICS & MACHINE	
7	1225 KENTUCKY AVE.	027-420-025	QUALITY SUPPLY AUTO, TRUCK & TRAILER	
8	1207 E. KENTUCKY AVE.	027-420-003	WILKINSON INTERNATIONAL INC.	
9	1207 E. KENTUCKY AVE.	027-420-002	WILKINSON INTERNATIONAL INC.	
10	1226 HARTER AVE.	027-420-010	A-1 APPLIANCE	
11	1222 HARTER AVE.	027-420-010	APC PROPELLERS	
12	1214 HARTER AVE.	027-420-010	WOODLAND WINDUSTRIAL	
13	1230 HARTER AVE., SUITE E	027-420-030	LILLARD MANUFACTURING INC.	
14	1230 HARTER AVE., SUITE A	027-420-030	PLATT ELECTRIC SUPPLY	
15	1230 HARTER AVE., SUITE J	027-420-030	INTERMOUNTAIN DRILLING SUPPLY	
16	1230 HARTER AVE., SUITE F	027-420-030	VACANT	

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

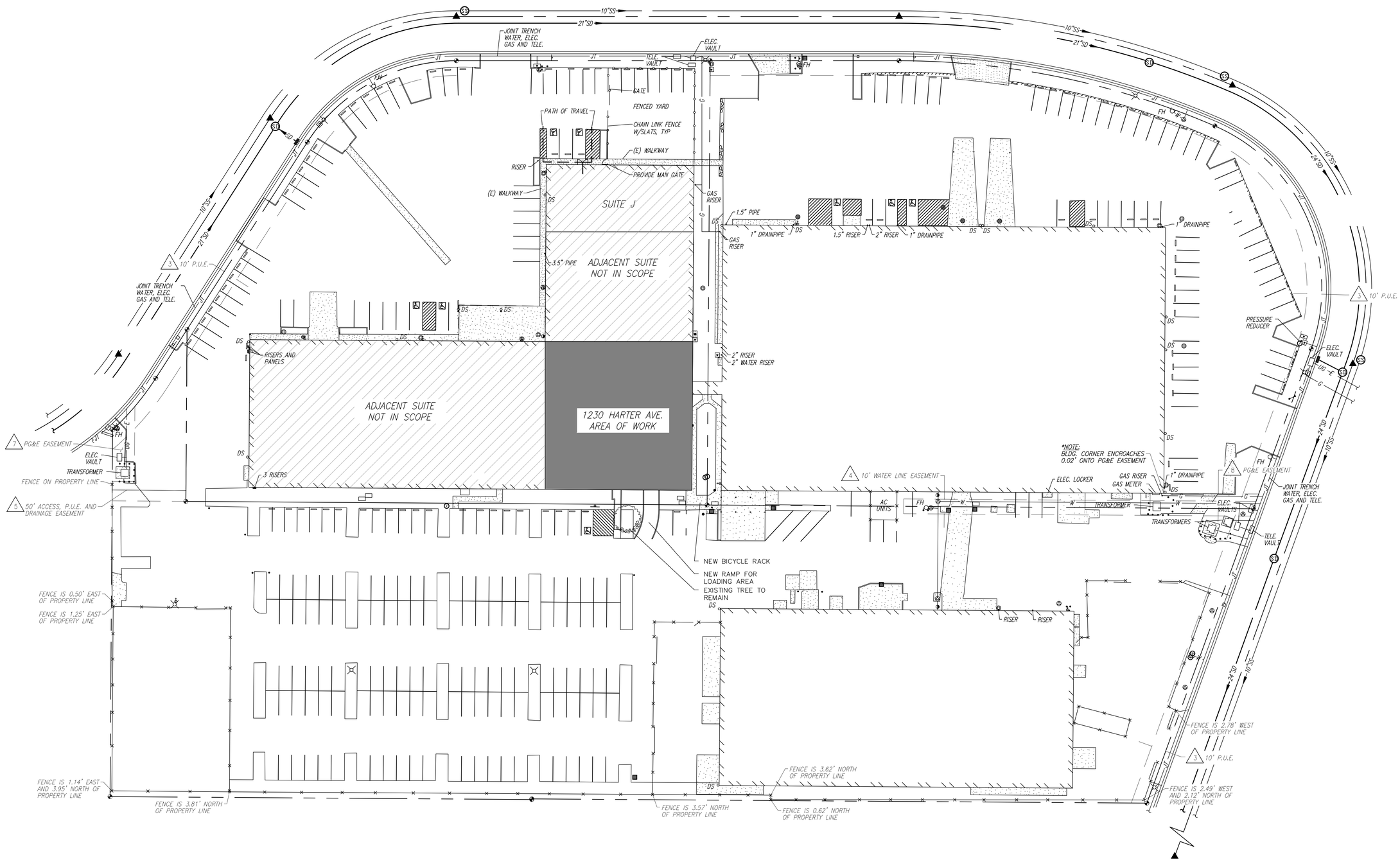
DRAWING:
NEIGHBORHOOD CONTEXT MAP

PAGE: CS.2

DATE:

MAY 15, 2018

CUP SUBMITTAL DRAWINGS



N

1 / A1.1 SITE PLAN

SCALE: 1" = 30'

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
SITE PLAN

PAGE: A1.1

DATE:

MAY 15, 2018

SCALE:
1"= 20'-0"

0 1' 5' 10' 20' 30' 40' 60'

CUP SUBMITTAL DRAWINGS

PHOTO 1

PHOTO 2

N

PHOTO KEY MAP - BUILDING

SCALE: NOT TO SCALE

PHOTO 3

PHOTO 4

PHOTO 5

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
CONTEXT PHOTOS

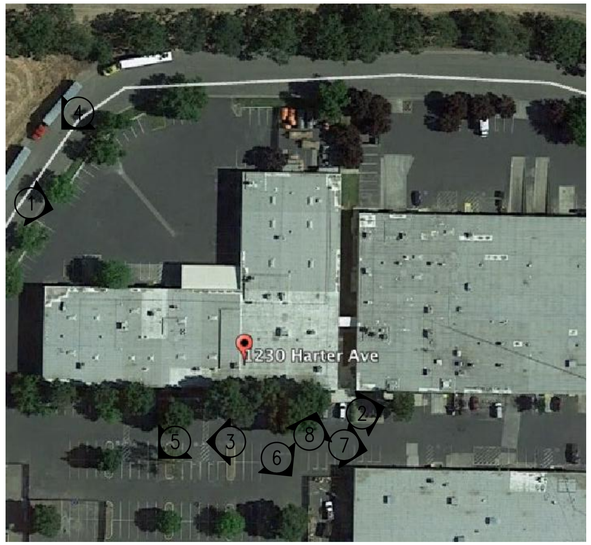
PAGE: A1.2

DATE:

MAY 15, 2018

CUP SUBMITTAL DRAWINGS

PHOTO 1



N

PHOTO KEY MAP - SITE

SCALE: N.T.S.

PHOTO 2

PHOTO 3

PHOTO 4

PHOTO 5

PHOTO 6

PHOTO 7

PHOTO 8

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
CONTEXT PHOTOS

PAGE: A1.3

DATE:

MAY 15, 2018

CUP SUBMITTAL DRAWINGS

N

LANDSCAPE PLAN

SCALE: N.T.S.

TYPICAL TREES AT FRONT OF BUILDING

TYPICAL TREES AT FRONT OF BUILDING

TYPICAL TREES IN PARKING LOT

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

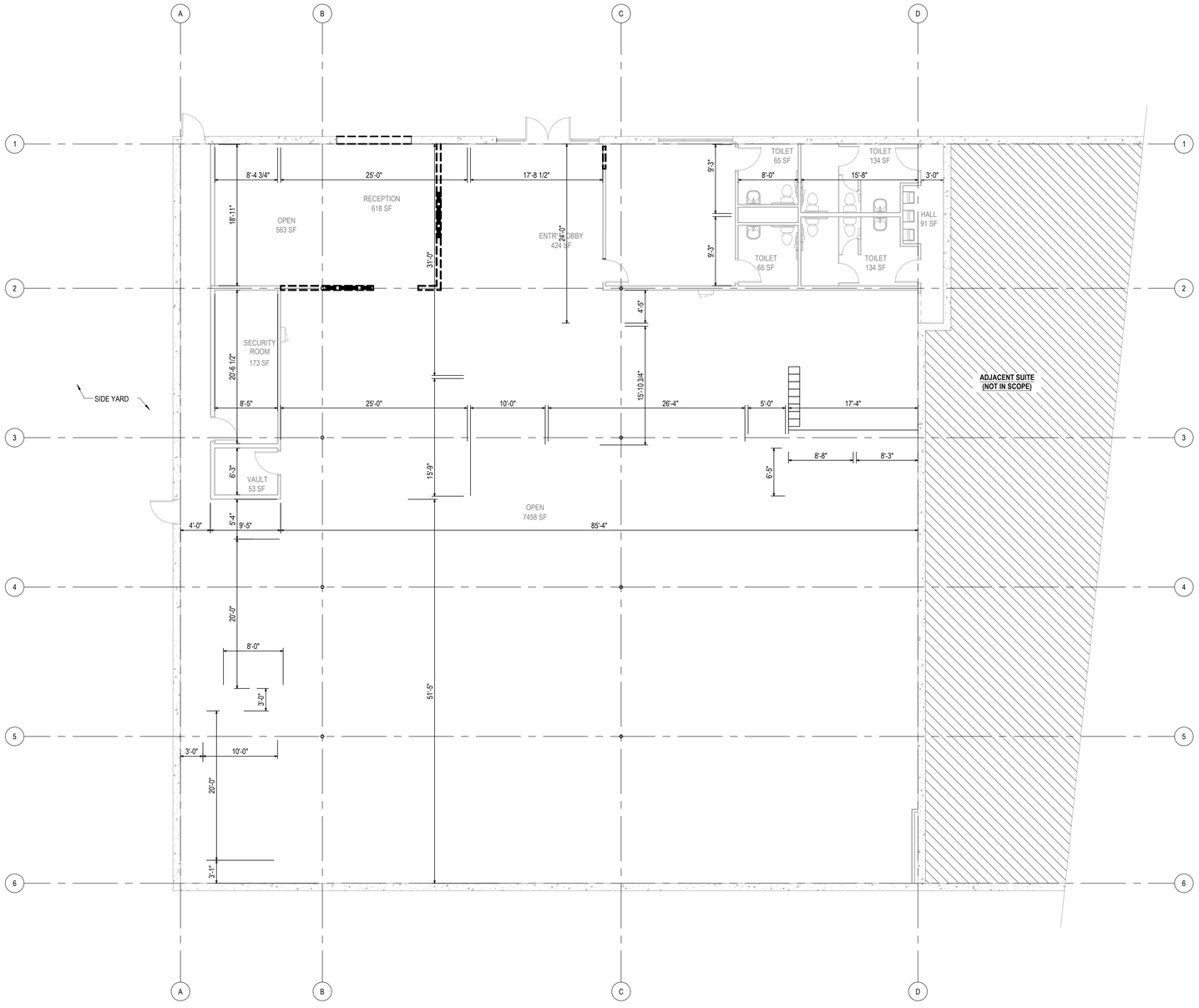
DRAWING:
LANDSCAPE PLAN

PAGE: A1.4

DATE:

MAY 15, 2018

CUP SUBMITTAL DRAWINGS



N

1
A2.1

DEMOLITION FLOOR PLAN

SCALE: 1/8" = 1'-0"

WALL LEGEND

- EXISTING WALLS TO REMAIN
- EXISTING WALLS TO BE DEMOLISHED
- NEW WALLS
- F.O. STUD DIMENSION (DIM)
- F.O. FINISH

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
DEMOLITION FLOOR PLAN

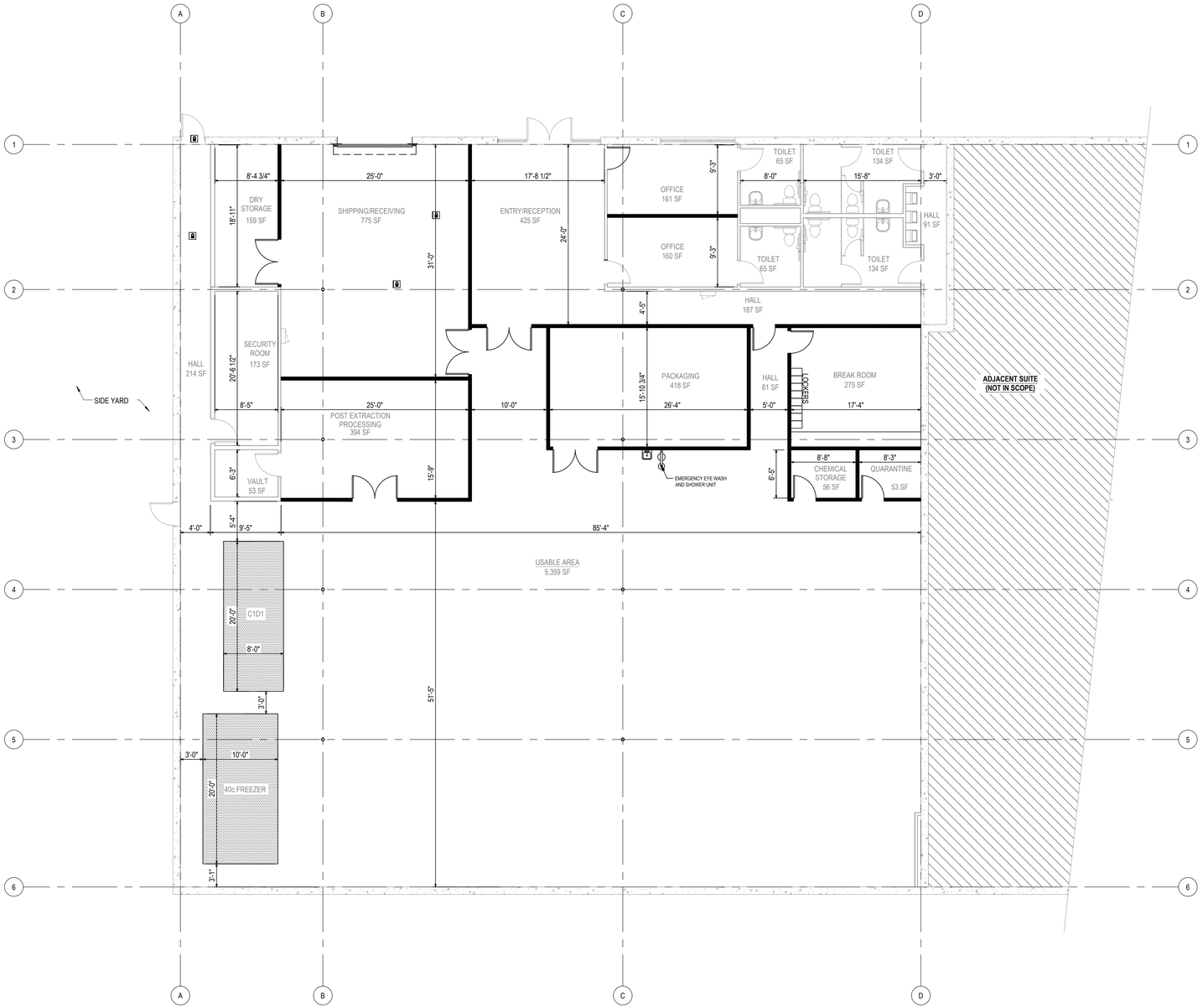
PAGE: A2.1

DATE:

MAY 15, 2018

SCALE:
3/16"= 1'-0"
0 1' 2' 4' 8' 16'

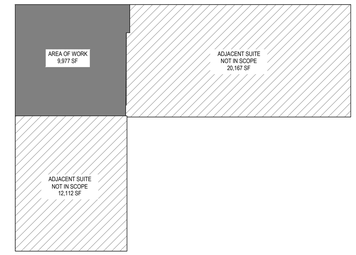
CUP SUBMITTAL DRAWINGS



WALL LEGEND

- EXISTING WALLS TO REMAIN
- EXISTING WALLS TO BE DEMOLISHED
- NEW WALLS
- F.O. STUD DIMENSION (DIM)
- F.O. FINISH

AREA DIAGRAM



PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
PROPOSED FLOOR PLAN

PAGE: A3.1

DATE:
MAY 15, 2018

SCALE:
3/16"= 1'-0"
0 1' 2' 4' 8' 16'

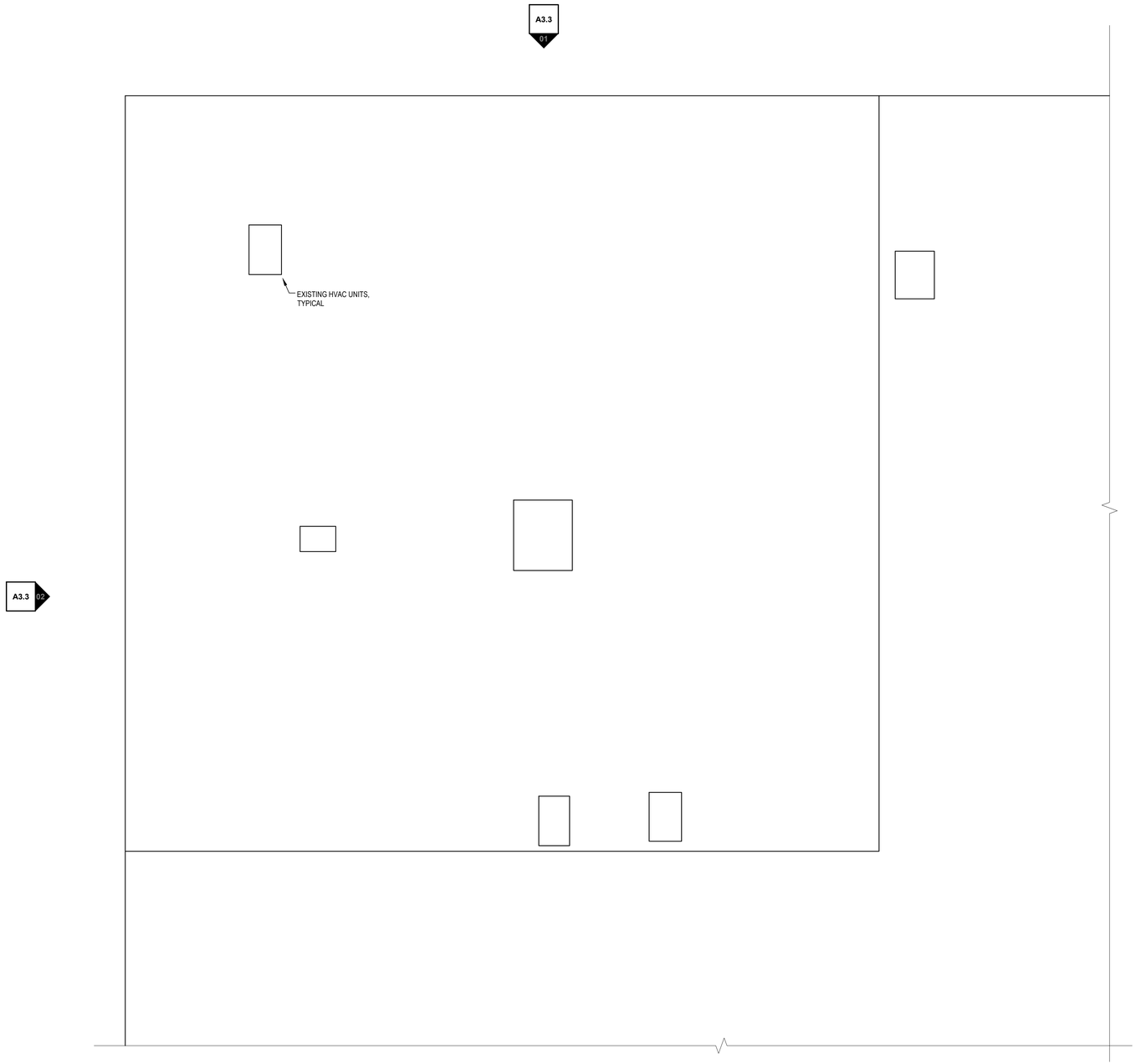
CUP SUBMITTAL DRAWINGS

N

1
A3.1

PROPOSED FLOOR PLAN

SCALE: 1/8" = 1'-0"



1 / A3.2 EXISTING ROOF PLAN

SCALE: 1/8" = 1'-0"

N

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
ROOF PLAN

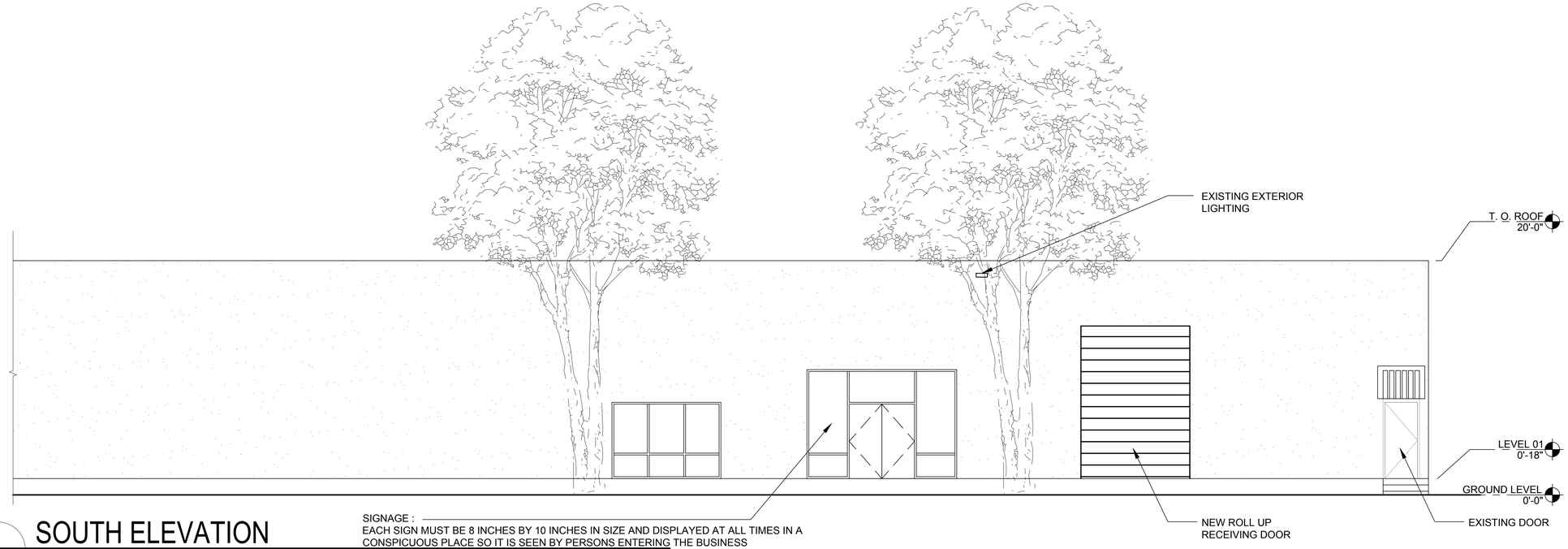
PAGE: A3.2

DATE:

MAY 15, 2018

SCALE:
3/16"= 1'-0"
0 1' 2' 4' 8' 16'

CUP
SUBMITTAL
DRAWINGS



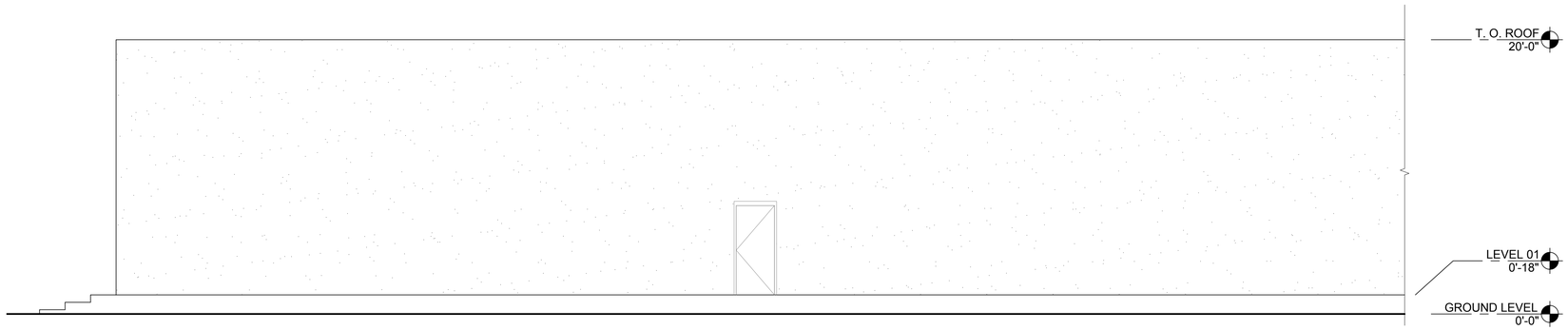
1
A3.3

SOUTH ELEVATION

SCALE: 1/16" = 1'-0"

SIGNAGE :
EACH SIGN MUST BE 8 INCHES BY 10 INCHES IN SIZE AND DISPLAYED AT ALL TIMES IN A CONSPICUOUS PLACE SO IT IS SEEN BY PERSONS ENTERING THE BUSINESS

REQUIRED SIGNS:
1) "THIS SITE IS NOT OPEN TO THE PUBLIC"
2) "ONSITE RETAIL SALES OF ANY GOODS AND SERVICES IS PROHIBITED"
3) "JUVENILES ARE PROHIBITED FROM ENTERING THIS SITE"
4) "SMOKING, INGESTING, OR CONSUMING CANNABIS ON SITE IS PROHIBITED"



2
A3.3

EAST ELEVATION

SCALE: 1/16" = 1'-0"

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
EXTERIOR ELEVATIONS

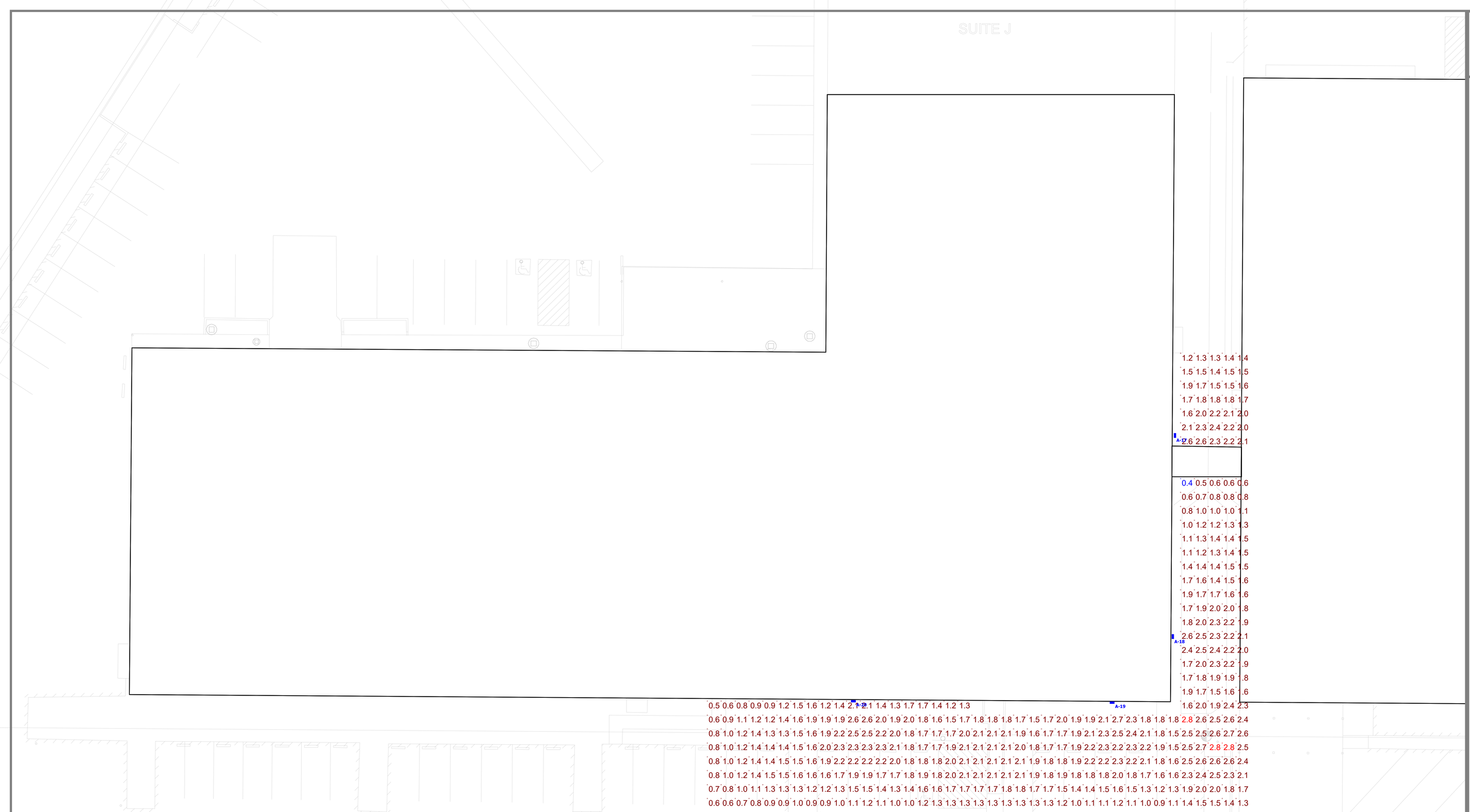
PAGE: A3.3

DATE:

MAY 15, 2018

SCALE:
1/8"= 1'-0"
0 1' 2' 4' 8' 12' 16' 24'

CUP SUBMITTAL DRAWINGS



Statistics

Description	Symbol	Avg	Max	Min	Max/Min	Avg/Min
Calc Zone #2	+	1.7 fc	2.8 fc	0.4 fc	7.0:1	4.3:1

Luminaire Locations

No.	Label	Location X	Location Y	Location Z	MH	Orientation	Tilt
17	A	1752.20	1742.10	18.50	18.50	90.00	0.00
18	A	1751.60	1684.20	18.50	18.50	90.00	0.00
19	A	1734.20	1665.20	18.50	18.50	180.00	0.00
20	A	1659.80	1665.70	18.50	18.50	180.00	0.00

Schedule

Symbol	Quantity	Manufacturer	Catalog Number	Lamp	Number Lamps	Filename	Lumens Per Lamp	Light Loss Factor	Wattage	Description	Label
▭	4	HUBBELL OUTDOOR	TRP2-24L-50-4K7-3	C-70-CRI	1	TRP2-24L-50-4K7-3.IES	5816	0.9	48.6	GeoPak Size 2	A

VISUAL

1230 HARTER PHOTOMETRIC STUDY

Designer
ARAD ENGINEERS
Date
05/15/2018
Scale

Drawing No.

Summary
1 of 1

TO: THE MEMBERS OF THE PLANNING COMMISSION
AGENDA: Planning Commission Meeting
DATE: September 20, 2018
ITEM #: H.1.
SUBJECT: **ProTerp Manufacturing, LLC Commercial Cannabis Manufacturing Facility**

ProTerp Manufacturing, LLC Commercial Cannabis Manufacturing Facility: A Proposed Conditional Use Permit for a Commercial Cannabis Manufacturing Facility Located at 1230 Harter Avenue, Suite F: PLNG 18-00039

Location: 1230 Harter Avenue, Suite F, Woodland CA 95776

Applicant/Owner: ProTerp Manufacturing, LLC/Ethan Conrad Properties

Environmental Report: Categorical Exemption

APN: -027-420-023

Project Planner: Cindy Norris, Principal Planner

Staff Recommendation: Conditional Approval

Report For: Planning Commission Public Hearing – September 20, 2018

General Plan Designation: Industrial/ Light Industrial Flex Overlay (I/LIF)

Existing Land Uses: The site is currently developed with a 42,241 square foot industrial building of which the applicant is proposing to occupy 10,055 square feet.

Adjacent Land Uses & Zoning:

DIRECTION	LAND USE	ZONING
North	Existing Industrial/Harter Avenue	I/LIF
South	Existing Industrial	I/LIF
East	Existing Industrial	I/LIF
West	Existing Industrial/Harter Avenue	I/LIF

Flood Zone: Flood Zone AE – Map #06113C0 455H dated May 16, 2012.

Street Access: East Street and Harter Avenue

Pending/Potential Action

Staff recommends that the Planning Commission:

1. Receive the staff report;
2. Conduct a public hearing;
3. Find that the project is exempt from further environmental review pursuant to Class 1 and Class 32 Categorical Exemptions under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA;
4. Approve Planning Commission Resolution No. PC - 18-___ recommending that the City Council approve a Conditional Use Permit for cannabis manufacturing at 1230 Harter Avenue, Suite F, conditioned upon approval of appropriate Cannabis Business Permit and the recommended conditions of approval.

Project Site Description

The overall project site is 3.66 acres in size and occupied by three buildings at 460, 1230, and 1250 Harter Avenue. The subject building at 1230 Harter Avenue is an existing one-story multi-tenant building approximately 42,241 square feet in size and houses multiple tenants (See Attachment 2, Site and Floor Plan). The property is bounded by vacant land, existing industrial development and East Street to the west, Harter Avenue and Interstate-5 to the north, and existing industrial development to the east and south. The applicant is proposing to occupy Suite F which is located in the south east corner of the building.

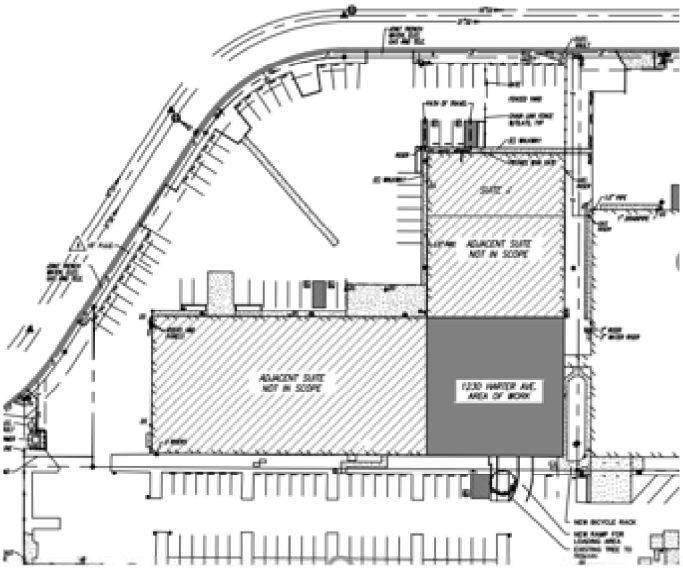
(1000 foot radius from the parcel)

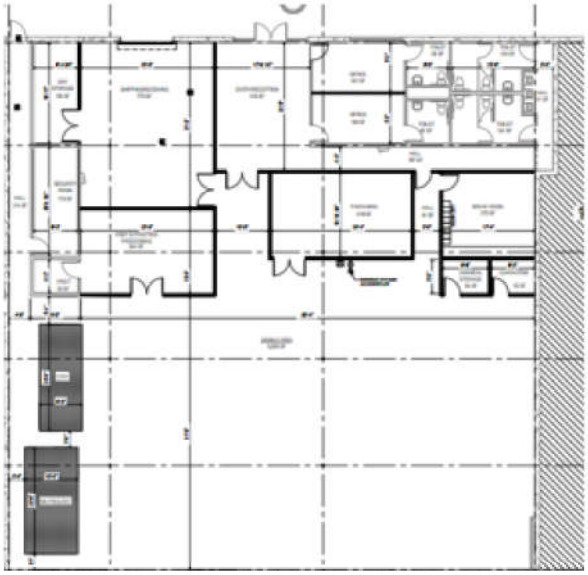
The property is zoned for Industrial with a Light Industrial Flex Overlay and the proposed use may be considered with approval of a Conditional Use Permit by the City Council as the final acting body.

Project Proposal

On May 15, 2018, ProTerp Manufacturing, LLC applied for a Conditional Use Permit (CUP). The applicant is requesting a recommendation of approval to the City Council for a Conditional Use Permit by the Planning Commission, which will allow ProTerp Manufacturing to occupy approximately 10,055 square feet in the existing building at 1230 Harter, Suite F, as a volatile manufacturing extraction lab. Approximately 1,455 square feet of space will be for office use with 8,600 square feet allocated for manufacturing purposes. (See Attachment 1, Statement of Justification and Vicinity Map). Under the terms and conditions of approval ProTerp Manufacturing, LLC will be required to obtain a Cannabis Business Permit for Volatile

Manufacturing, (Ordinance 1629 and 1630), and appropriate State Licensing (Type 7 – Medical and Adult Volatile Commercial Cannabis Manufacturing). No customers or sales will occur at the facility along with no signage or identification regarding the type of business that is operating.





(Site Plan) (Floor Plan)

Background

On November 8, 2016 California voters approved Proposition 64, known as the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA). AUMA legalized non-medical cannabis use, possession and cultivation by persons 21 years of age and older. With the majority vote passage, the provisions related to personal use, possession and cultivation of non-medical cannabis went into effect on November 9, 2016. Commercial non-medical cannabis activities also became legal on November 9, 2016, although commercial activities require state licenses. The state began issuing licenses for commercial activities on January 1, 2018.

On June 27, 2017, California Senate Bill 94 was signed into law, repealing the Medical Cannabis Regultion and Safety Act (MCRSA) and amending AUMA to consolidate state licensing of medical and non-medical commercial activities. The new law is now called the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

On September 16, 2017, Assembly Bill 133 was signed into law by Governor Brown and it made numerous minor amendments to MAUCRSA. One of the amendments removed the requirement that cannabis businesses maintain separate and distinct premises for each use. Now multiple uses may be located at the same location, so long as a separate state license is obtained for each location where commercial cannabis activity occurs, subject to applicable state regulations.

To date the City of Woodland has passed several Ordinances to update the Municipal Code to address both personal and commercial cannabis uses. On December 5, 2017 the City Council approved Ordinance 1629 to add Article 21.6 of Chapter 25 to the Municipal Code relating to the zoning of Commercial Cannabis uses. The Council also approved Ordinance 1630 to add Chapter 13A to the Municipal Code related to commercial cannabis business permits and operating regulations. Ordinance 1629 allows consideration for up to six (6) conditional use permits for cannabis uses, which may be located in the Industrial or Industrial with Light Industrial Flex Overlay zones. The Ordinance allows the consideration of multiple cannabis license type in one

location to be considered under one Conditional Use Permit. However, each business entity will be required to obtain separate Cannabis Business Permits (CBP). An operating agreement, to be approved by the Community Development Director, consistent with council approved conditions, will be required with each CBP.

To date, the City has received three Cannabis conditional use permit applications.

ANALYSIS

Public Notification

Public notice advertising for the public hearing on this project was prepared by the Community Development Department in accordance with notification procedures set forth in the City of Woodland's Municipal Code and State Planning Law. Two methods of public notice were used:

- Legal notice was published in the Woodland Daily Democrat at least ten days prior to the public hearing.
- Notices were mailed to all property owners within 1,000 feet of the project site.

Applicable Laws, Codes & Ordinances

This project is subject to several laws, codes and ordinances:
- The City of Woodland General Plan
- The City of Woodland Zoning Ordinance
- City of Woodland Cannabis Business Permit Requirements
- Community Design Standards
- California Environmental Quality Act (CEQA)

Environmental Assessment Status

Staff has determined that a Class 1 Categorical Exemption (Existing Facilities) pursuant to Section 15301 of the CEQA Guidelines and a Class 32 Categorical Exemption (Infill Development) pursuant to Section 15332 of the CEQA Guidelines is the appropriate level of CEQA review for this document. Class 1 consists of the operation, repair, maintenance, permitting, leasing, 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 agencies' determination. Class 32 exemption consists of projects characterized as in-fill development within urbanized areas. The class consists of environmentally benign in-fill projects located on sites that are less than 5 acres and consistent with local general plan and zoning requirements. The project will not have any biological, air, water, traffic, or noise impacts. The proposed use would occupy approximately 10,055 square feet space within an existing industrial multi-tenant building that has previously been occupied by industrial and manufacturing uses similar to the proposed project.

Reviewing Agency Comments

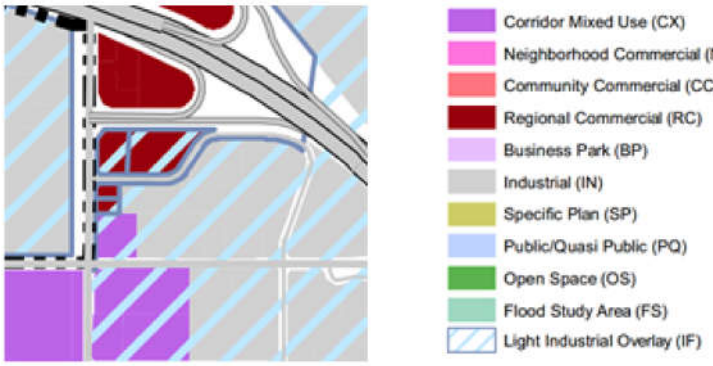
The project has been circulated to other city divisions and departments for review as well as to agencies outside the City of Woodland who have may have interest in the application including Air Quality, Waste Management, Yolo County, Yolo County Office of Education, and PG & E. All reviewing agency comments have been integrated into the conditions of approval.

Staff Analysis

2035 General Plan Consistency

The 2035 General Plan (GP) designation for the site is Industrial with a Light Industrial Flex Overlay (I/LIF). The proposed use of the site is consistent with the General Plan and shall be reviewed in accordance to the policies listed in conditional use permit discussion below. The General Plan describes this land use designation as follows:

When applied over the Industrial base designation, the Light Industrial Flex Overly provides for a mix of general, light to custom industrial and manufacturing uses, including multi-tenant spaces with offices, contractor storage, agricultural processing, food producers, industrial technology, and other sensitive processing uses that require controlled performance standards.



(General Plan Land Use Diagram)

Climate Action Plan Consistency

The project involves the re-use of an existing building that will be re-purposed and upgraded to encourage new technology and an employment generating use. Strategy T/LU-2 encourages Redevelopment and Repurposing. The Climate Action Plan assumed that development would occur and continue within the urban areas of the city. In this instance, project has been conditioned to encourage and utilize energy saving features as appropriate including solar consistent with Strategy E-3. The applicant will be required to submit a statement with their building construction plans describing measures that they will be implementing.

Zoning Consistency – Chapter 25

The zoning designation for the site is Industrial with Light Industrial Flex Overlay (I/LIF), which provides for types of animal and food processing uses, manufacturing uses, industrial yard uses, warehouse and storage uses and other related miscellaneous uses, such as office space and general agriculture. The proposed future use of the site is industrial and is consistent with the Zoning Ordinance.

The site is existing and developed as an industrial multi-tenant development. No significant exterior changes are proposed. The site meets all standards and criteria required in the Industrial District. The site has significant parking available. The building has existing loading doors.

<u>Access and Parking:</u>

There is adequate parking provided for use. The total site encompassing three buildings has approximately 258 parking spaces. The unit at 10,055 square feet would require 5 parking spaces based on the ratio of one space per 2,000 square feet of gross floor area (1/2000). The applicant proposes to add a bike rack to the south side of

the building. The site was designed to accommodate truck loading and buildings have multiple loading doors. The facility currently has commercial glass doors that were installed in place of a roll up door. The applicant intends to add a new roll up door to the south side of the building, to the east of the entry door to provide secure intake and output.

Landscaping:

The site has existing mature landscaping. The application will be conditioned to require on-going maintenance and replacement of any dead or dying plant materials.

600-foot Sensitivity Buffer

There are no sensitive uses within 600 feet of the parcel edge of the subject property. The site is greater than 2,000 feet from the Yolo County Office of Education and separated by the I-5 Freeway.

Conditional Use Permit Review

A conditional Use Permit (CUP) affords broad public review and evaluation of those uses which require special consideration to ensure proper integration into the community; mitigation of any potentially adverse impacts; and making the required findings to permit the use. In considering an application for a conditional use, due regard shall be given to the nature and condition of the proposed or existing use and all adjacent uses and structured and may impose such requirements and condition with respect to location, construction, maintenance, and operation, as may be deemed necessary for the protection of adjacent properties and the public interest. Conditional Use Permit analysis typically includes consideration of proposed use; hours of operation; consistency with zoning standards such as parking; compatibility with existing uses and structures in the surrounding area; and other criteria as may be deemed appropriate.

A CUP runs with the land unless the use ceases or the CUP is revoked. Once approved, should ownership of the land or the business change, the CUP would remain valid at the location approved. In addition to the CUP land use considerations above, the Cannabis Ordinance 1629 (Municipal Code 25-21.6.50(c)): provides other specific factors that shall be considered by the Planning Commission and ultimately the City Council including the following:

(1) *The type of proposed use by the applicant:*
The requested use is a conditionally allowed use in the zone regulations. The use would fit the category of cannabis manufacturing (volatile) in the Zoning Land Use Matrix. The use is consistent with the General Plan. General Plan policies that specifically relate to this request include the following:

2.D.3 – Technology Sector: Grow the technology sector in Woodland by leveraging the research strength at U.C. Davis. Encourage smaller companies and start-ups to locate in incubator spaces in Downtown and in areas with the Light Industrial Overlay designation.

2.E.7 – Public Safety and Community Design: Promote design that enhances public safety and discourages crime by providing buildings that engage the street, as well as adequate lighting and sight lines.

4.C.6 – Monitor Trends: Monitor economic trends to identify emerging industries, new market opportunities, and the performance and mix of businesses to allow the City to be proactive and adjust to market changes.

4.C.9 – Importance of Agricultural Industry. Recognize the importance of agriculture-related business and industries to the City and region, and support the continuation and development of agriculture and agriculture-related enterprises in and around Woodland.

4.E.1 – Job Expansion though Business Expansion: Encourage the expansion and attraction of diverse businesses and industries that create and increase the quality and amount of stable, year- round jobs locally.

(2) *Whether the proposed use will be detrimental to the health, safety and welfare of the community:*

The proposed facility would be contained within the existing building with numerous redundant security measures employed via a security plan reviewed and approved by the City of Woodland Police Department. The facility would not have exterior signage and would not be open to the public. Vehicles used to transport cannabis would be unmarked but also secure. The tenant improvement plans will undergo review and inspection by both the Building and Fire Divisions to ensure the proper construction, installation and operation of manufacturing equipment. The City will conduct annual review of the facilities and annual review of the general business operations. The applicant must also comply with all other agencies including health and state operating requirements.

(3) *Whether the use would enhance the economic viability of the area in which it is proposed to be located, including adjacent and surrounding properties:*

The proposed facility will provide a new source of employment and revenue to the City while remaining under close regulation and oversight by both the City and State.

(4) *Whether the applicant has adequately addressed potential community benefits of the use to offset potential adverse impacts:*

At the time of approval of a Cannabis Business Permit, an applicant will be required to pay a fee which has been determined to provide adequate cost recovery to the city for all activities, including police surveillance, associated with the proposed business. Further, as provided in a required operating agreement, a generalized contribution will be determined based on gross receipts derived from cannabis uses that will generate essential funds for protecting vital City services and facilities and mitigate impacts, and will help fund general municipal services and place such businesses on more equal footing with existing City businesses.

The applicant has also included a Community Relations Plan and assigned a Community Relations Manager, Nuriya Safarova. In a letter to adjacent businesses they have provided contact information and explained their intent and mission to be a compliant business and to be a model for other similar businesses (Attachments 5 and 6)

(5) *The extent of support or opposition to the proposed use and the location from members of the community:*

Upon receipt of the initial application, several letters of support from adjacent businesses were provided in the package and are proved herein (Attachment 4). Further, public notice of the proposed cannabis use was provided in accordance with state law and in accordance with city requirements for notice within a 1,000-foot radius.

(6) *The number of cannabis uses located or proposed to be located within 1,000 feet of the proposed location:*

The closest proposed cannabis use is for a cannabis distribution facility located within the same building in Suite J, by Epic Bros Enterprises, Inc. An additional commercial cannabis facility is proposed at 1460 Tanforan Avenue which is approximately 2,090 feet from this project site (measured from parcel to parcel) and separated by the I-5 Freeway.

However, the reality is that there are a limited number of sites and/or buildings currently available to cannabis uses. This limitation may be due to a number of reasons, such as the reluctance of some owners to lease space to cannabis uses; a lack of availability of smaller spaces within industrial buildings, which are more suitable to smaller scale manufacturing uses; and a number of restricted sites due to their proximity to sensitive uses. It is possible in the future that more cannabis related uses may request to locate in this proximate area due to the appropriate facility size available and a willing property owner.

Comments received have also intimated that vertical integration of uses is the most desirable for quality control purposes and safety. Vertical integration involves the combination of related cannabis uses housed in one facility. It has been suggested that should the city consider allowing indoor commercial cultivation, that additional larger sized buildings may function better for cannabis uses.

(7) *The extent to which the proposed use would cause a further over concentration of that particular type of use in the area:*

At this time, there is no over concentration of cannabis uses. See discussion above. The City may find that on a limited scale that it is acceptable to have multiple cannabis uses located in a specific area.

(8) *The background and history of the applicant, including the nature and extent of problems on any premises where he or she has operated a cannabis business in the past:*

The applicants have completed all requests for "Live Scan" and provided all relevant background information concerning past history with regard to Cannabis uses. At this time, there do not appear to be any significant concerns identified.

(9) *Whether there is a history of police or crime related problems in the area of the proposed location which may be exacerbated by the establishment of the proposed cannabis use.*

The Police Department ran review of calls for service within a 1000-foot radius from the project site for the past calendar year. The calls for service do not reflect a high volume of police activity, especially for crime related calls. It is believed that establishment of the proposed cannabis operation, as conditioned, would not exacerbate crime related activities.

Cannabis Business Permit Review – Municipal Code Chapter 13A

The CBP provides for the review of operational features for each cannabis business entity and is required in addition to a state license. A CBP is required prior to initial operation and requires annual review. Prior to issuance of the CBP fees must be paid and a final Operating Agreement authorized. The CBP is approved by the Community Development Director. Operating details including a Security Plan, Lighting Plan, Odor Control Plan, Business Plan, Community Relations Plan, as well as an Operating Agreement and Indemnification statement are required as part of the CBP review. Some of these items, such as the Odor Control Plan and Community Relations Plan have been provided as part of the Conditional Use Permit review and are included as Attachments.

Community Relations Plan

A plan that describes who is designated as being responsible for outreach and communication with the surrounding community, including the neighborhood and businesses, and how the designee can be contacted. The community relations plan must include a description of the community benefit the business will provide, or proposes to provide, to the surrounding community. The applicant has provided an initial Community Relations Plan with the CUP application (Attachment 5 and 6)

Business Plan

A plan describing how the cannabis business will operate in accordance with this code, state law, and other applicable regulations. The plan must include plans for hours of operation, handling cash, and transporting cannabis and cannabis products to and from the business site, as may be applicable. Some aspects of this plan may be confidential. The applicant has provided an initial Business Plan with the CUP application (Attachment 4)

Odor Control Plan

A detailed ventilation plan describing the air treatment system, or other methods implemented to prevent offensive odors generated from the manufacturing, testing, and /or storage of cannabis from being detected outside the building. The applicant has provided an initial Odor Control Plan with the CUP application (Attachment 7)

Security Plan

The Draft Security Plan is a confidential document that generally addresses safety concerns related to vandalism, internal and external theft, lighting, video surveillance, security personnel, and other crime prevention. Because this document is confidential, it cannot be attached to this report. All interested parties to a cannabis business permit application are subject to fingerprinting and a criminal background investigation. The security plan has been reviewed by the Police and Fire Departments as part of the conditional use permit review.

Operating Agreement and Indemnification

The City and applicant shall enter into an operating agreement, in a form approved by the city attorney, in which the applicant released the city from any damages or liabilities of any kind for violation of state or federal law and agrees to defend, indemnifies, against any and all claims or actions. In addition, the applicant agrees to operating terms and conditions mutually agreed upon that ensure that the community benefits derived from the proposed cannabis business adequately address potential adverse effects.

Appeal

The Planning Commission action on the Conditional Use Permit shall be final unless, within **ten (10) calendar days** after the decision, the applicant or any other person, including the City Council, any individual City Council member, or the City Manager, not satisfied with the decision of the Planning Commission, may appeal to the City Council. No conflict of interest shall exist solely by reason of the filing of an appeal by the City Council, an individual City Council member, or the City Manager. Any appeal shall be filed with the City

Clerk and, except an appeal by the City Council, a Council member, or the City Manager, shall be accompanied by a filing fee as prescribed by City Council resolution. The City Clerk shall set a date for a public hearing and shall give notice to the appellant, the applicant, and neighboring property owners in the manner provided in Section 25-27-20.

Attachments:

1. 1 PC Reso ProTerp CANN CUP
2. 2 Applicaiton Justification Statement and Statement of Proposed Use
3. 3 1230 Harter Suite F Site Plan and Elevations
4. 4 Business Plan
5. 5 Community Relations Plan
6. 6 Neighborhood Letter
7. 7 Odor Control Plan.ProTerp
8. 8 Energy Efficiency Plan ProTerp
9. 9 Plant Oil and Chemical Waste Disposal

PLANNING COMMISSION
RESOLUTION NO. PC 18-0_____

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WOODLAND RECOMMENDING THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVE A CONDITIONAL USE PERMIT FOR A CANNABIS MANUFACTURING BUSINESS LOCATED AT 1230 HARTER AVENUE, SUITE F

WHEREAS, the applicant has applied for a Conditional Use Permit to manufacture cannabis in a 10,055 square foot suite within an existing one-story multi-tenant 42,241 square foot building on a 3.66 acre parcel in the Industrial with a Light Industrial Flex Overlay zone; and

WHEREAS, the project is exempt from further environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Class 1 Categorical Exemption, Existing Facilities) and CEQA Guidelines Section 15332 (Class 32 Categorical Exemption, Infill Development), as the Planning Commission of the City of Woodland finds as follows:

- The project consists of the permitting and minor alterations of an existing private structure that involves negligible expansion of the use beyond that existing at the time of the lead agencies initial determination as the existing facility is already zoned to allow industrial and manufacturing uses similar to the proposed project;
- The project consists of minor alterations for additional mechanical and security equipment to operate a cannabis business that utilizes existing utility infrastructure;
- The project is located on a site that is less than 5 acres and will not have any biological, air, water, traffic, or noise impacts; and

WHEREAS, the proposed use and its operating characteristics are consistent with the general plan, as the site is located in the Industrial/ Light Industrial Flex Overlay designation, which provides for industrial and manufacturing uses that occur entirely within an enclosed building and are employment generating; and

WHEREAS, The Planning Commission funds that the proposed use is consistent with policies that encourage job expansion through business expansion, that encourage emerging industries and new market opportunities, that support agricultural related industry as well as the technology sector; and

WHEREAS, the Planning Commission finds that the proposed use and its operating characteristics are consistent with the applicable standards, requirements, and regulations of the zoning district in which it is located, and of all other provisions contained in Article 25-21.6 pertaining to commercial cannabis uses, and all operations will be conducted inside of the existing building; and

WHEREAS, the proposed use is in on a site and in a building that is physically suitable in terms of location, size, topography, and access, and that is adequately served by public and private services and utilities; and

WHEREAS, the proposed cannabis business uses will not adversely affect the peace or general welfare of the surrounding neighborhood, as follows:

- The proposed use is not consumer based (no retail sales will occur at the premises) and therefore, will result in low vehicle traffic;
- The odor control plan will ensure no odors will be detectible outside the building;
- All activities will take place inside the building and will not be visible from the outside;
- All signage will be limited and the applicant will have a final lighting and security plan approved by the Police and Fire Departments to ensure internal and external safety**;** and

WHEREAS, the proposed use will enhance the economic vitality of the area in which it is proposed to be located, including adjacent and surrounding properties, the applicant will provide tenant improvements to the building including the addition of walls, partitions, a new entrance, loading door and fenced secure loading and trash enclosures out side the building, and the project will be required to maintain the site in a clean and well kept manner; and

WHEREAS, based on existing circumstances, police data, and the background and history of the applicant, the Planning Commission finds that proposed use will not cause an overconcentration of cannabis uses in the area, potential community benefits of the use are likely to offset potential adverse impacts, and the proposed use is not likely to exacerbate crime-related problems in the area; and

WHEREAS, a public notice describing the proposed cannabis conditional use permit was published in the Daily Democrat, a newspaper of general circulation, in accordance with Government Code section 60661 and mailed to properties within 1,000 feet; and

NOW, THEREFORE BE IT RESOLVED, that the Planning Commission of the City of Woodland, based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby make the above findings, determinations, and recommendations with respect to the proposed Conditional Use Permit and recommends to City Council approval of the proposed Conditional Use Permit, as conditioned and attached hereto.

PASSED AND ADOPTED by the Planning Commission this 20th day of September, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Marco Lizzaraga Chairperson

ATTEST:

_____
Cindy A. Norris, Principal Planner

CONDITIONS OF APPROVAL
ProTerp Manufacturing, LLC – 1230 Harter Avenue, Suite F

1. The project is as described in the staff report prepared for the September 20, 2018, Planning Commission meeting and shall consist of administrative offices, cannabis manufacturing facility (including authorized volatile extraction) within an existing 10,055 square foot tenant space. The project shall be established and operated as depicted in the staff report, except as modified in these conditions of approval and with any changes necessary to comply with City codes and specifications.

2. The applicant shall defend, indemnify, and hold harmless the City of Woodland, its agents, officers or employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul an approval of the subject application by the City, its legislative body, advisory agencies or administrative officers. The City will promptly notify the applicant of any such claim, action or proceeding against the City and the applicant will either, at the City's discretion, undertake defense of the matter and pay the City's associated legal costs, or will advance funds to pay for defense of the matter by the City Attorney.

3. The applicant shall secure approval and satisfy requirements of all agencies with jurisdiction prior to operating the cannabis business.

4. The Conditional Use Permit shall not be issued until the appeal period has expired or final action on an appeal has been rendered.

5. The Conditional Use Permit must be exercised within one year of issuance, or it shall be deemed null and void by act of law (Section 25-27-70).

6. The project approval is for the project as described in the above staff report and related attachments, which depict the projects proposed map, site and floor plans, business plan, community relations plan, odor control plan, energy efficiency plan, and plant oil and chemical waste disposal plan. Should there be a change in the use or an intensification of the described use, the change shall be described and provided in writing to be evaluated by the Community Development Director to determine general consistency with the provisions of the use permit. The Director shall either approve the proposed changes based on a finding that the changes shall not result in significant traffic, noise, safety or security concerns or other potential nuisance to surrounding property owners or within public right-of-ways beyond that anticipated by the original approval, or, if these findings cannot be made, the Director shall make a determination that a Conditional Use Permit Modification is required, which shall include Planning Commission review including applicable processing and development fees.

7. Environmental Recording Fee. Applicant shall provide the Community Development Department with a check for the sum of $50 made out to Yolo County to record the CEQA environmental document (Notice of Exemption) with the County.

8. The applicant shall comply with all state and local laws and ordinances, including the provisions of Chapter 13A of the Municipal Code and the requirement to secure a Cannabis Business Permit, including approval of an Operating Agreement, for each business entity operating at the location as part of the approved conditional use permit. The applicant shall obtain and maintain, prior to operation of the business and continuing at all times the business is in operation, a valid Cannabis Business Permit and all applicable state license(s). All requirements, terms and conditions of the

Cannabis Business Permit, Operating Agreement, and applicable state license(s) shall be considered conditions of this conditional use permit. Failure to comply with all applicable state and local laws and ordinances, the Cannabis Business Permit, Operating Agreement, and/or applicable state license(s) shall be deemed a violation of the conditional use permit and may result in revocation of the use permit.

9. As set forth and agreed to in the Operating Agreement for each approved Cannabis Business Permit, the business/applicant shall pay a fee in the form and in the amount and manner agreed upon between the City and the business receiving a Cannabis Business Permit. If, during the term of the Operating Agreement, the city imposes an alternative revenue mechanism, specifically related to cannabis operations (e.g. cannabis tax), the business/applicant will pay the city the greater of the two payments, or as otherwise agreed by the city or mandated by law.

10. If the applicant wishes to relocate, significantly modify the approved site layout and allowed cannabis uses, the applicant shall secure a new conditional use permit, or modification to the existing conditional use permit prior to any modification or occupancy of the site by a new or modified use.

11. If the Community Development Director finds evidence that conditions of approval have not been fulfilled or that the use or uses has or have resulted in a substantial adverse effect on the health, and/or general welfare of users of adjacent property, or have a substantial adverse impact on public facilities or services, the Community Development Director may refer the Conditional Use Permit to the Planning Commission for further review. If, upon such review, the Commission finds that any of the adverse results above have occurred, the Planning Commission shall recommend to the City Council to modify or revoke the Conditional Use Permit. If upon such review the City Council finds that any of the above results have occurred, the City Council shall modify or revoke the Conditional Use Permit.

12. Upon receipt of a Cannabis Business Permit the applicant shall be subject to provisions relating to violations contained in Municipal Code Section 13A-1-09, or as may be amended.

13. The applicant shall submit a final security plan for review and approval by the Police Department prior to operation and shall comply with requirements included in Section 13A-4-02, or as may be amended.

14. The applicant's business shall not employ any juvenile under the age of 21.

15. No customers or sales shall occur at the facility.

16. All cannabis related activities shall take place in the interior of the building and any cannabis related activities outside the premises are strictly prohibited with the exception of the lawful receipt of raw cannabis materials received by the business and the delivery of finished lawful cannabis products to another lawful cannabis business, in accordance with all applicable state and local laws governing transportation of cannabis goods. There shall be no exterior storage of materials or equipment.

17. Approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be plainly visible and legible from the street or road fronting the property. Said numbers shall contrast with their background.

18. The main entrance to the facility shall be clearly identified with proper signage to include name of business and address. Main entrance shall also provide adequate lighting per the City Security Ordinance and lighting regulations.

19. Applicant shall comply with the design requirements as stated in the Community Design Standards for any exterior changes, modifications, and additions to the subject building. All exterior changes beyond those stated in the original approval will require staff level design review.

20. The site shall be inspected and maintained daily to be clear of litter.

21. Any new signage, modifications or changes to the signage the applicant shall conform to the City Zoning Code and Sign Ordinance and shall comply with provisions of Section 13A-4-04 of the Municipal Code. Except as otherwise approved by the City in writing or by law, project signage shall include nothing in word or symbol, identifying the fact that the property is used for cannabis related activities.

22. No vehicle owned or operated by the business, or used for the transportation of product or individuals associated with the Facility shall include markings (in words or symbols) identifying the vehicle as a vehicle used for cannabis-related activities, unless otherwise required by law.

23. Photometric data shall be provided, and indicate that the parking area will be equipped with one (1) foot-candle of minimum maintained illumination per square foot of parking surface to include the entire paved area. The parking area shall be illuminated from dusk until the termination of business every operating day. Photometric data must also confirm the absent of "Hot Spots" or areas of ten (10) foot-candle of illumination per square foot or more.

24. All existing landscape planter areas shall be replanted and maintained per City Standards. Vegetative matter shall cover no less than 75% of the required landscape area unless otherwise approved by the Community Development Director. Maintenance shall include but is not limited to watering, fertilizing, weeding, cleaning, pruning, trimming, spraying and cultivation.

25. The applicant shall utilize building energy saving measures to reduce energy usage. The applicant shall submit a statement with the initial submittal of their building construction plans describing energy conserving measures that they will be implementing.

26. The applicant shall provide a minimum of two bike parking spaces for employees. Bike parking shall be provided in a safe a secure location.

27. Waste materials shall be appropriately handled. The applicant shall describe methods that will be used to make cannabis waste unusable and unrecognizable, and how cannabis waste will be stored prior to removal from the business. The applicant shall describe methods used to transport cannabis waste from the manufacturing site to a solid waste facility.

28. The applicant shall include a solvent waste disposal plan, including projected accumulation volumes and where on the property the solvent waste will be stored. The applicant shall describe how the business will transport solvent waste from the manufacturing site to a waste facility.

29. The applicant shall have an appropriate plan that considers all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.

30. The applicant shall establish safety protocols that will be adopted, including, but not limited to: staff training, protective equipment, hazardous material handling, emergency communication/response protocols, etc. The applicant shall conform to all Cal OSHA workplace safety standards.

31. The applicant shall develop a quality control guidelines and standard operating procedures that are in strict adherence to MAUCRSA and applicable state regulations. The applicant shall establish quality control procedures for each business, manufacturing and testing to ensure that cannabis products are safe and suitable for human consumption and /or use. Quality control procedures will consider the proper handling and storage of raw materials, in-process materials, and finished product throughout the production process and shall ensure uniformity between each separately produced batch of cannabis product. This includes equipment inspection and maintenance, internal controls for each step in the process, internal batch sampling and testing.

32. The applicant shall institute policies and procedures used by the business to help prevent contamination of any cannabis product. This will include hand washing, employee training, use of facemasks/gloves, prohibiting employees who are showing signs of illness, open wounds, sores or skin infections from handling cannabis, etc.

33. A toxic material control plan will be provided with the Cannabis Business Permit application that contains a description of all toxic, flammable, or other materials that will be used or kept at the cannabis business, the location of such materials, and how such materials will be stored. The toxic material control plan will include all materials regulated by a federal, state, or local government that would have authority over the business if it was not a cannabis business.

34. The applicant will establish and utilize Standard Operating Procedures that describe the steps the manufacturing facility will take when notified from a testing agency, Health Officials, or California State Regulators, that the tested cannabis product does not meet appropriate health standards. The manufacturing operator shall describe how the business will dispose of all rejected cannabis product associated with the test sample, and ensure that rejected cannabis product is not released to the public. In addition, the manufacturing operator shall provide a recall procedure which describes the policy for communicating with customers and businesses who have purchased the product from the manufacturing facility, as well as health officials. The recall plan shall describe the method to collect recalled product and dispose of it in a manner that ensures it will not be consumed.

35. Any Cannabis manufacturer shall comply with all requirements provided by the California Department of Public Health (CDPH)

BUILDING

The following comments are from the City of Woodland Building Division and are applicable to the reference project:

36. This project must meet all criteria and mandates for these City adopted codes or the most current code:

    a. 2016 California Building Code
    b. 2016 California Plumbing Code
    c. 2016 California Mechanical Code
    d. 2016 California Electrical Code
    e. 2016 Building Energy Efficiency Standards
    f. 2016 California Green Building Code

g. The Code of the City of Woodland

37. The project will require engineered building plans for the proposed work to be plan reviewed and inspected to ensure safety. This would include compliance with California Building Codes (including the 2016 California Fire Code Chapter 38 in the July 1st, 2018 Supplement, Plant Processing and Extraction Facilities) and applicable NFPA standards.
38. Other City and County Agencies (Health, Fire, Public Works, and Planning) are be required to approve the project prior to a building permit being issued.
39. A licensed architect or licensed engineer shall be responsible for reviewing and coordinating all submittal documents prepared by others, including deferred submittal items, for compatibility with the design of the building.
40. The project will provide a final odor control plan for review and approval prior to issuance of building permits.

FIRE

41. One-hour separation wall shall be inspected for integrity and conformance to original installation standards. Inspection shall be performed on both sides of the rated wall.

42. Exit doors shall be provided with panic hardware. Exit doors shall swing in the direction of egress travel.

43. Provide exit signs and emergency means of egress illumination.

44. Prior to final occupancy, provide confirmation from a licensed professional (fire protection engineer) indicating the existing fire sprinkler system adequately provides the level of protection required for the specific operation and associated hazardous materials involved.

ENVIRONMENTAL SERVICES

45. Management of Waste
    a. If the waste generated from the cannabis facility contains green byproduct, meaning that it contains buds or that the byproduct can still be used for the making of oils or the like, then the materials must be serviced as waste (trash). Yolo County Central Landfill requires these loads to obtain a certificate of destruction with each disposal.

    b. If the waste generated is brown and does not contain buds or usable byproduct, then the materials should be hauled as organic waste, which will be composted and considered diverted materials. If loads taken to the Yolo County Central Landfill contain any green byproduct, they will be processed as waste and will require a certification of destruction.

    c. Any hazardous waste materials generated (i.e. solvents, pesticides, chemicals, lamp ballasts, canisters/cylinders, personal protection equipment with residual, etc.) must be disposed of through a hazardous waste facility. Yolo County Central Landfill accepts commercial hazardous waste through their Conditionally Exempt Small Quantity Generator (CESQG) business program.

    d. Recycling (cardboard, paper, and plastic, glass, or metal containers) is also required and should be separated from any waste or organics recycling loads.

e. Materials may be self-hauled to a waste or compost facility by the business in which the materials were generated. If self-hauled to the Yolo County Central Landfill, the above disposal procedures will be in effect.

f. If the materials are not self-hauled, Waste Management is the exclusive waste, recycling and organics recycling hauler for Woodland and must be used for disposal services. The business may not pay another company besides Waste Management to haul waste, recyclables, or organic materials.

g. The types of services, collection frequency, and bin sizes for waste and/or organics recycling services should be determined through Waste Management upon an assessment of the facility and types of materials generated.

h. Depending on the amount of materials generated, all waste generated from the facility should be removed from the premise no less than one time per week.

i. The City of Woodland, its residents and businesses have an obligation to meet state-mandated waste diversion requirements and requests that businesses make the highest effort possible to divert their waste through recycling or composting (organics recycling). Waste generated by a business should be processed in a manner that meet the landfill's requirements for acceptance as organic waste/composting.

j. Bins (dumpsters), roll-offs (debris boxes), or trailers used to collect materials must be stationed in an area not generally accessible to the public. Bins should be either padlocked, located inside a non-accessible enclosure or inside of the business to deter scavenging.

POLICE

46. Site plans and floor plans shall be completed to the satisfaction of the Police Department CPTED requirements prior to issuance of building permits.

47. Exterior lighting shall be white light using LED lamps with full cutoff fixtures to limit glare and light trespass. Color temperature should be between 2700K an d4200K with a color rendering index of 75 or better and a light loss factor of 0.95 or better. All existing exterior fixtures shall be replaced with fixtures that meet this requirement.

48. Broken or damaged exterior lighting shall be repaired or replaced within 48 hours of being noted.

49. Exterior lighting shall be shielded or otherwise designed to avoid spill-over illumination to adjacent streets and properties.

50. Tree canopies shall not interfere with or block lighting. This creates shadows and areas of concealment. The landscaping plan shall allow for proper illumination and visibility regarding lighting and surveillance cameras through the maturity of trees and shrubs.

51. All solid core doors shall be equipped with a 180 degree viewing device to screen persons before allowing entry.

52. The business shall be equipped with and maintain a security system with an alarm system with a valid UL Certificate in accordance with ANSI/UL Standard 681-2014 (Standard for Installation and Classification of Burglar and Holdup Alarm), Extent No 3; and a Video Assessment and Surveillance System (VASS).

53. A hold up alarm shall be employed near the transport area, lobby, employee entrance and safe(s).

54. Burglar alarms shall cause the dispatch of a properly licensed private patrol.

55. Hold up alarms shall cause the dispatch of the Woodland Police Department.

56. The Security system shall be equipped with at least 24 hours of continued operation time in case of power failure.

57. The Security system shall be equipped with cellular backup in case of phone line disruption.

58. The facility shall be staffed at all times that the security system is not fully functional.

59. A log shall be maintained that shows when the alarm system was armed and disarmed, and by whom.

60. VASS storage shall be kept off-site or in a secured area accessible only to management.

61. VASS shall be capable of no less than 30-days worth of activity and shall provide comprehensive coverage of: safe, areas of ingress and egress, parking lot, loading areas, areas not clearly visible from public streets, and coverage of all exterior areas of the building.

62. Monitors displaying the employee parking area shall be mounted in a visible location near the door from which employees will arrive and depart so that employees may monitor the outside environment prior to departing the facility.

63. The applicant is responsible for reasonably controlling the conduct of persons of the site and shall immediately disperse loiterers.

64. Applicant shall install a “Knox Box” for police access of the exterior areas of the property after hours.

City of Woodland

Community Development Department
300 First St, Woodland CA 95695
(530) 661-5820 Fax (530) 406-0832
www.cityofwoodland.org

General Application Form

1. Owner/Applicant

PROPERTY OWNER: Ethan Conrad Properties
MAILING ADDRESS: 1300 National Drive, Suite 100
CITY STATE ZIP CODE: Sacramento, CA 95834
PHONE NUMBER: 916-779-1000
E-MAIL ADDRESS: ethan@ethanconradprop.com

PROJECT APPLICANT ProTerp Manufacturing, LLC
MAILING ADDRESS: 1230 Harter Ave Suite F
CITY STATE ZIP CODE: Woodland, CA 95776
PHONE NUMBER: 916-718-0793
E-MAIL ADDRESS: proterpmanufacturing@gmail.com

2. Application Requested

- ☐ General Plan Petition
- ☐ Zoning Amendment
- ☐ General Plan Amendment
- ☐ Tentative Subdivision Map
- ☐ Tentative Parcel Map
- ☐ Lot Line Adjustment
- ☐ Site Plan Review
- ☐ Design Review
- ☐ Sign Design Review
- ☐ Conditional Use Permit (CUP)
- ☐ Zoning Administrator Permit
- ☐ Variance
- ☐ Public Convenience or Necessity
- ☒ Other Commercial Cannabis CUP

Is this request part of another application? ☐ Yes ☒ No If so, what? _____

3. Project Description

Project Name: ProTerp Manufacturing
Total Acres or Square Feet 10,055 sqft

Site address or location: 1230 Harter Ave Ste F Woodland CA 95776
Assessor's Parcel Number: 027-420-023-000

Is Your Project Located in a Flood Zone? ☐ Yes ☒ No

Does this request include signage? ☐ Yes ☐ No

4. Justification for Request

☞ On a separate sheet, explain in detail your request and why you believe your request is justified.

5. General Plan Amendment

Existing General Plan Designation	Gross Acres	Proposed General Plan Designation	Gross Acres

6. Zoning Amendment

Existing Land Use Zone	Gross Acres	Proposed Land Use Zone	Gross Acres

7. Residential Development

No. of residential units are being requested? ____

Single Family		Half-plex	
Duplex		Apartments	
Condominiums		Other	
Townhomes		**Total Units**	

No. of lots will be created by this project? ____

Do you intend to market the units for sale?

☐ YES ☐ No

Do you intend to market the units for rent?

☐ YES ☐ No

8. Commercial/Industrial Development

Indicate the type of commercial/industrial development proposed:	Indicate the gross and leasable square footage for each type of development:
Commercial Cannabis Type 7 Manufacturing	10,055 sqft

9. Authority to File Application

Check one:

☐ Property Ownership ☐ Power of Attorney*

☐ Contract to Purchase* ☒ Other

Specify Letter of Agency

*Attach Evidence of Authority

I hereby certify that the above information and accompanying documents are true and accurate to the best of my knowledge and acknowledge that the processing of this application may require additional fees and expenses for the preparation of necessary environmental documentation and planning studies. I certify that I have reviewed the current Hazardous Waste and Substances Site List, developed pursuant to AB 3750, and found that my project is not on the list.

APPLICATION WILL NOT BE ACCEPTED WITHOUT SIGNATURE OF LEGAL OWNER OR OFFICIAL AGENT

(Nuriya Safarova) 3/5/2018

Applicant: **Date**

3/16/18

Legal Owner: **Date**

Legal Owner: **Date**

DEPARTMENT USE ONLY

Amount Paid: _____ Project No: _____

Amount Due:: _____ Logged by: _____ Date: _____

GP / Zoning Designation: _____ Planner: _____ Date: _____

N:\ComShare\DEPARTMENTS\PLANNING DEPT\FORMS\AAAA APPLICATION FORM March 2014.doc

Applicant Narrative/ Justification (Updated 6/12/2018)

Preamble. ProTerp Manufacturing, LLC (hereinafter referred to as "Applicant") is pleased to present our Commercial Cannabis Application Package to the City of Woodland's Community Development Department for one Type 7 Medical and Adult Volatile Commercial Cannabis Manufacturing. A Type 7 state license will be requested in the Cannabis Business Permit.

Applicant recognized the need for strict adherence to legal guidelines and requirements as outlined by the City of Woodland, the State of California as well as other relevant stakeholders. Our team of qualified professionals looks forward to working with all necessary agencies and authorities having jurisdiction to ensure compliance with all requirements. We believe that we are offering a comprehensive solution that can help satisfy the growing demand for cannabis in a safe and clean manner, while being a good member to the community and contributing in a significant way to the local economy.

Summary of Proposed Location. Applicant is proposing their project to be located at 1230 Harter Avenue in the City of Woodland in suite F within the proposed building. Property is zoned as M1 in the City of Woodland with an immediate access to I-5 freeway. The building has 120/208 and 277/480 Volts with a 3-phase power and natural gas service available. The boundaries of the property are greater than 600 feet from any K-12 school, commercial daycare center and youth center, and are greater than 600 feet of any residences of libraries on a neighboring property.

The existing facility needs only minor modifications. The facility currently has commercial glass doors that were previously installed in place of a roll-up door. Applicant will be installing a roll-up door for secure intake and output, installing an exhaust and filtration system for the manufacturing room, building cool storage area and secured solvents storage area and a security system. Applicant is having a C1D1 explosion proof container engineered and installed in the facility. The facility will be fully compliant with the Local and State requirements.

Project Size. The project itself occupies 8,600 sqft of warehouse space and 1,455 sqft of office space as a portion of a 42,241 total sqft of an industrial/manufacturing building. Warehouse clear height is 19'.

RECEIVED
JUN 13 2018
City of Woodland
Community Development

Facility Advantages. The following are advantages of the facility at 1230 Harter Ave, Suite F:

- Located in a concealed location that is not immediately visible
- Warehouse space with sufficient power
- Sufficient space for secure intake/output area
- Facility comes with fire sprinklers
- Full ADA Compliance with no additional modification requirements
- Facility will not impact the peace, order, or welfare of the local community

Additional Advantages.

Applicant ensured that surrounding neighborhood businesses are aware of applicant's intentions of establishing a cannabis manufacturing business. Those business owners and employees are exceptionally welcoming and thrilled to collaborate to create positive vibes and relationships amongst the neighbors.

Volatile Manufacturing Extraction Lab. Applicant is acquiring a class 1 division 1 (C1D1) extraction lab "FlexLab". This C1D1 explosion proof container design includes a 3-phase safety process:

Phase 1: Fresh air flows into the Lab from the make-up air unit and is pulled out by the 800 CFM fan to maintain constant airflow to prevent gas build-up.
Phase 2: If a higher level of gas is detected, the gas detection system will initiate the opening of a vent and the 5000 CFM fan will forcefully flush out all contaminated air.
Phase 3: If gas levels continue to rise, the system will activate an audible alarm that also shuts down the electrical outlets inside.

- All interior light fixtures, electrical outlets, and switches are spark-proof and meet Class 1 Division 1 hazardous area requirements.
- The spark-proof exhaust fans, in conjunction with the temperature controlled makeup air unit, use 100% outside fresh air to provide the required air flow rate over your equipment. The system provides a slightly negative pressure within the lab to prevent hazardous gasses from leaking into surrounding areas. If there is no need for temperature control in your location, the makeup air unit can be replaced with a pleated filtration intake for a nice cost reduction.
- The module is equipped with a gas detection alarm system that will initiate when hazardous gas begins to be detected. If the gas levels continue to rise, the system will activate an audible alarm and shut down power to the equipment inside the room well before dangerous levels are reached.
- The weatherproof main electrical distribution panel is located on the exterior of the module, outside of the hazardous area and out of the way. The entry door is of steel construction and equipped with an automatic closer, a panic exit device, a safety window, and weather seals. The optional sink is of quality stainless steel construction and equipped with a gooseneck faucet to accommodate large canisters or vessels.

- The module can be mounted on a wheeled chassis (for ease of relocation), directly on a shop floor or foundation (inside a building or as a stand-alone building).

Addressing Negative Effects on the Community. Applicant recognizes City's concerns surrounding commercial cannabis businesses. Pursuant to both City of Woodland ordinance, California State's regulations and reasonable good neighbor policies, our manufacturing operation will include the following:

Security. Our manufacturing facility will employ a comprehensive security plan mandated by ordinance which includes security patrols, use of security cameras, and strategic placement of lighting that will deter crime in the area. **Please see Security Plan.**

Odor Control. Our manufacturing facility will have a comprehensive odor control system which will make odors typically associated with cannabis manufacturing undetectable. **Please see Odor Control Plan.**

Cross Contamination. Our manufacturing operation is subject to strict guidelines under local and State's regulations. It requires us to establish and implement written manufacturing operation procedures to ensure that all of our product manufacturing is conducted properly. Our operations shall be conducted under conditions and controls that are necessary to eliminate contamination that could potentially affect our product and other surrounding businesses' production.

Community Benefits. A critical component to our operating model is deeply rooted in good stewardship to our community and the populations we serve. Applicant intends to engage in a responsibility agreement with the City of Woodland to remit $48,280 annually to City of Woodland, for the purpose of mitigating any adverse impacts the facility might have on our neighborhood. Second, a well-run manufacturing business does much more for a dispensary and its patients and customers than merely providing access to cannabis. Our vision includes fostering a sense of community among our neighbors to build stronger, healthier populations. Our organization is committed to creating a community-based entity to support the needs of dispensaries, their customers and patients, and improve our community by creating more jobs for residents.

Applicant believes that this facility is a great choice for this type of business and will enhance the local neighborhood, providing added security, economic viability, and responsible partnerships.

Distribution and Transport. Distribution and shipping shall be performed by a licensed distributor for inbound and outbound transportation. Applicant is currently working with establishing a relationship with Gold Mountain Distribution (West Sacramento). Inbound transportation shall include any biomass material to be manufactured as well as bulk material from other manufacturers for white labeling purposes. Inbound transportation of tested flower shall also be included for packaging purposes. Outbound transportation shall include any bulk material to be transported to other manufacturers for packaging and/or infusion purposes, finished and packaged batch products shall be transported to a testing laboratory for testing purposes. Distribution shall also include transportation of tested, finished manufactured products to be distributed to licensed retailers.

Statement of Proposed Use

Manufacturing as defined in the Woodland Municipal Code as the compounding, blending, extracting, infusing, or otherwise making or preparing a cannabis product.

Number of People Involved.

Owners: ProTerp Manufacturing ("ProTerp") has total of 2 owner/members. Detailed biographies and qualifications of each individual is described in "**Business Plan**". Each member of ProTerp is dedicating 100% of their skills to proposed project in order to become fully compliant, prosperous and bring in community benefits to City of Woodland and its surrounding areas. Both owners have extensive knowledge in the corporate business environment as well as the commercial cannabis industry. Both owners have great knowledge of the extraction processes through consulting various lab technicians across the country, getting familiarized with procedures of the manufacturing facility and shadowing colleagues that are involved in the volatile manufacturing processes that have established and licensed facilities. Upon arrival of the equipment ProTerp and its team shall undergo a mandatory training program that is offered by the company that is currently being engineered for ProTerp.

Employees: ProTerp is in the process of interviewing and finalizing hire packets for local residents and qualified individuals to become part of ProTerp's team. ProTerp developed a **"Staffing Plan"** (see additional information) and will initiate employees according to the proposed plan. By October 1st, 2018 ProTerp plans on initiating a CEO and CCO positions that are being held by each owner, an administrative assistant, an operations manager and a lab manager. As the project develops and grows, ProTerp shall initiate additional staff as described in the Staffing Plan.

Characteristics of the surrounding area: The business is located within an area surrounded by like kind of businesses that are typical of a light industrial area. Cabinet shops, distribution businesses, bakeries, and small manufacturing companies are the types of operations that are found in the general area. Given the fact that this location is near the freeway you'll find businesses that move and distribute their products throughout all of central California and the majority of these operations are housed in buildings that are 20,000 sq ft or less and have numerous points of entry allowing for small to medium sized trucks to load and unload. The area sees very little foot traffic and does not appear to have much retail presence. Most of the nearby businesses tend to be service providers or in the wholesale side of their respective industries. As a typical light industrial neighborhood one will see very few sidewalks, a great

deal of blacktop, and lots of parking areas for workers. Much of the parking areas have shade trees to break up the monotony of the black top and there is some vegetation that was strategically planted when most of the newer buildings were created.

Hours of Operation: The operation will not be open to the public at any time. As a manufacturing facility, the operations may require staff to be present on premises 24 hours per day. Only authorized staff and distribution personnel will be allowed to enter the premises. We will have between 4 and 8 employees on site at any given time and run up to 3 eight hour shifts per day. Shifts are scheduled so that there is parking sufficient for all employees at all times even if there is overlap in staff times.

Type of vehicular traffic and deliveries; hazardous or volatile materials or chemicals involved: Cannabis products manufactured on site will be safely and securely transported from the facility in unmarked vehicles (cargo vans) only by a licensed distributor. Outbound transport will occur only within the building itself through the secure roll up door.

This business will not conduct a large volume of inbound or outbound shipping. Our hours for receipt of delivery will be between 8 AM-12 Noon M-F. Anticipated deliveries are as follows:

- ETHYL ALCOHOL – up to a 50-gallon barrel or as allowed by the City of Woodland will be delivered as often as once per week by a cargo truck with a lift gate. No more than 50 gallons or as allowed by the City of Woodland will be on site at any given time.
- ISOPROPYL ALCOHOL – 8 gallon containers will be delivered as often as once per week accompanying the ethyl alcohol.
- PLANT MATTER – 200-1000lbs delivered 1-2 times/week via a secure cargo van or 15ft truck.
- BUTANE – up to5 times/week delivered by a 25 ft open flatbed truck in 1-2 secure skids of up to 8 tanks holding up to 150lbs of BUTANE each or as allowed by the City of Woodland. Empty tanks are removed by the same vendor.
- PROPANE - up to5 times/week delivered by a 25 ft open flatbed truck in 1-2 secure skids of up to 8 tanks holding up to 150lbs of PROPANE each or as allowed by the City of Woodland. Empty tanks are removed by the same vendor.
- GENERAL and OFFICE SUPPLIES – 1 time/week office supply delivery via UPS or USPS van/truck, amounts will be commensurate with the usual office supply deliveries for a business.

General and outdoor activities: No cultivation, production, distribution, storage, display, or wholesale of cannabis products shall be visible from the exterior of the building where the Commercial Cannabis activity is being conducted. There will be no outdoor activities outside of the premises.

Odors, noise, dust or glare: Odors shall be contained on the property on which the Cannabis activity is located, no dust or glare will be involved with the Commercial Cannabis activity. Existing requirements applicable to the manufacturing of food and drug products (US Food and Drug Administration [USFDA] regulations, 21 Code of Federal Regulations [C.F.R.] Part 111 and Part 117) are not applicable to cannabis products. However, because many cannabis products

are intended to be consumed, the need to ensure the safety and integrity of the manufacturing process is still present. Using its experience with oversight of food and drug manufacturing, our Commercial Cannabis activities are subject to regulations to include substantively similar requirements to ensure sanitary manufacturing practices. Such practices will eliminate odors, and dust. ProTerp does not anticipate any noise or glare that shall be visible and detectible outside of the premises.

PROTERP MANUFACTURING LLC.

TENANT IMPROVEMENT

CONDITIONAL USE PERMIT DRAWINGS

PROJECT ADDRESS:

1230 HARTER AVE., SUITE F

WOODLAND, CA 95776

APN # 027-420-030-000

SHEET INDEX

GENERAL

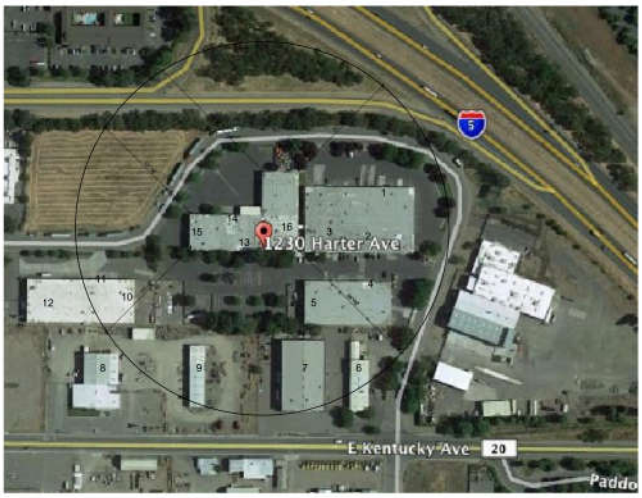
CS.1	COVER SHEET
CS.2	NEIGHBORHOOD CONTEXT MAP

ARCHITECTURAL

A1.1	SITE PLAN
A1.2	CONTEXT PHOTOS
A1.3	CONTEXT PHOTOS
A1.4	LANDSCAPE PLAN
A2.1	DEMOLITION PLAN
A3.1	PROPOSED FLOOR PLAN
A3.2	EXISTING ROOF PLAN
A3.3	EXTERIOR ELEVATIONS
A4.1	LIGHTING PLAN AND PHOTOMETRIC STUDY

ABBREVIATIONS:

@	AT	(N)	NEW
℄	CENTER LINE	NTS	NOT TO SCALE
Ø	DIAMETER OR ROUND	O/C	ON CENTER
#	POUND OR NUMBER	PL	PLATE
BLKG	BLOCKING	℗	PROPERTY LINE
CONC	CONCRETE	PT	PRESSURE TREATED
CP	CARPET	R	RISER
DF	DOUGLAS FIR	RAD	RADIUS
DN	DOWN	REF	REFRIGERATOR
DS	DOWNSPOUT	S&P	SHELF AND POLE
DW	DISHWASHER	SEL.STR.	SELECT STRUCTURAL
DWG	DRAWING	SF	SQUARE FEET
(E)	EXISTING	SIM	SIMILAR
EA	EACH	SQ	SQUARE
EF	EXHAUST FAN	T&G	TONGUE AND GROOVE
EN	EDGE NAIL	TBD	TO BE DETERMINED
EQ	EQUAL	TV	TELEVISION
FLUOR	FLUORESCENT	TYP	TYPICAL
FT	FOOT OR FEET	UNO	UNLESS NOTED OTHERWISE
GA	GAUGE	W/	WITH
GALV	GALVANIZED	WD	WOOD
GFI	GROUND FAULT NTERRUPT	W/D	WASHER/DRYER
GWB	GYPSUM WALL BOARD	W/O	WITHOUT
HB	HOSE BIBB	WP	WATERPROOF
HD	HOLDOWN		
HT	HEIGHT		
MAX	MAXIMUM		
MFR	MANUFACTURER		
MIN	MINIMUM		



NORTH

300' RADIUS MAP

SCALE: NOT TO SCALE

PROJECT INFORMATION

BUILDING INFORMATION

NUMBER OF STORIES:	1-STORY
EXISTING BUILDING AREA:	9,801 sq/ft
OCCUPANCY (BUILDING):	B, F-1, S-1
FIRE SPRINKLERS:	YES
BUILDING DIMENSIONS	99' x 99'

SITE INFORMATION

ZONING:	C-H HIGHWAY COMMERCIAL ZONE
GENERAL PLAN DESIGNATION:	EMPLOYMENT CENTER (LOW-RISE)
LOT AREA:	3.65 ACRES

APPLICABLE CODES

2016 BUILDING STANDARDS ADMINISTRATIVE CODE, PART 1, TITLE 24 C.C.R
2016 CALIFORNIA BUILDING CODE (CBC), PART 2, TITLE 24 C.C.R.
2016 CALIFORNIA ELECTRICAL CODE (CEC), PART 3, TITLE 24 C.C.R
2016 CALIFORNIA MECHANICAL CODE (CPC), PART 5, TITLE 24 C.C.R.
2016 CALIFORNIA ENERGY CODE (CEC), PART 6, TITLE 24 C.C.R.
2016 CALIFORNIA FIRE CODE, PART 9, TITLE 24 C.C.R.
2016 CALIFORNIA GREEN BUILDING STANDARDS CODE (CAL GREEN), PART 11, TITLE 24 C.C.R.

VICINITY MAP

PROJECT TEAM

OWNER

PROTERP MANUFACTURING LLC.
ETHAN CONRAD PROPERTIES

CONTACT: NURIYA SAFAROVA, PARTNER
TAX GEAR, LLC
1700 EUREKA ROAD
SUITE 155
ROSEVILLE, CA 95661
C: 916-719-9793

ARCHITECT

STACEY HALL
7580 DOLBERT DRIVE
RANCHO MURIETA CA 95683
PH: 510-220-1193
EMAIL: SBOWEN505@YAHOO.COM

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

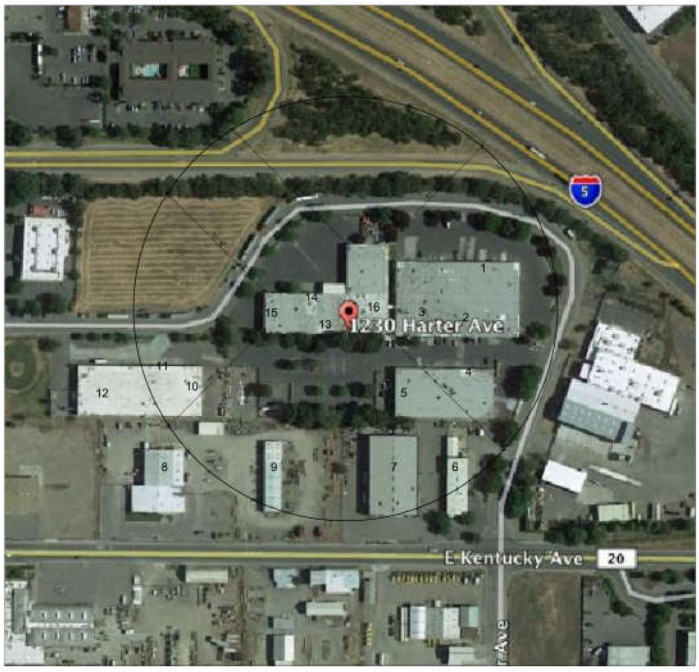
DRAWING:
COVER SHEET

PAGE: CS.1

DATE:

MAY 15, 2018

CUP SUBMITTAL DRAWINGS



300' RADIUS MAP

SCALE: NOT TO SCALE

N

ZONING MAP LEGEND				
REF #	ADDRESS #	PARCEL #	BUSINESS TYPE	ZONE
1	1250 HARTER AVE., SUITE D	027-420-031	BAKING COMPANY	
2	1250 HARTER AVE., SUITE F	027-420-031	NORTH COAST ENERGY SERVICES	
3	1250 HARTER AVE., SUITE C	027-420-031	BINA BAKERY	
4	460 HARTER AVE., SUITE B	027-420-032	WOODLAND DRAPER MANUFACTURING	LIGHT INDUSTRIAL
5	460 HARTER AVE., SUITE A	027-420-032	CONTINENTAL DRILLING TOOLS AND SUPPLY	
6	1249 E. KENTUCKY AVE.	027-420-004	VALLEY HYDRAULICS & MACHINE	
7	1225 KENTUCKY AVE.	027-420-025	QUALITY SUPPLY AUTO, TRUCK & TRAILER	
8	1207 E. KENTUCKY AVE.	027-420-003	WILKINSON INTERNATIONAL INC.	
9	1207 E. KENTUCKY AVE.	027-420-002	WILKINSON INTERNATIONAL INC.	
10	1226 HARTER AVE.	027-420-010	A-1 APPLIANCE	
11	1222 HARTER AVE.	027-420-010	APC PROPELLERS	
12	1214 HARTER AVE.	027-420-010	WOODLAND WINDUSTRIAL	
13	1230 HARTER AVE., SUITE E	027-420-030	LILLARD MANUFACTURING INC.	
14	1230 HARTER AVE., SUITE A	027-420-030	PLATT ELECTRIC SUPPLY	
15	1230 HARTER AVE., SUITE J	027-420-030	INTERMOUNTAIN DRILLING SUPPLY	
16	1230 HARTER AVE., SUITE F	027-420-030	VACANT	

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

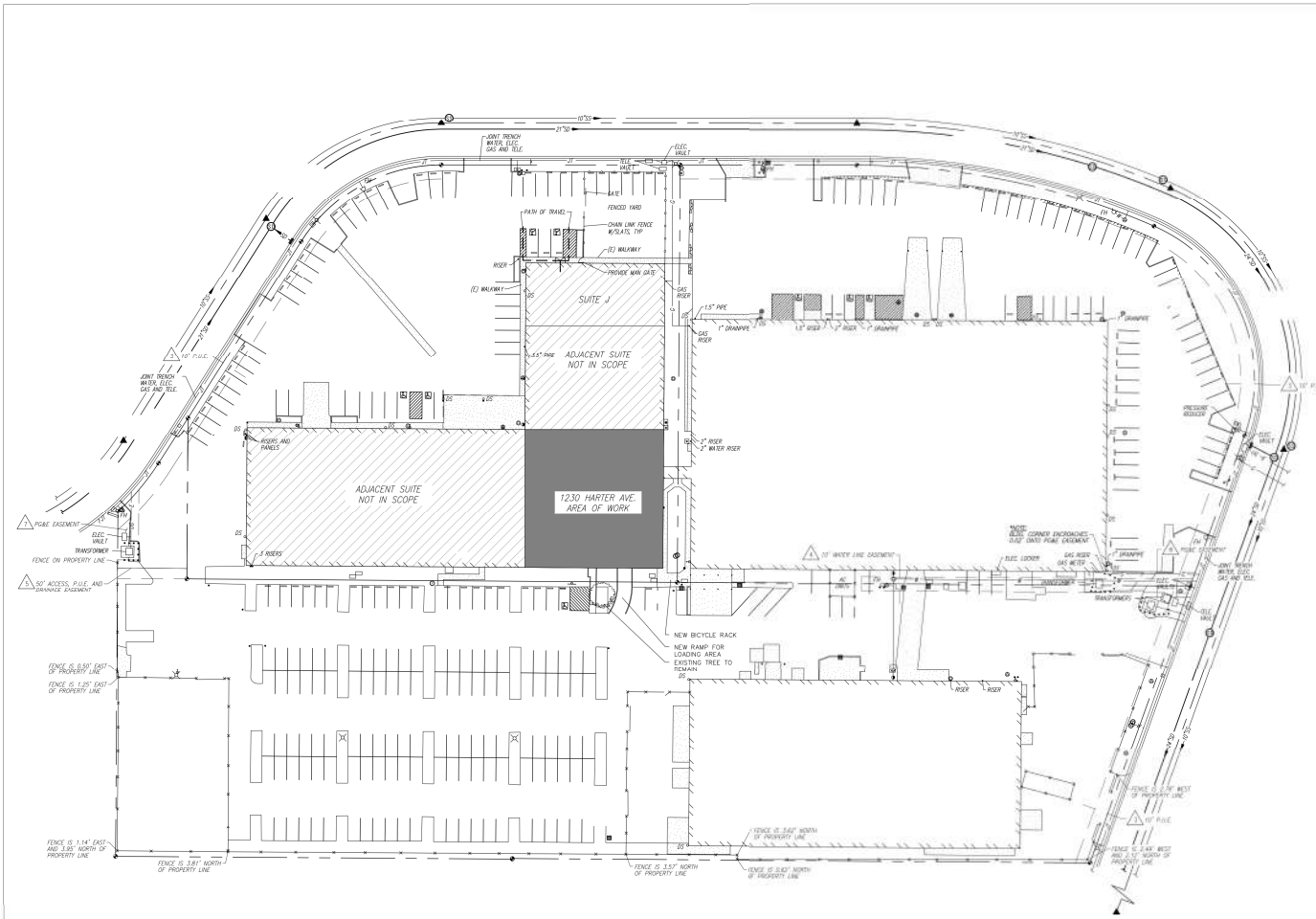
DRAWING:
NEIGHBORHOOD CONTEXT MAP

PAGE: CS.2

DATE:

MAY 15, 2018

CUP SUBMITTAL DRAWINGS



PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
SITE PLAN

PAGE: A1.1

DATE:

MAY 15, 2018

SCALE:
1"= 20'-0"

CUP SUBMITTAL DRAWINGS

PHOTO 1

PHOTO 2

N

PHOTO KEY MAP - BUILDING

SCALE: NOT TO SCALE

PHOTO 3

PHOTO 4

PHOTO 5

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
CONTEXT PHOTOS

PAGE: A1.2

DATE:

MAY 15, 2018

CUP SUBMITTAL DRAWINGS

PHOTO 1

PHOTO KEY MAP - SITE

SCALE: N.T.S.

N

PHOTO 2

PHOTO 3

PHOTO 4

PHOTO 5

PHOTO 6

PHOTO 7

PHOTO 8

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
CONTEXT PHOTOS

PAGE: A1.3

DATE:

MAY 15, 2018

CUP SUBMITTAL DRAWINGS

N

LANDSCAPE PLAN

SCALE: N.T.S.

TYPICAL TREES AT FRONT OF BUILDING

TYPICAL TREES AT FRONT OF BUILDING

TYPICAL TREES IN PARKING LOT

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
LANDSCAPE PLAN

PAGE: A1.4

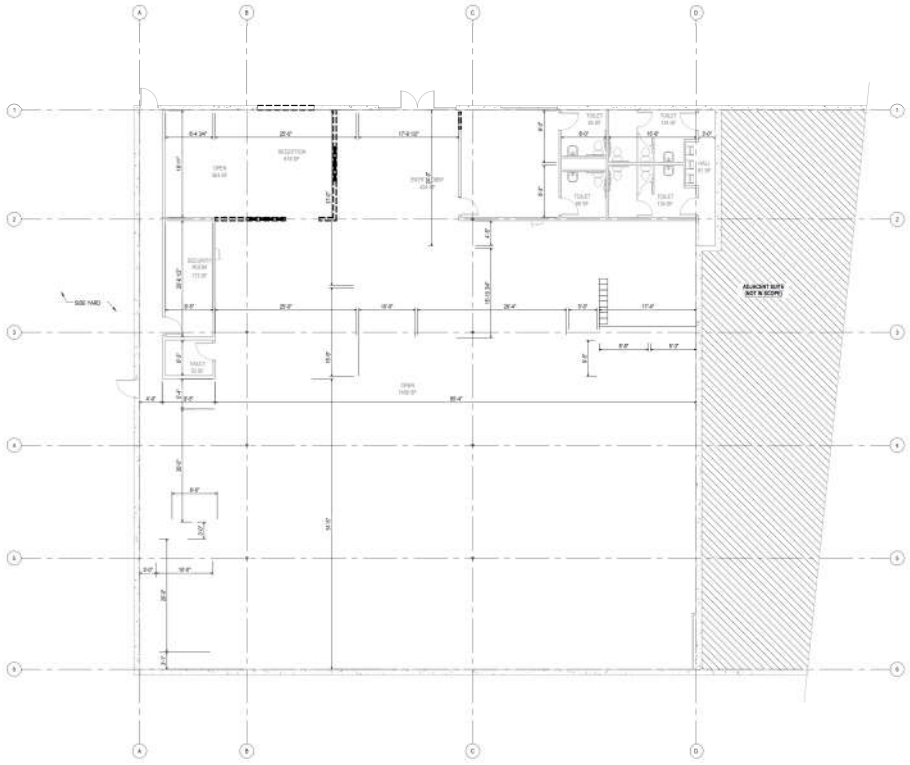
DATE:

MAY 15, 2018

CUP SUBMITTAL DRAWINGS

WALL LEGEND

- EXISTING WALLS TO REMAIN
- EXISTING WALLS TO BE DEMOLISHED
- NEW WALLS
- F.O. STUD DIMENSION
- F.O. FINISH



N

1 / A2.1 DEMOLITION FLOOR PLAN

SCALE: 1/8" = 1'-0"

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
DEMOLITION FLOOR PLAN

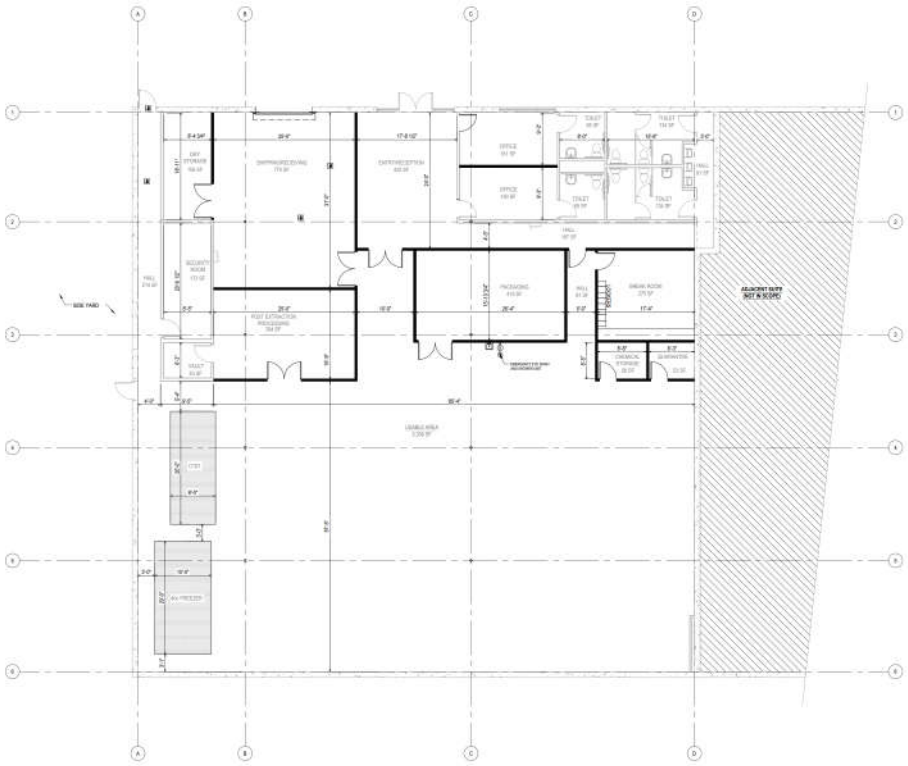
PAGE: A2.1

DATE:

MAY 15, 2018

SCALE:
1/8"= 1'-0"

CUP SUBMITTAL DRAWINGS



1 A3.1 PROPOSED FLOOR PLAN
SCALE: 1/8" = 1'-0"

N

WALL LEGEND

EXISTING WALLS TO REMAIN
EXISTING WALLS TO BE DEMOLISHED
NEW WALLS
F.O. STUD DIMENSION
F.O. FINISH

AREA DIAGRAM

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

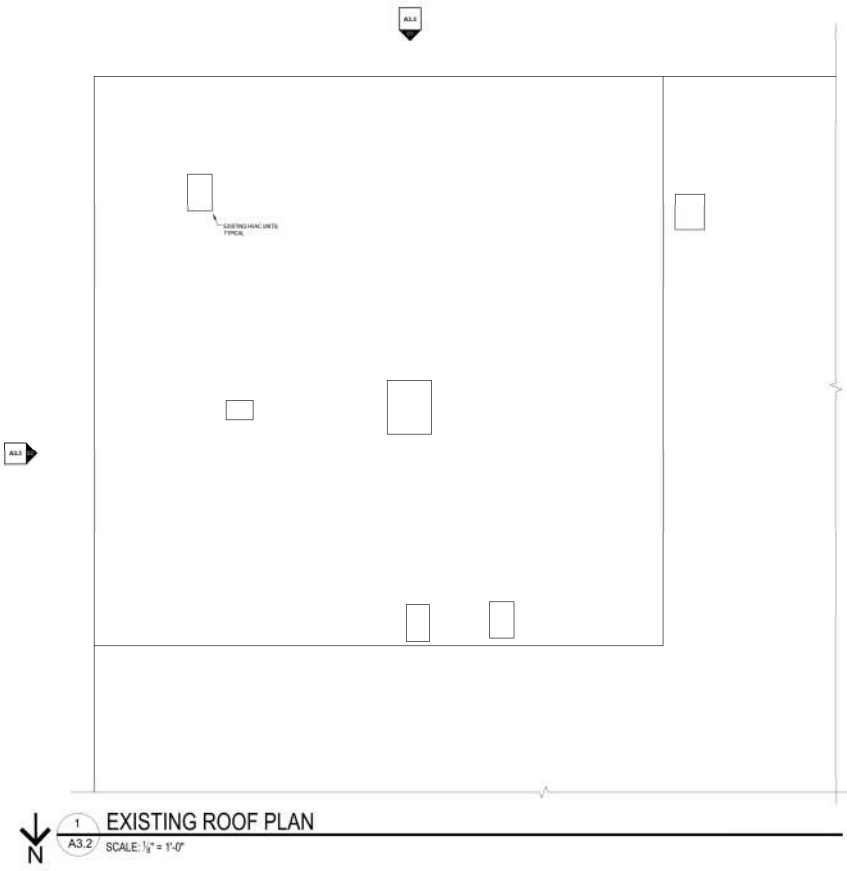
DRAWING:
PROPOSED FLOOR PLAN

PAGE: A3.1

DATE:
MAY 15, 2018

SCALE:
1/8"= 1'-0"

CUP SUBMITTAL DRAWINGS



N

1 A3.2 EXISTING ROOF PLAN
SCALE: 1/8" = 1'-0"

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
ROOF PLAN

PAGE: A3.2

DATE:

MAY 15, 2018

SCALE:
1/8"= 1'-0"

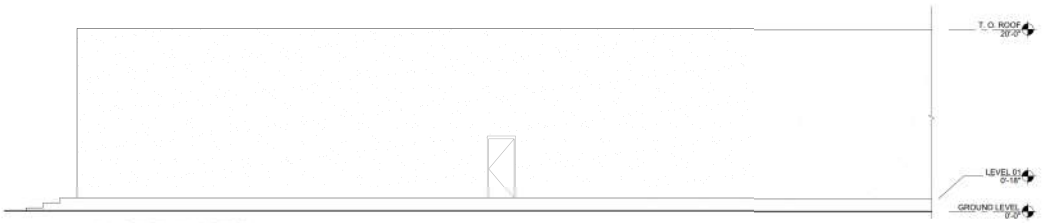
CUP
SUBMITTAL
DRAWINGS

1 A3.3 **SOUTH ELEVATION**

SCALE: 1/16" = 1'-0"

SIGNAGE :
EACH SIGN MUST BE 8 INCHES BY 10 INCHES IN SIZE AND DISPLAYED AT ALL TIMES IN A CONSPICUOUS PLACE SO IT IS SEEN BY PERSONS ENTERING THE BUSINESS

REQUIRED SIGNS:
1) "THIS SITE IS NOT OPEN TO THE PUBLIC"
2) "ONSITE RETAIL SALES OF ANY GOODS AND SERVICES IS PROHIBITED"
3) "JUVENILES ARE PROHIBITED FROM ENTERING THIS SITE"
4) "SMOKING, INGESTING, OR CONSUMING CANNABIS ON SITE IS PROHIBITED"



2 A3.3 **EAST ELEVATION**

SCALE: 1/16" = 1'-0"

PROTERP MANUFACTURING LCC.

1230 HARTER AVE.
SUITE F
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
EXTERIOR ELEVATIONS

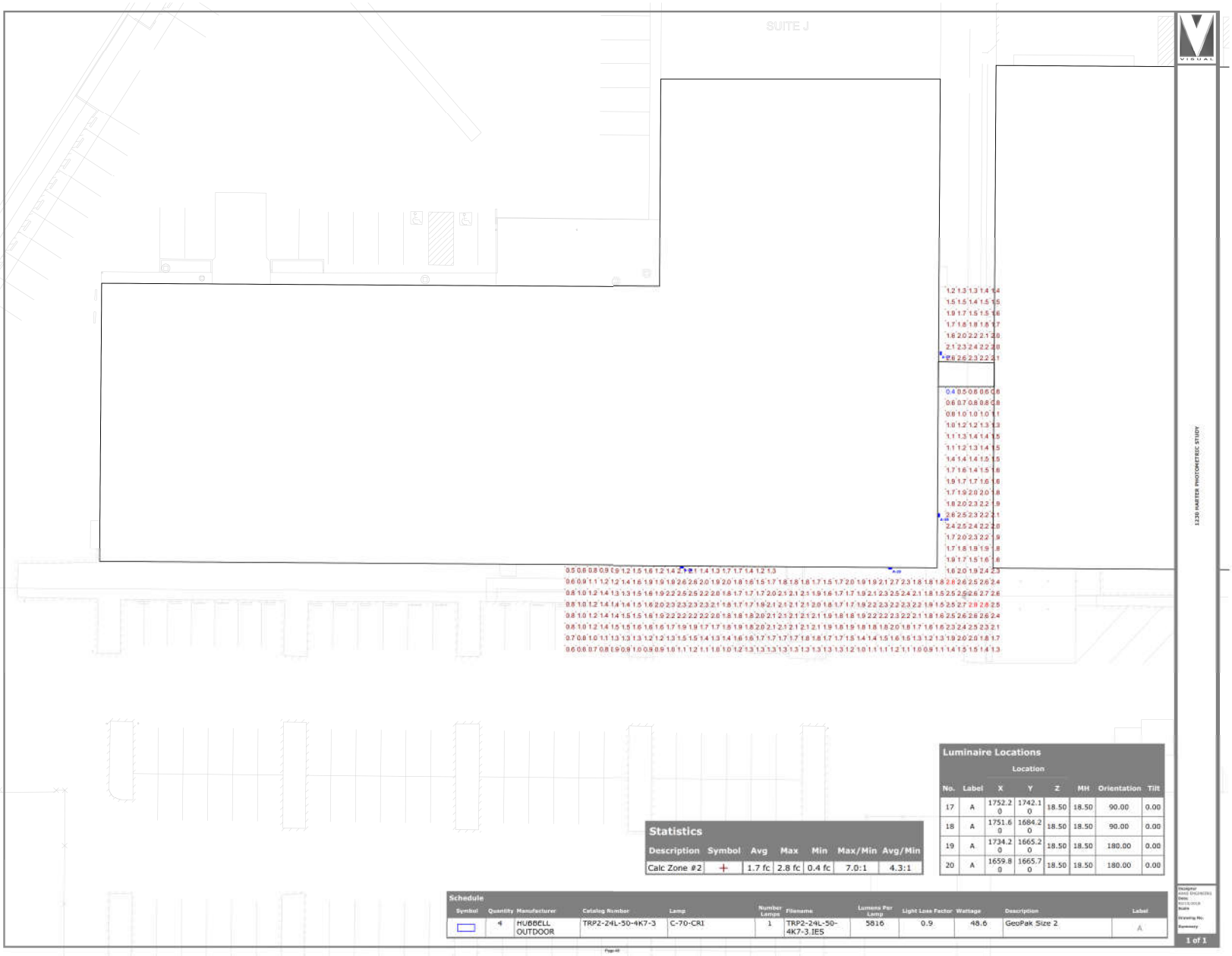
PAGE: A3.3

DATE:

MAY 15, 2018

SCALE:
1/16"= 1'-0"

CUP SUBMITTAL DRAWINGS



Luminaire Locations

No.	Label	Location X	Location Y	Z	MH	Orientation	Tilt
17	A	1752.20	1742.10	18.50	18.50	90.00	0.00
18	A	1751.60	1684.20	18.50	18.50	90.00	0.00
19	A	1734.20	1665.20	18.50	18.50	180.00	0.00
20	A	1659.80	1665.70	18.50	18.50	180.00	0.00

Statistics

Description	Symbol	Avg	Max	Min	Max/Min	Avg/Min
Calc Zone #2	+	1.7 fc	2.8 fc	0.4 fc	7.0:1	4.3:1

Schedule

Symbol	Quantity	Manufacturer	Catalog Number	Lamp	Number Lamps	Filename	Lumens Per Lamp	Light Loss Factor	Wattage	Description	Label
	4	HUBBELL OUTDOOR	TRP2-24L-50-4K7-3	C-70-CR1	1	TRP2-24L-50-4K7-3.IES	5816	0.9	48.6	GeoPak Size 2	A

1 of 1

Business Plan

- **MISSION STATEMENT**

To widely provide the highest quality medicinal and recreational cannabis for the palliative treatment of Post-Traumatic Stress, pain, cancer patients and others in great need for such product.

To aid and eliminate illegal, problematic grow houses and the nuisances surrounding them. Those nuisances include, but are not limited to, increased opportunity for crimes against property and persons at unsecured locations, obnoxious odors, fire hazards and the like. These individuals hope to profit by selling cannabis on the black market, avoiding regulated and compliant dispensary operations which pay taxes and benefit the community at large. Our business aids in eliminating this behavior by providing legally grown and manufactured cannabis to dispensaries in the surrounding areas of Woodland.

To provide employment opportunities for local residents, will pay taxes in accordance with county and state requirements, which in turn will benefit our county at large, including our neighborhood.

- **QUALIFICATION OF PRINCIPLES**

ProTerp Manufacturing, LLC is owned and managed by individuals with many years of experience in successfully starting and running businesses. Our team is highly familiar with best practices in regulatory compliance, community relations as well as all functions required for successfully managing day-to-day operations of the company. Our team will meet or exceed all criteria set forth by the City of Woodland and the State of California.

Nuriya Safarova is a Member of ProTerp Manufacturing, LLC and holds the position of Chief Compliance Officer. Nuriya came to United States with her family from Russia 14 years ago. She had limited knowledge of the language so she began to learn English as quickly as possible by watching her favorite show “Full House”. At the age of 16, Nuriya graduated high school and moved out on her own to Sacramento to work and get formal education from American River

College and UC Davis. While completing her education, Nuriya had begun her journey in the cannabis industry as a cultivator, establishing a prosperous cultivation business in 2011.
As the rules and regulations began to change, Nuriya had steered her career into the legal field while getting the formal education. She became a paralegal for a law firm that provided assistance in general business compliance, financial reorganization, Real Estate acquisitions, tax preparation and resolution services.
As she progressed in the legal world, Nuriya took the risk, postponed her formal education and established a private patrol security business and began to focus on her entrepreneurial skills. With the combined knowledge that she has acquired over the years, Nuriya became highly knowledgeable in how to properly establish and run a business from ground up.
Upon the sale of the security business four years ago, Nuriya established her own tax preparation firm, which progressed into a cannabis tax and business compliance consulting firm a year later.
Currently, Ms. Safarova consults numerous commercial cannabis businesses to ensure they are compliant pursuant to local and the State requirements. Nuriya is highly knowledgeable in how to establish a successful, beneficial to the community commercial cannabis business that is also compliant with all of taxing and OSHA agencies, labor laws and other requirements that general businesses are subject to.
Through running the compliance firm, Nuriya had also became knowledgeable in commercial cannabis manufacturing businesses. She had prepared numerous Conditional Use Permits, Business Operating Permits and Development Agreements while consulting and learning from the best extractors, engineers and attorneys throughout California. Such experience gave her a deeper business perspective as well as internal operations of the manufacturing business.

Ron Mellon is a Member of ProTerp Manufacturing, LLC and holds the position of Chief Executive Officer. As a seasoned real estate development and housing marketing executive, Ron Mellon has over 30-years of expertise as a leader and financial high-performer in real estate and housing development sales management, marketing, product development, financial management, project fundraising, and real estate analysis.

Ron has built and led national housing development projects and national programs focused on neighborhood revitalization, and his expertise spans single family custom homes and large multi-family infill, most recently expanding into commercial in-fill development connected to green-zone, permitted cannabis project development in the Western United States.

As Managing Director for Nehemiah Corporation, Ron rebuilt communities across the country, rehabilitating and re-selling over 800 homes and raising mortgage free donations for 26 worthy veterans. And currently Ron serves as the head of the Northern California Division of Pilot Real Estate Group, who specializes in real estate investments, debt, and equity financing.

Ron's previous experience includes:

- President of Invision Group. Lead developer of Township Nine. One of the largest urban infill developments in the country.
- President/ CEO. Invision Sales and Marketing. Developed and grew the Nehemiah Program from concept to over 12,000 transactions per month. Helped over 300,000 families purchase a home.

- Vice President Sales and Marketing - Lexington Homes. Involved in the development of master planned communities throughout the region. Laguna West, Natoma Station, Lexington Hills etc.
- Entrepreneur. Owned operated trucking company, television network, custom home construction.
- Real Estate broker over 30 years
- Community involvement. President of the BIA sales and marketing council, board President Sacramento Waldorf School, Board Sac Theatre Company.

- **BUSINESS OBJECTIVES**

The company's principal objective is to manufacture the highest quality cannabis concentrates for distribution to licensed medical and recreational cannabis dispensaries throughout California. The company will focus its initial outreach on bringing to market the analgesic and mollifying effects of ProTerp, cannabis, and concurrently further establish its brand as among the highest quality products available. It will grow a select few strains with established medical efficacy and expand its service to medical patients and recreational customers. These objectives contemplate expansion of operations by procuring additional manufacturing sites, inside and outside of City of Woodland, with an eye toward maximum allowable manufacturing under State of California statutes and the associated regulatory environments.

- **OPERATING PROCEDURES**

All proposed activities to be conducted on the property. In full compliance with state and local regulations, we propose to develop a 10,055 sqft suite at the street address of 1230 Harter Avenue, Suite F Woodland, CA 95776 to conduct commercial cannabis activity, specifically Type 7 Manufacturing. We will be manufacturing cannabis extracts including the production, preparation, propagation and compounding of manufactured medical and recreational cannabis directly or indirectly by extraction methods, or independently by means of chemical synthesis for packaging or repackaging, which may include labeling or re-labeling.

- **EXTRACTION PROCESS EQUIPMENT**

Extraction equipment, including equipment used for winterization or other oil refining processes, that use hazardous materials (i.e. flammable/combustible liquids, Carbon Dioxide (CO2), liquefied petroleum gases (i.e. butane) shall be listed and approved by City of Woodland Fire Department.

Liquefied Petroleum Gas (LPG) and CO2 Extraction Equipment. ProTerp will only use a closed-loop type LPG extraction equipment.

Flammable liquid distillation or evaporati

ve process equipment. There are numerous methods to perform distillation or evaporative extraction / refinement processes. In general, electrified equipment shall be used in these processes are required to be listed for their intended use and are required to be operated within

our guidelines. Equipment such as rotary evaporators are typically listed for distillation processes. Where distillation stills or heated evaporation processes are performed, the heating source shall be listed as explosion-proof (i.e. rated for the electrically classified location) Applicant shall get an approval of the proposed process equipment must be submitted during construction permitting review.

Vacuum Ovens. Vacuum ovens shall not be used to process volatile gases (i.e. alcohol/oil mixtures, oil containing off-gassing LPG, other flammable liquids, etc) unless the vacuum oven is rated to process these vapors (typically an explosion-proof classification). ProTerp will ensure that material being introduced into the oven does not contain volatiles.

Refrigerators. Refrigerated storage or processing of flammable liquids including oil-laden with flammable liquids will only use refrigerators/freezers rated to store flammable liquids. At minimum, a "Lab-Safe" or "Flammable Safe" rated refrigerator/freezer must be used.

- **EXTRACTION ROOM CONSTRUCTION, GAS DETECTION, EXHAUST, & ELECTRICAL SYSTEMS**

Room Construction. Extraction rooms are to be located in a room dedicated to the extraction process. There shall be no other equipment within the room (i.e. refrigerators, cooking appliances, electrical panels, computers, cell phones, etc) that is not associated with the extraction process. Additionally, there will be no penetrations into the room that are not essential for the extraction process (i.e. gas lines, HVAC systems, plumbing, etc.)

Rooms are to be of continuous, noncombustible, and smooth construction, and room finish will consider Department of Health requirements for cleaning purposes. Booths constructed in compliance with flammable finish requirements of DFC Section 24 will be accepted as meeting these construction requirements. Acoustic-type drop ceilings that could conflict with large LPG extraction exhaust systems will not be permitted. Hand sinks and eye wash stations can be located in the room.

Doors to the extraction room using hazardous materials (i.e. CO2, LPG, or flammable liquids) must swing in the direction of egress, be self-closing/latching, and be provided with panic hardware.

Post oil processing typically uses small volumes of flammable liquids and may be performed outside of a dedicated extraction room. This process can typically be performed under a bench-top chemical fume hood.

C1D1 Extraction Lab. ProTerp shall acquire a C1D1 extraction laboratory. The C1D1 Lab Wind Extraction Laboratory ensures a clean environment with built-in safety features. The facility is categorized under the Class 1 Division 1 environment hence, it adapts to a variety of working atmospheres or locations. The lab is fabricated like a wind tunnel where workstations can be set up anywhere in said facility. The C1D1 Lab was conceived for volume production since several stations can function simultaneously. The explosion-proof Flex Lab design features a three-stage safety process:

1) The air unit generates air that flows into the laboratory. An 800 CFM Fan maintains consistent air movement to prevent any buildup of gas.
2) The gas-detection system will open an exhaust or opening if high level of gas is discovered. A 5000 CFM fan gets rid of polluted air.
3) The system triggers an alarm and closes down all electrical outlets in the lab if the gas levels continue to increase.

All the electrical and lighting fixtures conform to the C1D1 dangerous area prerequisites. There are spark-proof exhaust fans installed compatible with the temperature-regulated makeup air device. The system contains minimal amount of negative pressure within the cannabis facility to avert toxic gasses from seeping into adjacent areas. It is possible to replace the air unit with a folded filtration system for cost-efficiency if temperature controls are not required in your location.

The main distribution panel for electricity is weather-proof. This is positioned in the module's exterior portion outside the unsafe area. C1D1 lab steel door is fitted with automatic closing and panic exit mechanisms. The entire module may be mounted on a swinging wheeled chassis on the structure or flooring for easy and unhampered movement. The C1D1 laboratory is complaint with standards of the Occupational Safety and Health Administration (OSHA), International Fire Code of 2015, National Fire Protection Association, and National Electric Code.

Suppression Systems. An LPG extraction room, booth, or hood is required to be provided with an automatic fire suppression system in accordance with City of Woodland and California State requirements. A suppression system will be in a flammable liquid extraction room, booth, or hood where vapors are released exceeding 25% of the LFL (lower flammable limit). Where the building is required to be sprinklered, the sprinkler system shall be extended to the room, booth, or hood.

Extraction Exhaust Systems. A hazardous exhaust system will be installed in accordance with the Mechanical Code for extraction processes using LPG. Exhaust systems will be built specifically to suit the needs of a location or process. The engineer of record shall design and/or specify a system to meet the minimum requirements of a hazardous exhaust system. The intent of the exhaust system provided is to be designed with capture and containment velocities across the work area.

Flammable Liquid Extraction & Post Oil Processing Exhaust Systems. Post oil processing is an oil refining or winterization process occurring after the initial extraction is completed.

These processes are grouped into two categories; distillation extractions where most of the flammable solvent is recollected OR a heated boil-off (evaporative) process where flammable liquid is evaporated to the atmosphere without recollection.

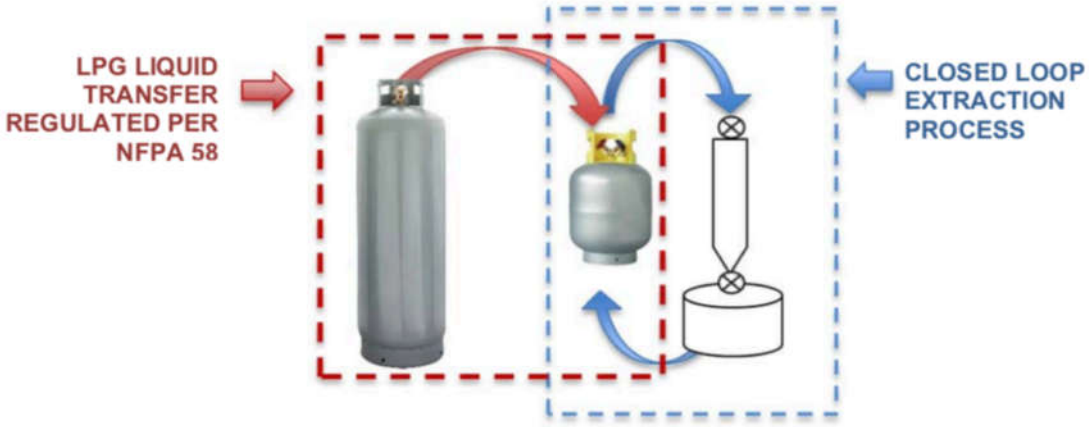
A hazardous exhaust system shall be installed for flammable liquid processes exceeding 5 gallons. These include boil/evaporative processes, distillation processes, and flammable liquid plant wash processes. This exhaust system is intended for larger processes where dispensing of

flammable liquids also occurs in greater volumes, flammable liquid laden plant material is removed from equipment and/or vapors are present from heated extraction processes. The exhaust system will provide capture and containment velocity across the work area.

Distillation process using less than 5 gallons shall be performed under a chemical fume hood designed to contain fumes within the hood and exhaust them to the exterior. This system does not have the duct gauge thickness and other requirements of a full hazardous exhaust system. This exhaust system is typically for smaller bench-top type of distillations and also small flammable liquid dispensing volumes.

- **FILLING LPG EXTRACTION EQUIPMENT**

Filling LPG Extraction Equipment. Extraction equipment includes an LPG solvent tank (i.e. a local system supply tank) which is filled with LPG and supplies the extraction equipment and this same tank is also used to reclaim LPG after the extraction. This delineation is depicted below.



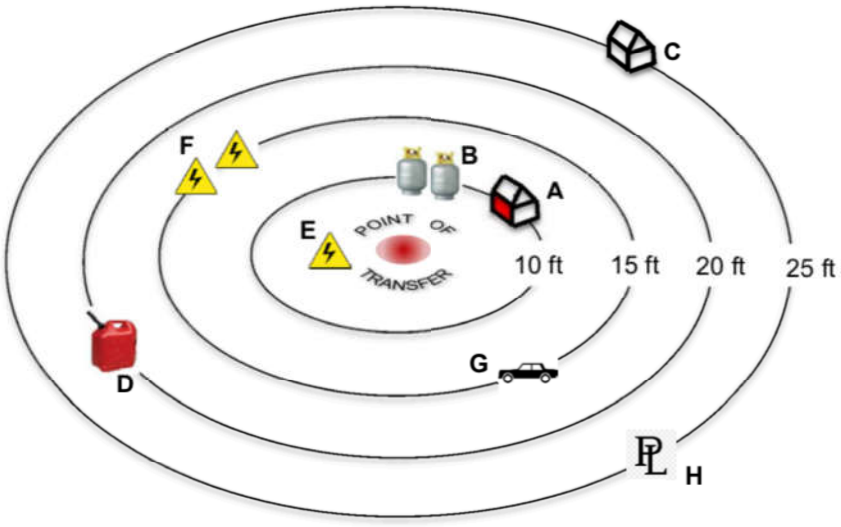
Filling the solvent tank is regulated as LPG liquid transfer under NFPA 58. Indoor filling and/or indoor filling from piped LPG liquid systems will be conducted indoors where the room and process has been designed in accordance with NFPA 58.

The following is a summary of requirements from NFPA 58:

i. Personnel conducting liquid transfer operation shall be trained in LPG filling (recertified every 3 year). Documentation of training shall be available (NFPA 58-7.2.1)
ii. Public access to the filling location must be restricted (i.e. fenced area)
iii. The filling location must be located 15’ from combustion engine use; i.e. vehicle parking. All ignition sources shall be shut off. The location may be located against a noncombustible building wall without openings.
iv. Electrical equipment is required to be Class I Division I within 5’ and Class I Division II within 15’ of filling operations.

v. Where heating blankets are used, they must be listed for use in explosive environments. An electrical permit is required for any circuits being extended to the filling location.
vi. Where scales are used for weighing containers, they shall be Class I Division I listed or be of the mechanical type.
vii. Smoking, portable lighting, portable electric tools, etc. shall not be in use within 25' of the filling operation.
viii. Purging of tanks may be performed at the tank filling location in accordance with NFPA 58. The tank must be rapidly dispersed in the atmosphere, where environmental conditions do not allow rapid dispersal (i.e. wind conditions, site conditions such as neighboring buildings on lot lines not allowing adequate natural ventilation, etc). LPG must be flared using a method in compliance with NFPA 58.

The NFPA 58 separation distances from the trans filling location are illustrated below.



1. Buildings with 1HR fire rated exterior wall
2. LPG Containers in Storage
3. Buildings with non-fire rated exterior wall or building openings
4. Flammable / combustible liquid storage
5. Class I Division I clectrically classificd arca within 5' of transfcr
6. Class I Division II electrically classified area
7. Vehicle traffic
8. Property Line that can be built upon

- **DAY-TO-DAY VOLATILE MANUFACTURING OPERATIONS**

An extraction method is simply a particular technique involving a chemical solvent or extraction agent, like alcohol, butane, isobutane, propane, dry ice, or ice water, among others. These solvents and extraction agents are intended to basically separate trichomes and their resin from

the plant matter. Trichomes, the microscopic manufacturing factories for cannabinoids and terpenes within the plant, create and contain all of the medicinal and lifestyle enhancement value of the plant. A concrete or an oleoresin that has been winterized to remove the waxes, lipids, and fats. We will use a closed loop system for BHO which will allow for capture of used butane to be reused in the next run of extraction. This means that such processes and machines use less solvent, none escapes into the atmosphere, and a significantly greater percentage is removed from the final concentrate product.

Following the extraction of the trichomes via pressurized butane or solvent processing, the resulting layer cannabis resin is placed into a vacuum oven to undergo a process called purging. This involves the chamber being depressurized, which creates a vacuum. This vacuum causes residual butane or solvent in the mid-stage, unfinished concentrate to literally be pulled out as they expand, at which time their gases are quickly removed from the chamber by the vacuum and captured for reuse. Purging removes not only residual solvents from the substance, but also most impurities.

Purging concentrate brings a concentrate one step closer to final product and involves heating in the vacuum oven, at roughly 110 degrees F (43 degrees C), for three to 10 hours. This allows any lasting residual traces of butane or impurities to be removed out of the concentrate via evaporation. this ensures that the lowest amount of solvent remains, helping guarantee a healthy product and adherence to industry best practices and applicable regulations. The final extract product is then allowed to cool and collected for further processing and packaging for distribution.

- **DELIVERIES FOR OPERATIONS**

Cannabis products manufactured on site will be safely and securely transported from the facility in unmarked vehicles (cargo vans) only by a licensed distributor. Outbound transport will occur only within the building itself through the secure roll up door.

This business will not conduct a large volume of inbound or outbound shipping. Our hours for receipt of delivery will be between 8 AM-12 Noon M-F. Anticipated deliveries are as follows:

- ETHYL ALCOHOL – up to a 50-gallon barrel or as allowed by the City of Woodland will be delivered as often as once per week by a cargo truck with a lift gate. No more than 50 gallons or as allowed by the City of Woodland will be on site at any given time.

- ISOPROPYL ALCOHOL – 8 gallon containers will be delivered as often as once per week accompanying the ethyl alcohol.

- PLANT MATTER – 200-1000lbs delivered 1-2 times/week via a secure cargo van or 15ft truck.

- BUTANE – up to5 times/week delivered by a 25 ft open flatbed truck in 1-2 secure skids of up to 8 tanks holding up to 150lbs of BUTANE each or as allowed by the City of Woodland. Empty tanks are removed by the same vendor.

- PROPANE - up to5 times/week delivered by a 25 ft open flatbed truck in 1-2 secure skids of up to 8 tanks holding up to 150lbs of PROPANE each or as allowed by the City of Woodland. Empty tanks are removed by the same vendor.

- GENERAL and OFFICE SUPPLIES – 1 time/week office supply delivery via UPS or USPS van/truck, amounts will be commensurate with the usual office supply deliveries for a business.

- **ENHANCED PRODUCT SAFETY**

Manufacturing components. In no case shall any hazardous, flammable or explosive substances be used to process or manufacture cannabis products on site. Food grade alcohol solely for the purposes of cleaning machinery and dissolving wax, unless otherwise prohibited by the State of California, is used and permitted. City of Woodland Environmental Services may inspect the commercial cannabis business at any time during business hours to ensure compliance with this Section.

Food standards. We agree that all food products, food storage facilities, food-related utensils, equipment and materials will be approved, used, managed and handled in accordance to the provisions of the California Retail Food Code, California Health and Safety Code sections 113700- 114437. All food products shall bc protcctcd from contamination at all timcs, and all food handlers must be clean, in good health and free from communicable diseases. Food handlers shall be required to take and complete a food handler course accredited by the American National Standards Institute (ANSI) within 90 days of commencing employment at the premises and again every three years during employment. For licensees in operation pursuant to Section 40140, applicable personnel shall complete the ANSI-accredited food handler course no later than 90 days after the effective date of the license.

Quality and safety of sources. All of our source materials are tested for pesticides, fungus, pests, molds, and other contaminants throughout our processes to guard against adulteration prior and post manufacturing process. We source from only the most responsible cultivators to ensure that ingredients are clean and pure. We track all inbound and outbound materials (component and manufactured product) using the MJ Freeway platform.

Labeling and packaging. Any applicable product will be labeled and in tamper-evident packaging which at least meets the requirements of California Business and Professions Code section 19347, as the same may be amended from time-to-time or superseded or replaced by subsequent State legislation or by any department or division of the State of California, and in compliance with any County packaging and labelling requirements on cannabis or cannabis products.

- **SECURITY INFORMATION**

Security is of the utmost importance to us and our group intends to meet or exceed all City of Woodland and State of California requirements. Full details on our security plan can be found in

"**Safety and Security Plan".**

- **RECORD KEEPING**

Scrutinizing company operations and maintaining precise records will not only ensure that we meet all required regulations, but also that our business is run most efficiently. Our management team has a reputation in business for being proactive instead of reactive and will incorporate business process to ensure compliance in all aspects of the business. At a minimum, our team will make and maintain complete, accurate and legible records of the permitted Marijuana Operations evidencing compliance with the requirements of MCRSA and Ordinance No. 786 which shall be subject to audit. The additional tasks related to this function will include, verifying accounting (audit) and accounting practices, verification of required insurances, permits, indemnification requirements, and investigations related to violations

- **TRACK AND TRACE**

Information technology and software will be widely deployed through the standard operating procedures of our company. Applicant recognizes the need for customized platforms to ensure the highest levels of compliance. Areas of particular concern and focus include without limitation: verifying state required labeling, dosage, accounting practices and independent testing of product.

Additional, Applicant is currently reviewing the compatibility of various software packages (e.g. MJ Freeway) with some of our potential partners to ensure a seamless integration from the first day of operations. Our systems will be state-of-the-art and may include features such as RFID tagging of products so that a detailed history of movement can be gathered simply by entering or exiting our facilities or vehicles. Our team will work closely with the County and the State to deploy systems that are efficient, accurate and fully compliant with all regulations.

- **WATER USAGE AND HAZARDOUS MATERIALS**

Due to the nature of our business, we will require very little water usage both on and off site. Water usage will be limited to the use of toilets and sinks in restrooms for on-site employees. No other on-site water usage is expected as drinking water will be provided by water coolers and delivery of water.

Outside of the gasoline (and potentially diesel) used as fuel within our vehicles, ES will not be using any hazardous materials. Our site plan calls for adequate fire suppression measures to ensure containment in the event of an emergency situation.

- **OTHER OPERATIONAL REQUIREMENTS (STATE and LOCAL COMPLIANCE)**

Applicant shall always operate in compliance to local and state regulations. We intend to thoroughly screen our employees and maintain a respectful and law-abiding staff. ProTerp will have a zero tolerance for any employees that demonstrate behaviors that display anything but the highest levels of professionalism.

Our team will work with officials to ensure the compliance measures related to signage, prohibited activities such as consumption of marijuana and alcohol on site, presents of minors, building and fire code compliance, odor control, compliance with department of public health, security compliance (video monitoring), monitoring manifests for deliveries and transports, water usage, disposal, and confirming proper safeguards for type 2 manufacturing facilities (volatile) will be upheld at all cost. ProTerp will maintain a zero tolerance for any employee acting outside of the bounds of these important compliance areas.

Through constant oversight, responsible hiring practices, and a priority on safety, compliance and security, we will ensure quality of products. We engage a team of lawyers, community relations staff and industry advisors to assist with governance, compliance, legal adherance, and updates to laws and regulations.

Each employee shall undergo an annual background check and have their own access key cards that will allow them to access the premises and record in and out activities within the premises.

Premises shall have a sign that is 8 inches by 10 inches in size and shall be displayed at all times in a conspicuous place so it is able to be readily seen by persons entering the business:

- This site is not open to the public
- Onsite retail sales of any goods and services is prohibited"
- Juveniles are prohibited from entering this site"
- Smoking, ingesting, or consuming cannabis on site is prohibited

- **DISTRIBUTION**

ProTerp is going to have an exclusive engagement of licensed and compliant based distribution or transportation companies. ProTerp is currently engaged with (2) State licensed distributors that will be engaged in transportation, quality control and testing for ProTerp's products. ProTerp will require its contracted companies to employ best practices when engaged in the transportation of its cannabis, including without limitation licensing, shipping manifests, uncompromising compliance with the state track and trace program, maintaining a physical copy of the shipping manifest for the availability of law enforcement officers, secure vehicles with all regulatory requirements.

- **INVENTORY CONTROL**

Inventory Control and Tracking. To track our inventory, inbound supply and outbound product, we will employ record-keeping using MJ Freeway. This platform tracks the product throughout its entire lifecycle within the facility and as it is transferred in and out of the facility. MJ Freeway is a nationally recognized a point-of-sale tracking system that easily reports on all aspects of the business including, but not limited to, batch cannabis tracking, inventory data, and gross sales (by weight and by sale). This system and information is compatible with the City's record-keeping systems and our financial system, Quickbooks. The system has the capability to produce historical transactional data for review by the City of Woodland. As mentioned, MJ Freeway's software integrates with our QuickBooks system and integrates with most other software platforms, which makes it a dominant choice for cities that track their cannabis

businesses and for the cannabis industry. All of the tracking activity occurs using only an Internet connection so the information is secure, but accessible remotely. MJ Freeway incorporates all cannabis compliance regulations and enables the entire supply chain management from seed-to-sale and across the whole enterprise, managing all of our goods, labor, supplies, customers, and sales in one place.

Labeling and packaging. We will not be producing edibles and no cannabis will be sold to the public onsite. Products shall be labeled and in tamper-evident packaging which meet the requirements of California Business and Professions Code section 19347, and in compliance with King City Council packaging and labeling requirements on cannabis or cannabis products, specifically:

Packaging. All items sold or distributed wholesale shall be individually wrapped. Any edible cannabis product that is made to resemble a typical food product is properly labeled opaque (non-see-through) package before it leaves our facility. Deliveries must be in a properly labeled opaque package when delivered.

Labeling.

The label for a cannabis product shall include an informational panel that includes the following:

1) The licensed manufacturer and its contact number or website address;
2) The date of the cannabis product's manufacture;
3) The following statement:
   "GOVERNMENT WARNING: THIS PRODUCT CONTAINS CANNABIS, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS PRODUCTS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. THE INTOXICATING EFFECTS OF CANNABIS PRODUCTS MAY BE DELAYED UP TO TWO HOURS. CANNABIS USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS PRODUCTS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION.
4) If the cannabis product is intended for sale in the medicinal-use market, the statement "For Medicinal Use Only;"
5) A list of all product ingredients in descending order of predominance by weight or volume;
6) If an edible product that contains an ingredient, flavoring, coloring, or an incidental additive that bears or contains a major food allergen, the word "contains," followed by a list of the applicable major food allergens;
7) If an edible product, the names of any artificial food colorings contained in the product;

8) If an edible product, the amount, in grams, of sodium, sugar, carbohydrates, and total fat per serving;
9) Instructions for use, such as the method of consumption or application, and any preparation necessary prior to use;
10) The product expiration date, "use by" date, or "best by" date, if any;
11) The UID and, if used, the batch number.
    a) The informational panel text shall be in a type size of no less than 6-point font and in relation to the size of the primary panel and container, unless there is insufficient area on the container available to print all the required information in a type size of no less than 6-point font.
    b) The text of the supplemental labeling shall be no less than 8-point font.
12) Warning if nuts or other known allergens are used.
13) Stating total weight (in ounces or grams) of cannabis in the package.
14) Warning on the front of the package that the item is a medication and not a food.
15) Warning that the product is to be kept away from children.
16) Stating that the product contains cannabis.

Storage, location and amount of on-site cannabis and cannabis product. We place the highest concern on securing cannabis and cannabis product. To prevent diversion of cannabis and cannabis product, we will incorporate employee screening, secure storage of cannabis and cannabis products, and personnel policies governing access to, use and removal of inventory. Additionally, physical and electronic inventory control measures will prevent unauthorized access, theft, loss and diversion. We store all medical cannabis and medical cannabis products, including live plants in secured and locked rooms. Access to any storage area is allowed only with badged entry. Only those with authorized access will be able to access the storage rooms. Each entrance and exit records the activity by employee, time and date. The cold storage room for the cannabis plant that shares an exterior wall will have theft-prevention barriers installed on the exterior of the steel wall.

Amounts. Stored cannabis and cannabis products will amount to 200-1000 lbs of plant material and 5-20lbs of cannabis product at any given time.

Inventory control. As set forth above, we control inventory by maintaining a secure – badged entry system to areas that store cannabis, cannabis products, and chemicals and by hiring the right people. Security cameras record areas where the plant material and cannabis product is stored and produced. Removal of inventory from the facility without prior notice to the security guards and logging the activity in MJ Freeway is strictly prohibited. Also, only authorized personnel may handle plant or cannabis product with an even stricter level of authorization controlling who may leave the facility with plant or plant product.

- **HUMAN RESOURCES AND PERSONEL POLICIES**

All employees and managers will be fully vetted, permitted, and registered in accordance with City's and State's requirements. In addition to government required background checks and Live

Scan. All applicants will be thoroughly screened through a private background and reference checking process to ensure only the highest caliber of employees. All employees will receive thorough training for their respective responsibilities and will be subject to management oversite in the form of random inspections, performance reviews, and remote monitoring through IP camera system.

Employee benefit packages and performance bonus structures are currently under consideration and will be deployed as appropriate for individual responsibilities. ProTerp has a strong desire to create and enjoyable workplace where hard work is rewarded. Employee happiness and retention is of great concern to senior management.

Because our company does not currently employ more than 20 employees, it does not trigger the requirement for a Labor Peace Agreement to be in place. However, we do anticipate growth and acknowledge this requirement. We fully intend to comply with all labor and/or union requirements. Please see our "**Labor and Employment"** in section IV of our CUP Application Package.

Minimum age. At no time will anyone under the age of 18 be employed by the business.

Youth Access. As a manufacturing facility, we will not be open to the public, we will not have to conduct medical recommendation verification and youth will not be allowed on site. The doors will remain locked during business hours with only authorized personnel allowed inside the premises. This will ensure that youth may not access the facility. Persons under the age of eighteen (18) years shall not be allowed on the premises as visitors or employees.

Background Checks. Every person listed as an owner, manager, supervisor or employee of the business will submit fingerprints and other information deemed necessary by the Chief of Police or his designee for a background check by the City of Woodland Police Department or Yolo County Sheriff's Department. All potential employees will be subject to our background check via a service approved by the police such as LiveScan. Once the Police Department or the Sheriff's department approves the potential employee, we will proceed with the interview and hiring process. Potential employees are vetted (background checks) to the satisfaction of the City of Woodland Chief of Police and in compliance with the Regulatory Application Package. An agreed upon third party will perform the check and results will be shared with the City and the Police Chief and ProTerp as well as with any consultant the City engages to assist with back ground check reviews. When Livescan is available, employees will submit to Livescan reviews.

Employee Records. ProTerp will maintain on-site a current register of all the employees currently employed and shall produce such register to the City Manager or his/her designee or any other City of Woodland official authorized to enforce the Woodland City Code for purposes of determining compliance with this Chapter.

Employee training. All staff will undergo initial and ongoing training in manufacturing and machinery safety, OSHA and personal protective equipment requirements, documentation, testing, hazard response, chemical handling, labeling documentation, and emergency procedures. We offer mandatory training in a module similar to the programs outlined at

https://www.osha.gov/dte/. MJ Freeway conducts extensive training on the tracking software. MJ Freeway's professional trainers provide this training on their tracking platform. Training will also include secure facility protocols to ensure against theft and diversion.

Transport. Cannabis products will be safely and securely transported to and from the facility in unmarked vehicles only by known partners. ProTerp will only accept transport to and from the facility using licensed cannabis distribution transporters according to State law. Transportation transactions will be documented on a manifest in a clear and consistent format that provides key details including: driver and vehicle identification, weight and/or unit counts of all products, route traveled, departure and expected arrival times, and alerts when shipments are late. We inspect each inbound and outbound transport to ensure that the product arrives on time, is not tampered with or diverted, and that the inventory levels are properly accounted for.

Loitering. Loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises is prohibited.

Identification. Each person to whom a work permit is issued shall wear his or her personal identification card, issued by the City of Woodland, at a prominent and readily-visible location on the outermost garment and approximately chest-high. Such identification card shall at all times be in good and readable condition.

Change of Employment. In the event a person changes employment from one commercial cannabis business within the city to another, ProTerp shall notify the City Manager or his/her designee in writing of the change of employment within ten (10) days of such change or the work permit shall be suspended or revoked and such person shall not be permitted to work within any commercial cannabis business within the city.

Onsite consumption prohibited. Cannabis shall not be consumed on the premises.

- **SUPPLY CHAIN**

Vendors and suppliers. It is the highest priority for ProTerp to obtain plant material from the most cleanly cultivated, organic sources and only sourced from growers in California. When California licenses growers, we will obtain plant material only from growers licensed by the State of California. All of our purchases and transactions will be fully compliant with State and local law.

Transport tracking. We ensure compliant supply chain by conducting transport to and from the facility with licensed cannabis transporters or licensed cannabis businesses according to State law when that law comes into effect. Transportation transactions will be documented on a manifest in a clear and consistent format that provides key details including: driver and vehicle identification, weight and/or unit counts of all products, route travelled, departure and expected arrival times, and alerts when shipments are late. We inspect each inbound transport to ensure that the product arrives on time, is not tampered with or diverted, and that the inventory levels are properly accounted for. Every vehicle and delivery is accompanied by compliance paperwork reflecting state and local required detail.

Transporters. In accordance with current state law, all transports occur by and between members of both the growing and manufacturing collectives, by individuals authorized to transport for both collectives. When state law governing transporters comes into effect (the regulations are not even written yet), ProTerp will adjust the process to transport only using licensed distribution transporters and operate according to state law.

Handling inbound product. All inventory deliveries are scheduled in advance with a ProTerp manager. Security guards know the delivery schedule and check the credentials of the delivery driver upon arrival. No unscheduled or ad-hoc deliveries will occur. If the credentials match, the delivery driver is met by a manager on site at the loading dock where each item is weighed immediately. Only a ProTerp manager can sign off on the delivery. Every item is then taken into inventory and logged into the MJ Freeway system for accurate tracking.

Types of deliveries to the facility. This business will not conduct a large volume of inbound or outbound shipping. Our hours for receipt of delivery will be between 8 AM-12 Noon M-F. Anticipated deliveries are as follows:

- CO2–up to5times/week delivered by a 25 ft open flatbed truck in 1-2 secure skids of up to 8 tanks holding up to 150lbs of CO2 each or as allowed by KCMC. Empty tanks are removed by the same vendor.
- ETHYL ALCOHOL – up to a 50-gallon barrel or as allowed by the KCMC will be delivered as often as once per week by a cargo truck with a lift gate. No more than 50 gallons or as allowed by the KCMC will be on site at any given time.
- ISOPROPYL ALCOHOL – 8 gallon containers will be delivered as often as once per week accompanying the ethyl alcohol.
- PLANT MATTER – 200-1000lbs delivered 1-2 times per week via a secure cargo van or 15ft truck.
- PROPANE – 200-300lbs delivered 1-2 per week
- GENERAL and OFFICE SUPPLIES – 1 time/week office supply delivery via UPS or USPS van/truck, amounts will be commensurate with the usual office supply deliveries for a business.

- **TRANSPORTATION PLAN (OUT)**

Readying the product for transport. When products are ready for transport, they are labeled and packaged according to the procedures outlined herein for labeling and transport. Oils are packed and transported in tamper-evident boxes which are weighed and labeled as to quantity counts.

Safety. Cannabis products manufactured on site will be safely and securely transported from the facility in unmarked vehicles only by a licensed distributor. Outbound transport will occur only within the building itself through the secure roll up door. Every vehicle and delivery is accompanied by compliance paperwork reflecting state and local required detail.

Tracking. Every outbound product will be documented on a manifest in a clear and consistent

format that provides key details including: weight and/or unit counts of all products, batch id, and product type. All of the inventory transported from our facility will be tracked using the MJ Freeway system.

Inspection. A ProTerp manager inspects each outbound transport to ensure that the product is properly packaged and labeled and is secured against tampering or diversion.

Transporters. In accordance with current state law, all transports occur by and between members of both the growing and manufacturing collectives, by individuals authorized to transport for both collectives through a licensed distributor.

Handling outbound product. Every item taken out of our facility will be reflected as transferred or sold from inventory in the MJ Freeway system for accurate tracking. All inventory sent off site will be handled by a ProTerp manager. No item may leave the facility unless security guards know in advance that the inventory will be transported away from the facility. No unscheduled or ad-hoc outbound deliveries will occur. Only a ProTerp manager can sign off on the outbound delivery. We maintain strict inventory control by maintaining a secure – badged entry system to areas that store cannabis, cannabis products, and chemicals and by hiring the right people. Security cameras record areas where the plant material and cannabis product is prepared for transport. Removal of inventory from the facility without prior notice to the security guards and logging the activity in MJ Freeway is strictly prohibited. Also, only authorized personnel may handle plant or cannabis product with an even stricter level of authorization controlling who may leave the facility with plant or plant product.

- **BUSINESS MANAGEMENT PLATFORM**

Management (See Staffing Plan for details). ProTerp will contract with a separate company to operate its facilities. The management company will have responsibility for oversight of the manufacturing operations. ProTerp will also contract managers that including without limitation governance of employees, quality control, reporting, record and bookkeeping under the guidance of ProTerp's tax advisor and compliance with all aspects of the operations. ProTerp will employ laborers and to the extent possible, bear all costs of goods.
In order to operate at optimal efficiency as well as to remain compliant with state and local rules and regulations regarding Cannabis volatile manufacturing, all inventory pertaining to the business operations of ProTerp will be carefully monitored and controlled by means of inventory management computer software and surveillance. The inventory management system will include internally-generated Excel spreadsheets as well as third-party inventory tracking software as deemed applicable by management and in compliance with state and local requirements as implemented from time to time. The responsibility of oversight regarding data and inventory tracking for the shall lay with the Controller of the company.

The company will implement a cloud-based inventory tracking and operations coordination system to manage labor allocation and supply chains in order to best care for large crops of Cannabis plants. An operations schedule, established by the Chief Operations Officer, will be implemented by the lead manufacturer and adjusted as necessary according to the real-time conditions of the plants as they develop and grow. Schedules for each manufacturing room will be organized into a

master schedule overseen by the Chief Operations Officer and communicated to the lead manufacturer.

- **TAX COMPLIANCE / HANDLING CASH**

ProTerp like all other cannabis manufacturing facilities has the difficult task of managing cash, in a world where banking through formal channels is virtually impossible for any sustained period of time. Addressing the considerable challenges of tax compliance, particularly at the federal level, along with accurate books and records keeping, will be paramount in this emerging regulatory environment. ProTerp will engage the services of a Certified Public Accountancy firm to both set up its operations and assist in keeping the books and records. Doing so ensures compliance with tax obligations at all levels and assists ProTerp. in classifying different activities and costs within the business.

State and Local. ProTerp will be required to obtain a Sacramento Business Operating License and pay a community benefits tax estimated at $48,280 annually. ProTerp has registered with the Board of Equalization and obtained a seller's permit. Moreover, statewide regulations will likely dictate that ProTerp will also be required to pay licensing fees to the State of California to remain compliant with MAUCRSA.

Federal. At the federal level, deductible expenses under IRC 263A and 280E and the filing requirements of Form 8300 are challenging for many manufacturers. Under federal guidelines, only expenses that qualify to be classified as Cost of Goods Sold (COGS) are allowable deductions for a business that is involved in a federally illegal activity. Manufacturers, as it happens, are better positioned than retailers to write off a considerable amount of their costs as COG's.

Expenses deductible at the federal level may include, rent, utilities - electricity and water, nutrients and fertilizer, packaging materials, and labor, provided each can be rightfully attributed to production. Rent for flowering space would be deductible, but rent for office administration would not. Questions remain as to whether costs for security for the inventory, insurance, scales, excise taxes and potentially, accounting and traceability software costs qualify. Appropriate classification can maximize the COG deductions and remain compliant.

Form 8300. The law requires that trades and businesses report cash payments of more than $10,000 to the federal government by filing IRS/FinCEN Form 8300, report of cash payments over $10,000 received in a trade or business. The information contained in the form assists law enforcement in its anti-money laundering efforts to investigate possible tax evasion, drug dealing, terrorist financing and other criminal activities. Transactions that require Form 8300 are widespread. Cash includes the coins and currency of the United States and a foreign country, may also include cashier's checks, bank drafts, traveler's checks, and money orders with a face value of $10,000 or less. If the business receives more than one payment in cash, totaling $10,000 or more Form 8300 must be filed within 15 days of receipt. When businesses comply with the reporting laws they provide authorities with an audit trail, however failure to file same carry penal and pecuniary penalties.

Payments to Employees. Until such time as ProTerp finds a payroll service to handle the cash conundrum all cannabis companies face, it will pay its employees in cash, retain appropriate tax withholdings in conformity with the law and provide its employees with check stubs setting forth all information required pursuant to federal, state, FICA, SSDI, SSI and all other required withholdings.

Cash Storage. Cash will be removed from the site by contracted security services company and stored at a secure location upon the accumulation of $25,000 or more. Alternatively, upon the implementation of state licensing of distribution companies, ProTerp. will attempt to negotiate the delivery of monies by said distribution companies to the offsite storage.

- **SAFETY, HEALTH, AND ENVIRONMENTAL CONCERNS**

Upon rebuilding the facilities, working conditions will not only meet, but exceed the standards established by OSHA, state, and local laws. ProTerp will contract with an Occupational Health & Safety consultant that provides comprehensive Health, Safety, and Environment (HSE) services. Said consultant shall provide counselling to ensure that we ProTerp. employees and contractors have a thorough understanding of the work environment and any potential risks. ProTerp. will seek a range of realistic options and control measures to provide for the safety of its employees and others.

Articles

Seller's Permit

Community Relations Plan

Community relationships are the keystone of success in any business and our management team strongly believes in being a steward of the community. Our team of ardent professionals will display nothing but the highest levels of business acumen and respect for our neighbors and greater community. We will work closely with government and citizen leaders as well as law enforcement to be a beneficial addition to the community.

Nuriya Safarova is the designated Community Relations Manager for the cannabis manufacturing site and is responsible for outreach and communication with the surrounding community. Ms. Safarova has already taken initial steps toward reaching out to the community by introducing herself in person to all of the surrounding business neighbors and the neighbors adjacent to the site. In addition to initial in-person introduction, Ms. Safarova has sent out an introductory letter **"Neighborhood Manufacturing Site".** A draft copy of the letter mailed is included in attached herein**.** In this letter, Nuriya provided her phone number and an email specifically established for the intake of any concerns or questions neighboring businesses may have and invited them to contact him directly to set up an individual appointment.

Ms. Safarova has received letters in support of ProTerp's proposed project and has attached such letters as additional information within this packet.

Further details of contact with surrounding neighbors are attached herein in **"Neighborhood Contact Communications Table"** included with this plan.

1230 Harter Avenue Suite F
Woodland, CA 95776
(916) 718-0793

March 26th, 2018

Murray2U Partnership
1230 Harter Avenue Suite E
Woodland, CA 95776

Re: Neighborhood Manufacturing Site

Dear Neighbor:

My name is Nuri Safarova, and I am writing to introduce myself and my cannabis manufacturing business ProTerp Manufacturing, LLC. I am the designated Community Relations Manager and will be your point of contact for any inquiries or concerns you may have in relation to our business. I can be reached by phone at (916) 718-0793 or email at proterpmanufacturing@gmail.com. Our manufacturing site will be located at 1230 Harter Avenue Suite F Woodland, CA 95776.

I have met most of you in person within the last few weeks and it was an absolute pleasure to feel welcomed in your business park community. To those of you whom I have not yet met, please feel free to reach out to me at any time via phone or email.

A critical component to our operating model is deeply rooted in good stewardship to our community and the populations we serve. Additionally, our business must comply with local and State regulations that enforce strict security and health and safety guidelines. Our business as well as the building owner intend to engage in improvement of the business park to ensure everyone's comfortability and safety by addressing all of security and sanitation issues.

Furthermore, we are preparing to engage in an operating agreement with the City of Woodland to remit $46,280 annually for the purpose of mitigating any adverse impacts the facility might have on our neighborhood.

Our vision includes running a compliant business that can be the modeled for other like businesses. We are going to be producing high quality products held to highest standards and

eventually plan to become part of medical research studies on cannabis products. We will provide employment opportunities to City of Woodland residents and create a safe and pleasant environment within the community and in the surrounding areas.

Some of the ways that our manufacturing business strives to serve the community include:

- Aiding in the elimination of illegal, and problematic cannabis facilities and the nuisances surrounding them. Those nuisances include, but are not limited to, increased opportunity for crimes against property and persons at unsecured locations with obnoxious odors and fire hazards. These individuals hope to profit by selling cannabis on the black market, avoiding regulated and compliant dispensary operations which pay taxes and benefit the community at large. Our business aids in eliminating this behavior by complying with State's regulations and ensuring that our vendors and sellers have their State licenses. We will be acquiring legal cannabis from our neighbor-cultivators and providing legally manufactured cannabis to dispensaries in surrounding areas of City of Woodland.

Pursuant to both City of Woodland ordinance and reasonable good neighbor policies, our manufacturing operation will include the following:

- Odor Control. Our manufacturing site will have a comprehensive odor control system which will make odors typically associated with cannabis manufacturing undetectable.

- Comprehensive Security Plan. Our manufacturing site will employ a comprehensive security plan mandated by ordinance which includes security patrol, use of 24-hour security cameras, and strategic placement of lighting that will deter crime in the area.

- Community Employment. Our manufacturing site will provide employment opportunities for local residents.

- Economic Stimulation. Our manufacturing site will pay taxes in accordance with city and state requirements, which in turn will benefit our city at large, including our neighborhood.

In order to better address any initial inquiries or concerns you may have concerning our business, we welcome you to contact me directly to set an appointment for a meeting.

We look forward to becoming a part of the community and build positive and mutually-beneficial relationships with our new neighbors.

Sincerely,

Nuri Safarova
ProTerp Manufacturing, LLC

Odor Control Plan

During the plant's preparation, before it is extracted, there can be a slight odor. Our intention is to capture the odor/plant's terpenes. That being said, there should not be any cannabis odors exhausted from the building. Plant waste should have no discernible odor; all of the oils and components that create odor will have been removed from the plant prior to its disposal. We will have odor control devices and techniques including sufficient odor absorbing ventilation, an exhaust filtration system, and a negative air-pressure system so that odor generated inside the facility that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial cannabis business. The following construction and filtration systems shall be implemented:

- **SEALED MANUFACTURING ROOM**

    a. The manufacturing room will be built in a manner to achieve as complete an air-tight seal as possible at the edges, corners, and entry-ways.
    b. Practices will be implemented and enforced to minimize the release of odors from the cultivation rooms into the surrounding area.

- **INTERNAL FILTRATION SYSTEMS**

    a. The Manufacturing room will be equipped with internal carbon filtration systems set to activate on a timed schedule in order to maximize internal air purification as well as energy efficiency.
    b. The Manufacturing room will be equipped with heating and air conditioning systems featuring recirculation ports fitted with carbon filters and high efficiency particulate air filters in order to prevent odors from being released from the HVAC system as air recirculates.

- **VENTILATION FILTERS**

    a. Any additional air ventilated from each room will pass through a central outlet equipped with charcoal filters or other high efficiency particulate air filters in order to eliminate odors from ventilated air.

- **EXTERNAL FILTRATION SYSTEMS**

    a. The areas surrounding each cultivation room will be subject to air filtration via timer-controlled industrial-grade air purifiers equipped with charcoal filters to capture any cannabis odors that escape from cultivation rooms.

    b. The areas surrounding each manufacturing room will also be subject to additional odor control by means of ozone-generating air purifiers so that any air that ventilates through main building entry-ways will be clean and clear of any odors generated in the course of cannabis cultivation.

Energy Efficiency Plan

Our manufacturing operation is not energy intensive. We anticipate using 16 hours per day of power consistent with normal light industrial use. Our manufacturing process will use an estimated 1500 amps per day. Additional amperage will be consumed by air conditioning consistent with normal office park use for a 10,000 sqft area located in a climate comparable to Woodland City's. Our manufacturing area must stay around or below 74 degrees Fahrenheit, meaning that we do not have to maintain an exceedingly cool operating environment. The manufacturing facility will not create undue amounts of heat from light or power or other operations.

Plant, Oil and Chemical Waste Disposal

ProTerp has engaged with the City of Woodland's Environmental Services to establish standard operating procedures for plant and oil waste disposal.

Type of Material and Process.

- Green byproduct (buds or that the byproduct can still be used for the making of oils or the like, then the materials must be serviced as waste (trash)): Loads shall obtain a certificate of destruction with each disposal.
- Brown waste (does not contain buds or usable byproduct): the materials shall be hauled as organic waste, which will be composted and considered diverted materials. Loads shall taken to the Yolo County Central Landfill contain any green byproduct, they will be processed as waste and shall have a certification of destruction.
- Chemical Hazardous Waste materials (solvents, pesticides, chemicals, lamp ballasts, canisters/cylinders, personal protection equipment with residual, etc.): shall be disposed of through a hazardous waste facility. ProTerp shall engage with Yolo County Central Landfill to engage in Conditionally Exempt Small Quantity Generator (CESQG) business program.
- Recycling: (cardboard, paper, and plastic, glass, or metal containers): shall be separated from any waste or organics recycling loads.

Waste Storage. ProTerp Manufacturing shall dedicate a waste storage area for any green byproduct and brown waste in the "Quarantine" area labeled on the proposed floor plan. Solvent and Chemicals shall be stored within "C1D1" container labeled on the floor plan and shall have a dedicated area for storage of such waste.

- Green Byproduct and Brown Waste Storage. Inventory manager shall label each plastic 18-gallon container bin of hazardous waste, with the words "Bio-Hazardous Waste" for any green byproduct and brown waste, the date accumulation of the waste began, the name and address of the inventory manager, the manifest tracking number, and with labels that conform to the U.S. Department of Transportation requirements.

- Chemical Waste Storage. Inventory manager shall label Chemical Hazards as “Hazardous Chemical Waste”. Hazardous waste shall be stored in sealed, compatible containers (original chemical containers). Containers shall be kept closed at all times except to add waste. Hazardous waste containers shall be labeled with tags as soon as waste accumulation begins. Incompatible hazardous wastes shall be segregated and shall never accumulate more than 55 gallons (or one quart of acute hazardous waste) at a time.

Record Keeping. When hazardous waste is transported, the inventory manager must record the type, quantity, and the hazards of the waste on a tracking document called a hazardous waste manifest. Copies of all hazardous waste manifests shall be kept on-site and available for a minimum of 3 years.

Inspection. During accumulation and storage, the inventory manager shall inspect the hazardous waste containers weekly to verify that the containers are closed and in good condition.

Hauling. Materials shall be self-hauled to the Yolo County Central Landfill to a waste or compost facility by ProTerp (facility in which the materials were generated).

Frequency of disposal. Depending on the amount of materials generated, all waste generated from the facility shall be removed from the premise no less than one time per week.

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: J.16.
SUBJECT: Epic Bros Enterprises, Inc. a Request to Approve A Conditional Use Permit for a Commercial Cannabis Distribution Facility

Recommendation for Action:
Staff recommends that the City Council:

1. Receive a staff report;
2. Conduct a public hearing;
3. Find that the project is exempt from further environmental review pursuant to Class 1 and Class 32 Categorical Exemptions under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA;
4. Adopt Resolution No. _____, approving a Conditional Use Permit for commercial cannabis distribution at 1230 Harter Avenue, Suite J, conditioned upon approval of an appropriate Cannabis Business Permit and recommended conditions of approval; and
5. Adopt Resolution No. _____, authorizing the City Manager, pursuant to Section 13A-3-04(9) to approve a final Operating Agreement for a commercial cannabis distribution business at 1230 Harter Avenue, Suite J.

Staff Contact:
Cindy A. Norris, Principal Planner, (530) 661-5911, cindy.norris@cityofwoodland.org

Fiscal Impact:
The applicant has funded a developer deposit account to cover all costs associated with the review and processing of the Conditional Use Permit and Cannabis Business Permit. Should the conditional use permit and cannabis business permit be approved, the applicant shall pay an annual fee in the amount of $46,280 for a commercial cannabis distribution business permit that will provide cost recovery to the city for all activities, including police surveillance, associated with the business review and monitoring. Further, as provided in a required operating agreement, a generalized contribution based on gross receipts is proposed in the amount of $5,000 or five percent (5%), whichever is greater per month. The community benefit fee will generate essential funds for protecting vital City services and facilities and mitigate impacts, will help fund general municipal services, and which will place such businesses on more equal footing with existing City businesses.

Background
On November 8, 2016 California voters approved Proposition 64, known as the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA). AUMA legalized non-medical cannabis use, possession and cultivation by persons 21 years of age and older. With the majority vote passage, the provisions related to personal use, possession and cultivation of non-medical cannabis went into effect on November 9, 2016. Commercial non-medical cannabis activities also became legal on November 9, 2016, although commercial activities require state licenses. The state began issuing licenses for commercial activities on January 1, 2018.

On June 27, 2017, California Senate Bill 94 was signed into law, repealing the Medical Cannabis Regultion and Safety Act (MCRSA) and amending AUMA to consolidate state licensing of medical and non-medical

commercial activities. The new law is now called the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

On September 16, 2017, Assembly Bill 133 was signed into law by Governor Brown and it made numerous minor amendments to MAUCRSA. One of the amendments removed the requirement that cannabis businesses maintain separate and distinct premises for each use. Now multiple uses may be located at the same location, so long as a separate state license is obtained for each location where commercial cannabis activity occurs, subject to applicable state regulations.

To date the City of Woodland has passed several Ordinances to update the Municipal Code to address both personal and commercial cannabis uses. On December 5, 2017 the City Council approved Ordinance 1629 to add Article 21.6 of Chapter 25 to the Municipal Code relating to the zoning of Commercial Cannabis uses. The Council also approved Ordinance 1630 to add Chapter 13A to the Municipal Code related to commercial cannabis business permits and operating regulations. Ordinance 1629 allows consideration for up to six (6) conditional use permits for cannabis uses, which may be located in the Industrial or Industrial with Light Industrial Flex Overlay zones. The Ordinance allows the consideration of multiple cannabis license type in one location to be considered under one Conditional Use Permit. However, each business entity will be required to obtain separate Cannabis Business Permits (CBP). An operating agreement, to be approved by the Community Development Director, consistent with council approved conditions, will be required with each CBP.

To date, the City has received three (3) Cannabis conditional use permit applications, proposing a total of five (5) possible cannabis businesses. The applications were reviewed by the Planning Commission on September 20, 2018 and recommended for approval by the City Council.

Environmental Assessment Status

Staff has determined that a Class 1 Categorical Exemption (Existing Facilities) pursuant to Section 15301 of the CEQA Guidelines and a Class 32 Categorical Exemption (Infill Development) pursuant to Section 15332 of the CEQA Guidelines is the appropriate level of CEQA review for this document. Class 1 consists of the operation, repair, maintenance, permitting, leasing, 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 agencies' determination. Class 32 exemption consists of projects characterized as in-fill development within urbanized areas. The class consists of environmentally benign in-fill projects located on sites that are less than 5 acres and consistent with local general plan and zoning requirements. The project will not have any biological, air, water, traffic, or noise impacts. The proposed use would occupy approximately 4,027 square feet space within an existing industrial multi-tenant building that has previously been occupied by industrial and manufacturing uses similar to the proposed project.

Discussion

On August 7, 2018, Epic Bros Enterprises, Inc., applied for a Conditional Use Permit (CUP). The applicant is requesting a recommendation of approval to the City Council for a Conditional Use Permit by the Planning Commission, which will allow Epic Bros Enterprises, Inc (EBE) to occupy approximately 4,027 square feet in the existing building at 1230 Harter, Suite J, as a cannabis distribution facility. Approximately 543 square feet of space will be for office use with 3,484 square feet allocated for distribution purposes (See Attachment 3, Statement of Justification, Vicinity Map, Site and Floor plans). Under the terms and conditions of approval Epic Bros Enterprises, Inc. will be required to obtain a Cannabis Business Permit for a Distribution Facility, (Ordinance 1629 and 1630), and appropriate State Licensing (Type 11 – Commercial Cannabis Distribution). A Type 11 license affords the broadest allowance for distribution activities which permits the business to

manage and transport product all the way through the system from testing facilities to a licensed retail operation. No customers or sales will occur at the facility along with no signage or identification regarding the type of business that is operating.

The overall project site is 3.66 acres in size and occupied by three buildings at 460, 1230, and 1250 Harter Avenue. The subject building at 1230 Harter Avenue is an existing one-story multi-tenant building approximately 42,241 square feet in size and houses multiple tenants. The property is bounded by vacant land, existing industrial development and East Street to the west, Harter Avenue and Interstate-5 to the north, and existing industrial development to the east and south. The applicant is proposing to occupy Suite F which is located in the south east corner of the building.

The property is zoned for Industrial with a Light Industrial Flex Overlay and the proposed use may be considered with approval of a Conditional Use Permit by the City Council as the final acting body.

Project Analysis and Review

General Plan Consistency

The 2035 General Plan (GP) designation for the site is Industrial with a Light Industrial Flex Overlay (I/LIF). The proposed use of the site is consistent with the General Plan The General Plan describes this land use designation as follows:

> *When applied over the Industrial base designation, the Light Industrial Flex Overly provides for a mix of general, light to custom industrial and manufacturing uses, including multi-tenant spaces with offices, contractor storage, agricultural processing, food producers, industrial technology, and other sensitive processing uses that require controlled performance standards.*

Climate Action Plan Consistency (CAP)

The project involves the re-use of an existing building that will be re-purposed and upgraded to encourage new technology and an employment generating use. CAP Strategy T/LU-2 encourages Redevelopment and Repurposing. The Climate Action Plan assumed that development would occur and continue within the urban areas of the city. In this instance, project has been conditioned to encourage energy saving features as appropriate consistent with Strategy E-3. The applicant will be required to submit a statement with their building construction plans describing measures that they will be implementing.

Zoning Ordinance Consistency – Chapter 25

The zoning designation for the site is Industrial with Light Industrial Flex Overlay (I/LIF), which provides for types of animal and food processing uses, manufacturing uses, industrial yard uses, warehouse and storage uses and other related miscellaneous uses, such as office space and general agriculture. The proposed future use of the site is industrial and is consistent with the Zoning Ordinance.

The site is existing and developed as an industrial multi-tenant development. No significant exterior changes are proposed. The site meets all standards and criteria required in the Industrial District. The site has significant parking available. The site is not located within 600-feet of a sensitive use. Detailed discussion is provided in the Planning Commission staff report included as Attachment 4.

Conditional Use Permit Review

A conditional Use Permit (CUP) affords broad public review and evaluation of those uses which require special consideration to ensure proper integration into the community, the mitigation of any potentially adverse impacts; and the making of required findings to permit the use. In considering an application for a conditional use, due regard shall be given to the nature and condition of the proposed or existing use and all adjacent uses and structures and may impose such requirements and conditions with respect to location, construction, maintenance, and operation, as may be deemed necessary for the protection of adjacent properties and the public interest. Conditional Use Permit analysis typically includes consideration of the proposed use; hours of operation; consistency with zoning standards such as parking; compatibility with existing uses and structures in the surrounding area; and other criteria as may be deemed appropriate.

A CUP runs with the land unless the use ceases or the CUP is revoked. Once approved, should ownership of the land or the business change, the CUP would remain valid at the location approved. In addition to the CUP land use considerations above, the Cannabis Ordinance 1629 (Municipal Code 25-21.6.50(c)): provides other specific factors that shall be considered by the Planning Commission and ultimately the City Council including the following:

(1) *The type of proposed use by the applicant*:

The requested use is a conditionally allowed use in the zone regulations. The use would fit the category of cannabis distribution in the Zoning Land Use Matrix. The use is consistent with the General Plan. General Plan policies that specifically relate to this request include the following:

2.D.3 – Technology Sector: Grow the technology sector in Woodland by leveraging the research strength at U.C. Davis. Encourage smaller companies and start-ups to locate in incubator spaces in Downtown and in areas with the Light Industrial Overlay designation.

2.E.7 – Public Safety and Community Design: Promote design that enhances public safety and discourages crime by providing buildings that engage the street, as well as adequate lighting and sight lines.

4.C.6 – Monitor Trends: Monitor economic trends to identify emerging industries, new market opportunities, and the performance and mix of businesses to allow the City to be proactive and adjust to market changes.

4.C.9 – Importance of Agricultural Industry. Recognize the importance of agriculture-related business and industries to the City and region, and support the continuation and development of agriculture and agriculture-related enterprises in and around Woodland.

4.E.1 – Job Expansion though Business Expansion: Encourage the expansion and attraction of diverse businesses and industries that create and increase the quality and amount of stable, year-round jobs locally.

(2) *Whether the proposed use will be detrimental to the health, safety and welfare of the community:*

The proposed facility would be contained within the existing building with numerous redundant security measures employed via a security plan reviewed and approved by the City of Woodland Police Department. The facility would not have exterior signage and would not be open to the public. Vehicles used to transport cannabis would be unmarked but also secure. The tenant improvement plans will undergo review and inspection by both the Building and Fire Divisions to ensure the proper construction, installation and operation

of manufacturing equipment. The City will conduct annual review of the facilities and annual review of the general business operations. The applicant must also comply with all other agencies including health and state operating requirements.

(3) *Whether the use would enhance the economic viability of the area in which it is proposed to be located, including adjacent and surrounding properties:*

The proposed facility will provide a new source of employment and revenue to the City while remaining under close regulation and oversight by both the City and State.

(4) *Whether the applicant has adequately addressed potential community benefits of the use to offset potential adverse impacts:*

At the time of submittal of a Cannabis Business Permit, an applicant will be required to pay a fee which has been determined to provide adequate cost recovery to the city for all activities, including police surveillance, associated with the proposed business. Further, as provided in a required operating agreement, a generalized contribution will be determined based on gross receipts derived from cannabis uses that will generate essential funds for protecting vital City services and facilities and mitigate impacts, and will help fund general municipal services and place such businesses on more equal footing with existing City businesses.

The applicant has also included a Community Relations Plan and assigned a Community Relations Manager, Nuriya Safarova. In a letter to adjacent businesses they have provided contact information and explained their intent and mission to be a compliant business and to be a model for other similar businesses (Attachments 5 and 6 to the Planning Commission Report)

(5) *The extent of support or opposition to the proposed use and the location from members of the community:*

The applicant has sent letters of intent describing the proposed business to adjacent business owners. A copy of the letter is included in the staff report (Attachment 5 to the Planning Commission Report). Further, public notice of the proposed cannabis use was provided in accordance with state law and in accordance with city requirements for notice within a 1,000-foot radius. One individual spoke at the Planning Commission meeting on September 20, 2018, to express a more general concern with regard to local and state regulations regarding cannabis use that may be in conflict with federal law. He expresses caution and concern.

(6) *The number of cannabis uses located or proposed to be located within 1,000 feet of the proposed location:*

The closest proposed cannabis use is for a cannabis manufacturing facility located within the same building in Suite F, by ProTerp Manufacturing, LLC. An additional commercial cannabis facility is proposed at 1460 Tanforan Avenue which is approximately 2,090 feet from this project site (measured from parcel to parcel) and separated by the I-5 Freeway.

However, the reality is that there are a limited number of sites and/or buildings currently available to cannabis uses. This limitation may be due to a number of reasons, such as the reluctance of some owners to lease space to cannabis uses; a lack of availability of smaller spaces within industrial buildings, which are more suitable to smaller scale manufacturing uses; and a number of restricted sites due to their proximity to sensitive uses. It is possible in the future that more cannabis related uses may request to locate in this proximate area due to the appropriate facility size available and a willing property owner.

Comments received have also intimated that vertical integration of uses is the most desirable for quality control purposes and safety. Vertical integration involves the combination of related cannabis uses housed in one facility. It has been suggested that should the city consider allowing indoor commercial cultivation, that additional larger sized buildings may function better for cannabis uses.

(7) *The extent to which the proposed use would cause a further overconcentration of that particular type of use in the area:*

At this time, there is no overconcentration of cannabis uses. See discussion above. The City may find that on a limited scale that it is acceptable to have multiple cannabis uses located in a specific area.

(8) *The background and history of the applicant, including the nature and extent of problems on any premises where he or she has operated a cannabis business in the past:*

The applicants have completed all requests for "Live Scan" and provided all required background information concerning past history with regard to Cannabis uses. At this time, there do not appear to be any significant concerns identified.

(9) *Whether there is a history of police or crime related problems in the area of the proposed location which may be exacerbated by the establishment of the proposed cannabis use:*

The Police Department ran review of calls for service within a 1000-foot radius from the project site for the past calendar year. The calls for service do not reflect a high volume of police activity, especially for crime related calls. It is believed that establishment of the proposed cannabis operation, as conditioned, would not exacerbate crime related activities.

Cannabis Business Permit Review – Municipal Code Chapter 13A

The CBP provides for the review of operational features for each cannabis business entity and is required in addition to a state license. A CBP is required prior to initial operation and requires annual review. Prior to issuance of the CBP fees must be paid and a final Operating Agreement and Indemnificaiton statement approved. The CBP is approved by the Community Development Director. Operating details including a Security Plan, Lighting Plan, Odor Control Plan, Business Plan, and a Community Relations Plan are required as part of the CBP review. Some of these items, such as the Odor Control Plan and Community Relations Plan have been provided as part of the Conditional Use Permit review and are included as Attachments to the Planning Commission Staff Report (Attachment 4). Items of particular concern that are required as part of the CBP review include a Business Plan, Security Plan, and an Operating Agreement and Indemnificaiton Statement.

<u>Business Plan</u>

A plan describing how the cannabis business will operate in accordance with this code, state law, and other applicable regulations. The plan must include plans for hours of operation, handling cash, and transporting cannabis and cannabis products to and from the business site, as may be applicable. Some aspects of this plan may be confidential. The applicant has provided an initial Business Plan with the CUP application, as well as an Odor Control Plan, Energy Efficiency Plan, and a Plant and Chemical Oil Disposal Plan (Attachments 4, 7, 8 and 9 to the Planning Commission Staff Report).

<u>Security Plan</u>

The Draft Security Plan is a confidential document that generally addresses safety concerns related to

vandalism, internal and external theft, lighting, video surveillance, security personnel, and other crime prevention. All interested parties to a cannabis business permit application are subject to fingerprinting and a criminal background investigation. The security plan has been reviewed by the Police and Fire Departments as part of the conditional use permit review. A final security plan will be required prior to issuance of the CBP.

Operating Agreement and Indemnification:
The City and applicant shall enter into an operating agreement, in a form approved by the City Council and City Attorney, in which the applicant releases the city from any damages or liabilities of any kind for violation of state or federal law and agrees to defend, indemnifies, against any and all claims or actions. In addition, the applicant agrees to operating terms and conditions mutually agreed upon that ensure that the community benefits derived from the proposed cannabis business adequately address potential adverse effects.

A copy of the draft template operating agreement is included with the Resolution authorizing the City Manger to execute the final agreement. The agreement includes specific provisions as follows:
- Length of agreement term; a two-year "Initial Term", with two (2), two -year (2-year) extensions possible
- Requires a monthly community benefit fee payment of either $5,000 or five percent (5%), whichever is greater
- Provides the basis for calculating the monthly payment based upon a definition of annual gross receipts which allows for specified exceptions
- Includes Termination Rights for the City, in addition to those provided in the Conditional Use Permit and code provisions contained in Chapter 13A
- Includes Release and Indemnification obligations
- Includes Insurance requirements.

Staff is seeking City Council's agreement with the baseline terms for the operating agreements, subject to possible minor revisions at the discretion of the City Manager and City Attorney.

Public Contact and Notification

Public notice advertising for the public hearing on this project was prepared by the Community Development Department in accordance with notification procedures set forth in the City of Woodland's Municipal Code and State Planning Law. Two methods of public notice were used:

- Legal notice was published in the Woodland Daily Democrat at least ten days prior to the public hearing.
- Notices were mailed to all property owners within 1,000 feet of the project site.

Notice of the applications were provided prior to both the Planning Commission and City Council hearings.

One member of the public, Dale Dennis, spoke at the Planning Commission meeting of September 20, 2018. Mr. Dennis expressed concern that the State and Local regulations are not consistent with Federal regulations concerning marijauana, which is still considered a class 1 drug.

Commission Recommendation

The Planning Commission reviewed this item as a public hearing on the September 20, 2018 regular agenda. They received a staff presentation as well as comments from the public and from the applicant as they considered the matter. The Planning Commission voted Ayes (5) (Wells, Harris, Lizzarraga, Murphy, Lopez); Noes (0); Abstain (1) (Holt); Absent (1) (Lampkin) to approve the Epic Bros Enterprises cannabis distribution

application.

City Council Subcommittee

Staff met with the Council Subcommittee to review the proposals and draft operating agreement on October 10, 2018.

Recommendation for Action

Staff recommends that the City Council:

1. Receive a staff report;
2. Conduct a public hearing;
3. Find that the project is exempt from further environmental review pursuant to Class 1 and Class 32 Categorical Exemptions under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA;
4. Adopt Resolution No. _____, approving a Conditional Use Permit for commercial cannabis distribution at 1230 Harter Avenue, Suite J, conditioned upon approval of an appropriate Cannabis Business Permit and recommended conditions of approval; and
5. Adopt Resolution No. _____, authorizing the City Manager, pursuant to Section 13A-3-04(9) to approve a final Operating Agreement for a commercial cannabis distribution business at 1230 Harter Avenue, Suite J.

Attachments:

1. 1 CC Reso Epic Bros Dist CANN CUP w Conditions of Approval
2. 2 CC Resolution Operating Agreement for Epic Bros Enterprises
3. 3 Application, Justification and Statement Site and Floor Plans
4. 4 Planning Commission Report EBE 9.20.18

Paul Navazio
City Manager

RESOLUTION NO. PC 18-0_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING A CONDITIONAL USE PERMIT FOR A CANNABIS DISTRIBUTION BUSINESS LOCATED AT 1230 HARTER AVENUE, SUITE J

WHEREAS, the applicant has applied for a Conditional Use Permit for a cannabis distribution facility in a 4,027 square foot suite within an existing one-story multi-tenant 42,241 square foot building on a 3.66-acre parcel in the Industrial with a Light Industrial Flex Overlay zone.

WHEREAS, the project is exempt from further environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Class 1 Categorical Exemption, Existing Facilities) and CEQA Guidelines Section 15332 (Class 32 Categorical Exemption, Infill Development), as the City Council of the City of Woodland finds as follows:

- The project consists of the permitting and minor alterations of an existing private structure that involves negligible expansion of the use beyond that existing at the time of the lead agencies initial determination as the existing facility is already zoned to allow industrial and manufacturing uses similar to the proposed project;
- The project consists of minor alterations for additional mechanical and security equipment to operate a cannabis business that utilizes existing utility infrastructure;
- The project is located on a site that is less than 5 acres and will not have any biological, air, water, traffic, or noise impacts; and

WHEREAS, the proposed use and its operating characteristics are consistent with the general plan, as the site is located in the Industrial/ Light Industrial Flex Overlay designation, which provides for industrial, distribution, and manufacturing uses that occur entirely within an enclosed building and are employment generating; and

WHEREAS, The Planning Commission at its regularly scheduled meeting on September 20, 2018, conducted a public hearing to consider the proposed use and after review, public testimony, and deliberation, voted to recommend approval of the Epic Bros Enterprises, Inc cannabis distribution conditional use permit to the City Council as follows: (5) Ayes; (0) Noes; (1) Abstain; and (1) Absent; and

WHEREAS, The City Council finds that the proposed use is consistent with policies that encourage job expansion through business expansion, that encourage emerging industries and new market opportunities, that support agricultural related industry as well as the technology sector; and

WHEREAS, the City Council finds that the proposed use and its operating characteristics are consistent with the applicable standards, requirements, and regulations of the zoning district in which it is located, and of all other provisions contained in Article 25-21.6 pertaining to commercial cannabis uses, and all operations will be conducted inside of the existing building;

WHEREAS, the proposed use is in on a site and in a building that is physically suitable in terms of location, size, topography, and access, and that is adequately served by public and private services and utilities; and

WHEREAS, the proposed cannabis business use will not adversely affect the peace or general welfare of the surrounding neighborhood, as follows:

- The proposed use is not consumer based (no retail sales will occur at the premises) and therefore, will result in low vehicle traffic;
- The odor control plan will ensure no odors will be detectible outside the building;
- All activities will take place inside the building and will not be visible from the outside;
- A secured and fenced yard area will provide a secure entry for distribution access.
- All signage will be limited and the applicant will have a final lighting and security plan approved by the Police and Fire Departments to ensure internal and external safety; and

WHEREAS, the proposed use will enhance the economic vitality of the area in which it is proposed to be located, including adjacent and surrounding properties, the applicant will provide tenant improvements to the building including the addition of walls, partitions, and the use of a loading door and fenced secure loading and trash enclosures out side the building, and the project will be required to maintain the site in a clean and well kept manner; and

WHEREAS, based on existing circumstances, police data, and the background and history of the applicant, the City Council finds that proposed use will not cause an overconcentration of cannabis uses in the area, potential community benefits of the use are likely to offset potential adverse impacts, and the proposed use is not likely to exacerbate crime-related problems in the area; and

WHEREAS, a public notice describing the proposed cannabis conditional use permit was published in the Daily Democrat, a newspaper of general circulation, in accordance with Government Code section 60661 and mailed to properties within 1,000 feet; and

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Woodland, based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby make the above findings, determinations, and recommendations with respect to the proposed Conditional Use Permit, approves of the proposed Conditional Use Permit, as conditioned and attached hereto.

PASSED AND ADOPTED by the City Council this 16th day of October, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Enrique Fernandez, Mayor

ATTEST:

_____
Ana Gonzalez, City Clerk

APPROVED AS TO FORM:

_____
Kara K. Ueda, City Attorney

Attachment 1 – Conditions of Approval

CONDITIONS OF APPROVAL
Epic Brothers Enterprises, Inc. – 1230 Harter Avenue, Suite J

1. The project is as described in the staff report prepared for the September 20, 2018, Planning Commission meeting and the October 16, 2018 City Council meeting and shall consist of administrative offices and distribution facilities within an existing 4,027-foot tenant space. The project shall be established and operated as depicted in the staff report, except as modified in these conditions of approval and with any changes necessary to comply with City codes and specifications.

2. The applicant shall defend, indemnify, and hold harmless the City of Woodland, its agents, officers or employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul an approval of the subject application by the City, its legislative body, advisory agencies or administrative officers. The City will promptly notify the applicant of any such claim, action or proceeding against the City and the applicant will either, at the City's discretion, undertake defense of the matter and pay the City's associated legal costs, or will advance funds to pay for defense of the matter by the City Attorney.

3. The applicant shall secure approval and satisfy requirements of all agencies with jurisdiction prior to operating the cannabis business.

4. The Conditional Use Permit shall not be issued until the appeal period has expired or final action on an appeal has been rendered.

5. The Conditional Use Permit must be exercised within one year of issuance, or it shall be deemed null and void by act of law (Section 25-27-70).

6. The project approval is for the project as described in the above staff report and related attachments, which depict the project's proposed map, site and floor plans, business plan, community relations plan, odor control plan, and energy efficiency plan. Should there be a change in the use or an intensification of the described use, the change shall be described and provided in writing to be evaluated by the Community Development Director to determine general consistency with the provisions of the use permit. The Director shall either approve the proposed changes based on a finding that the changes shall not result in significant traffic, noise, safety or security concerns or other potential nuisance to surrounding property owners or within public right-of-ways beyond that anticipated by the original approval, or, if these findings cannot be made, the Director shall make a determination that a Conditional Use Permit Modification is required, which shall include Planning Commission review including applicable processing and development fees.

7. Environmental Recording Fee. Applicant shall provide the Community Development Department with a check for the sum of $50 made out to Yolo County to record the CEQA environmental document (Notice of Exemption) with the County.

8. The applicant shall comply with all state and local laws and ordinances, including the provisions of Chapter 13A of the Municipal Code and the requirement to secure a Cannabis Business Permit, including approval of an Operating Agreement, for each business entity operating at the location as part of the approved conditional use permit. The applicant shall obtain and maintain, prior to operation of the business and continuing at all times the business is in operation, a valid Cannabis Business Permit and all applicable state license(s). All requirements, terms and conditions of the Cannabis Business Permit, Operating Agreement, and applicable state license(s) shall be considered conditions of this conditional use permit. Failure to comply with all applicable state and local laws and ordinances, the Cannabis Business Permit, Operating Agreement, and/or applicable state license(s) shall be deemed a violation of the conditional use permit and may result in revocation of the use permit.

9. As set forth and agreed to in the Operating Agreement for each approved Cannabis Business Permit, the business/applicant shall pay a fee in the form and in the amount and manner agreed upon between the City and the business receiving a Cannabis Business Permit. If, during the term of the Operating Agreement, the city imposes an alternative revenue mechanism, specifically related to cannabis operations (e.g. cannabis tax), the business/applicant will pay the city the greater of the two payments, or as otherwise agreed by the City or mandated by law.

10. If the applicant wishes to relocate, significantly modify the approved site layout and allowed cannabis uses, the applicant shall secure a new conditional use permit, or modification to the existing conditional use permit prior to any modification or occupancy of the site by a new or modified use.

11. If the Community Development Director finds evidence that conditions of approval have not been fulfilled or that the use or uses has or have resulted in a substantial adverse effect on the health, and/or general welfare of users of adjacent property, or have a substantial adverse impact on public facilities or services, the Community Development Director may refer the Conditional Use Permit to the Planning Commission for further review. If, upon such review, the Commission finds that any of the results above have occurred, the Planning Commission shall recommend to the City Council to modify or revoke the Conditional Use Permit. If upon such review the City Council finds that any of the above results above have occurred, the City Council shall modify or revoke the Conditional Use Permit.

12. Upon receipt of a Cannabis Business Permit the applicant shall be subject to provisions relating to violations contained in Municipal Code Section 13A-1-09, as may be amended.

13. The applicant shall submit a final security plan for review and approval by the Police Department prior to operation and shall comply with requirements included in Section 13A-4-02, as may be amended.

14. The applicant's business shall not employ any juvenile, defined as under the age of 21, being employed.

15. No customers or sales shall occur at the facility.

16. All cannabis related activities shall take place in the interior of the building and any cannabis related activities outside the premises are strictly prohibited with the exception of the lawful receipt of raw cannabis materials received by the business and the delivery of finished lawful cannabis products to another lawful cannabis business, in accordance with all applicable state and local laws governing transportation of cannabis goods. There shall be no exterior storage of materials or equipment.

17. The main entrance to the facility shall be clearly identified with proper signage to include name of business and address. Main entrance shall also provide adequate lighting per the City Security Ordinance and lighting regulations.

18. Approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be plainly visible and legible from the street or road fronting the property. Said numbers shall contrast with their background.

19. Applicant shall comply with the design requirements as stated in the Community Design Standards for any exterior changes, modifications, and additions to the subject building. All exterior changes beyond those stated in the original approval will require staff level design review.

20. The site shall be inspected and maintained daily to be clear of litter.

21. Any new signage, modifications or changes to the signage the applicant shall conform to the City Zoning Code and Sign Ordinance and shall comply with provisions of Section 13A-4-04 of the Municipal Code. Except as otherwise approved by the City in writing or by law, project signage shall include nothing in word or symbol, identifying the fact that the property is used for cannabis related activities.

22. No vehicle owned or operated by the business, or used for the transportation of product or individuals associated with the Facility shall include markings (in words or symbols) identifying the vehicle as a vehicle used for cannabis-related activities, unless otherwise required by law.

23. Photometric data shall be provided, and indicate that the parking area will be equipped with one (1) foot-candle of minimum maintained illumination per square foot of parking surface to include the entire paved area. The parking area shall be illuminated from dusk until the termination of business every operating day. Photometric data must also confirm the absent of "Hot Spots" or areas of ten (10) foot-candle of illumination per square foot or more.

24. All existing landscape planter areas shall be replanted and maintained per City Standards. Vegetative matter shall cover no less than 75% of the required landscape area unless otherwise approved by the Community Development Director. Maintenance shall include but is not limited to watering, fertilizing, weeding, cleaning, pruning, trimming, spraying and cultivation.

25. The applicant shall utilize building energy saving measures to reduce energy usage. The applicant shall submit a statement with the initial submittal of their building construction plans describing energy conserving measures that they will be implementing.

26. The applicant shall provide a minimum of two bike parking spaces for employees. Bike parking shall be provided in a safe a secure location.

27. Waste materials shall be appropriately handled. The applicant shall describe methods that will be used to make cannabis waste unusable and unrecognizable, and how cannabis waste will be stored prior to removal from the business. The applicant shall describe methods used to transport cannabis waste from the manufacturing site to a solid waste facility.

28. The applicant shall have an appropriate plan that considers all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.

29. The applicant shall establish safety protocols that will be adopted, including, but not limited to: staff training, protective equipment, hazardous material handling, emergency communication/response protocols, etc. The applicant shall conform to all Cal OSHA workplace safety standards.

30. The applicant shall develop a quality control guidelines and standard operating procedures that are in strict adherence to MAUCRSA. The applicant shall establish quality control procedures to ensure that cannabis products are safe and suitable for human consumption and /or use. Quality control procedures will consider the proper handling and storage of raw materials, in-process materials, and finished product throughout the production process. Quality control procedures that will be used to ensure uniformity between each separately produced batch of cannabis product. This include equipment inspection and maintenance, internal controls for each step in the process, internal batch sampling and testing.

31. The applicant shall institute policies and procedures used by the business to help prevent contamination of any cannabis product. This will include hand washing, employee training, use of facemasks/gloves, prohibiting employees who are showing signs of illness, open wounds, sores or skin infections from handling cannabis, etc.

32. A toxic material control plan will be provided with the Cannabis Business Permit application that contains a description of all toxic, flammable, or other materials that will be used or kept at the cannabis business, the location of such materials, and how such materials will be stored. The toxic material control plan will include all materials regulated by a federal, state, or local government that would have authority over the business if it was not a cannabis business.

33. The distribution and transport facility shall provide a warehouse management system integrating inventory control tools with track and trace technology. The applicant shall provide routing software the cost control mechanisms to prevent diversion, shortages, and ensure product integrity and complete transparency throughout the process. Protocols for loading and unloading, storage, and transportation of cannabis products shall be provided.

34. Any distributor and/or testing laboratory shall comply with all requirements provided by the Bureau of Cannabis Control (Bureau) (www.bcc.ca.gov).

BUILDING

The following comments are from the City of Woodland Building Division and are applicable to the reference project:

35. This project must meet all criteria and mandates for these City adopted codes or the most current code:
    a. 2016 California Building Code
    b. 2016 California Plumbing Code
    c. 2016 California Mechanical Code
    d. 2016 California Electrical Code
    e. 2016 Building Energy Efficiency Standards
    f. 2016 California Green Building Code
    g. The Code of the City of Woodland
36. The project will require engineered building plans for the proposed work to be plan reviewed and inspected to ensure safety. This would include compliance with California Building Codes (including the 2016 California Fire Code Chapter 38 in the July 1st, 2018 Supplement, Plant Processing and Extraction Facilities) and applicable NFPA standards.
37. Other City and County Agencies (Health, Fire, Public Works, and Planning) are be required to approve the project prior to a building permit being issued.
38. A licensed architect or licensed engineer shall be responsible for reviewing and coordinating all submittal documents prepared by others, including deferred submittal items, for compatibility with the design of the building.
39. The project will provide a final odor control plan for review and approval prior to issuance of building permits.

FIRE

40. One-hour separation wall shall be inspected for integrity and conformance to original installation standards. Inspection shall be performed on both sides of the rated wall.

41. Exit doors shall be provided with panic hardware. Exit doors shall swing in the direction of egress travel.

42. Provide exit signs and emergency means of egress illumination.

43. Prior to final occupancy, provide confirmation from a licensed professional (fire protection engineer) indicating the existing fire sprinkler system adequately provides the level of protection required for the specific operation and associated hazardous materials involved.

ENVIRONMENTAL SERVICES

44. Management of Waste
    a. If the waste generated from the cannabis facility contains green byproduct, meaning that it contains buds or that the byproduct can still be used for the making of oils or the like, then the materials must be serviced as waste (trash). Yolo County Central Landfill requires these loads to obtain a certificate of destruction with each disposal.

    b. If the waste generated is brown and does not contain buds or usable byproduct, then the materials should be hauled as organic waste, which will be composted and considered diverted materials. If loads taken to the Yolo County Central Landfill contain any green byproduct, they will be processed as waste and will require a certification of destruction.

    c. Any hazardous waste materials generated (i.e. solvents, pesticides, chemicals, lamp ballasts, canisters/cylinders, personal protection equipment with residual, etc.) must be disposed of through a hazardous waste facility. Yolo County Central Landfill accepts commercial hazardous waste through their Conditionally Exempt Small Quantity Generator (CESQG) business program.

    d. Recycling (cardboard, paper, and plastic, glass, or metal containers) is also required and should be separated from any waste or organics recycling loads.

    e. Materials may be self-hauled to a waste or compost facility by the business in which the materials were generated. If self-hauled to the Yolo County Central Landfill, the above disposal procedures will be in effect.

    f. If the materials are not self-hauled, Waste Management is the exclusive waste, recycling and organics recycling hauler for Woodland and must be used for disposal services. The business may not pay another company besides Waste Management to haul waste, recyclables, or organic materials.

    g. The types of services, collection frequency, and bin sizes for waste and/or organics recycling services should be determined through Waste Management upon an assessment of the facility and types of materials generated.

    h. Depending on the amount of materials generated, all waste generated from the facility should be removed from the premise no less than one time per week.

    i. The City of Woodland, its residents and businesses have an obligation to meet state-mandated waste diversion requirements and requests that businesses make the highest effort possible to divert their waste through recycling or composting (organics recycling). Waste generated by a business should be processed in a manner that meet the landfill's requirements for acceptance as organic waste/composting.

    j. Bins (dumpsters), roll-offs (debris boxes), or trailers used to collect materials must be stationed in an area not generally accessible to the public. Bins should be padlocked, located inside of the business to deter scavenging.

POLICE

45. Site plans and floor plans shall be completed to the satisfaction of the Police Department CPTED requirements prior to issuance of building permits.

46. Exterior lighting shall be white light using LED lamps with full cutoff fixtures to limit glare and light trespass. Color temperature should be between 2700K an d4200K with a color rendering index of 75 or better and a light loss factor of 0.95 or better. All existing exterior fixtures shall be replaced with fixtures that meet this requirement.

47. Broken or damaged exterior lighting shall be repaired or replaced within 48 hours of being noted.

48. Exterior lighting shall be shielded or otherwise designed to avoid spill-over illumination to adjacent streets and properties.

49. Tree canopies shall not interfere with or block lighting. This creates shadows and areas of concealment. The landscaping plan shall allow for proper illumination and visibility regarding lighting and surveillance cameras through the maturity of trees and shrubs.

50. All solid core doors shall be equipped with a 180 degree viewing device to screen persons before allowing entry.

51. The business shall be equipped with and maintain a security system with an alarm system with a valid UL Certificate in accordance with ANSI/UL Standard 681-2014 (Standard for Installation and Classification of Burglar and Holdup Alarm), Extent No 3; and a Video Assessment and Surveillance System (VASS).

52. A hold up alarm shall be employed near the transport area, lobby, employee entrance and safe(s).

53. Burglar alarms shall cause the dispatch of a properly licensed private patrol.

54. Hold up alarms shall cause the dispatch of the Woodland Police Department.

55. The Security system shall be equipped with at least 24 hours of continued operation time in case of power failure.

56. The Security system shall be equipped with cellular backup in case of phone line disruption.

57. The facility shall be staffed at all times that the security system is not fully functional.

58. A log shall be maintained that shows when the alarm system was armed and disarmed, and by whom.

59. VASS storage shall be kept off-site or in a secured area accessible only to management.

60. VASS shall be capable of no less than 30-days worth of activity and shall provide comprehensive coverage of: safe, areas of ingress and egress, parking lot, loading areas, areas not clearly visible from public streets, and coverage of all exterior areas of the building.

61. Monitors displaying the employee parking area shall be mounted in a visible location near the door from which employees will arrive and depart so that employees may monitor the outside environment prior to departing the facility.

62. The applicant is responsible for reasonably controlling the conduct of persons of the site and shall immediately disperse loiterers.

63. Applicant shall install a “Knox Box” for police access of the exterior areas of the property after hours.

RESOLUTION NO. CC 18-0_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN OPERATING AGREEMENT WITH EPIC BROS ENTERPRISES, INC., FOR A CANNABIS DISTRIBUTION BUSINESS LOCATED AT 1230 HARTER AVENUE, SUITE F

WHEREAS, the applicant Epic Bros Enterprises Inc., submitted a Conditional Use Permit application to operate a Commercial Cannabis Distribution Facility ("Cannabis Business") in approximately 4,027 square feet in the existing building located at 1230 Harter, Suite J ("Subject Property"); and

WHEREAS, the City Council, following a Planning Commission recommendation to approve the use, approved granting a conditional use permit to the Cannabis Business to conduct commercial cannabis activities at the Subject Property, subject to conditions of approval and contingent on issuance of a cannabis business permit, state license(s) and execution of an Operating Agreement; and

WHEREAS, Section 13A-3-04(a)(9) of the Woodland Municipal Code provides that the City shall enter into an Operating Agreement and Indemnification, in conjunction with the issuance of a Cannabis Business Permit, in which the Cannabis Business agrees to abide by the requirements of the Municipal Code and any other operating terms and conditions as mutually agreed by the parties; and

WHEREAS, the City Council finds that both community benefits and potential adverse impacts may result from the operation of cannabis businesses in the City, and therefore desires to ensure all such impacts are adequately mitigated and offset by the potential community benefits the businesses can provide to the City and its residents; and

WHEREAS, the Cannabis Business and the City have therefore mutually agreed to enter into an operating agreement whereby the Cannabis Business will make certain minimum payments to the City to provide for projects, programs, and other services and activities that will positively contribute to the community and account for any adverse impacts or increases in need for services caused by the operation of the Cannabis Business in the community; and

WHEREAS, the proposed Operating Agreement additionally addresses other mutually agreeable terms and conditions regarding operation of the Cannabis Business, including minimum insurance requirements, security procedures, and indemnification.

NOW, THEREFORE, the City Council hereby resolves as follows:

1. The City Council adopts the findings above as true and correct.

2. The City Council hereby approves of an Operating Agreement between the City and Epic Bros Enterprises, Inc., generally consistent with the terms and conditions provided in the Operating Agreement attached hereto as Attachment 1.

DRAFT

3. The City Manager, or his or her designee, is authorized to execute an Operating Agreement in substantially the form provided in Attachment 1, subject to any minor, technical, non-substantive or necessary changes approved by the City Attorney, and any other supporting documents necessary to execute the Operating Agreement. The City Attorney is hereby authorized to make clarifying and confirming changes to the Agreement, provided the total payment amount under the Agreement does not change.

4. The Operating Agreement shall be executed prior to issuance of a Cannabis Business Permit.

PASSED AND ADOPTED by the City Council this 16th day of October, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Enrique Fernandez, Mayor

ATTEST:

_____
Ana Gonzalez, City Clerk

APPROVED AS TO FORM:

_____
Kara K. Ueda, City Attorney

Attachment 1: Draft Operating Agreement

DRAFT

OPERATING AGREEMENT FOR CANNABIS BUSINESS LOCATED IN THE CITY OF WOODLAND

EPIC BROS ENTERPRISES, INC LOCATED AT 1230 HARTER AVENUE, SUITE J

This Operating Agreement for a Cannabis Business (hereinafter "Agreement"), dated _____, 2018 ("Effective Date"), is entered into by and between the City of Woodland (the "City"), a California municipal corporation, and Epic Bros Enterprises, Inc a cannabis distribution facility ("Cannabis Business"). The City and Cannabis Business may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Cannabis Business submitted an application to the City for a conditional use permit to conduct certain cannabis uses in the City, located at 1230 Harter Avenue, Suite J ("Subject Property"); and

WHEREAS, the City granted a conditional use permit to the Cannabis Business on October 16, 2018, to permit cannabis distribution at the Subject Property, subject to conditions of approval, issuance of a cannabis business permit and execution of this Agreement; and

WHEREAS, Section 13A-3-04(a)(9) of the Woodland Municipal Code provides that the City shall enter into an Operating Agreement and Indemnification, in conjunction with the issuance of a Cannabis Business Permit, in which the Cannabis Business agrees to abide by the requirements of the Municipal Code and any other operating terms and conditions as mutually agreed by the parties; and

WHEREAS, the City Council of the City of Woodland has determined that both community benefits and potential adverse impacts may result from the operation of cannabis businesses in the City, and therefore desires to ensure all such impacts are adequately mitigated and offset by the potential community benefits the businesses can provide to the City and its residents; and

WHEREAS, the Cannabis Business and the City have mutually agreed to certain minimum payments to the City to provide for projects, programs, and other services and activities that will positively contribute to the community and account for any adverse impacts or increases in need for services caused by the operation of the Cannabis Business in the community.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants set forth herein, the Parties agree as follows:

AGREEMENT

1. **Incorporation of Recitals.** The Recitals, and all defined terms set forth in this Agreement, are hereby incorporated into this Agreement as if set forth herein in full.

2. **Definitions.** The following terms shall have the following meanings for purposes of this Agreement, but other terms may be defined elsewhere in this Agreement.

A. "Cannabis business permit" means the regulatory permit issued by the City to the Cannabis Business pursuant to the provisions of Chapter 13A of the Woodland Municipal Code.

B. "Cannabis manufacturing" means the compounding, blending, extracting, infusing, or otherwise making or preparing a cannabis product, as permitted by Article 21.6 of the Zoning Code, expressly including the production, preparation, propagation, processing, or compounding of cannabis or cannabis products directly or indirectly, including through extraction and/or chemical synthesis methods. Nothing in this definition shall be construed to conflict with, preempt or replace applicable state law requirements for authorized cannabis manufacturing activities, nor does this definition authorize any activity that is otherwise illegal under state law.

C. "City" means the City of Woodland.

D. "City Permits" means all building permits, conditional use permits, zoning amendments, operating agreements, and other permits, including the Cannabis Business Permit, licenses, entitlements, and agreements that the City, acting in its governmental capacity, must issue or approve for the Cannabis Business to operate in accordance with this Agreement.

E. "Commencement Date" means the date that all of the following have occurred: (1) the City has issued all necessary City Permits; (2) the Cannabis Business has obtained all necessary State Licenses to operate; and (3) the Cannabis Business has obtained a certificate of occupancy.

F. "Community Development Director" means the Community Development Director and his or her designee.

G. "Conditional Use Permit" means the conditional use permit issued by the City to the Cannabis Business pursuant to the City's Zoning Code, as approved by the City Council on or about October 16, 2018, as may be amended, related to the operation of a commercial cannabis business.

H. "Effective Date" means the date first entered above as the Effective Date that both Parties have signed this Agreement.

I. "Gross Receipts" means the total amount actually received or receivable from sales and the total amounts actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, all cost of materials used, labor or service costs, interest paid or losses or other expenses. The following shall not be included in the definition of "Gross Receipts: (1) Cash discounts allowed and taken on sales; (2) Such part of the sale price of property returned by purchasers upon rescission of the contract of sale as is refunded either in cash or by credit; and (3)

Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business shall not be excluded.

J. "Manager" means a person with responsibility and authority over the establishment, management, supervision, or oversight of the operation of the Cannabis Business.

K. "State License" means all licenses required to be issued by the State of California for operation of the Cannabis Business pursuant to Division 10 of the Business and Professions Code and applicable state regulations, including Division 42 of Title 16, Division 8 of Title 3, and Division 1 of Title 17 of the California Code of Regulations, as those provisions may be amended.

L. "Term" means the period of time this Agreement is in effect, and any renewal periods, as specified in Section 3.

3. **Term of Agreement.** The Term of this Agreement shall commence on the Effective Date and continue for a period of two (2) years therefrom ("Initial Term"), unless earlier terminated as specified in this Agreement. Prior to the expiration of the Initial Term and any subsequent Renewal Period, the Parties may mutually agree to extend the Term of this Agreement for up to two (2) additional two-year (2-year) terms to run consecutively (each a "Renewal Period").

4. **General Terms and Conditions.** The Cannabis Business shall comply with all of the following terms and conditions for the Term of this Agreement:

A. This Agreement is only valid for the Cannabis Business to operate at the Subject Property identified in this Agreement. The rights and obligations set forth in this Agreement shall not be transferred, assigned, or assumed unless agreed to in advance in writing by the City.

B. Conditions placed on the Cannabis Business Permit and the Conditional Use Permit shall be conditions of this Agreement. Violations of the Cannabis Business Permit, the Conditional Use Permit and/or applicable State Licenses shall be deemed violations of this Agreement and shall constitute a material breach of this Agreement.

C. The Cannabis Business shall obtain and maintain at all times a valid Cannabis Business Permit, Conditional Use Permit, and applicable State License(s) prior to and during operation of the Cannabis Business.

i. As soon as practicable, the Cannabis Business shall inform the City when it obtains its necessary State License(s), and shall provide a copy of the State License(s) to the Community Development Director. The City shall cooperate with the Cannabis Business as appropriate and as needed to facilitate the State's issuance of a State License(s) to the Cannabis Business.

ii. The City shall diligently process the Cannabis Business's applications for all City Permits. This Agreement does not commit the City in advance to approve the City Permits; nor does this Agreement constrain the City's discretion to

determine compliance with all requirements regarding issuance of any City Permits. Nothing in this Agreement relieves the Cannabis Business of the obligation to comply with all requirements and application procedures set forth in Chapter 13A of the Woodland Municipal Code.

D. The Cannabis Business understands, acknowledges and agrees to comply with all applicable then-existing state and local laws and regulations applicable to operation of the Cannabis Business, including Chapter 13A of the Woodland Municipal Code.

5. **Operational Requirements.** In addition to all operating requirements set forth in Article IV of Chapter 13A of the Woodland Municipal Code, the Cannabis Business shall comply with the following specific operational requirements:

A. The Cannabis Business shall immediately notify the City Police Department of any criminal activity, or suspected criminal activity, occurring at the Subject Property. In the event of any internal security system breach, including a faulty alarm system, broken or damaged surveillance cameras or other video recording equipment, or broken or damaged locks, doors, or lighting which may increase risk of criminal activity at the Subject Property, the Manager of the Cannabis Business shall notify the City Police Department as soon as practicable after becoming aware of the security system breach. The Cannabis Business shall diligently attempt to fix or resolve any such security breach immediately; if circumstances require additional time and delay to remedy, the Cannabis Business shall so notify City police and provide an estimated timeline the breach will be cured.

B. If the Cannabis Business receives any criminal threats, or otherwise suspects any criminal targeting related to movement of product or cash from or to the Subject Property, the Cannabis Business shall immediately notify the City Police Department.

C. [INSERT ANY OTHER SPECIFIC REQUIREMENTS FOR THE PARTICULAR SITE]

6. **Consideration.** As consideration for the rights and benefits it enjoys under this Agreement, including its operation of approved cannabis uses in the City during the Term, the Cannabis Business shall do all of the following:

A. Monthly Payment. The Cannabis Business shall pay to the City a community benefit fee in the amount of $5,000 or five percent (5%) of the Cannabis Business's gross receipts, whichever is greater, per month ("Monthly Payment").

i. Monthly Payments shall be calculated per calendar month, due and payable on the 15th day of the subsequent calendar month. By way of example only, a Monthly Payment for the month of September would be calculated from September 1 through September 30, due and payable on October 15.

ii. The obligation to make Monthly Payments shall begin as of the Commencement Date. If the Commencement Date falls on a day other than the

first day of a month, the $5,000 flat-rate amount shall be prorated for purposes of calculating the first Monthly Payment.

iii. If a Monthly Payment is not paid in full within fifteen (15) days after it is due and payable, the Monthly Payment shall accrue a penalty of five percent (5%) compounding for each month the Monthly Payment is late, until the Monthly Payment and all penalties are paid in full.

iv. Monthly Payments shall be made to the City's Finance Department. In the event the Cannabis Business intends to pay a Monthly Payment in cash in an amount that exceeds $5,000, the Cannabis Business shall notify the City in advance to make prior arrangements.

v. The Cannabis Business shall keep accurate and adequate records and documentation to reflect its monthly gross receipts. Pursuant to section 13A-4-09 of the Woodland Municipal Code, the Cannabis Business shall maintain all such records for at least three (3) years, and shall produce those records to the City within 24 hours after receipt of the City's request.

vi. Accompanying the Monthly Payment, the Cannabis Business shall deliver to the City a report ("the Monthly Report") showing (1) Gross Receipts of the Cannabis Business for the immediate prior month; 2) a cumulative total of all amounts of Gross Receipts received by the Cannabis Business to date for the calendar year, (3) a calculation of the Monthly Payment currently due to the City; and (4) a calculation of the cumulative total of all Monthly Payments made to the City to date for the calendar year.

vii. In the event that City voters approve a cannabis-specific tax to be imposed on cannabis businesses operating in the City, including the Cannabis Business, the obligation to make Monthly Payments under this Agreement shall terminate as of the effective date of the cannabis tax. Nothing in this Agreement shall relieve the Cannabis Business of the obligation to pay all applicable State and local taxes, including a possible future City cannabis tax.

B. Community Contributions. The Cannabis Business, as part of its project proposal submitted to the City and accepted and approved by the City Council, promised to make certain additional community contributions to the City of Woodland to ensure that any potential adverse impacts of the Cannabis Business are adequately offset by the business's positive community contributions. Accordingly, the Cannabis Business agrees to provide the following: (List)

i. [REMOVE THIS SUBSECTION B IF NOT APPLICABLE; IF THE BUSINESS PROPOSED ADDITIONAL COMMUNITY CONTRIBUTIONS THAT ARE ACCEPTABLE TO THE CITY, LIST THEM HERE]

7. Termination. The City and/or Cannabis Business may terminate this Agreement prior to expiration of the Term for the reasons and subject to the requirements set forth below. The Cannabis Business understands and acknowledges that the right to operate the Cannabis

Business is expressly contingent on full execution of an Operating Agreement, as required by section 13A-3-04(a)(9) of the Woodland Municipal Code. As such, termination of this Agreement shall result in the immediate termination of the Cannabis Business's operations, unless and until a new Operating Agreement is executed by the Parties

A. City's Termination Rights. Without prejudice to its other remedies at law or in equity, the City may terminate this Agreement, at any time and in its sole discretion, effective thirty (30) days after the City provides written notice of termination to the Cannabis Business, if any of the following circumstances occurs:

   i. The Cannabis Business breaches its obligation to pay the Monthly Payments when due and fails to cure the breach within thirty (30) days after the City provides the Cannabis Business with a written notice of default.

   ii. The Cannabis Business breaches its obligation to perform in accordance with any material provision of this Agreement, other than the obligation to pay the Monthly Payment, and: (A) does not cure the breach within thirty (30) days after the City provides the Cannabis Business with a written notice of breach or, if the breach cannot reasonably be cured within 30 days, (B) does not begin work to cure the breach within thirty (30) days after the City provides the Cannabis Business with a written notice of breach. The Parties may mutually agree in writing to extend the time period to cure the breach. The express designation in this Agreement of a provision as "material" does not imply that other provisions are not material.

   iv. The Cannabis Business fails to obtain and maintain at all times prior to and during operation of the Cannabis Business a valid Cannabis Business Permit and State License(s), or violates any condition of approval of the Conditional Use Permit.

   v. The uses and business activities of the Cannabis Business are declared unlawful by order of Court, or become illegal by operation of State law.

B. Cannabis Business's Termination Rights. The Cannabis Business may, at any time and in its sole discretion, effective thirty (30) days after the Cannabis Business provides written notice of termination to the City, may terminate this Agreement if the Cannabis Business has permanently ceased operations, or intends to cease operations within thirty (30) days, in the City of Woodland.

8. Release & Indemnification. The Cannabis Business shall release and hold harmless the City, its agents, officers, elected officials, staff and employees (collectively, "City Parties") from any and all claims, injuries, damages, or liabilities of any kind arising from: (i) any repeal or amendment of Chapter 13A of the Woodland Municipal Code, or any provision of the Zoning Code relating to the Cannabis Business, and (ii) any arrest or prosecution of the Cannabis Business or its owners, Managers, staff, employees, or members for violation of state or federal laws. The Cannabis Business shall further defend, indemnify and hold harmless the City Parties from and against any and all claims or actions: (i) brought by

adjacent or nearby property owners or any other parties for any damages, injuries, or other liabilities of any kind arising from or related to the Cannabis Business operations at the Subject Property, and (ii) brought by any party for any problems, injuries, damages, or other liabilities of any kind, including bodily injury, death or property damage, arising out of the distribution of cannabis or cannabis products at the Subject Property. The obligations in this Section 7 Release & Indemnification shall survive any expiration or termination of this Agreement.

9. Insurance.

A. Time for Compliance. The Cannabis Business shall not begin operations until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. Failure to provide and maintain all required insurance shall constitute a material breach of this Agreement.

B. Types of Required Coverages. Without limiting the indemnity provisions of this Agreement, the Cannabis Business shall procure and maintain in full force and effect during the term of the Agreement, the following policies of insurance:

i. Commercial General Liability. Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 0001, with minimum limits of at least $1,000,000 per occurrence. Defense costs shall be paid in addition to the limits.

The policy shall contain no endorsements or provisions limiting coverage for (1) products and completed operations; (2) contractual liability; (3) third party action over claims; or (4) cross liability exclusion for claims or suits by one insured against another.

ii. Automobile Liability. Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) with minimum limits of $1,000,000 each accident.

iii. Workers' Compensation. Workers' Compensation Insurance, as required by the State of California and Employer's Liability Insurance with a limit of not less than $1,000,000 per accident for bodily injury and disease.

If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement.

C. Endorsements.

i. The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability shall be endorsed to provide the following:

a. Additional Insured. The City's indemnified parties shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement. Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of Consultant; or (4) contain any other exclusions contrary to the Agreement.

b. Primary Insurance and Non-Contributing Insurance. This insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the indemnified parties shall not contribute with this primary insurance.

c. Severability. In the event of one insured, whether named or additional, incurs liability to any other of the insureds, whether named or additional, the policy shall cover the insured against whom claim is or may be made in the same manner as if separate policies had been issued to each insured, except that the limits of insurance shall not be increased thereby.

d. Cancellation. The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon the City except ten (10) days prior written notice shall be allowed for non-payment of premium.

e. Duties. Any failure by the named insured to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the indemnified parties.

f. Applicability. That the coverage provided therein shall apply to the obligations assumed by the Cannabis Business under the indemnity provisions of this Agreement, unless the policy or policies contain a blanket form of contractual liability coverage.

ii. The policy or policies of insurance required by this section for Workers' Compensation shall be endorsed, as follows:

a. Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the City's indemnified parties.

b. Cancellation. The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon the City except ten (10) days prior written notice shall be allowed for non-payment of premium.

D. Deductible. Any deductible or self-insured retention must be approved in writing by the City and shall protect the City's indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

E. Evidence of Insurance. The Cannabis Business shall, concurrently with execution of this Agreement or as soon thereafter as may be authorized by the City, deliver either certified copies of the required policies, or original certificates and endorsements on forms approved by the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, the Cannabis Business shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

F. Failure to Maintain Coverage. The Cannabis Business agrees to suspend and cease all operations hereunder during such period of time if the required insurance coverage is not in effect and evidence of insurance has not been furnished to the City.

G. Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

H. Insurance for Subcontractors. All subcontractors shall be included as additional insureds under the Cannabis Business's policies, or the Cannabis Business shall be responsible for causing subcontractors to purchase the appropriate insurance in compliance with the terms of this Agreement, including adding the City as an Additional Insured.

10. Notice. Any notice or other communication provided pursuant to this Agreement must be in writing and shall be considered properly given and effective only when mailed or delivered in the manner provided by this Section 9 to the persons identified below. A mailed notice or other communication shall be considered given and effective on the third day after it is deposited in the United States Mail (certified mail and return receipt requested). A notice or other communication sent in any other manner will be effective or will be considered properly given when actually delivered. A Party may change its address for these purposes by giving written notice of the change to the other Party in the manner provided in this Section 9.

If to the City:	**If to Cannabis Business:**
City of Woodland City Manager's Office	Epic Bros Enterprises, Inc

300 First Street
Woodland, California 95695
Attention: Paul Navazio

11. Force Majeure.

A. "Force Majeure Event" means a cause of delay that is not the fault of the Party who is required to perform under this Agreement and is beyond that Party's reasonable control, including the elements (such as floods, earthquakes, windstorms, and unusually severe weather), fire, energy shortages or rationing, riots, acts of terrorism, war or war-defense conditions, acts of any public enemy, epidemics, the actions or inactions of any governmental entity (excluding the City) or that entity's agents, litigation, labor shortages (including shortages caused by strikes or walkouts), and materials shortages.

B. Except as otherwise expressly provided in this Agreement, if the performance of any act required by this Agreement to be performed by either the City or Cannabis Business is prevented or delayed because of a Force Majeure Event, then the time for performance shall be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused.

12. Waiver. A Party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon the other Party's breach of this Agreement shall not constitute a waiver of any performance, right, or remedy. A Party's waiver of the other Party's breach of any provision in this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in writing and signed by the waiving Party.

13. Relationship of Parties. This Agreement does not create any employment relationship, ownership interest, or other association between the City and Cannabis Business. Nothing herein shall be construed to create the relationship of principal and agent, partnership or other joint venture between the City and Cannabis Business.

14. Attorneys' Fees. The Party prevailing in any litigation concerning this Agreement, the Subject Property, or the Cannabis Business operations, shall be entitled to an award by the court of reasonable attorneys' fees and litigation costs. If the City is the prevailing party, then this Section shall apply whether the City is represented in the litigation by the designated City Attorney or by outside counsel.

15. Severability. If a court with jurisdiction finds any provision of this Agreement to be invalid, void, or unenforceable, then the remaining provisions shall remain in full force and effect, and to this end this Agreement shall be severable.

16. Counterparts. The parties may execute this Agreement in counterparts, each of which shall constitute an original, but all of which shall collectively constitute this same Agreement.

17. Integration and Modification. This Agreement sets forth the Parties' entire understanding and agreement regarding the matters addressed herein. This Agreement supersedes all prior

or contemporaneous agreements, representations, and negotiations (written, oral, express, or implied) and may be modified only by written agreement signed by both Parties.

(*Signature Page Follows*)

DRAFT

IN WITNESS WHEREOF, the parties enter into this Agreement as of the date first set forth on this Agreement.

City of Woodland

By: _____
Paul Navazio, City Manager
Dated: _____, 2018

Cannabis Business:
Epic Bros Enterprises, Inc

By: _____
[INSERT]

Dated: _____, 2018

Approved as to Form

Woodland City Attorney

By: _____
Kara K. Ueda, City Attorney

City of Woodland

Community Development Department
300 First St, Woodland CA 95695
(530) 661-5820 Fax (530) 406-0832
www.cityofwoodland.org

General Application Form

1. Owner/Applicant

PROPERTY OWNER: Ethan Conrad Properties
MAILING ADDRESS: 1300 National Drive Suite 100
CITY STATE ZIP CODE: Sacramento, CA 95834
PHONE NUMBER: 916-779-1000
E-MAIL ADDRESS: ethan@ethanconradprop.com

PROJECT APPLICANT Epic Bros Enterprises, Inc
MAILING ADDRESS: 1230 Harter Avenue Suite J
CITY STATE ZIP CODE: Woodland, CA 95776
PHONE NUMBER: 925-785-4950
E-MAIL ADDRESS: bejfara@hotmail.com

2. Application Requested

- ☐ General Plan Petition
- ☐ Zoning Amendment
- ☐ General Plan Amendment
- ☐ Tentative Subdivision Map
- ☐ Tentative Parcel Map
- ☐ Lot Line Adjustment
- ☐ Site Plan Review
- ☐ Design Review
- ☐ Sign Design Review
- ☐ Conditional Use Permit (CUP)
- ☐ Zoning Administrator Permit
- ☐ Variance
- ☐ Public Convenience or Necessity
- ☑ Other _____

Is this request part of another application? ☐ Yes ☑ No If so, what? Commercial Cannabis CUP

3. Project Description

Project Name: Epic Bros Enterprises
Site address or location: 1230 Harter Avenue Suite J Woodland, CA
Total Acres or Square Feet 3,776
Assessor's Parcel Number: 027-420-023-000

Is Your Project Located in a Flood Zone? ☐ Yes ☑ No

Does this request include signage? ☐ Yes ☐ No

4. Justification for Request

☞ On a separate sheet, explain in detail your request and why you believe your request is justified.

5. General Plan Amendment

Existing General Plan Designation	Gross Acres	Proposed General Plan Designation	Gross Acres
N/A	N/A	N/A	N/A

6. Zoning Amendment

Existing Land Use Zone	Gross Acres	Proposed Land Use Zone	Gross Acres
N/A	N/A	N/A	N/A

7. Residential Development

No. of residential units are being requested? N/A

No. of lots will be created by this project? N/A

Single Family		Half-plex	
Duplex		Apartments	
Condominiums		Other	
Townhomes		**Total Units**	

Do you intend to market the units for sale? ☐ YES ☐ No

Do you intend to market the units for rent? ☐ YES ☐ No

8. Commercial/Industrial Development

Indicate the type of commercial/industrial development proposed:	Indicate the gross and leasable square footage for each type of development:
Commercial Cannabis Type 11 Distributi	3,776 sqft

9. Authority to File Application

Check one:

☑ Property Ownership ☐ Power of Attorney*

☐ Contract to Purchase* ☐ Other

Specify _____

*Attach Evidence of Authority

I hereby certify that the above information and accompanying documents are true and accurate to the best of my knowledge and acknowledge that the processing of this application may require additional fees and expenses for the preparation of necessary environmental documentation and planning studies. I certify that I have reviewed the current Hazardous Waste and Substances Site List, developed pursuant to AB 3750, and found that my project is not on the list.

APPLICATION WILL NOT BE ACCEPTED WITHOUT SIGNATURE OF LEGAL OWNER OR OFFICIAL AGENT

8/7/18

Applicant: **Date**

8/7/18

Legal Owner: **Date**

Legal Owner: **Date**

DEPARTMENT USE ONLY

Amount Paid: 15,000

Amount Due:: _____

GP / Zoning Designation: _____

Project No: PLNG-18-00069

Logged by: Laura Quintana Date: 8/8/18

Planner: Cindy Norris Date: _____

N:\ComShare\DEPARTMENTS\PLANNING DEPT\FORMS\AAAA APPLICATION FORM March 2014.doc

City of Woodland

Community Development Department, 300 First Street, Woodland CA 95695, (530) 661-5820 fax (530) 406-0832

LETTER OF AGENCY

If the applicant is not the owner of record of the subject site, a Letter of Agency from the owner, or the owner's authorized representative must be submitted which grants the applicant permission to apply for the requested entitlements(s). The Letter of Agency must be notarized.

Date: 7-16-18

To: City of Woodland
Community Development Department
300 First Street
Woodland, CA 95695

Community Development Department:

I, the undersigned legal owner of record, hereby grant permission to:

Applicant: Bejan Fakahbakhsh c/o Epic Bios Enterprises Phone: 925-785-4950

Applicant's Address: 1230 Harter Ave Ste J Woodland CA 95776

To apply for the entitlement(s) listed below

☐ General Plan Amendment	☐ Zoning Amendment	☐ Tentative Subdivision Map
☐ Tentative Parcel Map	☐ Specific Plan Amendment	☐ Lot Line Adjustment
☐ Variance	☐ Conditional Use Permit	☐ Planned Development
☐ Site Plan Review	☐ Design Review	☐ Zoning Administrator Permit
☐ Specific Plan	☐ Cannabis Business Permit	☐ Cannabis Conditional Use Permit
Is this request part of another application? Yes ☐ No ☐	Other:	

The subject property is located at: 1230 Harter Ave, Ste J; Woodland, CA 95776

Assessors Parcel Number: 027-420-023-000

x _____
Signature of Owner(s) of Record (must be an original signature)

Ethan Conrad
Print Legal Owner(s) of Record Name

1300 National Drive, Ste 100; Sacto, CA 95834 916.779.1000
Address of Legal Owner *(attach title report)* Phone:

E-mail Owner(s) of Record: ethan@ethanconradprop.com

CANNABIS BUSINESS PERMIT APPLICATION

OWNER'S STATEMENT OF CONSENT

If the applicant is not the owner of record of the subject site, the following Statement of Consent must be completed by the owner or the owner's authorized representative, granting the applicant permission to apply for a cannabis business permit. This form must be notarized.

To: City of Woodland

Community Development Department

300 1st Street

Woodland, CA

I, the undersigned legal owner of record, hereby grant permission to:

Applicant: Epic Bros Enterprises, Inc

Phone: 925-785-4950

Mailing Address: 1230 Harter Avenue Suite J Woodland, CA 95776

to operate a cannabis business on the property described below.

The subject property is located at: 1230 Harter Avenue Suite J Woodland, CA 95776

Assessor's Parcel Number: 027-420-023-000

Printed Name of Owner of Record: Ethan Conrad

Address of Owner of Record: 1300 National Drive Suite 100 Sacramento CA 95834

Phone: 916-779-1000

Email address: ethan@ethanconradprop.com

Signature of Owner of Record: X _____ Date: 7-16-18

"A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

STATE OF California)SS
COUNTY OF Sacramento)

On _____, before me, Kathryn Jones Faires, Notary Public, personally appeared Ethan Conrad, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

KATHRYN JONES FAIRES
Notary Public – California
Sacramento County
Commission # 2229576
My Comm. Expires Jan 27, 2022

RECORDING REQUESTED BY
Blaine Laney
Chief Lending Officer
Bank of Guam
404 Montgomery Street
San Francisco, CA 94104

AND WHEN RECORDED MAIL TO
ETHAN G. CONRAD
1300 National Drive, Suite 100
Sacramento, CA 95834-1981

NOV 0 1 2014

YOLO Recorder's Office
Freddie Oakley, County Recorder
DOC- 2014-0022675-00
Check Number 32825
REQD BY BANK OF GUAM
Monday, OCT 06, 2014 11:00:00
Ttl Pd $27.00 Rcpt # 0001114109
EFS/X7/1-2

DEED OF RECONVEYANCE

Whereas, the indebtedness secured by that certain Deed of Trust executed among **ETHAN CONRAD, a Unmarried Man,** whose address is **1300 National Drive, Suite 100, Sacramento, CA 95834-1981** as Trustor, dated APRIL 24, 2013 and recorded **APRIL 29, 2013** in the office of the Recorder of YOLO COUNTY, State of California, **Document No. 2013-0013882-00,** of Official Records pursuant to the written request of the beneficiary, does hereby grant and reconvey, without warranty express or implied as to the title, possession or encumbrance, to the person or persons legally entitled thereto, all the right, title and interest derived by the undersigned, pursuant to said Deed of Trust, in and to which reference is made for a description of the same. ****SEE LEGAL DESCRIPTION EXHIBIT "A" ATTACHED****

In Witness whereof, the undersigned, as such Trustee, has executed this Deed of **Reconveyance on SEPTEMBER 26, 2014**

Bank of Guam
Trustee

By_____
John David Joves
Senior Vice President- California Region

Bank of Guam
Trustee

By: _____
Blaine K. Laney
Senior Vice President-Credit Officer

State of California
County of San Francisco

On September 26, 2014 before me, the undersigned, Juliet L. Galang, a Notary Public in and for said State, personally appeared Blaine Laney and John David Joves who proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____

Name Juliet L. Galang
(typed or printed)

JULIET L. GALANG
COMM. # 1902987
NOTARY PUBLIC - CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO
MY COMM. EXP. OCT. 2, 2014

(2)

Exhibit "A"

Legal Description

Real property in the **City of Woodland, County of Yolo**, State of California, described as follows:

PARCEL ONE:

LOT 4, SUBDIVISION NO. 2260, VENTURAY PARK, WEST, FILED JUNE 26, 1973, IN BOOK 8 OF MAPS, PAGES 85 AND 86, YOLO COUNTY RECORDS.

PARCEL TWO:

PARCELS 1 AND 2, PARCEL MAP NO. 3125, FILED JANUARY 15, 1982, IN BOOK 6 OF PARCEL MAPS, PAGE 46, YOLO COUNTY RECORDS.

APN: 027-420-007-000 and 027-420-026-000 and 027-420-023-000

END OF DOCUMENT

END OF DOCUMENT

2 10

EPIC BROS ENTERPRISES, INC
1230 Harter Avenue Suite J
Woodland, CA 95776

Applicant Narrative/ Justification

Preamble. Epic Bros Enterprises, Inc (hereinafter referred to as "Applicant") is pleased to present our Commercial Cannabis Application Package to the City of Woodland's Community Development Department for Type 11 Medical and Adult Commercial Cannabis Distribution.

Applicant recognized the need for strict adherence to legal guidelines and requirements as outlined by the City of Woodland, the State of California as well as other relevant stakeholders. Our team of qualified business professional looks forward to working with all necessary agencies and authorities having jurisdiction to ensure compliance with all requirements. We believe that we are offering a comprehensive solution that can help satisfy the growing demand for cannabis in a safe and clean manner, while being a good member to the community and contributing in a significant way to the local economy.

Summary of Proposed Location. Applicant is proposing their project to be located at 1230 Harter Avenue in the City of Woodland in suite J within the proposed building. Property is zoned as M1 in the City of Woodland with an immediate access to I-5 freeway. The building has 120/208 and 277/480 Volts with a 3-phase power and natural gas service available. The boundaries of the property are greater than 600 feet from any K-12 school, commercial daycare center and youth center, and are greater than 600 feet of any residences of libraries on a neighboring property.

The existing facility needs only minor modifications. The facility currently has two roll up doors, a secured fenced in yard for secure intake, an office space and warehouse area. Applicant is planning to construct a secured two-point access to lobby area and to warehouse space that will not be accessible to public unless authorized and escorted by Applicant and to City/State officials for inspections. Applicant shall seal off non-functional roll-up door that is not secured by a fence; In addition, Applicant is proposing to construct a quarantine area to hold cannabis products for testing purposes, security vault and packaging area for flower products. The facility will also have a sufficient break room and ADA complaint restroom for Applicant's staff and employees.

Project Size. The project itself occupies 3,776 sqft of warehouse space, 251 sqft of office space and a fenced/paved yard as a portion of a 42,241 total sqft of an industrial/manufacturing building. Warehouse clear height is 19' with fire sprinklers, heavy parking and natural gas service.

Facility Advantages. The following are advantages of the facility at 1230 Harter Ave, Suite J:

- Located in a concealed location that is not immediately visible
- Warehouse space with sufficient power
- Sufficient yard and indoor intake space for secure intake/output area
- Facility comes with fire sprinklers
- Full ADA Compliance with no additional modification requirements
- Facility will not impact the peace, order, or welfare of the local community

Additional Advantages.

Applicant ensured that surrounding neighborhood businesses are aware of applicant's intentions of establishing a cannabis distribution business. Letters were sent out August 2nd, 2018 to inform all neighbors of Applicant's business intentions.

Addressing Negative Effects on the Community. Applicant recognizes City's concerns surrounding commercial cannabis businesses. Pursuant to both City of Woodland ordinance, California State's regulations and reasonable good neighbor policies, our operation will include the following:

Security. Our facility will employ a comprehensive security plan mandated by ordinance which includes security patrols, use of security cameras, and strategic placement of lighting that will deter crime in the area. **Please see Security Plan.**

Odor Control. Our facility will have a comprehensive odor control system which will make odors typically associated with cannabis undetectable. **Please see Odor Control Plan.**

Cross Contamination. Our facility is subject to strict guidelines under local and State's regulations. It requires us to establish and implement written distribution operation procedures to ensure that all of our product handling is conducted properly. Our operations shall be conducted under conditions and controls that are necessary to eliminate contamination that could potentially affect our product and other surrounding businesses' production.

Community Benefits. A critical component to our operating model is deeply rooted in good stewardship to our community and the populations we serve. Applicant intends to engage in a responsibility agreement with the City of Woodland to remit $48,280 annually to City of Woodland, for the purpose of mitigating any adverse impacts the facility might have on our neighborhood. Second, a well-run distribution business does much more for a dispensary and its patients and customers than merely providing access to cannabis. Our vision includes fostering a sense of community among our neighbors to build stronger, healthier populations. Our organization is committed to creating a community-based entity to support the needs of dispensaries, their customers and patients, and improve our community by creating more jobs for residents.

Applicant believes that this facility is a great choice for this type of business and will enhance the local neighborhood, providing added security, economic viability, and responsible partnerships.

EPIC BROS ENTERPRISES, INC
1230 Harter Avenue Suite J
Woodland, CA 95776

Statement of Proposed Use

Applicant is applying for a Distribution Type 11 medicinal and adult-use cannabis license. Distribution, as defined in City of Woodland's Ordinance No. 1629 is defined as any facility (business) engaged in the procurement, temporary storage, non-retail sales, and transport of cannabis or cannabis products between state-licensed cannabis business, including warehouses and similar structures.

I. Number of People Involved.

A. **Owners:** Epic Bros Enterprises, Inc ("EBE") has total of 4 owner/members. Detailed biographies and qualifications of each individual is described in "**Business Plan**". Each member of EBE is dedicating 100% of their skills to proposed project in order to become fully compliant, prosperous and bring in community benefits to City of Woodland and its surrounding areas. All owners have extensive knowledge in the corporate business environment, specifically in the oil industry, as well as the commercial cannabis industry. All of the owners are also undergoing intensive industry training and knowledge acquirement through networking, joining various associations and consistently monitoring updates on the cannabis market.

B. **Employees:** EBE is consulting with third party industry professionals and in the process of interviewing and finalizing hire packets for local residents and qualified individuals to become part of EBE's team. By January 1st, 2019 EBE plans on initiating a CEO, CFO, COO and CCO positions that are being held by each owner, an administrative assistant and an operations manager. As the project develops and grows, EBE shall initiate additional staff as the business model develops further.

C. **Characteristics of the surrounding area:** The business is located within an area surrounded by like kind of businesses that are typical of a light industrial area. Cabinet shops, distribution businesses, bakeries, and small manufacturing companies are the types of operations that are found in the general area. Given the fact that this location is near the freeway you'll find businesses that move and distribute their products throughout all of central California and the majority of these operations are housed in buildings that are 20,000 sq ft or less and have numerous points of entry allowing for small to medium sized trucks to load and unload. The area sees very little foot traffic and does not appear to have much retail presence. Most of the nearby businesses tend to be service providers or in the wholesale side of their respective industries. As a typical light industrial neighborhood one will see very few sidewalks, a great deal of blacktop, and lots of parking areas for workers. Much of the parking areas have shade trees to break up the monotony of the black top and there is some vegetation that was strategically planted when most of the newer buildings were created.

D. **Hours of Operation:** The operation will not be open to the public at any time. Regular business hours shall be between 6am and 9pm. Only authorized staff, local and state officials will be allowed to enter the premises. We will have between 3 and 8 employees on site and in route for transportation at any given time and run up to 2 eight hour shifts per day. Shifts are scheduled so that there is parking sufficient for all employees at all times even if there is overlap in staff times.

E. **Type of vehicular traffic and deliveries:** Cannabis products will be safely and securely transported from and to the facility in unmarked vehicles ([redacted]). Outbound and inbound transport will occur only within the building itself through the secure roll up door. Our hours for receipt of delivery will be between 6AM-9PM Noon M-F. Anticipated deliveries are as follows:

- Plant material for quarantine, testing and temporary storage purposes (3-5 times per day).
- Flower material for quarantine, testing and temporary storage purposes (5-8 times per day)
- Finished manufactured cannabis goods for quarantine, testing and temporary storage purposes (5-8 times per day)
- General and office supplies (1 time per week via UPS or USPS van/truck, amounts will be commensurate with the usual office supply deliveries for a business.

F. **Distribution Center.** Applicant is proposing to have a distribution center that will provide the following services:

- **Storage-Only Services**

Applicant shall provide cannabis goods storage-only services to a licensed cultivator, manufacturer, microbusiness, nonprofit, or another distributor, unrelated to the quality assurance and laboratory testing processes.

- **Sale to Retailer**

After final product has been properly tested and certified, Applicant shall transport finished retail-ready product to a licensed retailer and/or non-storefront delivery licensee.

- **Purchase/Sale/Transfer to Another Distributor**

Applicant will sell or transfer cannabis or cannabis products to another licensed distributor instead of to a cannabis retailer. In the event that APPLICANT sells or transfers the cannabis or cannabis products to the retailer, buyer distributor shall become responsible for collecting the cannabis excise tax from the retailer and reporting and paying it to the CDTFA.

- **Storage of Batches for Testing Services**

Applicant shall store cannabis products separately and distinctly from other cannabis goods batches on the premises. By labeling with the following information that will be physically attached to each container of each batch:

- The manufacturer or cultivator's name and license number, who provided the batch

- The date of entry into the distributor's storage area;
- The unique identifiers and batch number associated with the batch;
- A description of the cannabis goods with enough detail to easily identify the batch;
- The weight of or quantity of units in the batch; and
- The best-by, sell-by, or expiration date of the batch, if any.

- **Packaging and Labeling Service**

Applicant will package only flower cannabis products and shall re-package, label, and re-label manufactured and non-manufactured cannabis for retail sale.

In the event that during laboratory testing that a manufactured with the incorrect amount of THC per package or serving but is within the THC limits for sale, upon customer's request, Applicant shall re-label the package with the accurate THC amount.

- **Transportation Services**

Applicant offers a transportation service to a licensed cultivator to transport cultivator's product to a distribution facility for quarantine and storage; transport finished and tested product to retailer's facilities.

Applicant offers a transportation service to manufacturers to transport bulk manufactured cannabis products to another manufacturer for packaging purposes as well as transport finished, packaged manufactured products to a distribution facility for quarantine and storage; transport finished and tested product to retailer's facilities.

- **Testing Arrangements Service**

After taking physical possession of a cannabis goods batch, APPLICANT will contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing.

- **Sales Service**

Applicant shall provide a sales service to licensed cultivators and manufacturers for their products and secure shelve space at a retail and non-store-front dispensaries throughout the State of California.

- **Quality-Assurance Review Service**

Upon receipt of certificate of analysis stating that the sample meets specifications required by

law, the distributor shall ensure the following before transporting the cannabis goods to one or more retailers:

- The certificate of analysis Applicant received from the testing laboratory is the certificate of analysis that corresponds to the batch;
- The label on the cannabis goods is consistent with the certificate of analysis regarding cannabinoid content and contaminants required to be listed by law;
- The packaging complies with applicable packaging laws/
- The packaging is tamper evident.
- The weight or count of the cannabis batch comports with that in the track and trace system.
- Applicant shall use scales as required; and
- All events up to this point have been entered into the track and trace system.

- **Collection and Payment of CA State Cultivation Taxes**

  - Applicant shall Collect the cannabis cultivation tax from cultivators and manufacturers from which we will receive cannabis and/or cannabis products.
  - Applicant shall collect the cannabis excise tax from cannabis retailers we supply (sell and/or transport) with cannabis and/or cannabis products.
  - Applicant shall provide an invoice or receipt to the businesses from which we collect the cultivation tax and the cannabis excise tax and electronically file *both* of the sales and use tax and cannabis tax returns and pay the amounts due to the CDTFA.
  - As a cannabis distributor, we are responsible for collecting the cannabis 15% excise tax from the cannabis retailers that we supply (sell and/or transport) with cannabis and/or cannabis products.

G. **General and outdoor activities:** No cultivation, production, distribution, storage, display, or wholesale of cannabis products shall be visible from the exterior of the building where the Commercial Cannabis activity is being conducted. There will be no outdoor activities outside of the premises.

H. **Odors, noise, dust or glare:** Odors shall be contained on the property on which the Cannabis activity is located, no dust or glare will be involved with the Commercial Cannabis activity. Existing requirements applicable to the food and drug products (US Food and Drug Administration [USFDA] regulations, 21 Code of Federal Regulations [C.F.R.] Part 111 and Part 117) are not applicable to cannabis products. However, because many cannabis products are intended to be consumed, the need to ensure the safety and integrity of the manufacturing process is still present. Using its experience with oversight of food and drug manufacturing, our Commercial Cannabis activities are subject to regulations to include substantively similar requirements to ensure sanitary manufacturing practices. Such practices will eliminate odors, and dust. EBE does not anticipate any noise or glare that shall be visible and detectible outside of the premises.

EPIC BROS ENTERPRISES, INC.

TENANT IMPROVEMENT

CONDITIONAL USE PERMIT DRAWINGS

PROJECT ADDRESS:

1230 HARTER AVE., SUITE J

WOODLAND, CA 95776

APN # 027-420-030-000

SHEET INDEX

GENERAL

CS.1A	COVER SHEET
A1.1A	SITE PLAN
A1.2A	CONTEXT PHOTOS
A2.1A	EXISTING PLAN
A3.1A	PROPOSED FLOOR PLAN
A3.2A	EXISTING ROOF PLAN
A3.3A	EXISTING EXTERIOR ELEVATIONS
E1A	PHOTOMETRIC STUDY

ABBREVIATIONS:

@	AT
℄	CENTER LINE
Ø	DIAMETER OR ROUND
#	POUND OR NUMBER
BLKG	BLOCKING
CONC	CONCRETE
CP	CARPET
DF	DOUGLAS FIR
DN	DOWN
DS	DOWNSPOUT
DW	DISHWASHER
DWG	DRAWING
(E)	EXISTING
EA	EACH
EF	EXHAUST FAN
EN	EDGE NAIL
EQ	EQUAL
FLUOR	FLUORESCENT
FT	FOOT OR FEET
GA	GAUGE
GALV	GALVANIZED
GFI	GROUND FAULT NTERRUPT
GWB	GYPSUM WALL BOARD
HB	HOSE BIBB
HD	HOLDOWN
HT	HEIGHT
MAX	MAXIMUM
MFR	MANUFACTURER
MIN	MINIMUM
(N)	NEW
NTS	NOT TO SCALE
O/C	ON CENTER
PL	PLATE
ℙ	PROPERTY LINE
PT	PRESSURE TREATED
R	RISER
RAD	RADIUS
REF	REFRIGERATOR
S&P	SHELF AND POLE
SEL.STR.	SELECT STRUCTURAL
SF	SQUARE FEET
SIM	SIMILAR
SQ	SQUARE
T&G	TONGUE AND GROOVE
TBD	TO BE DETERMINED
TV	TELEVISION
TYP	TYPICAL
UNO	UNLESS NOTED OTHERWISE
W/	WITH
WD	WOOD
W/D	WASHER/DRYER
W/O	WITHOUT
WP	WATERPROOF

NORTH

300' RADIUS MAP

SCALE: NOT TO SCALE

PROJECT INFORMATION

BUILDING INFORMATION

CONSTRUCTION TYPE:	TYPE IIIB
NUMBER OF STORIES:	1-STORY
EXISTING BUILDING AREA:	4,027 sqft
OCCUPANCY (BUILDING):	B, F-1, S-1
FIRE SPRINKLERS:	YES
BUILDING DIMENSIONS:	100'-9" x 40'-3"

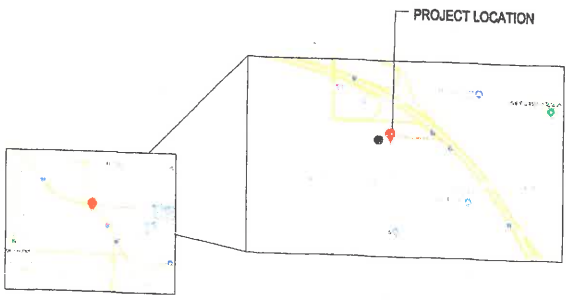
SITE INFORMATION

ZONING:	I - INDUSTRIAL
LOT AREA:	3.65 ACRES

APPLICABLE CODES

2016 BUILDING STANDARDS ADMINISTRATIVE CODE, PART 1, TITLE 24 C.C.R
2016 CALIFORNIA BUILDING CODE (CBC), PART 2, TITLE 24 C.C.R.
2016 CALIFORNIA ELECTRICAL CODE (CEC), PART 3, TITLE 24 C.C.R.
2016 CALIFORNIA MECHANICAL CODE (CPC), PART 5, TITLE 24 C.C.R.
2016 CALIFORNIA ENERGY CODE (CEC), PART 6, TITLE 24 C.C.R.
2016 CALIFORNIA FIRE CODE, PART 9, TITLE 24 C.C.R.
2016 CALIFORNIA GREEN BUILDING STANDARDS CODE (CAL GREEN), PART 11, TITLE 24 C.C.R.

VICINITY MAP



PROJECT TEAM

OWNER

EPIC BROS. ENTERPRISES, INC
ETHAN CONRAD PROPERTIES

CONTACT: NURIYA SAFAROVA, PARTNER
TAX GEAR, LLC
1700 EUREKA ROAD
SUITE 155
ROSEVILLE, CA 95661
C: 916-718-0793

ARCHITECT

STACEY HALL
7500 COLBERT DRIVE
RANCHO MURIETA CA 95683
PH: 510-220-1153
EMAIL: SBOWEN505@YAHOO.COM

EPIC BROS ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

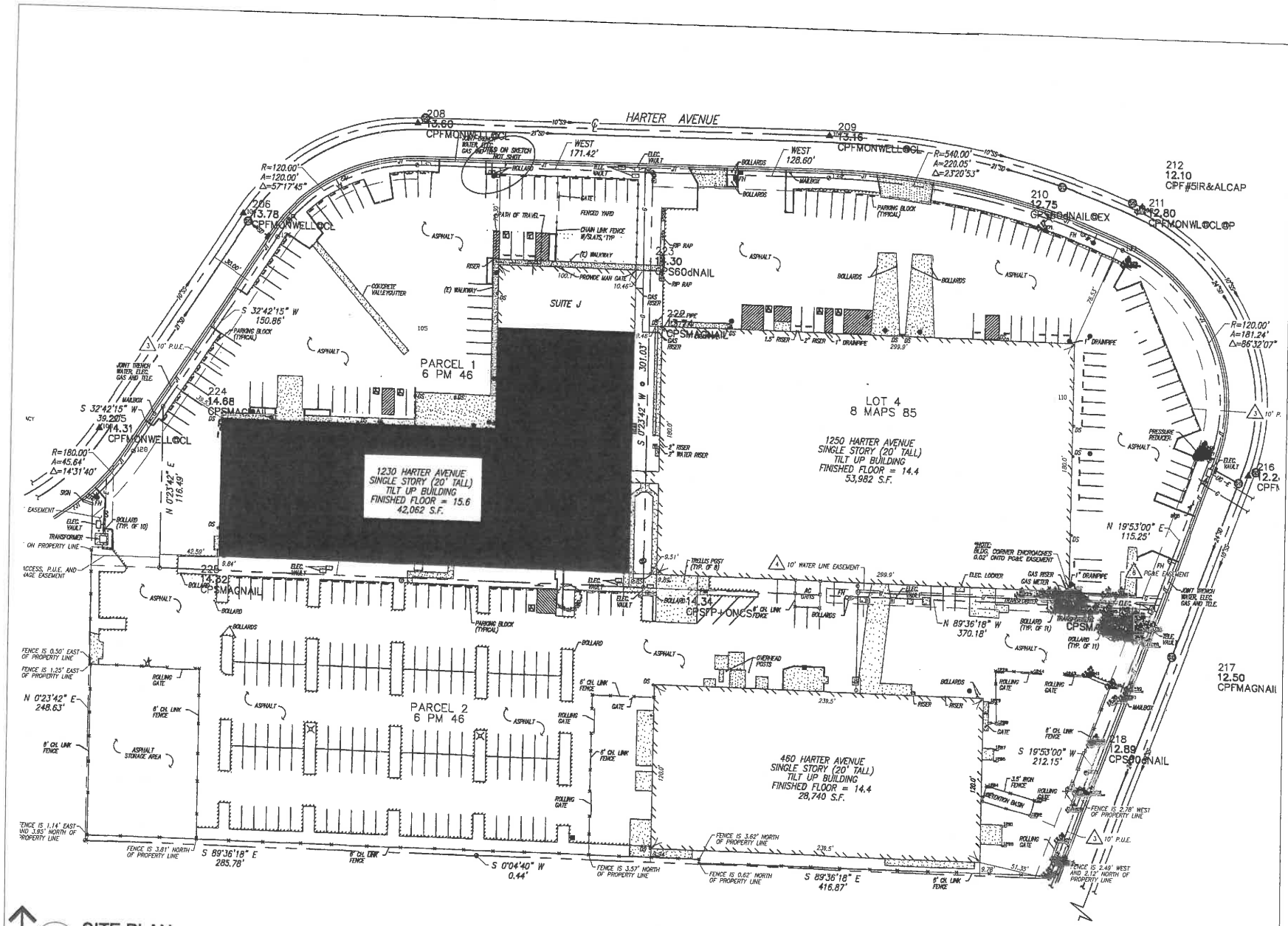
DRAWING:
COVER SHEET

PAGE: CS

DATE:

AUGUST 6, 2018

CUP SUBMITTAL DRAWINGS



N 1 A1.1A SITE PLAN 1" = 30'-0"

EPIC BROS ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
SITE PLAN

PAGE: A1.1A

DATE:

AUGUST 6, 2018

CUP SUBMITTAL DRAWINGS

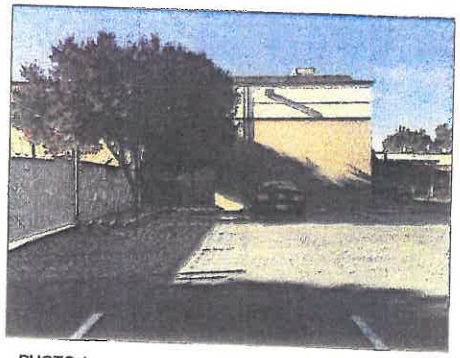


PHOTO 1

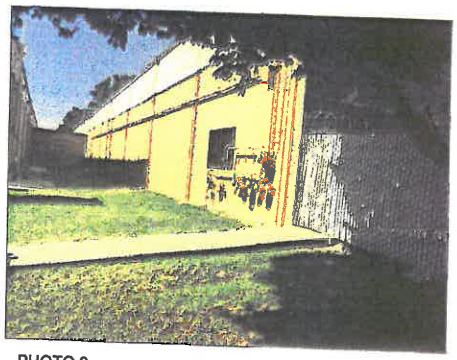


PHOTO 2

PHOTO 3

PHOTO 4

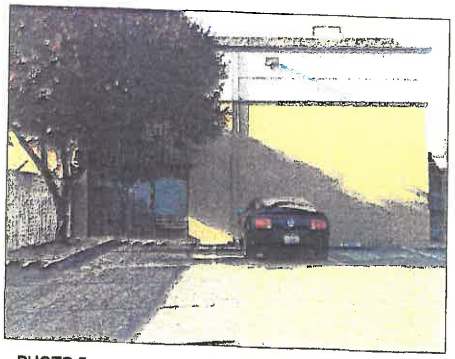
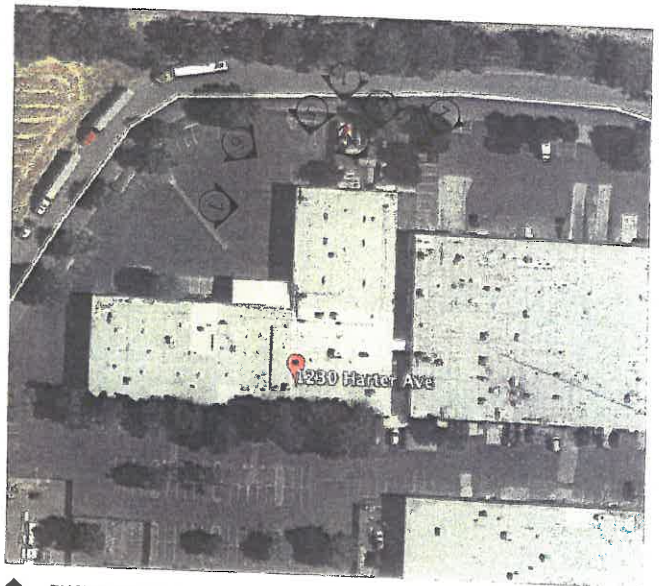


PHOTO 5

PHOTO 6



N

PHOTO KEY MAP - BUILDING

SCALE: NOT TO SCALE

PHOTO 7

EPIC BROS ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

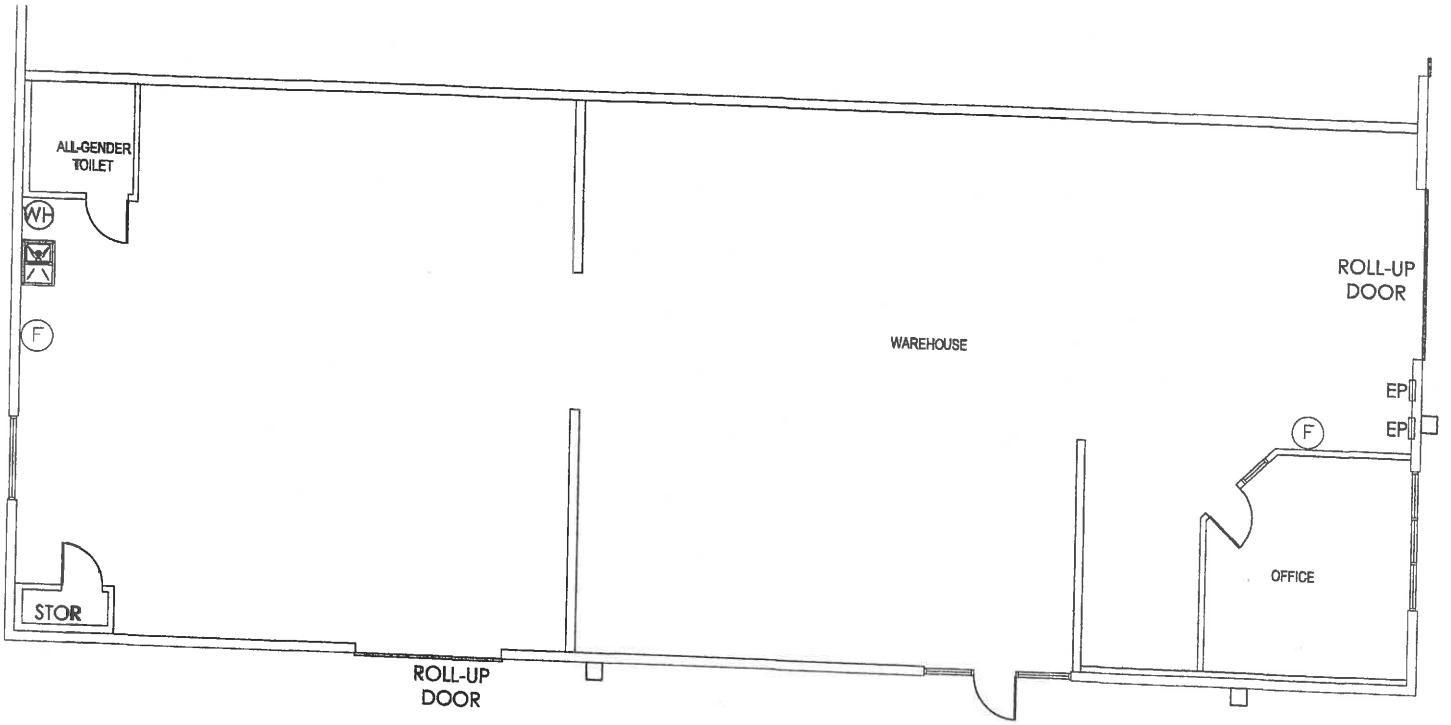
DRAWING:
CONTEXT PHOTOS

PAGE: A1.2A

DATE:

AUGUST 6, 2018

CUP
SUBMITTAL
DRAWINGS



WALL LEGEND

EXISTING WALLS TO REMAIN
EXISTING WALLS TO BE DEMOLISHED
NEW WALLS
F.O. STUD DIMENSION
F.O. FINISH

1 A2.1A EXISTING FLOOR PLAN
SCALE: 1/4" = 1'-0"

EPIC BROS ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
EXISTING FLOOR PLAN
SUITE J

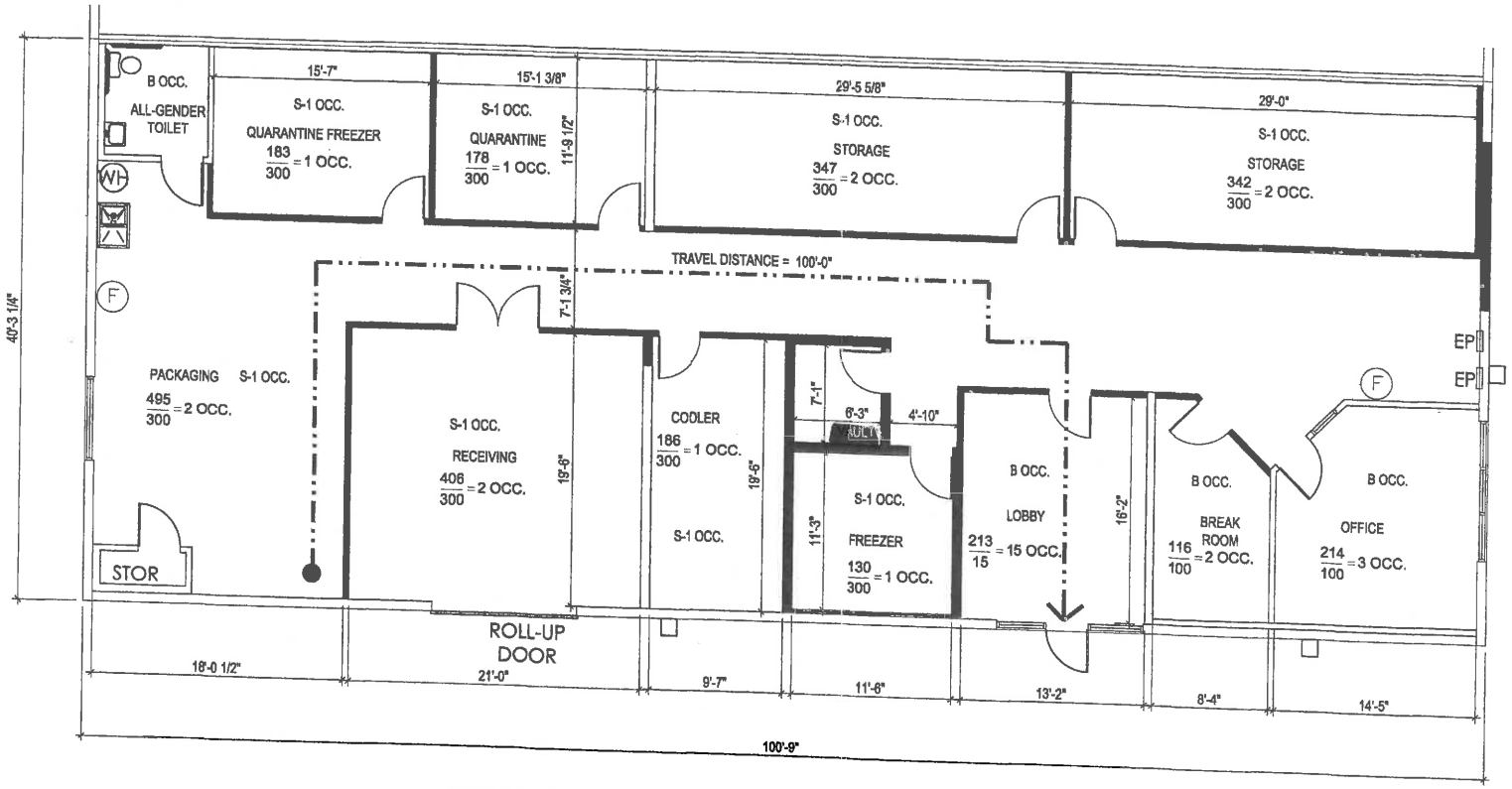
PAGE: A2.1A

DATE:

AUGUST 6, 2018

SCALE:
1/4"= 1'-0"

CUP SUBMITTAL DRAWINGS



EPIC BROS ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
PROPOSED FLOOR PLAN
SUITE J

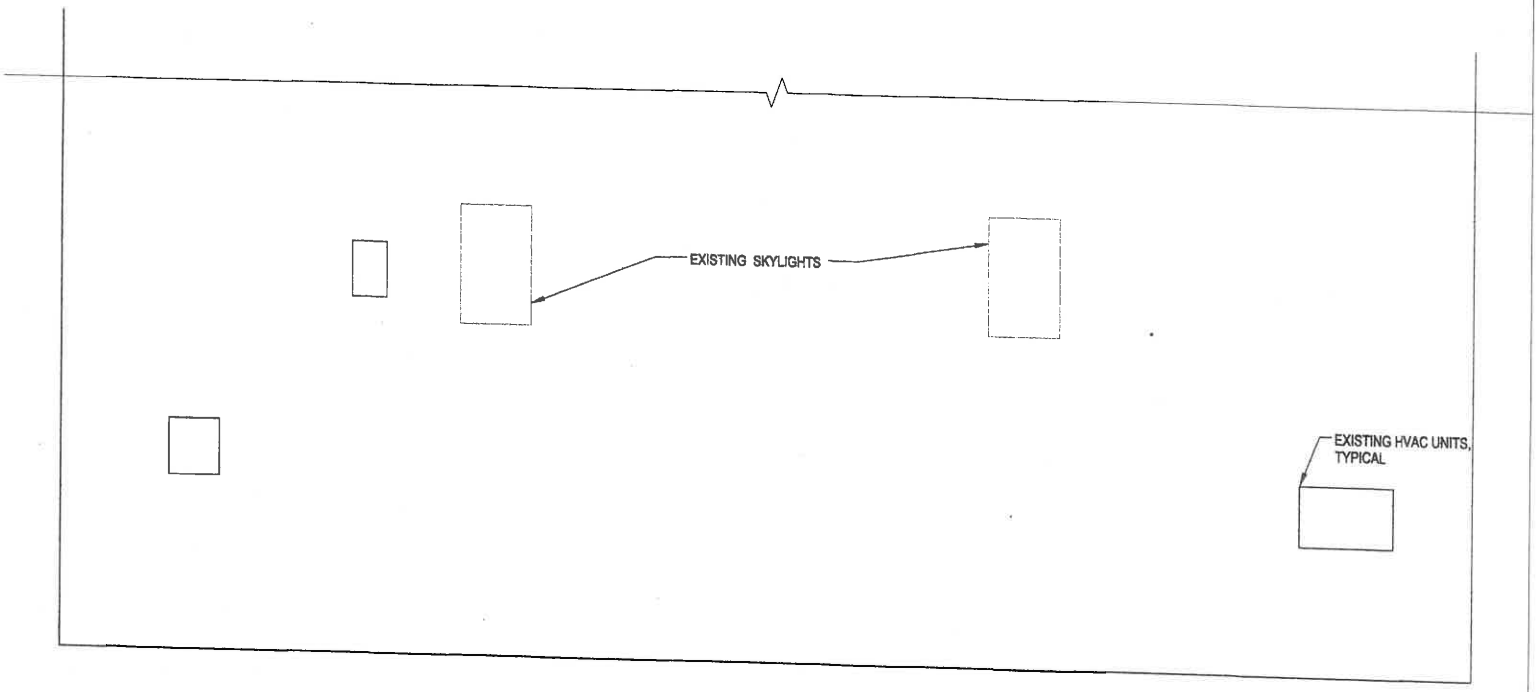
PAGE: A3.1A

DATE:

AUGUST 6, 2018

SCALE:
1/4" = 1'-0"

CUP SUBMITTAL DRAWINGS



N

1
A3.2A

EXISTING ROOF PLAN

SCALE: 1/4" = 1'-0"

EPIC BROS ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
ROOF PLAN

PAGE: A3.2A

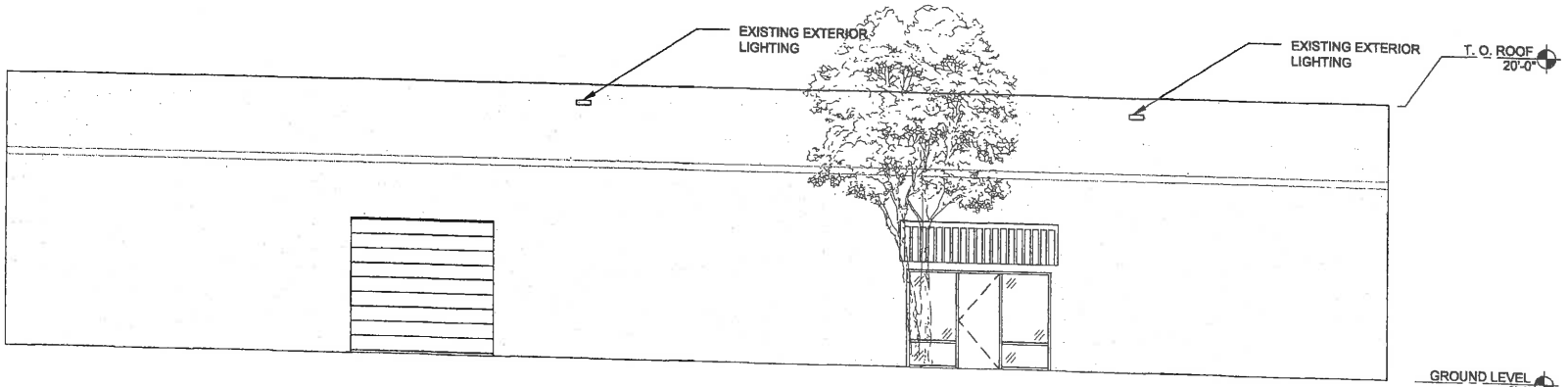
DATE:

AUGUST 6, 2018

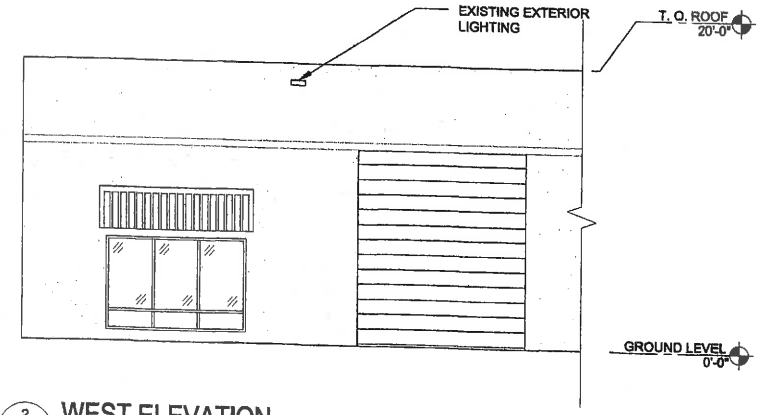
SCALE:

1/4"= 1'-0"

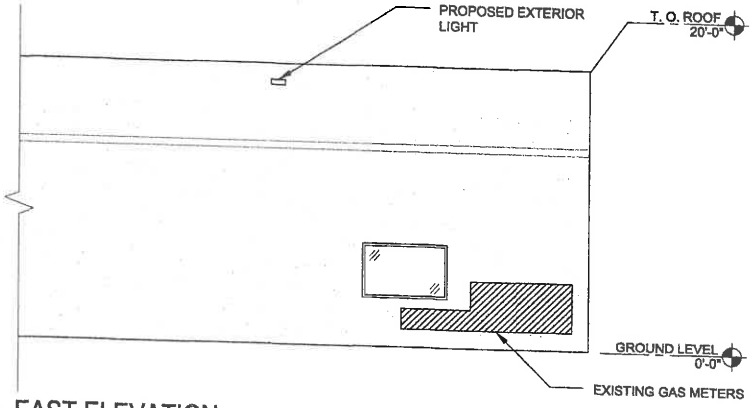
CUP
SUBMITTAL
DRAWINGS



1 A3.3A **NORTH ELEVATION**
SCALE: 3/16" = 1'-0"



2 A3.3A **WEST ELEVATION**
SCALE: 3/16" = 1'-0"



3 A3.3A **EAST ELEVATION**
SCALE: 3/16" = 1'-0"

EPIC BROS ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
EXTERIOR ELEVATIONS

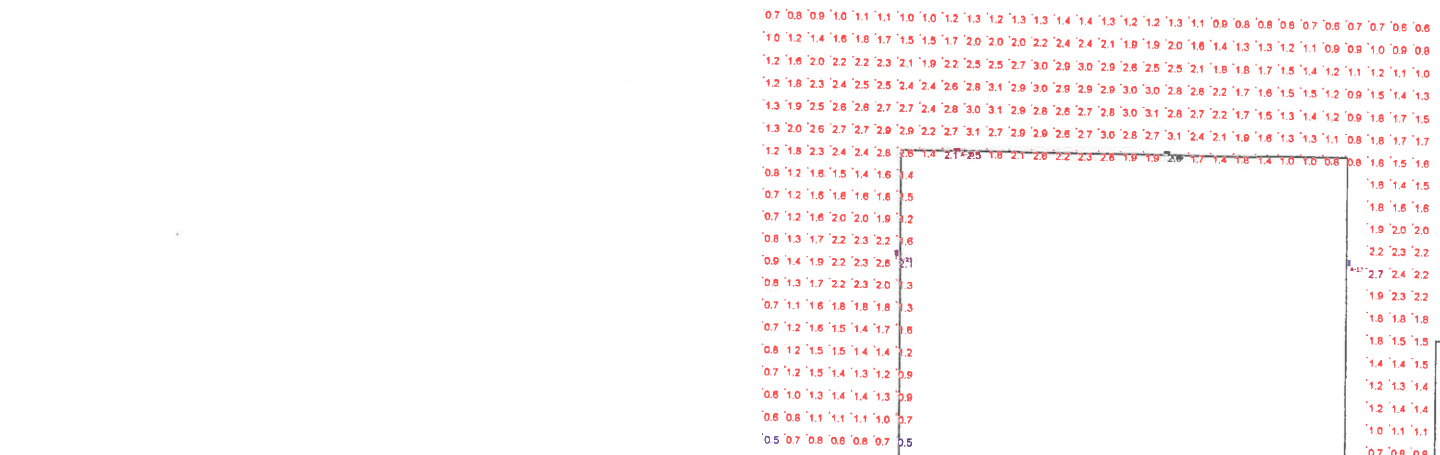
PAGE: A3.3A

DATE:

AUGUST 6, 2018

SCALE:
1/4"= 1'-0"

CUP SUBMITTAL DRAWINGS



Statistics

Description	Symbol	Avg	Max	Min	Max/Min	Avg/Min
Calc Zone #3	+	1.7 fc	3.1 fc	0.5 fc	6.2:1	3.4:1

Luminaire Locations

Qty	Label	Location X	Location Y	MH	Orientation	Tilt
17	A	1752.60	1862.30	18.50	90.00	0.00
19	A	1711.90	1886.10	18.50	0.00	0.00
20	A	1664.90	1886.10	18.50	0.00	0.00
21	A	1651.60	1862.30	18.50	270.00	0.00

Schedule

Symbol	Quantity	Manufacturer	Catalog Number	Description	Number Lamps	Lamp Type	Lumens Per Lamp	Light Loss Factor	Watts	Drawing	Tilt
▭	4	HUBBELL OUTDOOR	TRP2-24L-50-4K7-3	C-70-CRI	1	TRP2-24L-50-4K7-3.IES	5816	0.9	48.6	GeoPak Size 2	A

1230 HARTER J SUITE PHOTOMETRIC STUDY

Designer: LEAD ENGINEERS
Date: 08/07/2018
Scale:
Drawing No.:
Summary:

1 of 1

1230

TO: THE MEMBERS OF THE PLANNING COMMISSION
AGENDA: Planning Commission Meeting
DATE: September 20, 2018
ITEM #: H.2.
SUBJECT: **Epic Bros Enterprises, Inc Commercial Cannabis Distribution Facility**

Epic Bros Enterprises, Inc Commercial Cannabis Distribution Facility: A Proposed Conditional Use Permit for a Commercial Cannabis Distribution Facility Located at 1230 Harter Avenue, Suite J: PLNG 18-00069
Location: 1230 Harter Avenue, Suite J, Woodland CA 95776

Applicant/Owner: Epic Bros Enterprises, Inc, LLC/Ethan Conrad Properties

Environmental Report: Categorical Exemption

APN: -027-420-023

Project Planner: Cindy Norris, Principal Planner

Staff Recommendation: Conditional Approval

Report For: Planning Commission Public Hearing – September 20, 2018

General Plan Designation: Industrial/ Light Industrial Flex Overlay (I/LIF)

Existing Land Uses: The site is currently developed with a 42,241 square foot industrial building of which the applicant is proposing to occupy 4,027 square feet.

Adjacent Land Uses & Zoning:

DIRECTION	LAND USE	ZONING
North	Existing Industrial/Harter Avenue	I/LIF
South	Existing Industrial	I/LIF
East	Existing Industrial	I/LIF
West	Existing Industrial/Harter Avenue	I/LIF

Flood Zone: Flood Zone AE – Map #06113C0 455H dated May 16, 2012.

Street Access: East Street and Harter Avenue

Pending/Potential Action

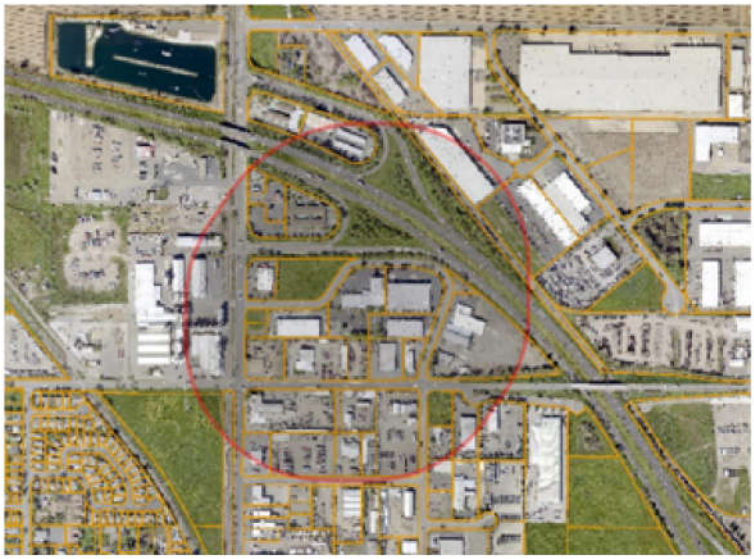
Staff recommends that the Planning Commission:

1. Receive the staff report;
2. Conduct a public hearing;

3. Find that the project is exempt from further environmental review pursuant to Class 1 and Class 32 Categorical Exemptions under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA;
4. Approve Planning Commission Resolution No. PC -_____recommending that the City Council approve a Conditional Use Permit for cannabis distribution facility at 1230 Harter Avenue, Suite J, conditioned upon approval of appropriate Cannabis Business Permit and the recommended conditions of approval.

Project Site Description

The overall project site is 3.66 acres in size and occupied by three buildings at 460, 1230, and 1250 Harter Avenue. The subject building at 1230 Harter Avenue is an existing one-story multi-tenant building approximately 42,241 square feet in size and houses multiple tenants (See Attachment 3, Site and Floor Plan). The property is bounded by vacant land, existing industrial development and East Street to the west, Harter Avenue and Interstate-5 to the north, and existing industrial development to the east and south. The applicant is proposing to occupy Suite J which is located in the north east corner of the building.



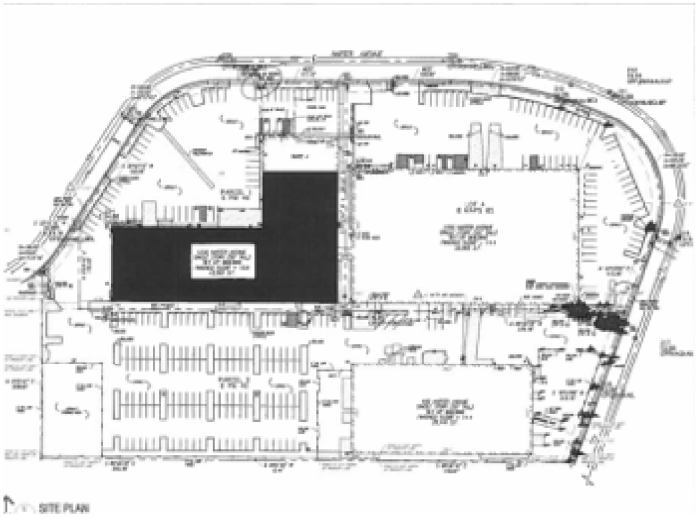
(1000 foot radius from the parcel)

The property is zoned for Industrial with a Light Industrial Flex Overlay and the proposed use may be considered with approval of a Conditional Use Permit by the City Council as the final acting body.

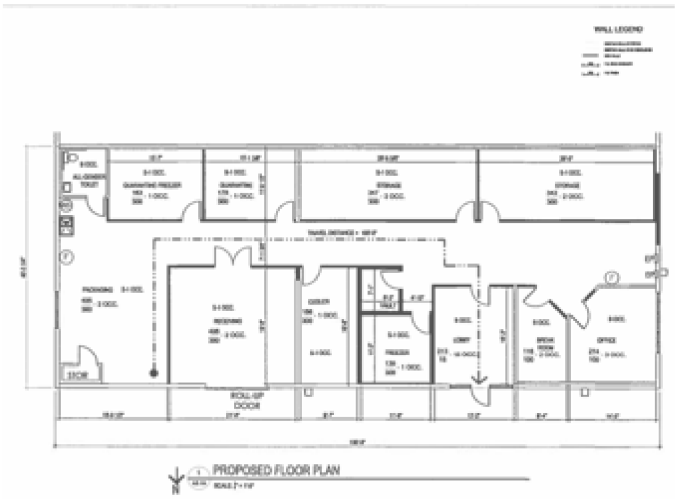
Project Proposal

On August 7, 2018, Epic Bros Enterprises, Inc applied for a Conditional Use Permit (CUP). The applicant is requesting a recommendation of approval to the City Council for a Conditional Use Permit by the Planning Commission, which will allow Epic Bros Enterprises, Inc (EBE) to occupy approximately 4,027 square feet in the existing building at 1230 Harter, Suite J, as a cannabis distribution facility. Approximately 543 square feet of space will be for office use with 3,484 square feet allocated for distribution purposes. (See Attachment 1, Statement of Justification and Vicinity Map and Attachment 4 – Business Plan). Under the terms and conditions of approval Epic Bros Enterprises, Inc. will be required to obtain a Cannabis Business Permit for a Distribution Facility, (Ordinance 1629 and 1630), and appropriate State Licensing (Type 11 – Commercial

Cannabis Distribution). A Type 11 license affords the broadest allowance for distribution activities which permits the business to manage and transport product all the way through the system from testing facilities to a licensed retail operation. No customers or sales will occur at the facility along with no signage or identification regarding the type of business that is operating.



(Site Plan – screened area is not a part)



(Floor Plan)

Background

On November 8, 2016 California voters approved Proposition 64, known as the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA). AUMA legalized non-medical cannabis use, possession and cultivation by persons 21 years of age and older. With the majority vote passage, the provisions related to personal use, possession and cultivation of non-medical cannabis went into effect on November 9, 2016. Commercial non-medical cannabis activities also became legal on November 9, 2016, although commercial activities require state licenses. The state began issuing licenses for commercial activities on January 1, 2018.

On June 27, 2017, California Senate Bill 94 was signed into law, repealing the Medical Cannabis Regultion and Safety Act (MCRSA) and amending AUMA to consolidate state licensing of medical and non-medical commercial activities. The new law is now called the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

On September 16, 2017, Assembly Bill 133 was signed into law by Governor Brown and it made numerous minor amendments to MAUCRSA. One of the amendments removed the requirement that cannabis businesses maintain separate and distinct premises for each use. Now multiple uses may be located at the same location, so long as a separate state license is obtained for each location where commercial cannabis activity occurs, subject to applicable state regulations.

The City of Woodland has passed several Ordinances to update the Municipal Code to address both personal and commercial cannabis uses. On December 5, 2017 the City Council approved Ordinance 1629 to add Article 21.6 of Chapter 25 to the Municipal Code relating to the zoning of Commercial Cannabis uses. The Council also approved Ordinance 1630 to add Chapter 13A to the Municipal Code related to commercial cannabis

business permits and operating regulations. Ordinance 1629 allows consideration for up to six (6) conditional use permits for cannabis uses, which may be located in the Industrial or Industrial with Light Industrial Flex Overlay zones. The Ordinance allows the consideration of multiple cannabis license type in one location to be considered under one Conditional Use Permit. However, each business entity will be required to obtain separate Cannabis Business Permits (CBP). An operating agreement, to be approved by the Community Development Director, consistent with council approved conditions, will be required with each CBP.

To date, the City has received three Cannabis conditional use permit applications.

ANALYSIS

Public Notification

Public notice advertising for the public hearing on this project was prepared by the Community Development Department in accordance with notification procedures set forth in the City of Woodland's Municipal Code and State Planning Law. Two methods of public notice were used:

- Legal notice was published in the Woodland Daily Democrat at least ten days prior to the public hearing.
- Notices were mailed to all property owners within 1,000 feet of the project site.

Applicable Laws, Codes & Ordinances

This project is subject to several laws, codes and ordinances:

- The City of Woodland General Plan
- The City of Woodland Zoning Ordinance
- City of Woodland Cannabis Business Permit Requirements
- Community Design Standards
- California Environmental Quality Act (CEQA)

Environmental Assessment Status

Staff has determined that a Class 1 Categorical Exemption (Existing Facilities) pursuant to Section 15301 of the CEQA Guidelines and a Class 32 Categorical Exemption (Infill Development) pursuant to Section 15332 of the CEQA Guidelines is the appropriate level of CEQA review for this document. Class 1 consists of the operation, repair, maintenance, permitting, leasing, 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 agencies' determination. Class 32 exemption consists of projects characterized as in-fill development within urbanized areas. The class consists of environmentally benign in-fill projects located on sites that are less than 5 acres and consistent with local general plan and zoning requirements. The project will not have any biological, air, water, traffic, or noise impacts. The proposed use would occupy approximately 4,027 square feet space within an existing industrial multi-tenant building that has previously been occupied by industrial and manufacturing uses similar to the proposed project.

Reviewing Agency Comments

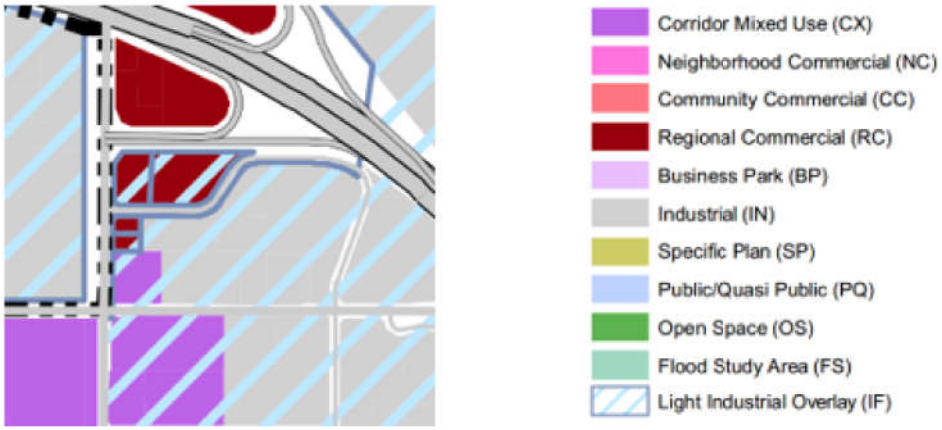
The project has been circulated to other city divisions and departments for review as well as to agencies outside the City of Woodland who have may have interest in the application including Air Quality, Waste Management, Yolo County, Yolo County Office of Education, and PG & E. All reviewing agency comments have been integrated into the conditions of approval.

Staff Analysis

2035 General Plan Consistency

The 2035 General Plan (GP) designation for the site is Industrial with a Light Industrial Flex Overlay (I/LIF). The proposed use of the site is consistent with the General Plan and shall be reviewed in accordance to the policies listed in conditional use permit discussion below. The General Plan describes this land use designation as follows:

> *When applied over the Industrial base designation, the Light Industrial Flex Overly provides for a mix of general, light to custom industrial and manufacturing uses, including multi-tenant spaces with offices, contractor storage, agricultural processing, food producers, industrial technology, and other sensitive processing uses that require controlled performance standards.*



(General Plan Land Use Diagram)

Climate Action Plan Consistency

The project involves the re-use of an existing building that will be re-purposed and upgraded to encourage new technology and an employment generating use. Strategy T/LU-2 encourages Redevelopment and Repurposing. The Climate Action Plan assumed that development would occur and continue within the urban areas of the city. In this instance, project has been conditioned to encourage and utilize energy saving features as appropriate including solar consistent with Strategy E-3. The applicant will be required to submit a statement with their building construction plans describing measures that they will be implementing.

Zoning Consistency – Chapter 25

The zoning designation for the site is Industrial with Light Industrial Flex Overlay (I/LIF), which provides for types of animal and food processing uses, manufacturing uses, industrial yard uses, warehouse and storage uses and other related miscellaneous uses, such as office space and general agriculture. The proposed future use of the site is industrial and is consistent with the Zoning Ordinance

The site is existing and developed as an industrial multi-tenant development. No significant exterior changes are proposed. The site meets all standards and criteria required in the Industrial District. The site has

significant parking available. The building has existing loading doors that are located behind a secured fenced enclosure on the north side.

Access and Parking:
There is adequate parking provided for use. The total site encompassing three buildings has approximately 258 parking spaces. The unit at 4,027 square feet would require 2 parking spaces based on the ratio of one space per 2,000 square feet of gross floor area (1/2000). The site was designed to accommodate truck loading and buildings have multiple loading doors. The facility has a secure fenced in yard area and roll up door on the north side of the building which provides additional security for deliveries and loading of cannabis product. The secured yard will be locked immediately after a vehicle enters the yard area. Measures provided through the Safety and Security Plan will help to ensure that this process is monitored and secure.

Landscaping:
The site has existing mature landscaping. The application will be conditioned to require on-going maintenance and replacement of any dead or dying plant materials.

600-foot Sensitivity Buffer
There are no sensitive uses within 600 feet of the parcel edge of the subject property. The site approximately 2090 feet from the proposed cannabis site at 1460 Tanforan Avenue, Suite B, and separated by the I5 freeway.

Conditional Use Permit Review

A conditional Use Permit (CUP) affords broad public review and evaluation of those uses which require special consideration to ensure proper integration into the community; mitigation of any potentially adverse impacts; and making the required findings to permit the use. In considering an application for a conditional use, due regard shall be given to the nature and condition of the proposed or existing use and all adjacent uses and structured and may impose such requirements and condition with respect to location, construction, maintenance, and operation, as may be deemed necessary for the protection of adjacent properties and the public interest. Conditional Use Permit analysis typically includes consideration of proposed use; hours of operation; consistency with zoning standards such as parking; compatibility with existing uses and structures in the surrounding area; and other criteria as may be deemed appropriate.

A CUP runs with the land unless the use ceases or the CUP is revoked. Once approved, should ownership of the land or the business change, the CUP would remain valid at the location approved. In addition to the CUP land use considerations above, the Cannabis Ordinance 1629 (Municipal Code 25-21.6.50(c)): provides other specific factors that shall be considered by the Planning Commission and ultimately the City Council including the following:

1. *The type of proposed use by the applicant*:

   The requested use is a conditionally allowed use in the zone regulations. The use would fit the category of cannabis distribution in the Zoning Land Use Matrix. The use is consistent with the General Plan. General Plan policies that specifically relate to this request include the following:

   2.D.3 – Technology Sector: Grow the technology sector in Woodland by leveraging the research strength at U.C. Davis. Encourage smaller companies and start-ups to locate in incubator spaces in Downtown and in areas with the Light Industrial Overlay designation.

   2.E.7 – Public Safety and Community Design: Promote design that enhances public safety and

discourages crime by providing buildings that engage the street, as well as adequate lighting and sight lines.

4.C.6 – Monitor Trends: Monitor economic trends to identify emerging industries, new market opportunities, and the performance and mix of businesses to allow the City to be proactive and adjust to market changes.

4.C.9 – Importance of Agricultural Industry. Recognize the importance of agriculture-related business and industries to the City and region, and support the continuation and development of agriculture and agriculture-related enterprises in and around Woodland.

4.E.1 – Job Expansion though Business Expansion: Encourage the expansion and attraction of diverse businesses and industries that create and increase the quality and amount of stable, year-round jobs locally.

2. *Whether the proposed use will be detrimental to the health, safety and welfare of the community*:

   The proposed facility would be contained within the existing building with numerous redundant security measures employed via a security plan reviewed and approved by the City of Woodland Police Department. The facility would not have exterior signage and would not be open to the public. Vehicles used to transport cannabis would be unmarked but also secure. The tenant improvement plans will undergo review and inspection by both the Building and Fire Divisions to ensure the proper construction, installation and operation of distribution facilities. The City will conduct annual review of the facilities and annual review of the general business operations. The applicant must also comply with all other agencies including health and state operating requirements.

3. *Whether the use would enhance the economic viability of the area in which it is proposed to be located, including adjacent and surrounding properties*:

   The proposed facility will provide a new source of employment and revenue to the City while remaining under close regulation and oversight by both the City and State.

4. *Whether the applicant has adequately addressed potential community benefits of the use to offset potential adverse impacts*:

   At the time of approval of a Cannabis Business Permit, an applicant will be required to pay a fee which has been determined to provide adequate cost recovery to the city for all activities, including police surveillance, associated with the proposed business. Further, as provided in a required operating agreement, a generalized contribution will be determined based on gross receipts derived from cannabis uses that will generate essential funds for protecting vital City services and facilities and mitigate impacts, and will help fund general municipal services, and place such businesses on more equal footing with existing City businesses.

   The applicant has also included a Community Relations Plan and assigned a Community Relations Manager, Bejan Farahbakhsh. In a letter to adjacent businesses on August 1, 2018, EBE have provided contact information and explained their intent and mission to be a compliant business and to be a model for other similar businesses (Attachment 5).

5. *The extent of support or opposition to the proposed use and the location from members of the community*:

   Prior to submittal of the initial application, EPE provided a letter to adjacent businesses on August 1, 2018, and public notice of the proposed cannabis use was provided in accordance with state law and in accordance with city requirements for 1,000-foot radius.

6. *The number of cannabis uses located or proposed to be located within 1,000 feet of the proposed location*:

   The closest proposed cannabis use is for a cannabis manufacturing facility located within the same building in Suite F, ProTerp Manufacturing. An additional commercial cannabis facility is proposed at 1460 Tanforan Avenue which is approximately 2,090 feet from this project site (measured from parcel to parcel) and separated by the I5 Freeway.

   However, the reality is that there are a limited number of sites and/or buildings currently available to cannabis uses. This limitation may be due to a number of reasons, such as the reluctance of some owners to lease space to cannabis uses; a lack of availability of smaller spaces within industrial buildings, which are more suitable to smaller scale manufacturing uses; and a number of restricted sites due to their proximity to sensitive uses. It is possible in the future that more cannabis related uses may request to locate in this proximate area due to the appropriate facility size available and a willing property owner.

   Comments received have also intimated that vertical integration of uses is the most desirable for quality control purposes and safety. Vertical integration involves the combination of related cannabis uses housed in one facility. It has been suggested that should the city consider allowing indoor commercial cultivation that additional larger sized buildings may function better for cannabis uses.

7. *The extent to which the proposed use would cause a further overconcentration of that particular type of use in the area*:

   At this time, there is no overconcentration of cannabis uses. See discussion above. The City may find that on a limited scale that it is acceptable to have multiple cannabis uses located in a specific area.

8. *The background and history of the applicant, including the nature and extent of problems on any premises where he or she has operated a cannabis business in the past*:

   The applicants have completed all request for “Live Scan” and provided all relevant background information concerning past history with regard to Cannabis uses. At this time, there do not appear to be any significant concerns identified.

9. *Whether there is a history of police or crime related problems in the area of the proposed location which may be exacerbated by the establishment of the proposed cannabis use*.

   The Police Department ran review of calls for service within a 1000-foot radius from the project site for the past calendar year. The calls for service do not reflect a high volume of police activity, especially for crime related calls. It is believed that establishment of the proposed cannabis operation, as conditioned, would not exacerbate crime related activities.

Cannabis Business Permit Review – Municipal Code Chapter 13A

The CBP provides for the review of operational features for each cannabis business entity and is required in addition to a business license. A CBP is required prior to initial operation and requires annual review. Prior to issuance of the CBP fees must be paid and a final Operating Agreement authorized. The CBP is approved by the Community Development Director. Operating details including a Security Plan, Lighting Plan, Odor Control Plan, Business Plan, Community Relations Plan, as well as an Operating Agreement and Indemnification statement are required as part of the CBP review. Some of these items, such as the Odor Control Plan and Community Relations Plan have been provided as part of the Conditional Use Permit review and are included as Attachments.

Community Relations Plan

A plan that describes who is designated as being responsible for outreach and communication with the surrounding community, including the neighborhood and businesses, and how the designee can be contacted. The community relations plan must include a description of the community benefit the business will provided, or proposes to provide, to the surrounding community. The applicant has provided an initial Community Relations Plan with the CUP application (Attachment 5).

Business Plan

A plan describing how the cannabis business will operate in accordance with this code, state law, and other applicable regulations. The plan must include plans for hours of operation, handling cash, and transporting cannabis and cannabis products to and from the business site, as may be applicable. Some aspects of this plan may be confidential. The applicant has provided an initial Business Plan with the CUP application (Attachment 4).

Odor Control Plan

A detailed ventilation plan describing the air treatment system, or other methods implemented to prevent offensive odors generated from the manufacturing, testing, and /or storage of cannabis from being detected outside the building. (Attachment 6)

Security Plan

The Draft Security Plan is a confidential document that generally addresses safety concerns related to vandalism, internal and external theft, lighting, video surveillance, security personnel, and other crime prevention. Because this document is confidential, it cannot be attached to this report. All interested parties to a cannabis business permit application are subject to fingerprinting and a criminal background investigation. The security plan has been reviewed by the Police and Fire Departments as part of the conditional use permit review. A final plan will be reviewed and approved with the Cannabis Business Permit.

Operating Agreement and Indemnification:

The City and applicant shall enter into an operating agreement, in a form approved by the city attorney, in which the applicant released the city from any damages or liabilities of any kind for violation of state or federal law and agrees to defend, indemnifies, against any and all claims or actions. In addition, the applicant agrees to operating terms and conditions mutually agreed upon that ensure that the community benefits derived from the

proposed cannabis business adequately address potential adverse effects.

Appeal

The Planning Commission action on the Conditional Use Permit shall be final unless, within ten (10) calendar days after the decision, the applicant or any other person, including the City Council, any individual City Council member, or the City Manager, not satisfied with the decision of the Planning Commission, may appeal to the City Council. No conflict of interest shall exist solely by reason of the filing of an appeal by the City Council, an individual City Council member, or the City Manager. Any appeal shall be filed with the City Clerk and, except an appeal by the City Council, a Council member, or the City Manager, shall be accompanied by a filing fee as prescribed by City Council resolution. The City Clerk shall set a date for a public hearing and shall give notice to the appellant, the applicant, and neighboring property owners in the manner provided in Section 25-27-20.

Attachments:

1. 1 PC Reso Epic Bros Dist CANN CUP w Conditions of Approval
2. 2 Application, Justification and Statement of Proposed Use
3. 3 Site and Floor Plans
4. 4 Business Plan
5. 5 Community Relations Plan
6. 6 Odor Control Plan
7. 7 Plant Oil and Chemical Waste Disposal
8. 8 Energy Efficiency Plan

PLANNING COMMISSION
RESOLUTION NO. PC 18-0_____

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WOODLAND RECOMMENDING THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVE A CONDITIONAL USE PERMIT FOR A CANNABIS DISTRIBUTION BUSINESS LOCATED AT 1230 HARTER AVENUE, SUITE J

WHEREAS, the applicant has applied for a Conditional Use Permit for a cannabis distribution facility in a 4,027 square foot suite within an existing one-story multi-tenant 42,241 square foot building on a 3.66-acre parcel in the Industrial with a Light Industrial Flex Overlay zone; and

WHEREAS, the project is exempt from further environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Class 1 Categorical Exemption, Existing Facilities) and CEQA Guidelines Section 15332 (Class 32 Categorical Exemption, Infill Development), as the Planning Commission of the City of Woodland finds as follows:

- The project consists of the permitting and minor alterations of an existing private structure that involves negligible expansion of the use beyond that existing at the time of the lead agencies initial determination as the existing facility is already zoned to allow industrial and manufacturing uses similar to the proposed project;
- The project consists of minor alterations for additional mechanical and security equipment to operate a cannabis business that utilizes existing utility infrastructure;
- The project is located on a site that is less than 5 acres and will not have any biological, air, water, traffic, or noise impacts; and

WHEREAS, the proposed use and its operating characteristics are consistent with the general plan, as the site is located in the Industrial/ Light Industrial Flex Overlay designation, which provides for industrial, distribution, and manufacturing uses that occur entirely within an enclosed building and are employment generating; and

WHEREAS, The Planning Commission funds that the proposed use is consistent with policies that encourage job expansion through business expansion, that encourage emerging industries and new market opportunities, that support agricultural related industry as well as the technology sector; and

WHEREAS, the Planning Commission finds that the proposed use and its operating characteristics are consistent with the applicable standards, requirements, and regulations of the zoning district in which it is located, and of all other provisions contained in Article 25-21.6 pertaining to commercial cannabis uses, and all operations will be conducted inside of the existing building; and

WHEREAS, the proposed use is in on a site and in a building that is physically suitable in terms of location, size, topography, and access, and that is adequately served by public and private services and utilities;

WHEREAS, the proposed cannabis business uses will not adversely affect the peace or general welfare of the surrounding neighborhood, as follows:

- The proposed use is not consumer based (no retail sales will occur at the premises) and therefore, will result in low vehicle traffic;
- The odor control plan will ensure no odors will be detectible outside the building;

- All activities will take place inside the building and will not be visible from the outside;
- A secured and fenced yard area will provide a secure entry for distribution access.
- All signage will be limited and the applicant will have a final lighting and security plan approved by the Police and Fire Departments to ensure internal and external safety**;** and

WHEREAS, the proposed use will enhance the economic vitality of the area in which it is proposed to be located, including adjacent and surrounding properties, the applicant will provide tenant improvements to the building including the addition of walls, partitions, and the use of a loading door and fenced secure loading and trash enclosures out side the building, and the project will be required to maintain the site in a clean and well kept manner; and

WHEREAS, based on existing circumstances, police data, and the background and history of the applicant, the Planning Commission finds that proposed use will not cause an overconcentration of cannabis uses in the area, potential community benefits of the use are likely to offset potential adverse impacts, and the proposed use is not likely to exacerbate crime-related problems in the area; and

WHEREAS, a public notice describing the proposed cannabis conditional use permit was published in the Daily Democrat, a newspaper of general circulation, in accordance with Government Code section 60661 and mailed to properties within 1,000 feet; and

NOW, THEREFORE BE IT RESOLVED, that the Planning Commission of the City of Woodland, based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby make the above findings, determinations, and recommendations with respect to the proposed Conditional Use Permit and recommends to City Council approval of the proposed Conditional Use Permit, as conditioned and attached hereto.

PASSED AND ADOPTED by the Planning Commission this 20th day of September, 2018, by the following votc:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Marco Lizzaraga Chairperson

ATTEST:

_____
Cindy A. Norris, Principal Planner

Attachment 1 – Conditions of Approval

CONDITIONS OF APPROVAL

Epic Brothers Enterprises, Inc. – 1230 Harter Avenue, Suite J

1. The project is as described in the staff report prepared for the September 20, 2018, Planning Commission meeting and shall consist of administrative offices and distribution facilities within an existing 4,027-foot tenant space. The project shall be established and operated as depicted in the staff report, except as modified in these conditions of approval and with any changes necessary to comply with City codes and specifications.

2. The applicant shall defend, indemnify, and hold harmless the City of Woodland, its agents, officers or employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul an approval of the subject application by the City, its legislative body, advisory agencies or administrative officers. The City will promptly notify the applicant of any such claim, action or proceeding against the City and the applicant will either, at the City's discretion, undertake defense of the matter and pay the City's associated legal costs, or will advance funds to pay for defense of the matter by the City Attorney.

3. The applicant shall secure approval and satisfy requirements of all agencies with jurisdiction prior to operating the cannabis business.

4. The Conditional Use Permit shall not be issued until the appeal period has expired or final action on an appeal has been rendered.

5. The Conditional Use Permit must be exercised within one year of issuance, or it shall be deemed null and void by act of law (Section 25-27-70).

6. The project approval is for the project as described in the above staff report and related attachments, which depict the project's proposed map, site and floor plans, business plan, community relations plan, odor control plan, and energy efficiency plan. Should there be a change in the use or an intensification of the described use, the change shall be described and provided in writing to be evaluated by the Community Development Director to determine general consistency with the provisions of the use permit. The Director shall either approve the proposed changes based on a finding that the changes shall not result in significant traffic, noise, safety or security concerns or other potential nuisance to surrounding property owners or within public right-of-ways beyond that anticipated by the original approval, or, if these findings cannot be made, the Director shall make a determination that a Conditional Use Permit Modification is required, which shall include Planning Commission review including applicable processing and development fees.

7. Environmental Recording Fee. Applicant shall provide the Community Development Department with a check for the sum of $50 made out to Yolo County to record the CEQA environmental document (Notice of Exemption) with the County.

8. The applicant shall comply with all state and local laws and ordinances, including the provisions of Chapter 13A of the Municipal Code and the requirement to secure a Cannabis Business Permit, including approval of an Operating Agreement, for each business entity operating at the location as part of the approved conditional use permit. The applicant shall obtain and maintain, prior to operation of the business and continuing at all times the business is in operation, a valid Cannabis Business Permit and all applicable state license(s). All requirements, terms and conditions of the Cannabis Business Permit, Operating Agreement, and applicable state license(s) shall be considered conditions of this conditional use permit. Failure to comply with all applicable state and local laws and ordinances, the Cannabis Business Permit, Operating Agreement, and/or applicable state license(s) shall be deemed a violation of the conditional use permit and may result in revocation of the use permit.

9. As set forth and agreed to in the Operating Agreement for each approved Cannabis Business Permit, the business/applicant shall pay a fee in the form and in the amount and manner agreed upon between the City and the business receiving a Cannabis Business Permit. If, during the term of the Operating Agreement, the city imposes an alternative revenue mechanism, specifically related to cannabis operations (e.g. cannabis tax), the business/applicant will pay the city the greater of the two payments, or as otherwise agreed by the City or mandated by law.

10. If the applicant wishes to relocate, significantly modify the approved site layout and allowed cannabis uses, the applicant shall secure a new conditional use permit, or modification to the existing conditional use permit prior to any modification or occupancy of the site by a new or modified use.

11. If the Community Development Director finds evidence that conditions of approval have not been fulfilled or that the use or uses has or have resulted in a substantial adverse effect on the health, and/or general welfare of users of adjacent property, or have a substantial adverse impact on public facilities or services, the Community Development Director may refer the Conditional Use Permit to the Planning Commission for further review. If, upon such review, the Commission finds that any of the results above have occurred, the Planning Commission shall recommend to the City Council to modify or revoke the Conditional Use Permit. If upon such review the City Council finds that any of the above results above have occurred, the City Council shall modify or revoke the Conditional Use Permit.

12. Upon receipt of a Cannabis Business Permit the applicant shall be subject to provisions relating to violations contained in Municipal Code Section 13A-1-09, as may be amended.

13. The applicant shall submit a final security plan for review and approval by the Police Department prior to operation and shall comply with requirements included in Section 13A-4-02, as may be amended.

14. The applicant's business shall not employ any juvenile, defined as under the age of 21, being employed.

15. No customers or sales shall occur at the facility.

16. All cannabis related activities shall take place in the interior of the building and any cannabis related activities outside the premises are strictly prohibited with the exception of the lawful receipt of raw cannabis materials received by the business and the delivery of finished lawful cannabis products to another lawful cannabis business, in accordance with all applicable state and local laws governing transportation of cannabis goods. There shall be no exterior storage of materials or equipment.

17. The main entrance to the facility shall be clearly identified with proper signage to include name of business and address. Main entrance shall also provide adequate lighting per the City Security Ordinance and lighting regulations.

18. Approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be plainly visible and legible from the street or road fronting the property. Said numbers shall contrast with their background.

19. Applicant shall comply with the design requirements as stated in the Community Design Standards for any exterior changes, modifications, and additions to the subject building. All exterior changes beyond those stated in the original approval will require staff level design review.

20. The site shall be inspected and maintained daily to be clear of litter.

21. Any new signage, modifications or changes to the signage the applicant shall conform to the City Zoning Code and Sign Ordinance and shall comply with provisions of Section 13A-4-04 of the Municipal Code. Except as otherwise approved by the City in writing or by law, project signage shall include nothing in word or symbol, identifying the fact that the property is used for cannabis related activities.

22. No vehicle owned or operated by the business, or used for the transportation of product or individuals associated with the Facility shall include markings (in words or symbols) identifying the vehicle as a vehicle used for cannabis-related activities, unless otherwise required by law.

23. Photometric data shall be provided, and indicate that the parking area will be equipped with one (1) foot-candle of minimum maintained illumination per square foot of parking surface to include the entire paved area. The parking area shall be illuminated from dusk until the termination of business every operating day. Photometric data must also confirm the absent of "Hot Spots" or areas of ten (10) foot-candle of illumination per square foot or more.

24. All existing landscape planter areas shall be replanted and maintained per City Standards. Vegetative matter shall cover no less than 75% of the required landscape area unless otherwise approved by the Community Development Director. Maintenance shall include but is not limited to watering, fertilizing, weeding, cleaning, pruning, trimming, spraying and cultivation.

25. The applicant shall utilize building energy saving measures to reduce energy usage. The applicant shall submit a statement with the initial submittal of their building construction plans describing energy conserving measures that they will be implementing.

26. The applicant shall provide a minimum of two bike parking spaces for employees. Bike parking shall be provided in a safe a secure location.

27. Waste materials shall be appropriately handled. The applicant shall describe methods that will be used to make cannabis waste unusable and unrecognizable, and how cannabis waste will be stored prior to removal from the business. The applicant shall describe methods used to transport cannabis waste from the manufacturing site to a solid waste facility.

28. The applicant shall have an appropriate plan that considers all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.

29. The applicant shall establish safety protocols that will be adopted, including, but not limited to: staff training, protective equipment, hazardous material handling, emergency communication/response protocols, etc. The applicant shall conform to all Cal OSHA workplace safety standards.

30. The applicant shall develop a quality control guidelines and standard operating procedures that are in strict adherence to MAUCRSA. The applicant shall establish quality control procedures to ensure that cannabis products are safe and suitable for human consumption and /or use. Quality control procedures will consider the proper handling and storage of raw materials, in-process materials, and finished product throughout the production process. Quality control procedures that will be used to ensure uniformity between each separately produced batch of cannabis product. This include equipment inspection and maintenance, internal controls for each step in the process, internal batch sampling and testing.

31. The applicant shall institute policies and procedures used by the business to help prevent contamination of any cannabis product. This will include hand washing, employee training, use of facemasks/gloves, prohibiting employees who are showing signs of illness, open wounds, sores or skin infections from handling cannabis, etc.

32. A toxic material control plan will be provided with the Cannabis Business Permit application that contains a description of all toxic, flammable, or other materials that will be used or kept at the cannabis business, the location of such materials, and how such materials will be stored. The toxic material control plan will include all materials regulated by a federal, state, or local government that would have authority over the business if it was not a cannabis business.

33. The distribution and transport facility shall provide a warehouse management system integrating inventory control tools with track and trace technology. The applicant shall provide routing software the cost control mechanisms to prevent diversion, shortages, and ensure product integrity and complete transparency throughout the process. Protocols for loading and unloading, storage, and transportation of cannabis products shall be provided.

34. Any distributor and/or testing laboratory shall comply with all requirements provided by the Bureau of Cannabis Control (Bureau) (www.bcc.ca.gov).

BUILDING

The following comments are from the City of Woodland Building Division and are applicable to the reference project:

35. This project must meet all criteria and mandates for these City adopted codes or the most current code:

    a. 2016 California Building Code
    b. 2016 California Plumbing Code
    c. 2016 California Mechanical Code
    d. 2016 California Electrical Code
    e. 2016 Building Energy Efficiency Standards
    f. 2016 California Green Building Code
    g. The Code of the City of Woodland

36. The project will require engineered building plans for the proposed work to be plan reviewed and inspected to ensure safety. This would include compliance with California Building Codes (including the 2016 California Fire Code Chapter 38 in the July 1st, 2018 Supplement, Plant Processing and Extraction Facilities) and applicable NFPA standards.

37. Other City and County Agencies (Health, Fire, Public Works, and Planning) are be required to approve the project prior to a building permit being issued.

38. A licensed architect or licensed engineer shall be responsible for reviewing and coordinating all submittal documents prepared by others, including deferred submittal items, for compatibility with the design of the building.

39. The project will provide a final odor control plan for review and approval prior to issuance of building permits.

FIRE

40. One-hour separation wall shall be inspected for integrity and conformance to original installation standards. Inspection shall be performed on both sides of the rated wall.

41. Exit doors shall be provided with panic hardware. Exit doors shall swing in the direction of egress travel.

42. Provide exit signs and emergency means of egress illumination.

43. Prior to final occupancy, provide confirmation from a licensed professional (fire protection engineer) indicating the existing fire sprinkler system adequately provides the level of protection required for the specific operation and associated hazardous materials involved.

ENVIRONMENTAL SERVICES

44. Management of Waste
    a. If the waste generated from the cannabis facility contains green byproduct, meaning that it contains buds or that the byproduct can still be used for the making of oils or the like, then the materials must be serviced as waste (trash). Yolo County Central Landfill requires these loads to obtain a certificate of destruction with each disposal.

    b. If the waste generated is brown and does not contain buds or usable byproduct, then the materials should be hauled as organic waste, which will be composted and considered diverted materials. If loads taken to the Yolo County Central Landfill contain any green byproduct, they will be processed as waste and will require a certification of destruction.

    c. Any hazardous waste materials generated (i.e. solvents, pesticides, chemicals, lamp ballasts, canisters/cylinders, personal protection equipment with residual, etc.) must be disposed of through a hazardous waste facility. Yolo County Central Landfill accepts commercial hazardous waste through their Conditionally Exempt Small Quantity Generator (CESQG) business program.

    d. Recycling (cardboard, paper, and plastic, glass, or metal containers) is also required and should be separated from any waste or organics recycling loads.

    e. Materials may be self-hauled to a waste or compost facility by the business in which the materials were generated. If self-hauled to the Yolo County Central Landfill, the above disposal procedures will be in effect.

    f. If the materials are not self-hauled, Waste Management is the exclusive waste, recycling and organics recycling hauler for Woodland and must be used for disposal services. The business may not pay another company besides Waste Management to haul waste, recyclables, or organic materials.

    g. The types of services, collection frequency, and bin sizes for waste and/or organics recycling services should be determined through Waste Management upon an assessment of the facility and types of materials generated.

    h. Depending on the amount of materials generated, all waste generated from the facility should be removed from the premise no less than one time per week.

    i. The City of Woodland, its residents and businesses have an obligation to meet state-mandated waste diversion requirements and requests that businesses make the highest effort possible to divert their waste through recycling or composting (organics recycling). Waste generated by a business should be processed in a manner that meet the landfill's requirements for acceptance as organic waste/composting.

    j. Bins (dumpsters), roll-offs (debris boxes), or trailers used to collect materials must be stationed in an area not generally accessible to the public. Bins should be padlocked, located inside of the business to deter scavenging.

POLICE

45. Site plans and floor plans shall be completed to the satisfaction of the Police Department CPTED requirements prior to issuance of building permits.

46. Exterior lighting shall be white light using LED lamps with full cutoff fixtures to limit glare and light trespass. Color temperature should be between 2700K an d4200K with a color rendering index of 75 or better and a light loss factor of 0.95 or better. All existing exterior fixtures shall be replaced with fixtures that meet this requirement.

47. Broken or damaged exterior lighting shall be repaired or replaced within 48 hours of being noted.

48. Exterior lighting shall be shielded or otherwise designed to avoid spill-over illumination to adjacent streets and properties.

49. Tree canopies shall not interfere with or block lighting. This creates shadows and areas of concealment. The landscaping plan shall allow for proper illumination and visibility regarding lighting and surveillance cameras through the maturity of trees and shrubs.

50. All solid core doors shall be equipped with a 180 degree viewing device to screen persons before allowing entry.

51. The business shall be equipped with and maintain a security system with an alarm system with a valid UL Certificate in accordance with ANSI/UL Standard 681-2014 (Standard for Installation and Classification of Burglar and Holdup Alarm), Extent No 3; and a Video Assessment and Surveillance System (VASS).

52. A hold up alarm shall be employed near the transport area, lobby, employee entrance and safe(s).

53. Burglar alarms shall cause the dispatch of a properly licensed private patrol.

54. Hold up alarms shall cause the dispatch of the Woodland Police Department.

55. The Security system shall be equipped with at least 24 hours of continued operation time in case of power failure.

56. The Security system shall be equipped with cellular backup in case of phone line disruption.

57. The facility shall be staffed at all times that the security system is not fully functional.

58. A log shall be maintained that shows when the alarm system was armed and disarmed, and by whom.

59. VASS storage shall be kept off-site or in a secured area accessible only to management.

60. VASS shall be capable of no less than 30-days worth of activity and shall provide comprehensive coverage of: safe, areas of ingress and egress, parking lot, loading areas, areas not clearly visible from public streets, and coverage of all exterior areas of the building.

61. Monitors displaying the employee parking area shall be mounted in a visible location near the door from which employees will arrive and depart so that employees may monitor the outside environment prior to departing the facility.

62. The applicant is responsible for reasonably controlling the conduct of persons of the site and shall immediately disperse loiterers.

63. Applicant shall install a “Knox Box” for police access of the exterior areas of the property after hours.

City of Woodland

Community Development Department
300 First St, Woodland CA 95695
(530) 661-5820 Fax (530) 406-0832
www.cityofwoodland.org

General Application Form

1. Owner/Applicant

PROPERTY OWNER: Ethan Conrad Properties
MAILING ADDRESS: 1300 National Drive Suite 100
CITY STATE ZIP CODE: Sacramento, CA 95834
PHONE NUMBER: 916-779-1000
E-MAIL ADDRESS: ethan@ethanconradprop.com

PROJECT APPLICANT Epic Bros Enterprises, Inc
MAILING ADDRESS: 1230 Harter Avenue Suite J
CITY STATE ZIP CODE: Woodland, CA 95776
PHONE NUMBER: 925-785-4950
E-MAIL ADDRESS: bejfara@hotmail.com

2. Application Requested

- ☐ General Plan Petition
- ☐ Zoning Amendment
- ☐ General Plan Amendment
- ☐ Tentative Subdivision Map
- ☐ Tentative Parcel Map
- ☐ Lot Line Adjustment
- ☐ Site Plan Review
- ☐ Design Review
- ☐ Sign Design Review
- ☐ Conditional Use Permit (CUP)
- ☐ Zoning Administrator Permit
- ☐ Variance
- ☐ Public Convenience or Necessity
- ☑ Other _____

Is this request part of another application? ☐ Yes ☑ No **If so, what?** Commercial Cannabis CUP

3. Project Description

Project Name: Epic Bros Enterprises
Total Acres or Square Feet 3,776
Is Your Project Located in a Flood Zone? ☐ Yes ☑ No

Site address or location: 1230 Harter Avenue Suite J Woodland, CA
Assessor's Parcel Number: 027-420-023-000
Does this request include signage? ☐ Yes ☐ No

4. Justification for Request

☞ On a separate sheet, explain in detail your request and why you believe your request is justified.

5. General Plan Amendment

Existing General Plan Designation	Gross Acres	Proposed General Plan Designation	Gross Acres
N/A	N/A	N/A	N/A

6. Zoning Amendment

Existing Land Use Zone	Gross Acres	Proposed Land Use Zone	Gross Acres
N/A	N/A	N/A	N/A

7. Residential Development

No. of residential units are being requested? N/A

No. of lots will be created by this project? N/A

Single Family		Half-plex	
Duplex		Apartments	
Condominiums		Other	
Townhomes		**Total Units**	

Do you intend to market the units for sale? ☐ YES ☐ No

Do you intend to market the units for rent? ☐ YES ☐ No

8. Commercial/Industrial Development

Indicate the type of commercial/industrial development proposed:	Indicate the gross and leasable square footage for each type of development:
Commercial Cannabis Type 11 Distributi	3,776 sqft

9. Authority to File Application

Check one:

☑ Property Ownership ☐ Power of Attorney*

☐ Contract to Purchase* ☐ Other

Specify _____

*Attach Evidence of Authority

I hereby certify that the above information and accompanying documents are true and accurate to the best of my knowledge and acknowledge that the processing of this application may require additional fees and expenses for the preparation of necessary environmental documentation and planning studies. I certify that I have reviewed the current Hazardous Waste and Substances Site List, developed pursuant to AB 3750, and found that my project is not on the list.

APPLICATION WILL NOT BE ACCEPTED WITHOUT SIGNATURE OF LEGAL OWNER OR OFFICIAL AGENT

_____ 8/7/18

Applicant: **Date**

_____ 8/7/18

Legal Owner: **Date**

_____

Legal Owner: **Date**

DEPARTMENT USE ONLY

Amount Paid: 15,000

Amount Due:: _____

GP / Zoning Designation: _____

Project No: PLNG-18-00069

Logged by: Laura Quintana Date: 8/8/18

Planner: Cindy Norris Date: _____

N:\ComShare\DEPARTMENTS\PLANNING DEPT\FORMS\AAAA APPLICATION FORM March 2014.doc

City of Woodland

Community Development Department, 300 First Street, Woodland CA 95695, (530) 661-5820 fax (530) 406-0832

LETTER OF AGENCY

If the applicant is not the owner of record of the subject site, a Letter of Agency from the owner, or the owner's authorized representative must be submitted which grants the applicant permission to apply for the requested entitlements(s). The Letter of Agency must be notarized.

Date: 7-16-18

To: City of Woodland
Community Development Department
300 First Street
Woodland, CA 95695

Community Development Department:

I, the undersigned legal owner of record, hereby grant permission to:

Applicant: Bejan Fakahbakhsh c/o Epic Bios Enterprises Phone: 925-785-4950

Applicant's Address: 1230 Harter Ave Ste J Woodland CA 95776

To apply for the entitlement(s) listed below

☐ General Plan Amendment	☐ Zoning Amendment	☐ Tentative Subdivision Map
☐ Tentative Parcel Map	☐ Specific Plan Amendment	☐ Lot Line Adjustment
☐ Variance	☐ Conditional Use Permit	☐ Planned Development
☐ Site Plan Review	☐ Design Review	☐ Zoning Administrator Permit
☐ Specific Plan	☐ Cannabis Business Permit	☐ Cannabis Conditional Use Permit
Is this request part of another application? Yes ☐ No ☐	Other:	

The subject property is located at: 1230 Harter Ave, Ste J; Woodland, CA 95776

Assessors Parcel Number: 027-420-023-000

x _____

Signature of Owner(s) of Record (must be an original signature)

Ethan Conrad

Print Legal Owner(s) of Record Name

1300 National Drive, Ste 100; Sacto, CA 95834 916.779.1000

Address of Legal Owner *(attach title report)* Phone:

E-mail Owner(s) of Record: ethan@ethanconradprop.com

CANNABIS BUSINESS PERMIT APPLICATION

OWNER'S STATEMENT OF CONSENT

If the applicant is not the owner of record of the subject site, the following Statement of Consent must be completed by the owner or the owner's authorized representative, granting the applicant permission to apply for a cannabis business permit. This form must be notarized.

To: City of Woodland

Community Development Department

300 1st Street

Woodland, CA

I, the undersigned legal owner of record, hereby grant permission to:

Applicant: Epic Bros Enterprises, Inc

Phone: 925-785-4950

Mailing Address: 1230 Harter Avenue Suite J Woodland, CA 95776

to operate a cannabis business on the property described below.

The subject property is located at: 1230 Harter Avenue Suite J Woodland, CA 95776

Assessor's Parcel Number: 027-420-023-000

Printed Name of Owner of Record: Ethan Conrad

Address of Owner of Record: 1300 National Drive Suite 100 Sacramento CA 95834

Phone: 916-779-1000

Email address: ethan@ethanconradprop.com

Signature of Owner of Record: X _____ Date: 7-16-18

"A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

STATE OF California)SS
COUNTY OF Sacramento)

On _____, before me, Kathryn Jones Faires, Notary Public, personally appeared Ethan Conrad, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

KATHRYN JONES FAIRES
Notary Public – California
Sacramento County
Commission # 2229576
My Comm. Expires Jan 27, 2022

RECORDING REQUESTED BY
Blaine Laney
Chief Lending Officer
Bank of Guam
404 Montgomery Street
San Francisco, CA 94104

AND WHEN RECORDED MAIL TO
ETHAN G. CONRAD
1300 National Drive, Suite 100
Sacramento, CA 95834-1981

NOV 0 1 2014

YOLO Recorder's Office
Freddie Oakley, County Recorder
DOC- 2014-0022675-00
Check Number 32825
REQD BY BANK OF GUAM
Monday, OCT 06, 2014 11:00:00
Tel Pd $27.00 Rcpt # 0001114109
EFS/X7/1-2

DEED OF RECONVEYANCE

Whereas, the indebtedness secured by that certain Deed of Trust executed among **ETHAN CONRAD, a Unmarried Man,** whose address is **1300 National Drive, Suite 100, Sacramento, CA 95834-1981** as Trustor, dated APRIL 24, 2013 and recorded **APRIL 29, 2013** in the office of the Recorder of YOLO COUNTY, State of California, **Document No. 2013-0013882-00,** of Official Records pursuant to the written request of the beneficiary, does hereby grant and reconvey, without warranty express or implied as to the title, possession or encumbrance, to the person or persons legally entitled thereto, all the right, title and interest derived by the undersigned, pursuant to said Deed of Trust, in and to which reference is made for a description of the same. ****SEE LEGAL DESCRIPTION EXHIBIT "A" ATTACHED****

In Witness whereof, the undersigned, as such Trustee, has executed this Deed of **Reconveyance on SEPTEMBER 26, 2014**

Bank of Guam
Trustee

By_____
John David Joves
Senior Vice President- California Region

Bank of Guam
Trustee

By: _____
Blaine R. Laney
Senior Vice President-Credit Officer

State of California
County of San Francisco

On September 26, 2014 before me, the undersigned, Juliet L. Galang, a Notary Public in and for said State, personally appeared Blaine Laney and John David Joves who proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____

Name Juliet L. Galang
(typed or printed)

JULIET L. GALANG
COMM. # 1902987
NOTARY PUBLIC - CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO
MY COMM. EXP. OCT. 2, 2014

(2)

Exhibit "A"

Legal Description

Real property in the **City of Woodland, County of Yolo**, State of California, described as follows:

PARCEL ONE:

LOT 4, SUBDIVISION NO. 2260, VENTURAY PARK, WEST, FILED JUNE 26, 1973, IN BOOK 8 OF MAPS, PAGES 85 AND 86, YOLO COUNTY RECORDS.

PARCEL TWO:

PARCELS 1 AND 2, PARCEL MAP NO. 3125, FILED JANUARY 15, 1982, IN BOOK 6 OF PARCEL MAPS, PAGE 46, YOLO COUNTY RECORDS.

APN: 027-420-007-000 and 027-420-026-000 and 027-420-023-000

END OF DOCUMENT

END OF DOCUMENT

2 10

EPIC BROS ENTERPRISES, INC
1230 Harter Avenue Suite J
Woodland, CA 95776

Applicant Narrative/ Justification

Preamble. Epic Bros Enterprises, Inc (hereinafter referred to as "Applicant") is pleased to present our Commercial Cannabis Application Package to the City of Woodland's Community Development Department for Type 11 Medical and Adult Commercial Cannabis Distribution.

Applicant recognized the need for strict adherence to legal guidelines and requirements as outlined by the City of Woodland, the State of California as well as other relevant stakeholders. Our team of qualified business professional looks forward to working with all necessary agencies and authorities having jurisdiction to ensure compliance with all requirements. We believe that we are offering a comprehensive solution that can help satisfy the growing demand for cannabis in a safe and clean manner, while being a good member to the community and contributing in a significant way to the local economy.

Summary of Proposed Location. Applicant is proposing their project to be located at 1230 Harter Avenue in the City of Woodland in suite J within the proposed building. Property is zoned as M1 in the City of Woodland with an immediate access to I-5 freeway. The building has 120/208 and 277/480 Volts with a 3-phase power and natural gas service available. The boundaries of the property are greater than 600 feet from any K-12 school, commercial daycare center and youth center, and are greater than 600 feet of any residences of libraries on a neighboring property.

The existing facility needs only minor modifications. The facility currently has two roll up doors, a secured fenced in yard for secure intake, an office space and warehouse area. Applicant is planning to construct a secured two-point access to lobby area and to warehouse space that will not be accessible to public unless authorized and escorted by Applicant and to City/State officials for inspections. Applicant shall seal off non-functional roll-up door that is not secured by a fence; In addition, Applicant is proposing to construct a quarantine area to hold cannabis products for testing purposes, security vault and packaging area for flower products. The facility will also have a sufficient break room and ADA complaint restroom for Applicant's staff and employees.

Project Size. The project itself occupies 3,776 sqft of warehouse space, 251 sqft of office space and a fenced/paved yard as a portion of a 42,241 total sqft of an industrial/manufacturing building. Warehouse clear height is 19' with fire sprinklers, heavy parking and natural gas service.

Facility Advantages. The following are advantages of the facility at 1230 Harter Ave, Suite J:

- Located in a concealed location that is not immediately visible
- Warehouse space with sufficient power
- Sufficient yard and indoor intake space for secure intake/output area
- Facility comes with fire sprinklers
- Full ADA Compliance with no additional modification requirements
- Facility will not impact the peace, order, or welfare of the local community

Additional Advantages.

Applicant ensured that surrounding neighborhood businesses are aware of applicant's intentions of establishing a cannabis distribution business. Letters were sent out August 2nd, 2018 to inform all neighbors of Applicant's business intentions.

Addressing Negative Effects on the Community. Applicant recognizes City's concerns surrounding commercial cannabis businesses. Pursuant to both City of Woodland ordinance, California State's regulations and reasonable good neighbor policies, our operation will include the following:

Security. Our facility will employ a comprehensive security plan mandated by ordinance which includes security patrols, use of security cameras, and strategic placement of lighting that will deter crime in the area. **Please see Security Plan.**

Odor Control. Our facility will have a comprehensive odor control system which will make odors typically associated with cannabis undetectable. **Please see Odor Control Plan.**

Cross Contamination. Our facility is subject to strict guidelines under local and State's regulations. It requires us to establish and implement written distribution operation procedures to ensure that all of our product handling is conducted properly. Our operations shall be conducted under conditions and controls that are necessary to eliminate contamination that could potentially affect our product and other surrounding businesses' production.

Community Benefits. A critical component to our operating model is deeply rooted in good stewardship to our community and the populations we serve. Applicant intends to engage in a responsibility agreement with the City of Woodland to remit $48,280 annually to City of Woodland, for the purpose of mitigating any adverse impacts the facility might have on our neighborhood. Second, a well-run distribution business does much more for a dispensary and its patients and customers than merely providing access to cannabis. Our vision includes fostering a sense of community among our neighbors to build stronger, healthier populations. Our organization is committed to creating a community-based entity to support the needs of dispensaries, their customers and patients, and improve our community by creating more jobs for residents.

Applicant believes that this facility is a great choice for this type of business and will enhance the local neighborhood, providing added security, economic viability, and responsible partnerships.

EPIC BROS ENTERPRISES, INC
1230 Harter Avenue Suite J
Woodland, CA 95776

Statement of Proposed Use

Applicant is applying for a Distribution Type 11 medicinal and adult-use cannabis license. Distribution, as defined in City of Woodland's Ordinance No. 1629 is defined as any facility (business) engaged in the procurement, temporary storage, non-retail sales, and transport of cannabis or cannabis products between state-licensed cannabis business, including warehouses and similar structures.

I. Number of People Involved.

A. **Owners:** Epic Bros Enterprises, Inc ("EBE") has total of 4 owner/members. Detailed biographies and qualifications of each individual is described in "**Business Plan**". Each member of EBE is dedicating 100% of their skills to proposed project in order to become fully compliant, prosperous and bring in community benefits to City of Woodland and its surrounding areas. All owners have extensive knowledge in the corporate business environment, specifically in the oil industry, as well as the commercial cannabis industry. All of the owners are also undergoing intensive industry training and knowledge acquirement through networking, joining various associations and consistently monitoring updates on the cannabis market.

B. **Employees:** EBE is consulting with third party industry professionals and in the process of interviewing and finalizing hire packets for local residents and qualified individuals to become part of EBE's team. By January 1st, 2019 EBE plans on initiating a CEO, CFO, COO and CCO positions that are being held by each owner, an administrative assistant and an operations manager. As the project develops and grows, EBE shall initiate additional staff as the business model develops further.

C. **Characteristics of the surrounding area:** The business is located within an area surrounded by like kind of businesses that are typical of a light industrial area. Cabinet shops, distribution businesses, bakeries, and small manufacturing companies are the types of operations that are found in the general area. Given the fact that this location is near the freeway you'll find businesses that move and distribute their products throughout all of central California and the majority of these operations are housed in buildings that are 20,000 sq ft or less and have numerous points of entry allowing for small to medium sized trucks to load and unload. The area sees very little foot traffic and does not appear to have much retail presence. Most of the nearby businesses tend to be service providers or in the wholesale side of their respective industries. As a typical light industrial neighborhood one will see very few sidewalks, a great deal of blacktop, and lots of parking areas for workers. Much of the parking areas have shade trees to break up the monotony of the black top and there is some vegetation that was strategically planted when most of the newer buildings were created.

D. **Hours of Operation:** The operation will not be open to the public at any time. Regular business hours shall be between 6am and 9pm. Only authorized staff, local and state officials will be allowed to enter the premises. We will have between 3 and 8 employees on site and in route for transportation at any given time and run up to 2 eight hour shifts per day. Shifts are scheduled so that there is parking sufficient for all employees at all times even if there is overlap in staff times.

E. **Type of vehicular traffic and deliveries:** Cannabis products will be safely and securely transported from and to the facility in unmarked vehicles ([redacted]). Outbound and inbound transport will occur only within the building itself through the secure roll up door. Our hours for receipt of delivery will be between 6AM-9PM Noon M-F. Anticipated deliveries are as follows:

- Plant material for quarantine, testing and temporary storage purposes (3-5 times per day).
- Flower material for quarantine, testing and temporary storage purposes (5-8 times per day)
- Finished manufactured cannabis goods for quarantine, testing and temporary storage purposes (5-8 times per day)
- General and office supplies (1 time per week via UPS or USPS van/truck, amounts will be commensurate with the usual office supply deliveries for a business.

F. **Distribution Center.** Applicant is proposing to have a distribution center that will provide the following services:

- **Storage-Only Services**

Applicant shall provide cannabis goods storage-only services to a licensed cultivator, manufacturer, microbusiness, nonprofit, or another distributor, unrelated to the quality assurance and laboratory testing processes.

- **Sale to Retailer**

After final product has been properly tested and certified, Applicant shall transport finished retail-ready product to a licensed retailer and/or non-storefront delivery licensee.

- **Purchase/Sale/Transfer to Another Distributor**

Applicant will sell or transfer cannabis or cannabis products to another licensed distributor instead of to a cannabis retailer. In the event that APPLICANT sells or transfers the cannabis or cannabis products to the retailer, buyer distributor shall become responsible for collecting the cannabis excise tax from the retailer and reporting and paying it to the CDTFA.

- **Storage of Batches for Testing Services**

Applicant shall store cannabis products separately and distinctly from other cannabis goods batches on the premises. By labeling with the following information that will be physically attached to each container of each batch:

- The manufacturer or cultivator's name and license number, who provided the batch

- The date of entry into the distributor's storage area;
- The unique identifiers and batch number associated with the batch;
- A description of the cannabis goods with enough detail to easily identify the batch;
- The weight of or quantity of units in the batch; and
- The best-by, sell-by, or expiration date of the batch, if any.

- **Packaging and Labeling Service**

Applicant will package only flower cannabis products and shall re-package, label, and re-label manufactured and non-manufactured cannabis for retail sale.

In the event that during laboratory testing that a manufactured with the incorrect amount of THC per package or serving but is within the THC limits for sale, upon customer's request, Applicant shall re-label the package with the accurate THC amount.

- **Transportation Services**

Applicant offers a transportation service to a licensed cultivator to transport cultivator's product to a distribution facility for quarantine and storage; transport finished and tested product to retailer's facilities.

Applicant offers a transportation service to manufacturers to transport bulk manufactured cannabis products to another manufacturer for packaging purposes as well as transport finished, packaged manufactured products to a distribution facility for quarantine and storage; transport finished and tested product to retailer's facilities.

- **Testing Arrangements Service**

After taking physical possession of a cannabis goods batch, APPLICANT will contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing.

- **Sales Service**

Applicant shall provide a sales service to licensed cultivators and manufacturers for their products and secure shelve space at a retail and non-store-front dispensaries throughout the State of California.

- **Quality-Assurance Review Service**

Upon receipt of certificate of analysis stating that the sample meets specifications required by

law, the distributor shall ensure the following before transporting the cannabis goods to one or more retailers:

- The certificate of analysis Applicant received from the testing laboratory is the certificate of analysis that corresponds to the batch;
- The label on the cannabis goods is consistent with the certificate of analysis regarding cannabinoid content and contaminants required to be listed by law;
- The packaging complies with applicable packaging laws/
- The packaging is tamper evident.
- The weight or count of the cannabis batch comports with that in the track and trace system.
- Applicant shall use scales as required; and
- All events up to this point have been entered into the track and trace system.

- **Collection and Payment of CA State Cultivation Taxes**

  - Applicant shall Collect the cannabis cultivation tax from cultivators and manufacturers from which we will receive cannabis and/or cannabis products.
  - Applicant shall collect the cannabis excise tax from cannabis retailers we supply (sell and/or transport) with cannabis and/or cannabis products.
  - Applicant shall provide an invoice or receipt to the businesses from which we collect the cultivation tax and the cannabis excise tax and electronically file *both* of the sales and use tax and cannabis tax returns and pay the amounts due to the CDTFA.
  - As a cannabis distributor, we are responsible for collecting the cannabis 15% excise tax from the cannabis retailers that we supply (sell and/or transport) with cannabis and/or cannabis products.

G. **General and outdoor activities:** No cultivation, production, distribution, storage, display, or wholesale of cannabis products shall be visible from the exterior of the building where the Commercial Cannabis activity is being conducted. There will be no outdoor activities outside of the premises.

H. **Odors, noise, dust or glare:** Odors shall be contained on the property on which the Cannabis activity is located, no dust or glare will be involved with the Commercial Cannabis activity. Existing requirements applicable to the food and drug products (US Food and Drug Administration [USFDA] regulations, 21 Code of Federal Regulations [C.F.R.] Part 111 and Part 117) are not applicable to cannabis products. However, because many cannabis products are intended to be consumed, the need to ensure the safety and integrity of the manufacturing process is still present. Using its experience with oversight of food and drug manufacturing, our Commercial Cannabis activities are subject to regulations to include substantively similar requirements to ensure sanitary manufacturing practices. Such practices will eliminate odors, and dust. EBE does not anticipate any noise or glare that shall be visible and detectible outside of the premises.

EPIC BROS ENTERPRISES, INC.

TENANT IMPROVEMENT

CONDITIONAL USE PERMIT DRAWINGS

PROJECT ADDRESS:

1230 HARTER AVE., SUITE J

WOODLAND, CA 95776

APN # 027-420-030-000

SHEET INDEX

GENERAL

CS.1A	COVER SHEET
A1.1A	SITE PLAN
A1.2A	CONTEXT PHOTOS
A2.1A	EXISTING PLAN
A3.1A	PROPOSED FLOOR PLAN
A3.2A	EXISTING ROOF PLAN
A3.3A	EXISTING EXTERIOR ELEVATIONS
E1A	PHOTOMETRIC STUDY

ABBREVIATIONS:

@	AT
℄	CENTER LINE
Ø	DIAMETER OR ROUND
#	POUND OR NUMBER
BLKG	BLOCKING
CONC	CONCRETE
CP	CARPET
DF	DOUGLAS FIR
DN	DOWN
DS	DOWNSPOUT
DW	DISHWASHER
DWG	DRAWING
(E)	EXISTING
EA	EACH
EF	EXHAUST FAN
EN	EDGE NAIL
EQ	EQUAL
FLUOR	FLUORESCENT
FT	FOOT OR FEET
GA	GAUGE
GALV	GALVANIZED
GFI	GROUND FAULT NTERRUPT
GWB	GYPSUM WALL BOARD
HB	HOSE BIBB
HD	HOLDOWN
HT	HEIGHT
MAX	MAXIMUM
MFR	MANUFACTURER
MIN	MINIMUM
(N)	NEW
NTS	NOT TO SCALE
O/C	ON CENTER
PL	PLATE
℄	PROPERTY LINE
PT	PRESSURE TREATED
R	RISER
RAD	RADIUS
REF	REFRIGERATOR
S&P	SHELF AND POLE
SEL.STR.	SELECT STRUCTURAL
SF	SQUARE FEET
SIM	SIMILAR
SQ	SQUARE
T&G	TONGUE AND GROOVE
TBD	TO BE DETERMINED
TV	TELEVISION
TYP	TYPICAL
UNO	UNLESS NOTED OTHERWISE
W/	WITH
WD	WOOD
W/D	WASHER/DRYER
W/O	WITHOUT
WP	WATERPROOF

NORTH

300' RADIUS MAP

SCALE: NOT TO SCALE

PROJECT INFORMATION

BUILDING INFORMATION

CONSTRUCTION TYPE:	TYPE IIIB
NUMBER OF STORIES:	1-STORY
EXISTING BUILDING AREA:	4,027 sq/ft
OCCUPANCY (BUILDING):	B, F-1, S-1
FIRE SPRINKLERS:	YES
BUILDING DIMENSIONS:	100'-8" x 40'-3"

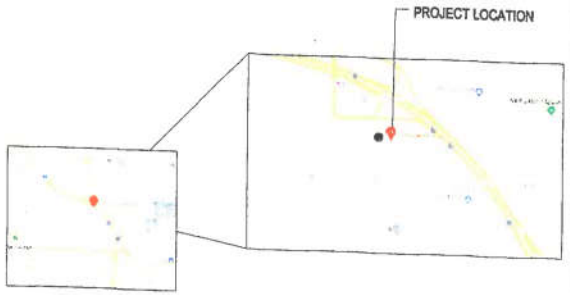
SITE INFORMATION

ZONING:	I - INDUSTRIAL
LOT AREA:	3.85 ACRES

APPLICABLE CODES

2016 BUILDING STANDARDS ADMINISTRATIVE CODE, PART 1, TITLE 24 C.C.R
2016 CALIFORNIA BUILDING CODE (CBC), PART 2, TITLE 24 C.C.R.
2016 CALIFORNIA ELECTRICAL CODE (CEC), PART 3, TITLE 24 C.C.R.
2016 CALIFORNIA MECHANICAL CODE (CPC), PART 5, TITLE 24 C.C.R.
2016 CALIFORNIA ENERGY CODE (CEC), PART 6, TITLE 24 C.C.R.
2016 CALIFORNIA FIRE CODE, PART 9, TITLE 24 C.C.R.
2016 CALIFORNIA GREEN SUILDING STANDARDS CODE (CAL GREEN), PART 11, TITLE 24 C.C.R.

VICINITY MAP



PROJECT TEAM

OWNER

EPIC BROS. ENTERPRISES, INC
ETHAN CONRAD PROPERTIES

CONTACT: NURIYA SAFAROVA, PARTNER
TAX GEAR, LLC
1700 EUREKA ROAD
SUITE 150
ROSEVILLE, CA 95661
C: 916-718-0793

ARCHITECT

STACEY HALL
7500 COLBERT DRIVE
RANCHO MURIETA CA 95683
PH: 510-220-1193
EMAIL: SBOWEN505@YAHOO.COM

EPIC BROS ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

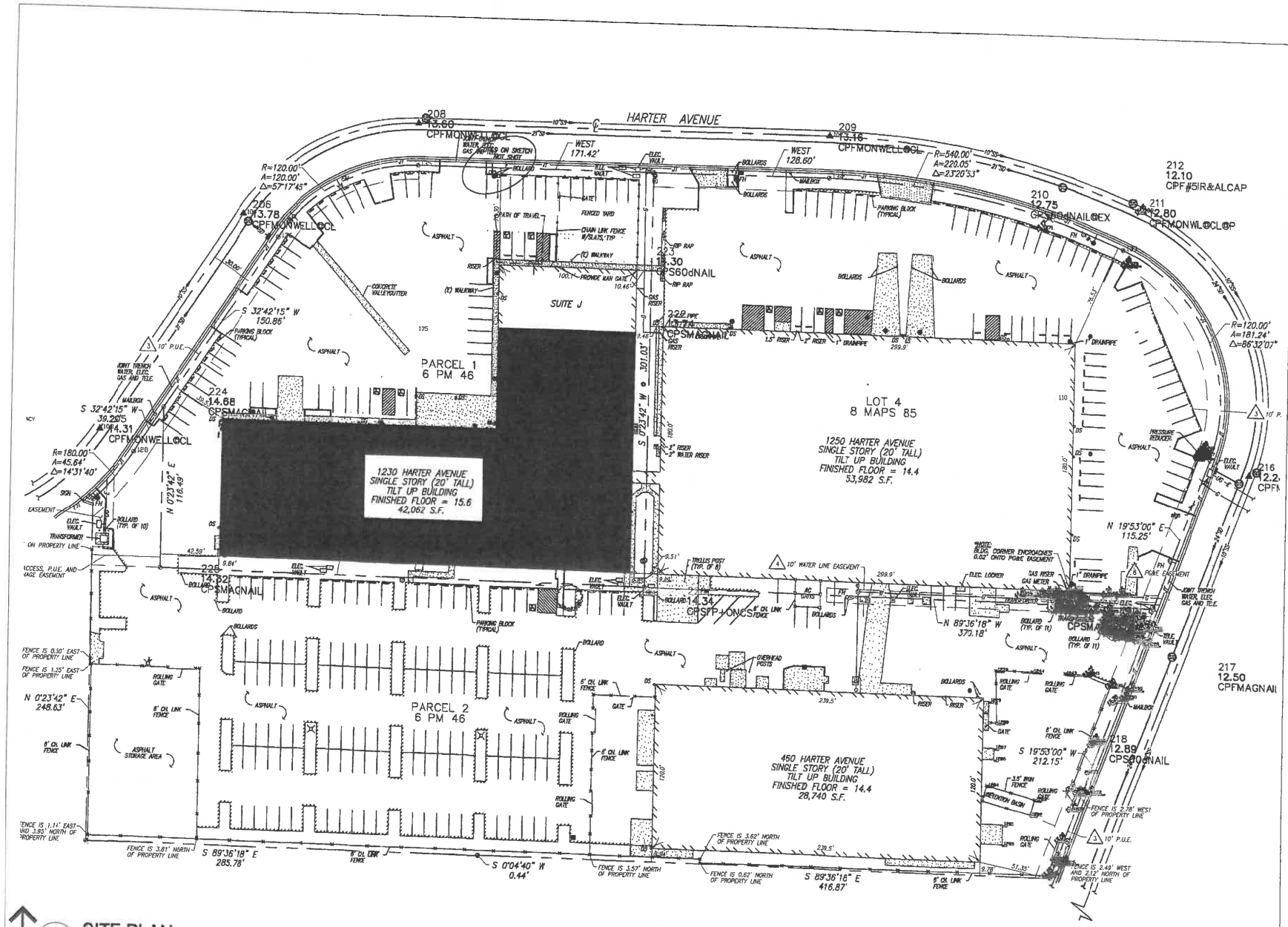
DRAWING:
COVER SHEET

PAGE: CS

DATE:

AUGUST 6, 2018

CUP SUBMITTAL DRAWINGS



EPIC BROS ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
SITE PLAN

PAGE: A1.1A

DATE:

AUGUST 6, 2018

CUP SUBMITTAL DRAWINGS

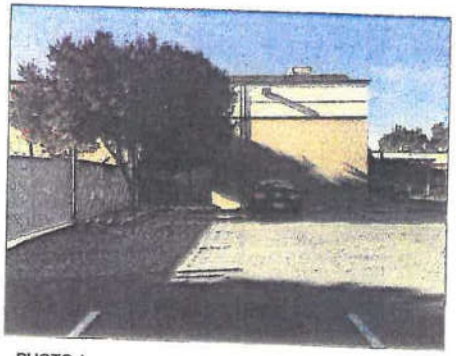


PHOTO 1

PHOTO 2

PHOTO 3

PHOTO 4

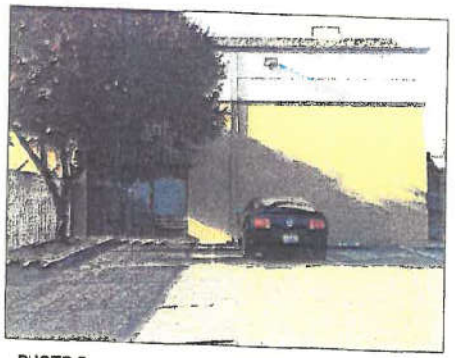
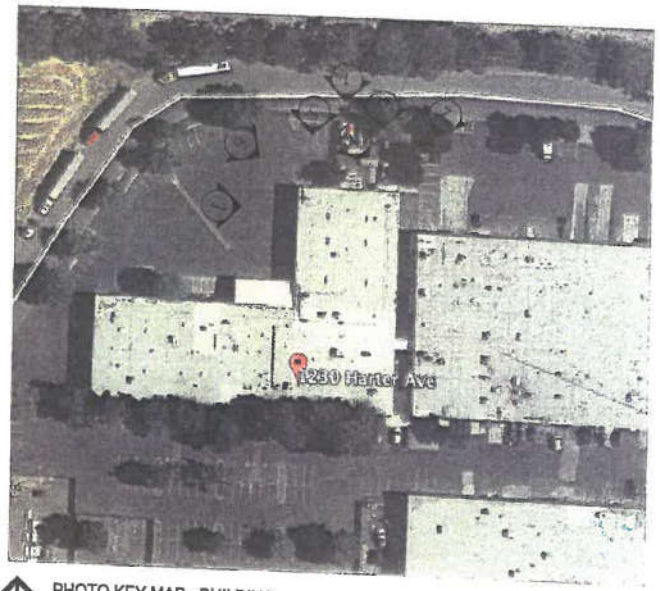


PHOTO 5

PHOTO 6



N

PHOTO KEY MAP - BUILDING

SCALE: NOT TO SCALE

PHOTO 7

EPIC BROS ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
CONTEXT PHOTOS

PAGE: A1.2A

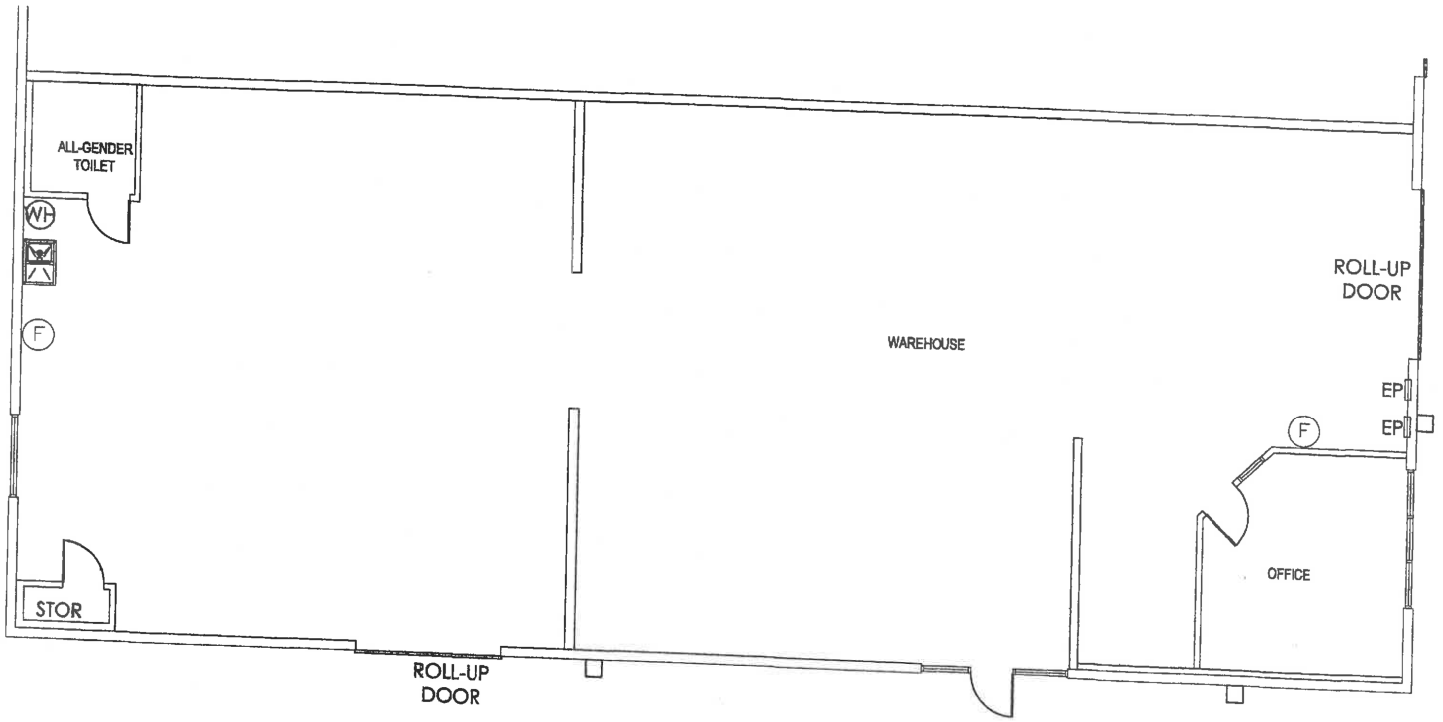
DATE:

AUGUST 6, 2018

CUP
SUBMITTAL
DRAWINGS

WALL LEGEND

EXISTING WALLS TO REMAIN
EXISTING WALLS TO BE DEMOLISHED
NEW WALLS
F.O. STUD DIMENSION
F.O. FINISH



N

1 / A2.1A EXISTING FLOOR PLAN

SCALE: 1/4" = 1'-0"

EPIC BROS ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
EXISTING FLOOR PLAN
SUITE J

PAGE: A2.1A

DATE:

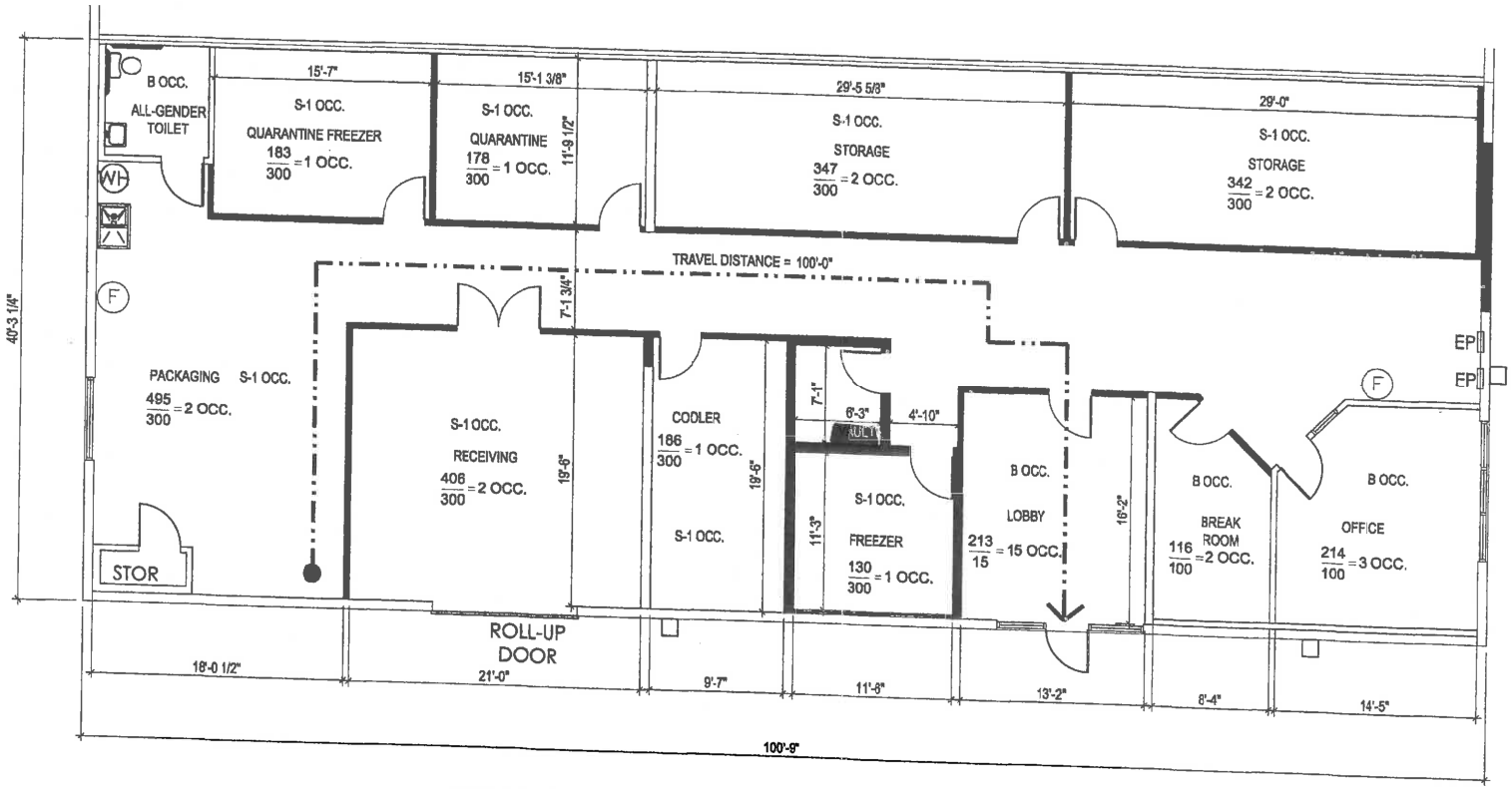
AUGUST 6, 2018

SCALE:
1/4"= 1'-0"

CUP SUBMITTAL DRAWINGS

WALL LEGEND

EXISTING WALLS TO REMAIN
EXISTING WALLS TO BE DEMOLISHED
NEW WALLS
F.O. STUD DIMENSION
F.O. FINISH



N

1 / A3.1A PROPOSED FLOOR PLAN

SCALE: 1/4" = 1'-0"

EPIC BROS ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
PROPOSED FLOOR PLAN
SUITE J

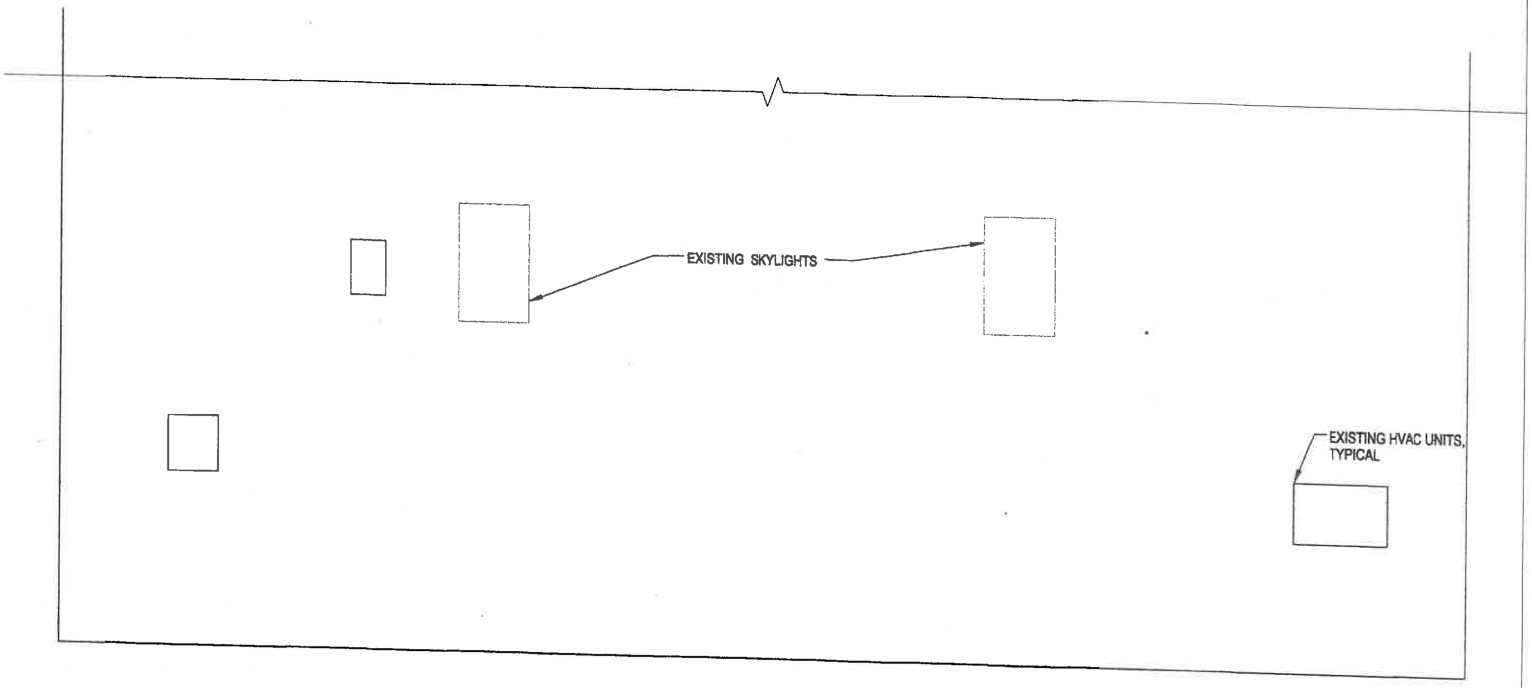
PAGE: A3.1A

DATE:

AUGUST 6, 2018

SCALE:
1/4" = 1'-0"

CUP SUBMITTAL DRAWINGS



N

1 / A3.2A EXISTING ROOF PLAN

SCALE: 1/4" = 1'-0"

EPIC BROS ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
ROOF PLAN

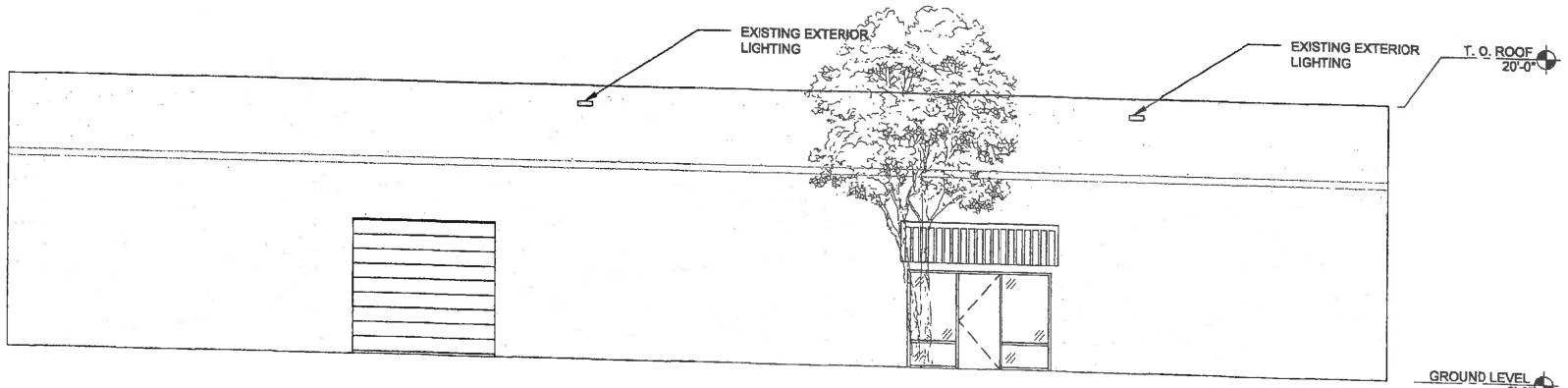
PAGE: A3.2A

DATE:

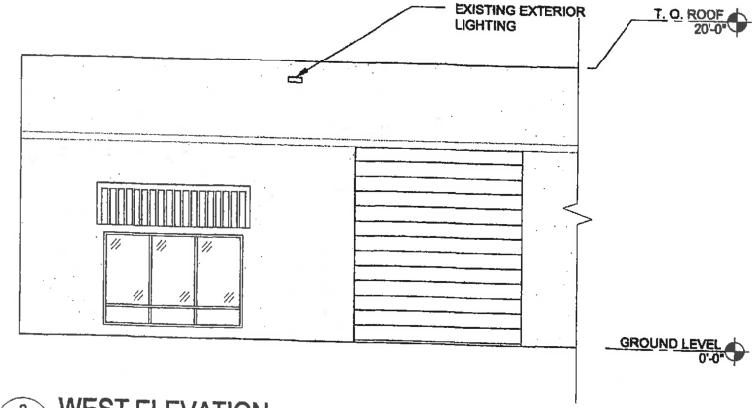
AUGUST 6, 2018

SCALE:
1/4"= 1'-0"

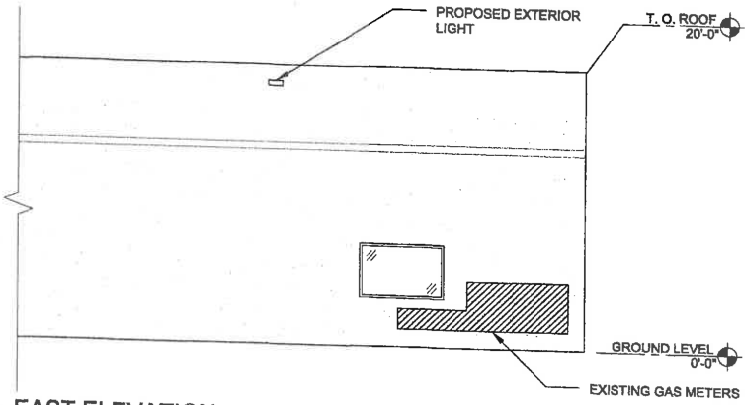
CUP SUBMITTAL DRAWINGS



1 A3.3A **NORTH ELEVATION**
SCALE: 3/16" = 1'-0"



2 A3.3A **WEST ELEVATION**
SCALE: 3/16" = 1'-0"



3 A3.3A **EAST ELEVATION**
SCALE: 3/16" = 1'-0"

EPIC BROS ENTERPRISES, INC.

1230 HARTER AVE.
SUITE J
WOODLAND, CA 95776

PREPARED BY:

STACEY HALL
C-31704

DRAWING:
EXTERIOR ELEVATIONS

PAGE: A3.3A

DATE:

AUGUST 6, 2018

SCALE:
1/4"= 1'-0"

CUP SUBMITTAL DRAWINGS

Luminaire Locations

No.	Label	Location X	Location Y	Location Z	MH	Orientation	Tilt
17	A	1752.60	1862.30	18.50	18.50	90.00	0.00
19	A	1711.90	1886.10	18.50	18.50	0.00	0.00
20	A	1664.90	1886.10	18.50	18.50	0.00	0.00
21	A	1651.60	1862.30	18.50	18.50	270.00	0.00

Statistics

Description	Symbol	Avg	Max	Min	Max/Min	Avg/Min
Calc Zone #3	+	1.7 fc	3.1 fc	0.5 fc	6.2:1	3.4:1

Schedule

Symbol	Qty	Manufacturer	Catalog Number	Description	Lamp Quantity	Lamp Catalog Number	Lamp Lumens	Lamp Watts	Total Watts	Filename	Notes
▭	4	HUBBELL OUTDOOR	TRP2-24L-50-4K7-3	C-70-CRI	1	TRP2-24L-50-4K7-3.IES	5816	0.9	48.6	GeoPak Size 2	A

1230 HARTER / SUITE PHOTOMETRIC STUDY

1230

EPIC BROS ENTERPRISES, INC
1230 Harter Avenue Suite J
Woodland, CA 95776

Business Plan

I. MISSION STATEMENT

To widely provide the highest quality of distribution services for other state licensed commercial cannabis licensees that are in the medicinal and recreational markets. To collaborate with local growers and manufacturers to transport, quality check and test their products and ensure their products' full compliance. To also ensure full compliance of day-to-day operations, inventory control and tracking. To develop and uphold industry standards and best practices for cannabis distributors and transporters and become a model for other State licensed distribution businesses.

To aid and eliminate illegal, problematic grow houses and the nuisances surrounding them. Those nuisances include, but are not limited to, increased opportunity for crimes against property and persons at unsecured locations, obnoxious odors, fire hazards and the like. These individuals hope to profit by selling cannabis on the black market, avoiding regulated and compliant dispensary operations which pay taxes and benefit the community at large. Our business aids in eliminating this behavior by providing legally grown and manufactured cannabis to dispensaries in the surrounding areas of Woodland.

To provide employment opportunities for local residents, will pay taxes in accordance with county and state requirements, which in turn will benefit our county at large, including our neighborhood.

II. QUALIFICATION OF PRINCIPLES

Epic Bros Enterprises, Inc ("EBE" and "Company") is owned and managed by individuals with many years of experience in successfully starting and running highly regulated businesses such as gas stations. Our team is highly familiar with best practices in regulatory compliance, community relations, financial planning as well as all functions required for successfully managing day-to-day operations of the company. Our team will meet or exceed all criteria set forth by the City of Woodland and the State of California.

Bejan Farahbakhsh (President) - In 1995, Bejan opened his first Arco Am Pm in the city of Roseville. He built the site from the ground up going through entitlements, permitting & licensing, construction and had a grand opening for the site. As a direct result of establishing close relationships with City Staff, Police and, most importantly, the Community, the first store was a great success and has launched Bejan into his career of 10 years of running and managing a thriving and a successful business. Bejan then sold the store and utilized his acquired skills in working and consulting with dozens of other gas station franchisees, convenience store and car wash owners to help them achieve success and stay successful with good business practices, vendor relations, employee relations as well as government and franchisee/franchisor relations. With this expertise, Bejan has developed a solid network of quality business associates and a great network of friends to take his career to the next level. Another opportunity to build from ground up an Arco Am Pm has approached Bejan and his team in the City of Oakley. Impressively, within less than two years, the team has been able to open their doors, and yet

again, establish another successful gas station that has been recognized to have the second highest Am Pm sales in the Northern California. This project has also supported the local High School sports programs, sports leagues in the community, grand opening events and multiple customer appreciation events. Through the years Bejan has learned and now prides himself on offering the highest paying wages to staff members, which created desire for his employees to work hard with full dedication, great customer service, true care for the business.
Later, Bejan and his team has opened three additional gas stations that were built from ground up and bought four more stations from the oil company since then. Bejan has won multiple awards such as Rookie of the Year, Franchisee of the Year and multiple high Sales and Standard awards. Over the last twenty-three years of owning, operating and consulting, Bejan has put great importance in his reputation by managing all aspects of gasoline, alcohol and tobacco sales and storage in a very cautionary and responsible manner. Bejan strongly believes that his knowledge will help him and his team establish a fully compliant, community oriented commercial cannabis distribution company in the City of Woodland.

Inderveer Takhar (Chief Financial Officer) – Inderveer has been a Yolo County resident for the last twenty years and attended Davis University of California where he received a degree in communications. In the early 1999, Inderveer and his family began with their first fuel station in the City of Woodland which became a successful business model. After establishing themselves in the City of Woodland over the course of ten years, Inderveer and his family opened two more fuel stations and has recently built a fourth one in the city of West Sacramento. Similar to the cannabis industry, Inderveer has experienced a highly-regulated industry that always faces new laws and changes in regulations. He has learned how to work through these obstacles, acquired skills on how to maneuver and adapt and deliver consistency to his work product. Additionally, Inderveer has a great experience and knowledge in employee management as he has managed over fifty employees. Inderveer has built a team of dedicated, hard-working staff members that brought value to his businesses and positive growth in communities. Inderveer recognizes the importance of proper business management and proper handling of staff members to ensure their safety, competency in laws and regulations and enjoyment of their work environment.
Inderveer feels that he has acquired a significant amount of appreciation of good business practices. Such knowledge will benefit the commercial cannabis distribution business model that his team and he will be building together by bringing their individual expertise to the table.
Inderveer is looking forward to be involved with the local community and help promote new positive changes that will benefit the City and its community.

Robert Takhar (Vice President) – Robert was born in 1975 in a small town of Yuba City. He grew up on a family farm where he helped his grandparents with their peach tree farm business. Later, Robert and his family moved to Seattle, Washington to help his father achieve his dream of becoming an entrepreneur. They purchased a family "Mom and Pop" shop/restaurant and that's when Robert's experience in restaurant management and day-to-day operations had begun. While helping his family run their restaurant, Robert was attending University of Washington. Once he received a business degree from the University of Washington, Robert decided to expand his knowledge in a financial world and became a financial advisor. Having an extensive portfolio of clients, Robert has various expertise on how to properly utilize funds, being able to determine good investment opportunities and properly establish financial roadmaps for businesses.

Due to illness of his grandparents, Robert returned to California to continue help operate his grandparents' peach farm. Concurrently, his family purchased a gas station in Woodland in 1999 along with his brother Inderveer. Robert's was heavily involved in the construction process as well as day to day operations. Over the years, Robert had acquired great knowledge of accounting and finances and day-to-day operations. Being in a highly-regulated industry, Robert also has very good understanding on how to properly apply regulatory processes to daily operations and appreciation of establishing transparent working relationships with community members and governmental/state and city officials.

John Terrell (Secretary) - John Terrell is a Secretary of Vision of Success, Inc. and Bay Area Gold Standard, Inc. Before becoming a co-partner in his own small business, John has spent 28 years as an Operations Director for a retail grocer. As a senior executive manager, John's expertise includes quality control, protection against diversion, reconciliation of product, and personnel management.

Growing up in Southern California, John worked for my family owned franchise restaurant. This experience afforded him with strong work ethic and first-hand experience engaging with the local community. Since then John has honed his expertise with governmental regulatory agencies such as OSHA and EPA. As a meticulous manager of quality control, John makes every effort to incorporate the highest standard in labeled product. While demonstrating impeccable customer service, John strives to build relationships with the community, supporting my local Kiwanis Club and Girl Scout Troop. John's dedication to a strong community is also demonstrated currently in my grassroots-level recruiting efforts. John have remained passionate about business ever since those early days and stay knowledgeable on changes in industry innovation, standards and practices.

As a pro-Cannabis citizen, John knows that legal and regulated access has the power to improve lives. John has been certified with numerous business training programs as well as the environmental management training (EMT), which provides instruction on maintaining compliance with laws and regulations. John brings to this partnership over 30 years of business knowledge, product experience, and dedication to excellence.

III. BUSINESS OBJECTIVES

The company's principal objective is to be able to service the local growers and manufacturers by offering our distribution services, to provide storage for cannabis products and to ensure their product is tested, properly packaged and is fully compliant with the local and the State's regulations. The company will also offer packaging services for flower cannabis products pursuant to California State's regulations. The company will bring together the community of local growers, manufacturers and dispensaries in the surrounding areas of Woodland, and create a complimentary synergy.

IV. DISTRIBUTION SERVICES AND OPERATIONS

All proposed activities to be conducted on the property. In full compliance with state and local regulations, we propose to develop a 3,776 sqft suite at the street address of 1230 Harter Avenue, Suite J Woodland, CA 95776 to conduct commercial cannabis activity, specifically Type 11

Commercial Cannabis Distribution. All of our services will be provided are described below:

A. **Storage-Only Services**. We will provide cannabis goods storage-only services to a licensed cultivator, manufacturer, microbusiness, nonprofit, or another distributor, unrelated to the quality assurance and laboratory testing processes.

B. **Sale to Retailer.** After final product has been properly tested and certified, we will transport finished retail-ready product to a licensed retailer and/or non-storefront delivery licensee.

C. **Purchase/Sale/Transfer to Another Distributor.** We will sell or transfer cannabis or cannabis products to another licensed distributor instead of to a cannabis retailer. In the event that we sell or transfer the cannabis or cannabis products to the retailer, buyer distributor shall become responsible for collecting the cannabis excise tax from the retailer and reporting and paying it to the CDTFA.

D. **Storage of Batches for Testing Services**. We will store cannabis products separately and distinctly from other cannabis goods batches on the premises in a labeled quarantine area. We will ensure that the batch size from which the sample is taken meets the requirements of testing sample requirements. Our employees will be physically present to observe the laboratory employee obtain the sample of cannabis goods for testing and shall ensure that the increments are taken from throughout the batch.

E. **Recording.** The sampling will be video recorded with the batch number stated at the beginning of the video and a visible time and date indication on the video recording footage. The video recordings shall be maintained for 180 days. After the sample has been selected, the laboratory and our employee shall sign and date the chain of custody form. We will not assist the laboratory employee nor touch the cannabis goods or the sampling equipment while the laboratory employee is obtaining the sample by labeling with the following information that will be physically attached to each container of each batch:

1. The manufacturer or cultivator's name and license number, who provided the batch
2. The date of entry into the distributor's storage area;
3. The unique identifiers and batch number associated with the batch;
4. A description of the cannabis goods with enough detail to easily identify the batch;
5. The weight of or quantity of units in the batch; and
6. The best-by, sell-by, or expiration date of the batch, if any.
7. Laboratory Testing Results

F. **Packaging and Labeling Service**. We will package only flower cannabis products and shall re-package, label, and re-label manufactured and non-manufactured cannabis for retail sale pursuant to CA State requirements.

G. **Relabeling Service.** In the event that during laboratory testing that a manufactured with the incorrect amount of THC per package or serving but is within the THC limits for sale, upon customer's request, we will re-label the package with the accurate THC amount.

H. **Transportation Services.** We will offer a transportation service to a licensed cultivator to transport cultivator's product to a distribution facility for quarantine and storage; transport finished and tested product to retailer's facilities. We will also offer a transportation service to manufacturers to transport bulk manufactured cannabis products to another manufacturer for packaging purposes as well as transport finished, packaged manufactured products to a distribution facility for quarantine and storage; transport finished and tested product to retailer's facilities.

I. **Testing Arrangements Service.** After taking physical possession of a cannabis goods batch, we will contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing.

J. **Sales Service.** We will provide a sales service to licensed cultivators and manufacturers for their products and secure shelve space at a retail and non-store-front dispensaries throughout the State of California.

K. **Quality-Assurance Review Service.** When a batch from a manufactured or harvest batch passes, the cannabis goods shall be transported to one or more retailers. If a failed sample was collected from a batch and the batch could be remediated, we will transport or arrange for the transportation of the batch to a cultivator or manufacturer for remediation. Upon receipt of certificate of analysis stating that the sample meets specifications required by law, the distributor shall ensure the following before transporting the cannabis goods to one or more retailers:

1. The certificate of analysis EBE received from the testing laboratory is the certificate of analysis that corresponds to the batch;
2. The label on the cannabis goods is consistent with the certificate of analysis regarding cannabinoid content and contaminants required to be listed by law;
3. The packaging complies with applicable packaging laws.
4. The packaging is tamper evident.
5. The weight or count of the cannabis batch comports with that in the track and trace system.
6. EBE shall use scales as required by the Act; and
7. All events up to this point have been entered into the track and trace system.

L. Collection and Payment of CA State Cultivation Taxes

1. We will collect the cannabis cultivation tax from cultivators and manufacturers from which we will receive cannabis and/or cannabis products.
2. We will collect the cannabis excise tax from cannabis retailers we supply (sell and/or transport) with cannabis and/or cannabis products.
3. We will provide an invoice or receipt to the businesses from which we collect the cultivation tax and the cannabis excise tax and electronically file both of the sales and use tax and cannabis tax returns and pay the amounts due to the CDTFA.
4. As a cannabis distributor, we are responsible for collecting the cannabis 15% excise tax from the cannabis retailers that we supply (sell and/or transport) with cannabis and/or cannabis products.

V. TRANSPORT

Our transportation will only be conducted between other licensed businesses.

A. **Documentation.** All of our vehicles transporting cannabis products will have a motor carrier permit. In addition, we will have a proof of ownership or valid lease on all of our vehicles and trailers that will be dedicated to transport of the cannabis goods. We will ensure to have documentation that shows the year, make, model, license plate number, and numerical Vehicle Identification Number (VIN) for any all of vehicles and trailers. In the event that we purchase any new vehicles, we will notify the State and local authorities of such change prior to transporting any cannabis products in said vehicle.

B. **Vehicles.** We will only transport cannabis products inside of a vehicle or trailer. None of the cannabis products will be visible or identifiable from outside of the vehicle or trailer and will be locked in a container or cage that is secured to the inside of the vehicle or trailer.

C. **Unattended Vehicles.** At all times, we will ensure that the vehicle is secured and when left unattended, vehicles and trailers shall be locked and secured by the transport personnel. We will not leave a vehicle or trailer containing cannabis goods unattended in a residential area or parked overnight in a residential area.

D. **Vehicle and Product Security.** We will have a vehicle alarm system on all transport vehicles and trailers. Our transport employees shall adhere to State's regulations and ensure that packages or containers holding cannabis products will not be tampered with or opened during transport.

E. **Shipments.** Our drivers will only travel between licensees shipping or receiving cannabis goods and its own licensed premises when engaged in the transportation of cannabis products.

F. **Medical and Recreational Cannabis.** We will transport medicinal and adult-use

cannabis goods in the same vehicle and we will ensure that the cannabis goods are clearly identified and marked as "A" for adult-use cannabis goods, or "M" for medicinal cannabis goods both on the physical packaging of the cannabis products and on the shipping manifest. While in transport, the medicinal and adult-use cannabis products will be secured and separated from each other in the vehicle. We will not transport non-cannabis products with cannabis goods.

G. **Inspections.** At all times our vehicles and trailers transporting cannabis products will be available for an inspection by the local government officials and authorities as well as the State Bureau.

H. **Transport Personnel Requirements.** Any potential employees shall be thoroughly screened and live scanned prior to hire. Our employees will be 21 years or older.

VI. DELIVERIES AND OPERATIONS

Because of the variety services we offer, we will have multiple deliveries throughout the day and will establish a specific schedule for each delivery, rotating and changing times of such schedules on a weekly basis for safety and security of our staff.

A. **Business Hours.** Our business hours shall be from 6am to 10pm. None of our transporters shall be on the road before 10am or after 10pm. Our warehouse hours shall also be from 6am and to 10pm.

B. **Frequency of Deliveries.** We will have multiple deliveries per day of cannabis products to our warehouse for storage and quarantine. We anticipate to have approximately (5) five to (10) deliveries per day.

C. **Secured Intake and Output.** Our facility has a fenced in yard area and a roll up door that creates double security for our deliveries and loading of cannabis products for shipment. The fence has barb wire and is approximately 6' high. Our vehicles shall enter into the secured yard which will be locked immediately after the vehicle drives into the yard. Our roll up door leading to the secured intake area within the warehouse shall get opened by our employee and the vehicle shall be driven into the secured area and our employee shall close the roll up door to conduct unloading or loading of the cannabis products and any and all cash.

D. **Type and Frequency of Deliveries.** We will have the following deliveries throughout our course of business:

1. Plant material for quarantine and testing purposes (3-5 times per day).
2. Flower material for quarantine, testing and packaging purposes (5-8 times per day)
3. Finished manufactured cannabis goods for quarantine purposes (5-8 times per day)
4. General and office supplies (1 time per week via UPS or USPS van/truck, amounts will be commensurate with the usual office supply deliveries for a business.

E. **Insurance.** Company shall acquire a certificate of insurance that shows the types of insurance coverage and minimum amounts that have been secured.

1. At all times, we will carry and maintain commercial general liability insurance in the aggregate in an amount no less than $2,000,000 and in an amount no less than $1,000,000 for each loss.
2. We will notify the State and City of Woodland in writing within 10 calendar days of a lapse in insurance.

VII. ENHANCED PRODUCT SAFETY

In no case shall any hazardous, flammable or explosive substances be used on site. Food grade alcohol solely for the purposes of cleaning and dissolving wax, unless otherwise prohibited by the State of California, is used and permitted. City of Woodland Environmental Services may inspect the commercial cannabis business at any time during business hours to ensure compliance with this Section.

A. **Food standards**. We agree that all food products, food storage facilities, food-related utensils, equipment and materials will be approved, used, managed and handled in accordance to the provisions of the California Retail Food Code, California Health and Safety Code sections 113700- 114437. All food products shall be protected from contamination at all times, and all food handlers must be clean, in good health and free from communicable diseases.

B. **Quality and safety of sources**. All of the source materials that are going to licensed manufacturer for extraction are tested for pesticides, fungus, pests, molds, and other contaminants throughout our processes to guard against adulteration prior and post manufacturing process.

C. **Labeling and packaging**. EBE shall only package flower product and label and re-label packages. EBE shall ensure that any applicable product will be labeled and in tamper-evident packaging which at least meets the requirements of California Business and Professions Code section 19347, as the same may be amended from time-to-time or superseded or replaced by subsequent State legislation or by any department or division of the State of California, and in compliance with any County packaging and labelling requirements on cannabis or cannabis products. In the event that a testing laboratory determines and incorrect amounts of THC or CBD, products shall be relabeled with correct information.

VIII. SECURITY INFORMATION

Security is of the utmost importance to us and our group intends to meet or exceed all City of Woodland and State of California requirements. Full details on our security plan can be found in **"Safety and Security Plan".**

IX. TRACK AND TRACE

Information technology and software will be widely deployed through the standard operating procedures of our company. EBE recognizes the need for customized platforms to ensure the highest levels of compliance. Areas of particular concern and focus include without limitation: verifying state required labeling, dosage, accounting practices and independent testing of product.

A. **Software.** EBE is currently reviewing the compatibility of various software packages (e.g. MJ Freeway) with some of our potential partners to ensure a seamless integration from the first day of operations. Our systems will be state-of-the-art and may include features such as RFID tagging of products so that a detailed history of movement can be gathered simply by entering or exiting our facilities or vehicles. Our team will work closely with the County and the State to deploy systems that are efficient, accurate and fully compliant with all regulations.

B. **Shipping Manifests.** Upon State's implementation, Company shall utilize shipping manifests and transmit them to the bureau on a daily basis via electronic mail. Prior to transporting cannabis products, we will generate a shipping manifest through the track and trace system for the following activities:
   1. Testing and sampling;
   2. Sale of cannabis products to another licensee;
   3. Destruction or disposal of cannabis products;

We will ensure and verify that the cannabis goods being taken into possession for transport at the originating licensed premises are as described and accurately reflected in the shipping manifest and we will not take into possession or transport any cannabis goods that are not on the shipping manifest or that are less than or greater than the amount reflected on the shipping manifest.

We conform that we are responsible for any discrepancies between the shipping manifest and the cannabis goods in its possession during transport, and subject to any enforcement or disciplinary action related to such discrepancy.
A shipping manifest shall accompany every transport of cannabis goods and will be electronically mailed to the bureau until the State California State established a track-and-trace system.

X. INVENTORY CONTROL

A. **Inventory Control and Tracking**. To track our inventory, inbound supply and outbound product, we will employ record-keeping using MJ Freeway software that is compatible with State of California's requirements. Such platforms track the product throughout its entire lifecycle within the facility and as it is transferred in and out of the facility. Company is currently reviewing MJ Freeway software which is a nationally recognized a point-of-sale tracking system. It easily reports on all aspects of the business including, but not limited to, batch cannabis tracking, inventory data, and gross sales (by weight and by sale). This system and information is compatible with the City's record-keeping

systems and our financial system, Quickbooks. The system has the capability to produce historical transactional data for review by the City of Woodland. As mentioned, MJ Freeway's software integrates with our QuickBooks system and integrates with most other software platforms, which makes it a dominant choice for cities that track their cannabis businesses and for the cannabis industry. All of the tracking activity occurs using only an Internet connection so the information is secure, but accessible remotely. MJ Freeway incorporates all cannabis compliance regulations and enables the entire supply chain management from seed-to-sale and across the whole enterprise, managing all of our goods, labor, supplies, customers, and sales in one place.

B. **Reconciliation.** We will reconcile all inventories of cannabis goods at least once every 14 days and will keep an inventory log containing the following information for each batch:

1. The manufacturer or cultivator's name and license number, who provided the batch;
2. The date of entry into the EBE's storage area
3. The unique identifiers and batch number associated with the batch
4. A description of the cannabis goods with enough detail to easily identify the batch
5. The weight of or quantity of units in the batch;
6. The best-by, sell-by, or expiration date of the batch, if any; and
7. Where on the premises the batch is kept;

C. **Discrepancies.** If EBE finds a discrepancy between the inventory of stock and the inventory log or track and trace system that is outside of normal weight loss caused by moisture loss, EBE will commence a full audit of the batch in which the discrepancy was found.

D. **Record Maintenance.** Scrutinizing company operations and maintaining precise records will not only ensure that we meet all required regulations, but also that our business is run most efficiently. Our management team has a reputation in business for being proactive instead of reactive and will incorporate business process to ensure compliance in all aspects of the business. At a minimum, our team will make and maintain complete, accurate and legible records evidencing compliance with the California and local government's requirements, which shall be subject to audit. The additional tasks related to this function will include, verifying accounting (audit) and accounting practices, verification of required insurances, permits, indemnification requirements, and investigations related to violations.

E. **Records.** In addition to the records required by the State and Local authorities, we will maintain the following records:

1. Records relating to branding, packaging and labeling
2. Inventory logs and records
3. Transportation bills of lading and shipping manifests for completed transports and for cannabis goods in transit;
4. Vehicle and trailer ownership records;
5. Quality-assurance records;
6. Records relating to destruction of cannabis goods;
7. Laboratory-testing records;
8. Warehouse receipts;

9. Records relating to tax payments collected and paid.

F. **Storage, location and amount of on-site cannabis and cannabis product.** We place the highest concern on securing cannabis and cannabis product. To prevent diversion of cannabis and cannabis product, we will incorporate employee screening, secure storage of cannabis and cannabis products, and personnel policies governing access to, use and removal of inventory. Additionally, physical and electronic inventory control measures will prevent unauthorized access, theft, loss and diversion. We store all medical and recreational cannabis and medical and recreational cannabis products, including live plants in secured and locked rooms. Access to any storage area is allowed only with badged entry. Only those with authorized access will be able to access the storage rooms. Each entrance and exit records the activity by employee, time and date. The cold storage room for the cannabis plant that shares an exterior wall will have theft-prevention barriers installed on the exterior of the steel wall.

G. **Secured Access.** We control inventory by maintaining a secure – badged entry system to areas that store cannabis, cannabis products, and chemicals and by hiring the right people. Security cameras record areas where the plant material and cannabis product is stored and produced. Removal of inventory from the facility without prior notice to the security guards and logging the activity in MJ Freeway is strictly prohibited. Also, only authorized personnel may handle plant or cannabis product with an even stricter level of authorization controlling who may leave the facility with plant or plant product.

XI. WATER USAGE AND HAZARDOUS MATERIALS

A. **Water Usage.** Due to the nature of our business, we will require very little water usage both on and off site. Water usage will be limited to the use of toilets and sinks in restrooms for on-site employees. No other on-site water usage is expected as drinking water will be provided by water coolers and delivery of water.

B. **Hazardous Materials.** Outside of the gasoline (and potentially diesel) used as fuel within our vehicles, we will not be using any hazardous materials. Our site plan calls for adequate fire suppression measures to ensure containment in the event of an emergency situation.

XII. OTHER OPERATIONAL REQUIREMENTS (STATE and LOCAL COMPLIANCE)

A. **Local and State Compliance.** We will always operate in compliance to local and state regulations. We intend to thoroughly screen our employees and maintain a respectful and law-abiding staff. We will have a zero tolerance for any employees that demonstrate behaviors that display anything but the highest levels of professionalism.

B. **Premise Compliance.** Our team will work with officials to ensure the compliance measures related to signage, prohibited activities such as consumption of cannabis and alcohol on site, presents of minors, building and fire code compliance, odor control, compliance with department of public health, security compliance (video monitoring), monitoring manifests for deliveries and transports, water usage and disposal, we will

maintain a zero tolerance for any employee acting outside of the bounds of these important compliance areas.

C. **Third Party Compliance Professionals.** Through constant oversight, responsible hiring practices, and a priority on safety, compliance and security, we will ensure quality of products. We engage a team of lawyers, community relations staff and industry advisors to assist with governance, compliance, legal adherence, and updates to laws and regulations.

D. **Transportation compliance.** Transportation shall only be conducted according to activity permitted by State law.

E. **Employees.** Each employee shall undergo an annual background check and have their own access key cards that will allow them to access the premises and record in and out activities within the premises.

F. **Alcohol on Premise.** Alcohol for personal consumption shall not be provided, stored, kept, located, sold, dispensed, or used on premises.

G. **Signage.** Premises shall have a sign that is 8 inches by 10 inches in size and shall be displayed at all times in a conspicuous place so it is able to be readily seen by persons entering the business:

1. This site is not open to the public
2. Onsite retail sales of any goods and services is prohibited"
3. Juveniles are prohibited from entering this site"
4. Smoking, ingesting, or consuming cannabis on site is prohibited

XIII. HUMAN RESOURCES AND PERSONEL POLICIES

All employees and managers will be fully vetted, permitted, and registered in accordance with City's and State's requirements.

A. **Benefits Package.** Employee benefit packages and performance bonus structures are currently under consideration and will be deployed as appropriate for individual responsibilities. EBE has a strong desire to create and enjoyable workplace where hard work is rewarded. Employee happiness and retention is of great concern to senior management.

B. **Labor Peace Agreement.** Because our company does not currently employ more than 20 employees, it does not trigger the requirement for a Labor Peace Agreement to be in place. However, we do anticipate growth and acknowledge this requirement. We fully intend to comply with all labor and/or union requirements.

C. **Minimum age.** At no time will anyone under the age of 21 be employed by the business.

D. **Youth Access**. As a manufacturing facility, we will not be open to the public, we will not have to conduct medical recommendation verification and youth will not be allowed on site. The doors will remain locked during business hours with only authorized personnel allowed inside the premises. This will ensure that youth may not access the facility. Persons under the age of eighteen (21) years shall not be allowed on the premises as visitors or employees.

E. **Background Checks**. Every person listed as an owner, manager, supervisor or employee of the business will submit fingerprints and other information deemed necessary by the Chief of Police or his designee for a background check by the City of Woodland Police Department or Yolo County Sheriff's Department. All potential employees will be subject to our background check via a service approved by the police such as LiveScan. Once the Police Department or the Sheriff's department approves the potential employee, we will proceed with the interview and hiring process. Potential employees are vetted (background checks) to the satisfaction of the City of Woodland Chief of Police and in compliance with the Regulatory Application Package. An agreed upon third party will perform the check and results will be shared with the City and the Police Chief and EBE as well as with any consultant the City engages to assist with back ground check reviews. When Livescan is available, employees will submit to Livescan reviews.

F. **Employee Records.** EBE will maintain on-site a current register of all the employees currently employed and shall produce such register to the City Manager or his/her designee or any other City of Woodland official authorized to enforce the Woodland City Code for purposes of determining compliance with this Chapter.

G. **Employee training.** All staff will undergo initial and ongoing training in manufacturing and machinery safety, OSHA and personal protective equipment requirements, documentation, testing, hazard response, chemical handling, labeling documentation, and emergency procedures. We offer mandatory training in a module similar to the programs outlined at https://www.osha.gov/dte/. MJ Freeway conducts extensive training on the tracking software. MJ Freeway's professional trainers provide this training on their tracking platform. Training will also include secure facility protocols to ensure against theft and diversion.

H. **Transport.** Cannabis products will be safely and securely transported to and from the facility in unmarked vehicles only by EBE's employees. EBE will only accept transport to and from the facility using licensed commercial cannabis businesses. Transportation transactions will be documented on a manifest in a clear and consistent format that provides key details including: driver and vehicle identification, weight and/or unit counts of all products, route traveled, departure and expected arrival times, and alerts when shipments are late. We inspect each inbound and outbound transport to ensure that the product arrives on time, is not tampered with or diverted, and that the inventory levels are properly accounted for.

I. **Loitering.** Loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises is prohibited.

J. **Identification.** Each person to whom a work permit is issued shall wear his or her personal identification card, issued by the EBE's security company that also allows and restricts access to the distribution premises. Cards shall be placed at a prominent and readily-visible location on the outermost garment and approximately chest-high. Such identification card shall at all times be in good and readable condition.

K. **Change of Employment**. In the event a person changes employment from one commercial cannabis business within the city to another, EBE shall notify the City Manager or his/her designee in writing of the change of employment within ten (10) days of such change or the work permit shall be suspended or revoked and such person shall not be permitted to work within any commercial cannabis business within the city.

L. **Onsite consumption prohibited**. Cannabis shall not be consumed on the premises.

XIV. BUSINESS MANAGEMENT PLATFORM

A. **Management.** EBE will hire managers that including without limitation governance of employees, quality control, reporting, record and bookkeeping under the guidance of EBE's tax advisor and compliance with all aspects of the operations. EBE will employ laborers and to the extent possible, bear all costs of goods.

B. **Inventory Monitoring.** In order to operate at optimal efficiency as well as to remain compliant with state and local rules and regulations regarding cannabis distribution, all inventory pertaining to the business operations of EBE will be carefully monitored and controlled by means of inventory management computer software and surveillance. The inventory management system will include internally-generated Excel spreadsheets as well as third-party inventory tracking software as deemed applicable by management and in compliance with state and local requirements as implemented from time to time. The responsibility of oversight regarding data and inventory tracking for the shall lay with the Controller of the company.

XV. TAX COMPLIANCE / HANDLING CASH

EBE like all other cannabis facilities has the difficult task of managing cash, in a world where banking through formal channels is virtually impossible for any sustained period of time.

A. **Addressing Tax Compliance.** Addressing the considerable challenges of tax compliance, particularly at the federal level, along with accurate books and records keeping, will be paramount in this emerging regulatory environment. EBE will engage the services of a Certified Public Accountancy firm to both set up its operations and assist in keeping the books and records. Doing so ensures compliance with tax obligations at all levels and assists EBE. in classifying different activities and costs within the business.

B. **State and Local.** EBE will be required to obtain a Sacramento Business Operating License and pay a community benefits tax estimated at $48,280 annually. EBE has registered with the Board of Equalization and obtained a seller's permit. Moreover, statewide regulations will likely dictate that EBE will also be required to pay licensing fees to the State of California to remain compliant.

C. **Federal.** At the federal level, deductible expenses under IRC 263A and 280E and the filing requirements of Form 8300 are challenging for many distributors. Under federal guidelines, only expenses that qualify to be classified as Cost of Goods Sold (COGS) are allowable deductions for a business that is involved in a federally illegal activity. Expenses deductible at the federal level may include, rent, utilities - electricity and water, nutrients and fertilizer, packaging materials, and labor, provided each can be rightfully attributed to production. Rent for flowering space would be deductible, but rent for office administration would not. Questions remain as to whether costs for security for the inventory, insurance, scales, excise taxes and potentially, accounting and traceability software costs qualify. Appropriate classification can maximize the COG deductions and remain compliant.

D. **Form 8300.** The law requires that trades and businesses report cash payments of more than $10,000 to the federal government by filing IRS/FinCEN Form 8300, report of cash payments over $10,000 received in a trade or business. The information contained in the form assists law enforcement in its anti-money laundering efforts to investigate possible tax evasion, drug dealing, terrorist financing and other criminal activities. Transactions that require Form 8300 are widespread. Cash includes the coins and currency of the United States and a foreign country, may also include cashier's checks, bank drafts, traveler's checks, and money orders with a face value of $10,000 or less. If the business receives more than one payment in cash, totaling $10,000 or more Form 8300 must be filed within 15 days of receipt. When businesses comply with the reporting laws they provide authorities with an audit trail, however failure to file same carry penal and pecuniary penalties.

E. **Payments to Employees.** Until such time as EBE finds a payroll service to handle the cash conundrum all cannabis companies face, it will pay its employees in cash, retain appropriate tax withholdings in conformity with the law and provide its employees with check stubs setting forth all information required pursuant to federal, state, FICA, SSDI, SSI and all other required withholdings.

F. **Cash Storage.** Cash will be removed from the site by contracted security services company and stored at a secure location upon the accumulation of $25,000 or more. Alternatively, upon the implementation of state licensing of distribution companies, EBE. will attempt to negotiate the delivery of monies by said distribution companies to the offsite storage.

XVI. SAFETY, HEALTH, AND ENVIRONMENTAL CONCERNS

Upon rebuilding the facilities, working conditions will not only meet, but exceed the standards established by OSHA, state, and local laws. EBE will contract with an Occupational Health & Safety consultant that provides comprehensive Health, Safety, and Environment (HSE) services. Said consultant shall provide counselling to ensure that we EBE. employees and contractors have a thorough understanding of the work environment and any potential risks. EBE. will seek a range of realistic options and control measures to provide for the safety of its employees and others.

Articles

Seller's Permit

Epic Bros Enterprises, Inc
1230 Harter Avenue Suite J
Woodland, CA 95776

Community Relations Plan

Community relationships are the keystone of success in any business and our management team strongly believes in being a steward of the community. Our team of ardent professionals will display nothing but the highest levels of business acumen and respect for our neighbors and greater community. We will work closely with government and citizen leaders as well as law enforcement to be a beneficial addition to the community.

Bejan Farahbakhsh is the designated Community Relations Manager for the cannabis distribution business and is responsible for outreach and communication with the surrounding community. Bejan has already taken initial steps toward reaching out to the community by introducing herself in person to all of the surrounding business neighbors and the neighbors adjacent to the site. In addition to initial in-person introduction, Bejan has sent out an introductory letter **"Neighborhood Distribution Site".** A draft copy of the letter mailed is included in attached herein. In this letter, Bejan provided his phone number and an email specifically established for the intake of any concerns or questions neighboring businesses may have and invited them to contact him directly to set up an individual appointment.

Epic Bros Enterprises, Inc
1230 Harter Avenue Suite J
Woodland, CA 95776
925-785-4950

August 1st, 2018

ProTerp Manufacturing, LLC
1230 Harter Avenue Suite F
Woodland, CA 95776

Re: Neighborhood Distribution Site

Dear Neighbor:

My name is Bejan Farahbakhsh, and I am writing to introduce myself and my cannabis distribution business Epic Bros Enterprises, Inc. I am the designated Community Relations Manager and will be your point of contact for any inquiries or concerns you may have in relation to our business. I can be reached by phone at 925-785-4950 or email at bejfara@hotmail.com. The proposed distribution site will be located at 1230 Harter Avenue Suite J Woodland, CA 95776.

A critical component to our operating model is deeply rooted in good stewardship to our community and the populations we serve. Additionally, our business must comply with local and State regulations that enforce strict security and health and safety guidelines. Our business as well as the building owner intend to engage in improvement of the business park to ensure everyone's comfortability and safety by addressing all of security and sanitation issues.

Our vision includes running a compliant business that can be the modeled for other like businesses. We are going to be distributing, testing and performing quality assurance of the cannabis products for local growers and manufacturers. We will provide employment opportunities to City of Woodland residents and create a safe and pleasant environment within the community and in the surrounding areas.

Some of the ways that our business strives to serve the community include:

- Aiding in the elimination of illegal, and problematic cannabis facilities and the nuisances surrounding them. Those nuisances include, but are not limited to, increased opportunity for crimes against property and persons at unsecured locations with obnoxious odors and fire hazards. These individuals hope to profit by selling cannabis on the black market, avoiding regulated and compliant dispensary operations which pay taxes and benefit the community at large. Our business aids in eliminating this behavior by complying with State's regulations and ensuring that our vendors and sellers have their State licenses. We will be acquiring legal cannabis from our neighbor-cultivators and manufacturers to dispensaries in surrounding areas of City of Woodland and throughout State of California.

Pursuant to both City of Woodland ordinance and reasonable good neighbor policies, our business operation will include the following:

- Odor Control. Our distribution warehouse site will have a comprehensive odor control system which will make odors typically associated with cannabis site undetectable.

- Comprehensive Security Plan. Our distribution warehouse site will employ a comprehensive security plan mandated by ordinance which includes the use of 24-hour security cameras, and strategic placement of lighting that will deter crime in the area.

- Community Employment. Our distribution warehouse site will provide employment opportunities for local residents.

- Economic Stimulation. Our distribution warehouse will pay taxes in accordance with city and state requirements, which in turn will benefit our city at large, including our neighborhood.

In order to better address any initial inquiries or concerns you may have concerning our business, we welcome you to contact me directly to set an appointment for a meeting.

We look forward to becoming a part of the community and build positive and mutually-beneficial relationships with our new neighbors.

Sincerely,

Bejan Farahbakhsh
c/o Epic Bros Enterprises

EPIC BROS ENTERPRISES, INC
1230 Harter Avenue Suite J
Woodland, CA 95776

Odor Control Plan

During delivery of inbound product and loading of the product into our cargo vans and during packaging of the flower products, there can be a slight odor. Our intention is to capture the odor/plant's terpenes. That being said, there should not be any cannabis odors exhausted from the building. We will have odor control devices and techniques including sufficient odor absorbing ventilation, an exhaust filtration system, and a negative air-pressure system so that odor generated inside the facility that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial cannabis business. The following construction and filtration systems shall be implemented:

- **SEALED WAREHOUSE**
  - **a.** The warehouse space will be designed in a manner to achieve as complete an air-tight seal as possible at the edges, corners, and entry-ways.
  - **b.** Practices will be implemented and enforced to minimize the release of odors from the cultivation rooms into the surrounding area.

- **INTERNAL FILTRATION SYSTEMS**
  - **a.** The warehouse will be equipped with internal carbon filtration systems set to activate on a timed schedule in order to maximize internal air purification as well as energy efficiency.
  - **b.** The warehouse room will be equipped with heating and air conditioning systems featuring recirculation ports fitted with carbon filters and high efficiency particulate air filters in order to prevent odors from being released from the HVAC system as air recirculates.

- **VENTILATION FILTERS**
  - **a.** Any additional air ventilated from each room will pass through a central outlet equipped with charcoal filters or other high efficiency particulate air filters in order to eliminate odors from ventilated air.

- **EXTERNAL FILTRATION SYSTEMS**
  - **a.** The areas surrounding storage and packaging area will also be subject to additional odor control by means of ozone-generating air purifiers so that any air that ventilates through main building entry-ways will be clean and clear of any odors generated in the course of cannabis cultivation.

EPIC BROS ENTERPRISES, INC
1230 Harter Avenue Suite J
Woodland, CA 95776

Plant, Oil and Chemical Waste Disposal

ProTerp has engaged with the City of Woodland's Environmental Services to establish standard operating procedures for plant and oil waste disposal.

Type of Material and Process.

- Green byproduct (buds or that the byproduct can still be used for the making of oils or the like, then the materials must be serviced as waste (trash)): Loads shall obtain a certificate of destruction with each disposal.
- Brown waste (does not contain buds or usable byproduct): the materials shall be hauled as organic waste, which will be composted and considered diverted materials. Loads shall taken to the Yolo County Central Landfill contain any green byproduct, they will be processed as waste and shall have a certification of destruction.
- Chemical Hazardous Waste materials (solvents, pesticides, chemicals, lamp ballasts, canisters/cylinders, personal protection equipment with residual, etc.): shall be disposed of through a hazardous waste facility. ProTerp shall engage with Yolo County Central Landfill to engage in Conditionally Exempt Small Quantity Generator (CESQG) business program.
- Recycling: (cardboard, paper, and plastic, glass, or metal containers): shall be separated from any waste or organics recycling loads.

Waste Storage. ProTerp Manufacturing shall dedicate a waste storage area for any green byproduct and brown waste in the "Quarantine" area labeled on the proposed floor plan. Solvent and Chemicals shall be stored in "C1D1" container labeled on the floor plan and shall have a dedicated area for storage of such waste.

- Green Byproduct and Brown Waste Storage. Inventory manager shall label each plastic 18-gallon container bin of hazardous waste, with the words "Bio-Hazardous Waste" for any green byproduct and brown waste, the date accumulation of the waste began, the name and address of the inventory manager, the manifest tracking number, and with labels that conform to the U.S. Department of Transportation requirements.

- Chemical Waste Storage. Inventory manager shall label Chemical Hazardous as "Hazardous Chemical Waste". Hazardous waste shall be stored in sealed, compatible containers (original chemical containers). Containers shall be kept closed at all times except to add waste. Hazardous waste containers shall be labeled with tags as soon as waste accumulation begins. Incompatible hazardous wastes shall be segregated and shall never accumulate more than 55 gallons (or one quart of acute hazardous waste) at a time.

Record Keeping. When hazardous waste is transported, the inventory manager must record the type, quantity, and the hazards of the waste on a tracking document called a hazardous waste manifest. Copies of all hazardous waste manifests shall be kept on-site and available for a minimum of 3 years.

Inspection. During accumulation and storage, the inventory manager shall inspect the hazardous waste containers weekly to verify that the containers are closed and in good condition.

Hauling. Materials shall be self-hauled to the Yolo County Central Landfill to a waste or compost facility by EBE (facility in which the materials were generated).

Frequency of disposal. Depending on the amount of materials generated, all waste generated from the facility shall be removed from the premise no less than one time per week.

EPIC BROS ENTERPRISES, INC
1230 Harter Avenue Suite J
Woodland, CA 95776

Energy Efficiency Plan

Energy and water usage. Very small amounts of water are used for cleaning purposes. Hand-washing will likely be the largest water use in our facility. No wastewater is generated in our processing. We anticipate using 16- 24 hours per day of power. Amperage will be consumed by air conditioning consistent with normal office park use for a 4,000-square foot area located in a climate comparable to Woodland City's. Our warehouse must stay at 74 degrees Fahrenheit; some storage areas defined on the floor plan will have additional air cooling system for perishable products and will have freezer space for cannabis products that must stay frozen. Our facility will not create undue amounts of heat from light or power or other operations.

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: J.17.
SUBJECT: Tanforan Ventures, LLC., a request for a Conditional Use Permit for a Commercial Cannabis Manufacturing, Distribution, and Testing Laboratory Facility.

Recommendation for Action:
Staff recommends that the City Council:

1. Receive a staff report;
2. Conduct a public hearing;
3. Find that the project is exempt from further environmental review pursuant to Class 1 and Class 32 Categorical Exemptions under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA;
4. Adopt Resolution No. _____, approving a Conditional Use Permit for commercial cannabis manufacturing,distribution, and testing businesses at 1460 Tanforan Avenue, conditioned upon approval of an appropriate Cannabis Business Permit and recommended conditions of approval; and
5. Adopt Resolution No. _____, authorizing the City Manager, pursuant to Section 13A-3-04(9) to approve a final Operating Agreement for a commercial cannabis manufacturing, distribution and testing business at 1460 Tanforan Avenue.

Staff Contact:
Cindy A. Norris, Principal Planner, (530) 661-5911, cindy.norris@cityofwoodland.org

Fiscal Impact:
The applicant has funded a developer deposit account to cover all costs associated with the review and processing of the Conditional Use Permit and Cannabis Business Permit. Should the conditional use permit and cannabis business permits be approved, the applicant shall pay an annual fee in the amount of $46,280 each for a commercial cannabis manufacturing and distribution business permit, and $31,980 for a testing laboratory that will provide cost recovery to the city for all activities, including police surveillance, associated with the business review and monitoring. Further, as provided in a required operating agreement, a generalized contribution based on gross receipts is proposed in the amount of $5,000 or five percent (5%) whichever is greater, per month. The community benefit fee will generate essential funds for protecting vital City services and facilities and mitigate impacts, will help fund general municipal services, and which will place such businesses on more equal footing with existing City businesses.

Background
On November 8, 2016 California voters approved Proposition 64, known as the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA). AUMA legalized non-medical cannabis use, possession and cultivation by persons 21 years of age and older. With the majority vote passage, the provisions related to personal use, possession and cultivation of non-medical cannabis went into effect on November 9, 2016. Commercial non-medical cannabis activities also became legal on November 9, 2016, although commercial activities require state licenses. The state began issuing licenses for commercial activities on January 1, 2018.

On June 27, 2017, California Senate Bill 94 was signed into law, repealing the Medical Cannabis Regultion

and Safety Act (MCRSA) and amending AUMA to consolidate state licensing of medical and non-medical commercial activities. The new law is now called the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

On September 16, 2017, Assembly Bill 133 was signed into law by Governor Brown and it made numerous minor amendments to MAUCRSA. One of the amendments removed the requirement that cannabis businesses maintain separate and distinct premises for each use. Now multiple uses may be located at the same location, so long as a separate state license is obtained for each location where commercial cannabis activity occurs, subject to applicable state regulations.

To date the City of Woodland has passed several Ordinances to update the Municipal Code to address both personal and commercial cannabis uses. On December 5, 2017 the City Council approved Ordinance 1629 to add Article 21.6 of Chapter 25 to the Municipal Code relating to the zoning of Commercial Cannabis uses. The Council also approved Ordinance 1630 to add Chapter 13A to the Municipal Code related to commercial cannabis business permits and operating regulations. Ordinance 1629 allows consideration for up to six (6) conditional use permits for cannabis uses, which may be located in the Industrial or Industrial with Light Industrial Flex Overlay zones. The Ordinance allows the consideration of multiple cannabis license type in one location to be considered under one Conditional Use Permit. However, each business entity will be required to obtain separate Cannabis Business Permits (CBP). An operating agreement, to be approved by the Community Development Director, consistent with council approved conditions, will be required with each CBP.

To date, the City has received three (3) Cannabis conditional use permit applications proposing a total of five (5) possible cannabis businesses. The applications were reviewed by the Planning Commission on September 20, 2018 and recommended for approval by the City Council.

Environmental Assessment Status

Staff has determined that a Class 1 Categorical Exemption (Existing Facilities) pursuant to Section 15301 of the CEQA Guidelines as the appropriate level of CEQA review for this document. Class 1 consists of the operation, repair, maintenance, permitting, leasing, 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 agencies' determination. The environmentally benign project is consistent with the local general plan and zoning requirements. The proposed use would occupy approximately 64,000 square feet space within an existing industrial multi-tenant building already zoned and developed to allow industrial and manufacturing uses similar to the project.

Discussion

On April 16, 2018, Tanforan Ventures applied for a Master Conditional Use Permit (CUP). The applicant initially requested a recommendation of approval to allow three commercial cannabis business to occupy approximately 32,000 square feet in the existing building at 1460 Tanforan, Suite B. In a revised submittal, received on August 10, 2018 and updated August 22, 2018, the applicant has requested use of the entire 64,000 square foot building for commercial cannabis uses as follows:

Suite A – 32,000 square feet: High Five Solutions, Manufacturing (volatile and non-volatile License Types 6 & 7)
Suite B – 22,000 square feet: ORMEX Enterprises, LLC Distribution and Transport (License Type 11 & 12)
Suite C - 10,000 square feet (New):Testing (no business entity is identified at this time)

There are four business owners who are in partnership in Tanforan Ventures as well as in ORMEX and High

Five Solutions. The testing laboratory must be occupied by a business entitiy that is independent from the other businesses.

The overall project site is 9.89 acres in size and occupied by three existing warehouse buildings, (1460, 1462, and 1464 Tanforan Avenue) each approximately 64,000 square feet in size. The subject building at 1460 Tanforan Avenue, is the most northerly-located building and fronts on to Tanforan Avenue. The building is approximately 64,000 square feet in size and has housed multiple tenants, including the Nor Cal Indoor Sports previously located in Suite A. The applicant has indicated that the youth sports facility has opted to not continue their lease, which ends in September of 2018.

The property is zoned for Industrial with a Light Industrial Flex Overlay and the proposed use may be considered with approval of a Conditional Use Permit by the City Council as the final acting body.

Project Analysis and Review

General Plan Consistency

The 2035 General Plan (GP) designation for the site is Industrial with a Light Industrial Flex Overlay (I/LIF). The proposed use of the site is consistent with the General Plan The General Plan describes this land use designation as follows:

> *When applied over the Industrial base designation, the Light Industrial Flex Overly provides for a mix of general, light to custom industrial and manufacturing uses, including multi-tenant spaces with offices, contractor storage, agricultural processing, food producers, industrial technology, and other sensitive processing uses that require controlled performance standards.*

Climate Action Plan Consistency (CAP)

The project involves the re-use of an existing building that will be re-purposed and upgraded to encourage new technology and an employment generating use. CAP Strategy T/LU-2 encourages Redevelopment and Repurposing. The Climate Action Plan assumed that development would occur and continue within the urban areas of the city. In this instance, project has been conditioned to encourage energy saving features as appropriate consistent with Strategy E-3. The applicant will be required to submit a statement with their building construction plans describing measures that they will be implementing.

Zoning Consistency – Chapter 25

The zoning designation for the site is Industrial with Light Industrial Flex Overlay (I/LIF), which provides for types of animal and food processing uses, manufacturing uses, industrial yard uses, warehouse and storage uses and other related miscellaneous uses, such as office space and general agriculture. The proposed future use of the site is industrial and is consistent with the Zoning Ordinance.

The site is existing and developed as an industrial multi-tenant development. No significant exterior changes are proposed. The site meets all standards and criteria required in the Industrial District. The site has adequate parking available. The site is not located within 600-feet of a sensitive use. Detailed discussion is provided in the Planning Commission staff report included as Attachment 4.

Conditional Use Permit Review

A conditional Use Permit (CUP) affords broad public review and evaluation of those uses which require special consideration to ensure proper integration into the community, the mitigation of any potentially adverse impacts; and the making of required findings to permit the use. In considering an application for a conditional use, due regard shall be given to the nature and condition of the proposed or existing use and all adjacent uses and structures and may impose such requirements and conditions with respect to location, construction, maintenance, and operation, as may be deemed necessary for the protection of adjacent properties and the public interest. Conditional Use Permit analysis typically includes consideration of the proposed use; hours of operation; consistency with zoning standards such as parking; compatibility with existing uses and structures in the surrounding area; and other criteria as may be deemed appropriate.

A CUP runs with the land unless the use ceases or the CUP is revoked. Once approved, should ownership of the land or the business change, the CUP would remain valid at the location approved. In addition to the CUP land use considerations above, the Cannabis Ordinance 1629 (Municipal Code 25-21.6.50(c)): provides other specific factors that shall be considered by the Planning Commission and ultimately the City Council including the following:

(1) *The type of proposed use by the applicant:*

The requested use is a conditionally allowed use in the zone regulations. The use would fit the category of cannabis manufacturing (volatile) in the Zoning Land Use Matrix. The use is consistent with the General Plan. General Plan policies that specifically relate to this request include the following:

2.D.3 – Technology Sector: Grow the technology sector in Woodland by leveraging the research strength at U.C. Davis. Encourage smaller companies and start-ups to locate in incubator spaces in Downtown and in areas with the Light Industrial Overlay designation.

2.E.7 – Public Safety and Community Design: Promote design that enhances public safety and discourages crime by providing buildings that engage the street, as well as adequate lighting and sight lines.

4.C.6 – Monitor Trends: Monitor economic trends to identify emerging industries, new market opportunities, and the performance and mix of businesses to allow the City to be proactive and adjust to market changes.

4.C.9 – Importance of Agricultural Industry. Recognize the importance of agriculture-related business and industries to the City and region, and support the continuation and development of agriculture and agriculture-related enterprises in and around Woodland.

4.E.1 – Job Expansion though Business Expansion: Encourage the expansion and attraction of diverse businesses and industries that create and increase the quality and amount of stable, year-round jobs locally.

(2) *Whether the proposed use will be detrimental to the health, safety and welfare of the community*:

The proposed facility would be contained within the existing building with numerous redundant security measures employed via a security plan reviewed and approved by the City of Woodland Police Department. The proposed cannabis business use will not adversely affect the peace or general welfare of the surrounding neighborhood, as follows:

• The proposed use is not consumer based (no retail sales will occur at the premises) and therefore, will result in low vehicle traffic;
• The odor control plan will ensure no odors will be detectible outside the building;
• All activities will take place inside the building and will not be visible from the outside;
• A secured and fenced yard area will provide a secure entry for ingress and egress of product;
• All signage will be limited and the applicant will have a final lighting and security plan approved by the Police and Fire Departments to ensure internal and external safety;
• Vehicles used to transport cannabis would be unmarked but also secure.
• The tenant improvement plans will undergo review and inspection by both the Building and Fire Divisions to ensure the proper construction, installation and operation of manufacturing equipment.
• The City will conduct annual review of the facilities and annual review of the general business operations.
• The applicant must also comply with all other agencies including health and state operating requirements.

(3) *Whether the use would enhance the economic viability of the area in which it is proposed to be located, including adjacent and surrounding properties*:

The proposed facility will provide a new source of employment and revenue to the City while remaining under close regulation and oversight by both the City and State.

(4) *Whether the applicant has adequately addressed potential community benefits of the use to offset potential adverse impacts*:

At the time of approval of a Cannabis Business Permit, each business entity will be required to pay a fee which has been determined to provide adequate cost recovery to the city for all activities, including police surveillance, associated with the proposed business. Further, as provided in a required operating agreement, a generalized contribution will be determined based on gross receipts derived from cannabis uses that will generate essential funds for protecting vital City services and facilities and mitigate impacts, and will help fund general municipal services and place such businesses on more equal footing with existing City businesses.

The applicant has also included a Community Relations Plan and assigned a Community Relations Manager, Shanan Day. (Attachment 5 in the Planning Commission Report)

The applicant has also include additional community benefit actions that they propose to conduct their business with good neighbor relations such as neighborhood clean-up and graffiti removal, donating assistance to Meals on Wheels, and Holiday Family Hosting.

(5) *The extent of support or opposition to the proposed use and the location from members of the community*:

Public notice of the proposed cannabis use was provided in accordance with state law and in accordance with city requirements for notice within a 1,000-foot radius. One individual spoke at the Planning Commission meeting on September 20, 2018, to express a more general concern with regard to local and state regulations regarding cannabis use that may be in conflict with federal law. He expresses caution and concern.

(6) *The number of cannabis uses located or proposed to be located within 1,000 feet of the proposed location:*

The closest proposed cannabis uses a cannabis manufacturing and a cannabis distribution facility located at 1230 Harter Avenue, Suites F and J, (ProTerp Manufacturing, LLC and Epic Bros Enterprises, Inc) which is approximately 2090 feet from this project site.

However, the reality is that there are a limited number of sites and/or buildings currently available to cannabis uses. This limitation may be due to a number of reasons, such as the reluctance of some owners to lease space to cannabis uses; a lack of availability of smaller spaces within industrial buildings, which are more suitable to smaller scale manufacturing uses; and a number of restricted sites due to their proximity to sensitive uses. It is possible in the future that more cannabis related uses may request to locate in this proximate area due to the appropriate facility size available and a willing property owner.

Comments received have also intimated that vertical integration of uses is the most desirable for quality control purposes and safety. Vertical integration involves the combination of related cannabis uses housed in one facility. It has been suggested that should the city consider allowing indoor commercial cultivation, that additional larger sized buildings may function better for cannabis uses.

(7) *The extent to which the proposed use would cause a further overconcentration of that particular type of use in the area*:

At this time, there is no overconcentration of cannabis uses. See discussion above. The City may find that on a limited scale that it is acceptable to have multiple cannabis uses located in a specific area.

(8) *The background and history of the applicant, including the nature and extent of problems on any premises where he or she has operated a cannabis business in the past*:

The applicants have completed all requests for "Live Scan" and provided all required background information concerning past history with regard to Cannabis uses. The applicant informed staff in June 2018 that there is an active civil matter pending which involves two members of Tanforan Ventures, LLC regarding a prior cannabis cultivation operation in Yolo County. The applicants have not applied for a continuing cultivation permit in Yolo County. Staff has discussed the situation with the Yolo County Task Force and members of the District Attorney's office. At this time, there does not appear to be adequate information to warrant recommending a denial of the proposed application. Staff will continiue to stay in contact with the County and will provide review and oversight of the proposed business operations. Section 13A-3-06 and 09 provides the City the ability to deny, revoke, or suspend a CBP should one of the conditions exist. The most specific condition for consideration is whether, within the 12 months of the date of the application, either the applicant has had a state or local cannabis-related land use or business permit revoked; or if any of its managers were assosciated with a cannabis business that had its cannabis-related permit revoked. Conditions of Approval have been provided that allow the City to inspect the business and to monitor records as may be needed.

(9) *Whether there is a history of police or crime related problems in the area of the proposed location which may be exacerbated by the establishment of the proposed cannabis use*:

The Police Department ran review of calls for service within a 1000-foot radius from the project site for the past calendar year. The calls for service do not reflect a high volume of police activity, especially for crime related calls. It is believed that establishment of the proposed cannabis operation, as conditioned, would not exacerbate crime related activities.

Cannabis Business Permit Review – Municipal Code Chapter 13A

The CBP provides for the review of operational features for each cannabis business entity and is required in addition to a state license. A CBP is required prior to initial operation and requires annual review. Prior to issuance of the CBP fees must be paid and a final Operating Agreement and Indemnification statement

approved. The CBP is approved by the Community Development Director. Operating details including a Security Plan, Lighting Plan, Odor Control Plan, Business Plan, and Community Relations Plan are required as part of the CBP review. Some of these items, such as the Odor Control Plan and Community Relations Plan have been provided as part of the Conditional Use Permit review and are included as Attachments to the Planning Commission Staff Report (Attachments 4 & 6 in the Planning Commission staff report). Items of particular concern that are required as part of the CBP review include a Business Plan, Security Plan, and an Operating Agreement and Indemnification Statement.

Business Plan
A plan describing how the cannabis business will operate in accordance with this code, state law, and other applicable regulations. The plan must include plans for hours of operation, handling cash, and transporting cannabis and cannabis products to and from the business site, as may be applicable. Some aspects of this plan may be confidential. The applicant has provided an initial Business Plan with the CUP application, as well as an Odor Control Plan, (Attachments 4, and 6 to the Planning Commission Staff Report).

Security Plan
The Draft Security Plan is a confidential document that generally addresses safety concerns related to vandalism, internal and external theft, lighting, video surveillance, security personnel, and other crime prevention. All interested parties to a cannabis business permit application are subject to fingerprinting and a criminal background investigation. The security plan has been reviewed by the Police and Fire Departments as part of the conditional use permit review. A final security plan will be required prior to issuance of the CBP.

Operating Agreement and Indemnification:
The City and applicant shall enter into an operating agreement with each proposed business entity (High Five Solutions and ORMEX Enterprises), in a form approved by the City Council and City Attorney, in which the applicant releases the city from any damages or liabilities of any kind for violation of state or federal law and agrees to defend, indemnifies, against any and all claims or actions. In addition, the applicant agrees to operating terms and conditions mutually agreed upon that ensure that the community benefits derived from the proposed cannabis business adequately address potential adverse effects.

A copy of the draft template operating agreement is included with the Resolution authorizing the City Manger to execute the final agreement. The agreement includes specific provisions as follows:
- Length of agreement term; a two-year "Initial Term", with two (2), two -year (2-year) extensions possible
- Requires a monthly community benefit fee payment of either $5,000 or five percent (5%), whichever is greater
- Provides the basis for calculating the monthly payment based upon a definition of annual gross receipts which allows for specified exceptions
- Includes Termination Rights for the City, in addition to those provided in the Conditional Use Permit and code provisions contained in Chapter 13A
- Includes Release and Indemnification obligations
- Includes Insurance requirements.

Staff is seeking City Council's agreement with the baseline terms for the operating agreements, subject to possible minor revisions at the discretion of the City Manager and City Attorney.

Public Contact and Notification
Public notice advertising for the public hearing on this project was prepared by the Community Development Department in accordance with notification procedures set forth in the City of Woodland's Municipal Code and

State Planning Law. Two methods of public notice were used:

• Legal notice was published in the Woodland Daily Democrat at least ten days prior to the public hearing.
• Notices were mailed to all property owners within 1,000 feet of the project site.

Notice of the applications were provided prior to both the Planning Commission and City Council hearings.

One member of the public, Dale Dennis, spoke at the Planning Commission meeting of September 20, 2018. Mr. Dennis expressed concern that the State and Local regulations are not consistent with Federal regulations concerning marijauana, which is still considered a class 1 drug.

Commission Recommendation

The Planning Commission reviewed this item at a public hearing during the September 20, 2018 regular agenda. They accepted a staff presentation, comments from the public and from the applicant as they considered the matter. Staff discussed that both the Building and Fire Departments have code requirements to address the manufacturing uses and have not expressed concern to staff regarding the proposed use. Furhter, while the manufacturing process is highlighted as "volatile" in the State regulations, there are in fact many manufacturing business, inlcuding any type of extraction of oils, that utilze similar systems.

The Planning Commission voted Ayes (4) (Wells, Harris, Lizzarraga, Murphy); Noes (0); Abstain (2) (Holt, Lopez); Absent (1) (Lampkin) to approve the Tanforan Ventures, LLC cannabis manufacturing, distribution, and testing master CUP application, as conditioned and recommended by staff.

City Council Subcommittee

Staff met with the Council Subcommittee to review the proposals and draft terms of the operating agreement on October 10, 2018.

Recommendation for Action:

Staff recommends that the City Council:

1. Receive a staff report;
2. Conduct a public hearing;
3. Find that the project is exempt from further environmental review pursuant to Class 1 and Class 32 Categorical Exemptions under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA;
4. Adopt Resolution No. _____, approving a Conditional Use Permit for commercial cannabis manufacturing,distribution, and testing businesses at 1460 Tanforan Avenue, conditioned upon approval of an appropriate Cannabis Business Permit and recommended conditions of approval; and
5. Adopt Resolution No. _____, authorizing the City Manager, pursuant to Section 13A-3-04(9) to approve a final Operating Agreement for a commercial cannabis manufacturing, distribution and testing business at 1460 Tanforan Avenue.

Attachments:

1. 1 CC Reso Tanforan Ventures CANN CUP with Conditions of Approval
2. 2 CC Reso Operating Agreeming High Five CANN Man

3. 3 CC Reso Operating Agreement ORMEX CANN Dist
4. 4 Applicaiton Narrative and Site and Floor Plans TanVen.rev
5. 5 Planning Commission Report Tanforan Vent 9.20.18

Paul Navazio
City Manager

RESOLUTION NO. PC 18-0_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING A CONDITIONAL USE PERMIT FOR CANNABIS DISTRIBUTION, MANUFACTURING AND TESTING BUSINESSES LOCATED AT 1460 TANFORAN AVENUE

WHEREAS, the applicant has applied for a Conditional Use Permit for a commercial cannabis distribution, manufacturing and testing lab facilities within an existing one-story multi-tenant 64,000 square foot building in the Industrial with a Light Industrial Flex Overlay zone.

WHEREAS, the project is exempt from further environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Class 1 Categorical Exemption, Existing Facilities), as the City Council of the City of Woodland finds as follows:

- The project consists of the permitting and minor alterations of an existing private structure that involves negligible expansion of the use beyond that existing at the time of the lead agency's initial determination as the existing facility is already zoned to allow industrial and manufacturing uses similar to the proposed project;
- The project consists of minor alterations for additional mechanical and security equipment to operate a cannabis business that utilizes existing utility infrastructure;
- The project will not have any biological, air, water, traffic, or noise impacts;

WHEREAS, the proposed use and its operating characteristics are consistent with the general plan, as the site is located in the Industrial/ Light Industrial Flex Overlay designation, which provides for industrial, distribution, and manufacturing uses that occur entirely within an enclosed building and are employment generating; and

WHEREAS, The Planning Commission at its regularly scheduled meeting on September 20, 2018, conducted a public hearing to consider the proposed use and after review, public testimony, and deliberation, voted to recommend approval of Tanforan Ventures, LLC cannabis conditional use permit to the City Council as follows: (4) Ayes; (0) Noes; (2) Abstain; and (1) Absent; and

WHEREAS, The City Council funds that the proposed use is consistent with policies that encourage job expansion through business expansion, that encourage emerging industries and new market opportunities, that support agricultural related industry as well as the technology sector;

WHEREAS, the City Council finds that the proposed use and its operating characteristics are consistent with the applicable standards, requirements, and regulations of the zoning district in which it is located, and of all other provisions contained in Article 25-21.6 pertaining to commercial cannabis uses, and all operations will be conducted inside of the existing building;

WHEREAS, the proposed use is in on a site and in a building that is physically suitable in terms of location, size, topography, and access, and that is adequately served by public and private services and utilities;

WHEREAS, the proposed cannabis business uses will not adversely affect the peace or general welfare of the surrounding neighborhood, as follows:

- The proposed use is not consumer based (no retail sales will occur at the premises) and therefore, will result in low vehicle traffic;
- The odor control plan will ensure no odors will be detectible outside the building;
- All activities will take place inside the building and will not be visible from the outside;
- A secured and fenced area will provide a secure area for trash storage.
- All signage will be limited and the applicant will have a final lighting and security plan approved by the Police and Fire Departments to ensure internal and external safety**;**

WHEREAS, the proposed use will enhance the economic vitality of the area in which it is proposed to be located, including adjacent and surrounding properties, the applicant will provide tenant improvements to the building including the addition of walls, partitions, and the use of a loading door and fenced secure loading and trash enclosures out side the building, and the project will be required to maintain the site in a clean and well kept manner;

WHEREAS, based on existing circumstances, police data, and the background and history of the applicant, the City Council finds that proposed use will not cause an overconcentration of cannabis uses in the area, potential community benefits of the use are likely to offset potential adverse impacts, and the proposed use is not likely to exacerbate crime-related problems in the area;

WHEREAS, a public notice describing the proposed cannabis conditional use permit was published in the Daily Democrat, a newspaper of general circulation, in accordance with Government Code section 60661 and mailed to properties within 1,000 feet; and

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Woodland, based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby make the above findings, determinations, and recommendations with respect to the proposed Conditional Use Permit, approves of the proposed Conditional Use Permit, as conditioned and attached hereto.

PASSED AND ADOPTED by the City Council this 16th day of October, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Enrique Fernandez, Mayor

ATTEST:

_____
Ana Gonzalez, City Clerk

APPROVED AS TO FORM:

_____
Kara K. Ueda, City Attorney

Attachment 1 – Conditions of Approval

CONDITIONS OF APPROVAL
Tanforan Ventures LLC - 1460 Tanforan Avenue

1. The project is as described in the staff report prepared for the September 20, 2018, Planning Commission meeting and the October 16, 2018 City Council meeting and shall consist of administrative offices, cannabis manufacturing (including authorized volatile extraction), distribution and testing facilities within an existing 64,000-foot tenant space. The project shall be established and operated as depicted in the staff report, except as modified in these conditions of approval and with any changes necessary to comply with City codes and specifications.

2. The applicant shall defend, indemnify, and hold harmless the City of Woodland, its agents, officers or employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul an approval of the subject application by the City, its legislative body, advisory agencies or administrative officers. The City will promptly notify the applicant of any such claim, action or proceeding against the City and the applicant will either, at the City's discretion, undertake defense of the matter and pay the City's associated legal costs, or will advance funds to pay for defense of the matter by the City Attorney.

3. The applicant shall secure approval and satisfy requirements of all agencies with jurisdiction prior to operating the cannabis business.

4. The Conditional Use Permit shall not be issued until the appeal period has expired or final action on an appeal has been rendered.

5. The Conditional Use Permit must be exercised within one year of issuance, or it shall be deemed null and void by act of law (Section 25-27-70).

6. The project approval is for the project as described in the above staff report and related attachments, which depict the projects proposed map, site and floor plans, business plan, community relations plan, odor control plan, energy efficiency plan, and plant oil and chemical waste disposal plan. Should there be a change in the use or an intensification of the described use, the change shall be described and provided in writing to be evaluated by the Community Development Director to determine general consistency with the provisions of the use permit. The Director shall either approve the proposed changes based on a finding that the changes shall not result in significant traffic, noise, safety or security concerns or other potential nuisance to surrounding property owners or within public right-of-ways beyond that anticipated by the original approval, or, if these findings cannot be made, the Director shall make a determination that a Conditional Use Permit Modification is required, which shall include Planning Commission review including applicable processing and development fees.

7. Environmental Recording Fee. Applicant shall provide the Community Development Department with a check for the sum of $50 made out to Yolo County to record the CEQA environmental document (Notice of Exemption) with the County.

8. The applicant shall comply with all state and local ordinances, including the provisions required of Chapter 13A of the Municipal Code and the requirement to secure a Cannabis Business Permit, including approval of an Operating Agreement, for each business entity operating at the location as part of the approved conditional use permit. The applicant shall obtain and maintain, prior to operation of the business and continuing at all times the business is in operation, a valid Cannabis Business Permit and all applicable state license(s). All requirements, terms and conditions of the

Cannabis Business Permit, Operating Agreement, and applicable state license(s) shall be considered conditions of this conditional use permit. Failure to comply with all applicable state and local laws and ordinances, the Cannabis Business Permit, Operating Agreement, and/or applicable state license(s) shall be deemed a violation of the conditional use permit and may result in revocation of the use permit.

9. As set forth and agreed to in the Operating Agreement for each approved Cannabis Business Permit, the business/applicant shall pay a fee in the form and in the amount and manner agreed upon between the City and the business receiving a Cannabis Business Permit. If, during the term of the Operating Agreement, the city imposes an alternative revenue mechanism, specifically related to cannabis operations (e.g. cannabis tax), the business/applicant will pay the city the greater of the two payments, or as otherwise agreed by the City or mandated by law.

10. If the applicant wishes to relocate, significantly modify the approved site layout and allowed cannabis uses, the applicant shall secure a new conditional use permit, or modification to the existing conditional use permit prior to any modification or occupancy of the site by a new or modified use.

11. If the Community Development Director finds evidence that conditions of approval have not been fulfilled or that the use or uses has or have resulted in a substantial adverse effect on the health, and/or general welfare of users of adjacent property, or have a substantial adverse impact on public facilities or services, the Community Development Director may refer the Conditional Use Permit to the Planning Commission for further review. If, upon such review, the Commission finds that any of the adverse results above have occurred, the Planning Commission shall recommend to the City Council to modify or revoke the Conditional Use Permit. If upon such review the City Council finds that any of the above results above have occurred, the City Council shall modify or revoke the Conditional Use Permit.

12. Upon receipt of a Cannabis Business Permit the applicant shall be subject to provisions relating to violations contained in Municipal Code Section 13A-1-09, as may be amended.

13. The applicant shall submit a final security plan for review and approval by the Police Department prior to operation and shall comply with requirements included in Section 13A-4-02, as may be amended.

14. The applicant's business shall not employ any juvenile, defined as under the age of 21.

15. No customers or sales shall occur at the facility.

16. All cannabis related activities shall take place in the interior of the building and any cannabis related activities outside the premises are strictly prohibited with the exception of the lawful receipt of raw cannabis materials received by the business and the delivery of finished lawful cannabis products to another lawful cannabis business in accordance with all applicable state and local laws governing transportation of cannabis goods. There shall be no exterior storage of materials or equipment.

17. The main entrance to the facility shall be clearly identified with proper signage to include name of business and address. Main entrance shall also provide adequate lighting per the City Security Ordinance and lighting regulations.

18. Approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be plainly visible and legible from the street or road fronting the property. Said numbers shall contrast with their background.

19. Applicant shall comply with the design requirements as stated in the Community Design Standards for any exterior changes, modifications, and additions to the subject building. All exterior changes beyond those stated in the original approval will require staff level design review.

20. The site shall be inspected and maintained daily to be clear of litter.

21. Any new signage, modifications or changes to the signage the applicant shall conform to the City Zoning Code and Sign Ordinance and shall comply with provisions of Section 13A-4-04 of the Municipal Code. Except as otherwise approved by the City in writing or by law, project signage shall include nothing in word or symbol, identifying the fact that the property is used for cannabis related activities.

22. No vehicle owned or operated by the business, or used for the transportation of product or individuals associated with the Facility shall include markings (in words or symbols) identifying the vehicle as a vehicle used for cannabis-related activities, unless otherwise required by law.

23. Photometric data shall be provided, and indicate that the parking area will be equipped with one (1) foot-candle of minimum maintained illumination per square foot of parking surface to include the entire paved area. The parking area shall be illuminated from dusk until the termination of business every operating day. Photometric data must also confirm the absent of "Hot Spots" or areas of ten (10) foot-candle of illumination per square foot or more.

24. All existing landscape planter areas shall be replanted and maintained per City Standards. Vegetative matter shall cover no less than 75% of the required landscape area unless otherwise approved by the Community Development Director. Maintenance shall include but is not limited to watering, fertilizing, weeding, cleaning, pruning, trimming, spraying and cultivation.

25. The applicant shall utilize building energy saving measures to reduce energy usage. The applicant shall submit a statement with the initial submittal of their building construction plans describing energy conserving measures that they will be implementing.

26. The applicant shall provide a minimum of two bike parking spaces for employees. Bike parking shall be provided in a safe a secure location.

27. Waste materials shall be appropriately handled. The applicant shall describe methods that will be used to make cannabis waste unusable and unrecognizable, and how cannabis waste will be stored prior to removal from the business. The applicant shall describe methods used to transport cannabis waste from the manufacturing site to a solid waste facility.

28. The applicant shall include a solvent waste disposal plan, including projected accumulation volumes and where on the property the solvent waste will be stored. The applicant shall describe how the business will transport solvent waste from the manufacturing site to a waste facility.

29. The applicant shall have an appropriate plan that considers all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.

30. The applicant shall establish safety protocols that will be adopted, including, but not limited to: staff training, protective equipment, hazardous material handling, emergency communication/response protocols, etc. The applicant shall conform to all Cal OSHA workplace safety standards.

31. The applicant shall develop a quality control guidelines and standard operating procedures that are in strict adherence to MAUCRSA, and applicable state regulations. The applicant shall establish quality control procedures for each business, manufacturing and testing to ensure that cannabis products are safe and suitable for human consumption and /or use. Quality control procedures will consider the proper handling and storage of raw materials, in-process materials, and finished product throughout the production process and shall ensure uniformity between each separately produced batch of cannabis product. This include equipment inspection and maintenance, internal controls for each step in the process, internal batch sampling and testing.

32. The applicant shall institute policies and procedures used by the business to help prevent contamination of any cannabis product. This will include hand washing, employee training, use of facemasks/gloves, prohibiting employees who are showing signs of illness, open wounds, sores or skin infections from handling cannabis, etc.

33. A toxic material control plan will be provided with the Cannabis Business Permit application that contains a description of all toxic, flammable, or other materials that will be used or kept at the cannabis business, the location of such materials, and how such materials will be stored. The toxic material control plan will include all materials regulated by a federal, state, or local government that would have authority over the business if it was not a cannabis business.

34. The applicant will establish and utilize Standard Operating Procedures that describe the steps the manufacturing facility will take when notified from a testing agency, Health Officials, or California State Regulators, that the tested cannabis product does not meet appropriate health standards. The manufacturing operator shall describe how the business will dispose of all rejected cannabis product associated with the test sample, and ensure that rejected cannabis product is not released to the public. In addition, the manufacturing operator shall provide a recall procedure which describes the policy for communicating with customers and businesses who have purchased the product from the manufacturing facility, as well as health officials. The recall plan shall describe the method to collect recalled product and dispose of it in a manner that ensures it will not be consumed.

35. The distribution and transport facility shall provide a warehouse management system integrating inventory control tools with track and trace technology. The applicant shall provide routing software the cost control mechanisms to prevent diversion, shortages, and ensure product integrity and complete transparency throughout the process. Protocols for loading and unloading, storage, and transportation of cannabis products shall be provided.

36. Any distributor and/or testing laboratory shall comply with all requirements provided by the Bureau of Cannabis Control (Bureau) (www.bcc.ca.gov).

37. Any Cannabis manufacturer shall comply with all requirements provided by the California Department of Public Health (CDPH)

BUILDING

The following comments are from the City of Woodland Building Division and are applicable to the reference project:

38. This project must meet all criteria and mandates for these City adopted codes or the most current code:

    a. 2016 California Building Code
    b. 2016 California Plumbing Code
    c. 2016 California Mechanical Code
    d. 2016 California Electrical Code
    e. 2016 Building Energy Efficiency Standards
    f. 2016 California Green Building Code
    g. The Code of the City of Woodland

39. The project will require engineered building plans for the proposed work to be plan reviewed and inspected to ensure safety. This would include compliance with California Building Codes (including the 2016 California Fire Code Chapter 38 in the July 1st, 2018 Supplement, Plant Processing and Extraction Facilities) and applicable NFPA standards.

40. Other City and County Agencies (Health, Fire, Public Works, and Planning) are be required to approve the project prior to a building permit being issued.

41. A licensed architect or licensed engineer shall be responsible for reviewing and coordinating all submittal documents prepared by others, including deferred submittal items, for compatibility with the design of the building.

42. The project will provide a final odor control plan for review and approval prior to issuance of building permits.

FIRE

43. One-hour separation wall shall be inspected for integrity and conformance to original installation standards. Inspection shall be performed on both sides of the rated wall.

44. Exit doors shall be provided with panic hardware. Exit doors shall swing in the direction of egress travel.

45. Provide exit signs and emergency means of egress illumination.

46. Prior to final occupancy, provide confirmation from a licensed professional (fire protection engineer) indicating the existing fire sprinkler system adequately provides the level of protection required for the specific operation and associated hazardous materials involved.

ENVIRONMENTAL SERVICES

47. Management of Waste
    a. If the waste generated from the cannabis facility contains green byproduct, meaning that it contains buds or that the byproduct can still be used for the making of oils or the like, then the materials must be serviced as waste (trash). Yolo County Central Landfill requires these loads to obtain a certificate of destruction with each disposal.

    b. If the waste generated is brown and does not contain buds or usable byproduct, then the materials should be hauled as organic waste, which will be composted and considered diverted materials. If loads taken to the Yolo County Central Landfill contain any green byproduct, they will be processed as waste and will require a certification of destruction.

c. Any hazardous waste materials generated (i.e. solvents, pesticides, chemicals, lamp ballasts, canisters/cylinders, personal protection equipment with residual, etc.) must be disposed of through a hazardous waste facility. Yolo County Central Landfill accepts commercial hazardous waste through their Conditionally Exempt Small Quantity Generator (CESQG) business program.

d. Recycling (cardboard, paper, and plastic, glass, or metal containers) is also required and should be separated from any waste or organics recycling loads.

e. Materials may be self-hauled to a waste or compost facility by the business in which the materials were generated. If self-hauled to the Yolo County Central Landfill, the above disposal procedures will be in effect.

f. If the materials are not self-hauled, Waste Management is the exclusive waste, recycling and organics recycling hauler for Woodland and must be used for disposal services. The business may not pay another company besides Waste Management to haul waste, recyclables, or organic materials.

g. The types of services, collection frequency, and bin sizes for waste and/or organics recycling services should be determined through Waste Management upon an assessment of the facility and types of materials generated.

h. Depending on the amount of materials generated, all waste generated from the facility should be removed from the premise no less than one time per week.

i. The City of Woodland, its residents and businesses have an obligation to meet state-mandated waste diversion requirements and requests that businesses make the highest effort possible to divert their waste through recycling or composting (organics recycling). Waste generated by a business should be processed in a manner that meet the landfill's requirements for acceptance as organic waste/composting.

j. Bins (dumpsters), roll-offs (debris boxes), or trailers used to collect materials be stationed in an area not generally accessible to the public. Bins should be padlocked, located inside of the business to deter scavenging.

POLICE

48. Site plans and floor plans shall be completed to the satisfaction of the Police Department CPTED requirements prior to issuance of building permits.

49. Exterior lighting shall be white light using LED lamps with full cutoff fixtures to limit glare and light trespass. Color temperature should be between 2700K an d4200K with a color rendering index of 75 or better and a light loss factor of 0.95 or better. All existing exterior fixtures shall be replaced with fixtures that meet this requirement.

50. Broken or damaged exterior lighting shall be repaired or replaced within 48 hours of being noted.

51. Exterior lighting shall be shielded or otherwise designed to avoid spill-over illumination to adjacent streets and properties.

52. Tree canopies shall not interfere with or block lighting. This creates shadows and areas of concealment. The landscaping plan shall allow for proper illumination and visibility regarding lighting and surveillance cameras through the maturity of trees and shrubs.

53. All solid core doors shall be equipped with a 180 degree viewing device to screen persons before allowing entry.

54. The business shall be equipped with and maintain a security system with an alarm system with a valid UL Certificate in accordance with ANSI/UL Standard 681-2014 (Standard for Installation and Classification of Burglar and Holdup Alarm), Extent No 3; and a Video Assessment and Surveillance System (VASS).

55. A hold up alarm shall be employed near the transport area, lobby, employee entrance and safe(s).

56. Burglar alarms shall cause the dispatch of a properly licensed private patrol.

57. Hold up alarms shall cause the dispatch of the Woodland Police Department.

58. The Security system shall be equipped with at least 24 hours of continued operation time in case of power failure.

59. The Security system shall be equipped with cellular backup in case of phone line disruption.

60. The facility shall be staffed at all times that the security system is not fully functional.

61. A log shall be maintained that shows when the alarm system was armed and disarmed, and by whom.

62. VASS storage shall be kept off-site or in a secured area accessible only to management.

63. VASS shall be capable of no less than 30-days worth of activity and shall provide comprehensive coverage of: safe, areas of ingress and egress, parking lot, loading areas, areas not clearly visible from public streets, and coverage of all exterior areas of the building.

64. Monitors displaying the employee parking area shall be mounted in a visible location near the door from which employees will arrive and depart so that employees may monitor the outside environment prior to departing the facility.

65. The applicant is responsible for reasonably controlling the conduct of persons of the site and shall immediately disperse loiterers.

66. Applicant shall install a “Knox Box” for police access of the exterior areas of the property after hours.

RESOLUTION NO. CC 18-0_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN OPERATING AGREEMENT WITH HIGH FIVE SOLUTIONS, INC., FOR A CANNABIS MANUFACTURING BUSINESS LOCATED AT 1460 TANFORAN AVENUE, SUITE A

WHEREAS, the applicant High Five Solutions, Inc., submitted a Conditional Use Permit application to operate a Commercial Cannabis Distribution Facility ("Cannabis Business") in approximately 32,000 square feet in the existing building located at 1460 Tanforan Avenue, Suite A ("Subject Property"); and

WHEREAS, the City Council, following a Planning Commission recommendation to approve the use, approved granting a conditional use permit to the Cannabis Business to conduct commercial cannabis activities at the Subject Property, subject to conditions of approval and contingent on issuance of a cannabis business permit, state license(s) and execution of an Operating Agreement; and

WHEREAS, Section 13A-3-04(a)(9) of the Woodland Municipal Code provides that the City shall enter into an Operating Agreement and Indemnification, in conjunction with the issuance of a Cannabis Business Permit, in which the Cannabis Business agrees to abide by the requirements of the Municipal Code and any other operating terms and conditions as mutually agreed by the parties; and

WHEREAS, the City Council finds that both community benefits and potential adverse impacts may result from the operation of cannabis businesses in the City, and therefore desires to ensure all such impacts are adequately mitigated and offset by the potential community benefits the businesses can provide to the City and its residents; and

WHEREAS, the Cannabis Business and the City have therefore mutually agreed to enter into an operating agreement whereby the Cannabis Business will make certain minimum payments to the City to provide for projects, programs, and other services and activities that will positively contribute to the community and account for any adverse impacts or increases in need for services caused by the operation of the Cannabis Business in the community; and

WHEREAS, the proposed Operating Agreement additionally addresses other mutually agreeable terms and conditions regarding operation of the Cannabis Business, including minimum insurance requirements, security procedures, and indemnification.

NOW, THEREFORE, the City Council hereby resolves as follows:

1. The City Council adopts the findings above as true and correct.

2. The City Council hereby approves of an Operating Agreement between the City and High Five Solutions, Inc., generally consistent with the terms and conditions provided in the Operating Agreement attached hereto as Attachment 1.

3. The City Manager, or his or her designee, is authorized to execute an Operating Agreement in substantially the form provided in Attachment 1, subject to any minor, technical, non-substantive or necessary changes approved by the City Attorney, and any other supporting documents necessary to execute the Operating Agreement. The City Attorney is hereby authorized to make clarifying and confirming changes to the Agreement, provided the total payment amount under the Agreement does not change.

4. The Operating Agreement shall be executed prior to issuance of a Cannabis Business Permit.

PASSED AND ADOPTED by the City Council this 16th day of October, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Enrique Fernandez, Mayor

ATTEST:

_____
Ana Gonzalez, City Clerk

APPROVED AS TO FORM:

_____
Kara K. Ueda, City Attorney

Attachment 1: Draft Operating Agreement

DRAFT

OPERATING AGREEMENT FOR CANNABIS BUSINESS LOCATED IN THE CITY OF WOODLAND

HIGH FIVE SOLUTIONS, INC LOCATED AT 1460 TANFORAN AVENUE, SUITE A

This Operating Agreement for a Cannabis Business (hereinafter "Agreement"), dated _____, 2018 ("Effective Date"), is entered into by and between the City of Woodland (the "City"), a California municipal corporation, and High Five Solution, Inc a cannabis volatile manufacturing facility ("Cannabis Business"). The City and Cannabis Business may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Cannabis Business submitted an application to the City for a conditional use permit to conduct certain cannabis uses in the City, located at 1460 Tanforan Avenue, Suite A ("Subject Property"); and

WHEREAS, the City granted a conditional use permit to the Cannabis Business on October 16, 2018, to permit cannabis volatile manufacturing at the Subject Property, subject to conditions of approval, issuance of a cannabis business permit and execution of this Agreement; and

WHEREAS, Section 13A-3-04(a)(9) of the Woodland Municipal Code provides that the City shall enter into an Operating Agreement and Indemnification, in conjunction with the issuance of a Cannabis Business Permit, in which the Cannabis Business agrees to abide by the requirements of the Municipal Code and any other operating terms and conditions as mutually agreed by the parties; and

WHEREAS, the City Council of the City of Woodland has determined that both community benefits and potential adverse impacts may result from the operation of cannabis businesses in the City, and therefore desires to ensure all such impacts are adequately mitigated and offset by the potential community benefits the businesses can provide to the City and its residents; and

WHEREAS, the Cannabis Business and the City have mutually agreed to certain minimum payments to the City to provide for projects, programs, and other services and activities that will positively contribute to the community and account for any adverse impacts or increases in need for services caused by the operation of the Cannabis Business in the community.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants set forth herein, the Parties agree as follows:

AGREEMENT

1. **Incorporation of Recitals.** The Recitals, and all defined terms set forth in this Agreement, are hereby incorporated into this Agreement as if set forth herein in full.

2. **Definitions.** The following terms shall have the following meanings for purposes of this Agreement, but other terms may be defined elsewhere in this Agreement.

A. “Cannabis business permit” means the regulatory permit issued by the City to the Cannabis Business pursuant to the provisions of Chapter 13A of the Woodland Municipal Code.

B. “Cannabis manufacturing” means the compounding, blending, extracting, infusing, or otherwise making or preparing a cannabis product, as permitted by Article 21.6 of the Zoning Code, expressly including the production, preparation, propagation, processing, or compounding of cannabis or cannabis products directly or indirectly, including through extraction and/or chemical synthesis methods. Nothing in this definition shall be construed to conflict with, preempt or replace applicable state law requirements for authorized cannabis manufacturing activities, nor does this definition authorize any activity that is otherwise illegal under state law.

C. “City” means the City of Woodland.

D. “City Permits” means all building permits, conditional use permits, zoning amendments, operating agreements, and other permits, including the Cannabis Business Permit, licenses, entitlements, and agreements that the City, acting in its governmental capacity, must issue or approve for the Cannabis Business to operate in accordance with this Agreement.

E. “Commencement Date” means the date that all of the following have occurred: (1) the City has issued all necessary City Permits; (2) the Cannabis Business has obtained all necessary State Licenses to operate; and (3) the Cannabis Business has obtained a certificate of occupancy.

F. “Community Development Director” means the Community Development Director and his or her designee.

G. “Conditional Use Permit” means the conditional use permit issued by the City to the Cannabis Business pursuant to the City’s Zoning Code, as approved by the City Council on or about October 16, 2018, as may be amended, related to the operation of a commercial cannabis business.

H. “Effective Date” means the date first entered above as the Effective Date that both Parties have signed this Agreement.

I. “Gross Receipts” means the total amount actually received or receivable from sales and the total amounts actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise. Included in “gross receipts” shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, all cost of materials used, labor or service costs, interest paid or losses or other expenses. The following shall not be included in the definition of “Gross Receipts: (1) Cash discounts allowed and taken on sales; (2) Such part of the sale price of property returned by purchasers upon rescission of the contract of sale as is refunded either in cash or by credit; and (3)

Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business shall not be excluded.

J. "Manager" means a person with responsibility and authority over the establishment, management, supervision, or oversight of the operation of the Cannabis Business.

K. "State License" means all licenses required to be issued by the State of California for operation of the Cannabis Business pursuant to Division 10 of the Business and Professions Code and applicable state regulations, including Division 42 of Title 16, Division 8 of Title 3, and Division 1 of Title 17 of the California Code of Regulations, as those provisions may be amended.

L. "Term" means the period of time this Agreement is in effect, and any renewal periods, as specified in Section 3.

3. Term of Agreement. The Term of this Agreement shall commence on the Effective Date and continue for a period of two (2) years therefrom ("Initial Term"), unless earlier terminated as specified in this Agreement. Prior to the expiration of the Initial Term and any subsequent Renewal Period, the Parties may mutually agree to extend the Term of this Agreement for up to two (2) additional two-year (2-year) terms to run consecutively (each a "Renewal Period").

4. General Terms and Conditions. The Cannabis Business shall comply with all of the following terms and conditions for the Term of this Agreement:

A. This Agreement is only valid for the Cannabis Business to operate at the Subject Property identified in this Agreement. The rights and obligations set forth in this Agreement shall not be transferred, assigned, or assumed unless agreed to in advance in writing by the City.

B. Conditions placed on the Cannabis Business Permit and the Conditional Use Permit shall be conditions of this Agreement. Violations of the Cannabis Business Permit, the Conditional Use Permit and/or applicable State Licenses shall be deemed violations of this Agreement and shall constitute a material breach of this Agreement.

C. The Cannabis Business shall obtain and maintain at all times a valid Cannabis Business Permit, Conditional Use Permit, and applicable State License(s) prior to and during operation of the Cannabis Business.

i. As soon as practicable, the Cannabis Business shall inform the City when it obtains its necessary State License(s), and shall provide a copy of the State License(s) to the Community Development Director. The City shall cooperate with the Cannabis Business as appropriate and as needed to facilitate the State's issuance of a State License(s) to the Cannabis Business.

ii. The City shall diligently process the Cannabis Business's applications for all City Permits. This Agreement does not commit the City in advance to approve the City Permits; nor does this Agreement constrain the City's discretion to

determine compliance with all requirements regarding issuance of any City Permits. Nothing in this Agreement relieves the Cannabis Business of the obligation to comply with all requirements and application procedures set forth in Chapter 13A of the Woodland Municipal Code.

D. The Cannabis Business understands, acknowledges and agrees to comply with all applicable then-existing state and local laws and regulations applicable to operation of the Cannabis Business, including Chapter 13A of the Woodland Municipal Code.

5. Operational Requirements. In addition to all operating requirements set forth in Article IV of Chapter 13A of the Woodland Municipal Code, the Cannabis Business shall comply with the following specific operational requirements:

A. The Cannabis Business shall immediately notify the City Police Department of any criminal activity, or suspected criminal activity, occurring at the Subject Property. In the event of any internal security system breach, including a faulty alarm system, broken or damaged surveillance cameras or other video recording equipment, or broken or damaged locks, doors, or lighting which may increase risk of criminal activity at the Subject Property, the Manager of the Cannabis Business shall notify the City Police Department as soon as practicable after becoming aware of the security system breach. The Cannabis Business shall diligently attempt to fix or resolve any such security breach immediately; if circumstances require additional time and delay to remedy, the Cannabis Business shall so notify City police and provide an estimated timeline the breach will be cured.

B. If the Cannabis Business receives any criminal threats, or otherwise suspects any criminal targeting related to movement of product or cash from or to the Subject Property, the Cannabis Business shall immediately notify the City Police Department.

C. [INSERT ANY OTHER SPECIFIC REQUIREMENTS FOR THE PARTICULAR SITE]

6. Consideration. As consideration for the rights and benefits it enjoys under this Agreement, including its operation of approved cannabis uses in the City during the Term, the Cannabis Business shall do all of the following:

A. Monthly Payment. The Cannabis Business shall pay to the City a community benefit fee in the amount of $5,000 or five percent (5%) of the Cannabis Business's gross receipts, whichever is greater, per month ("Monthly Payment").

i. Monthly Payments shall be calculated per calendar month, due and payable on the 15th day of the subsequent calendar month. By way of example only, a Monthly Payment for the month of September would be calculated from September 1 through September 30, due and payable on October 15.

ii. The obligation to make Monthly Payments shall begin as of the Commencement Date. If the Commencement Date falls on a day other than the

first day of a month, the $5,000 flat-rate amount shall be prorated for purposes of calculating the first Monthly Payment.

iii. If a Monthly Payment is not paid in full within fifteen (15) days after it is due and payable, the Monthly Payment shall accrue a penalty of five percent (5%) compounding for each month the Monthly Payment is late, until the Monthly Payment and all penalties are paid in full.

iv. Monthly Payments shall be made to the City's Finance Department. In the event the Cannabis Business intends to pay a Monthly Payment in cash in an amount that exceeds $5,000, the Cannabis Business shall notify the City in advance to make prior arrangements.

v. The Cannabis Business shall keep accurate and adequate records and documentation to reflect its monthly gross receipts. Pursuant to section 13A-4-09 of the Woodland Municipal Code, the Cannabis Business shall maintain all such records for at least three (3) years, and shall produce those records to the City within 24 hours after receipt of the City's request.

vi. Accompanying the Monthly Payment, the Cannabis Business shall deliver to the City a report ("the Monthly Report") showing (1) Gross Receipts of the Cannabis Business for the immediate prior month; 2) a cumulative total of all amounts of Gross Receipts received by the Cannabis Business to date for the calendar year, (3) a calculation of the Monthly Payment currently due to the City; and (4) a calculation of the cumulative total of all Monthly Payments made to the City to date for the calendar year.

vii. In the event that City voters approve a cannabis-specific tax to be imposed on cannabis businesses operating in the City, including the Cannabis Business, the obligation to make Monthly Payments under this Agreement shall terminate as of the effective date of the cannabis tax. Nothing in this Agreement shall relieve the Cannabis Business of the obligation to pay all applicable State and local taxes, including a possible future City cannabis tax.

B. Community Contributions. The Cannabis Business, as part of its project proposal submitted to the City and accepted and approved by the City Council, promised to make certain additional community contributions to the City of Woodland to ensure that any potential adverse impacts of the Cannabis Business are adequately offset by the business's positive community contributions. Accordingly, the Cannabis Business agrees to provide the following: (List)

i. [REMOVE THIS SUBSECTION B IF NOT APPLICABLE; IF THE BUSINESS PROPOSED ADDITIONAL COMMUNITY CONTRIBUTIONS THAT ARE ACCEPTABLE TO THE CITY, LIST THEM HERE]

7. Termination. The City and/or Cannabis Business may terminate this Agreement prior to expiration of the Term for the reasons and subject to the requirements set forth below. The Cannabis Business understands and acknowledges that the right to operate the Cannabis

Business is expressly contingent on full execution of an Operating Agreement, as required by section 13A-3-04(a)(9) of the Woodland Municipal Code. As such, termination of this Agreement shall result in the immediate termination of the Cannabis Business's operations, unless and until a new Operating Agreement is executed by the Parties

A. City's Termination Rights. Without prejudice to its other remedies at law or in equity, the City may terminate this Agreement, at any time and in its sole discretion, effective thirty (30) days after the City provides written notice of termination to the Cannabis Business, if any of the following circumstances occurs:

    i. The Cannabis Business breaches its obligation to pay the Monthly Payments when due and fails to cure the breach within thirty (30) days after the City provides the Cannabis Business with a written notice of default.

    ii. The Cannabis Business breaches its obligation to perform in accordance with any material provision of this Agreement, other than the obligation to pay the Monthly Payment, and: (A) does not cure the breach within thirty (30) days after the City provides the Cannabis Business with a written notice of breach or, if the breach cannot reasonably be cured within 30 days, (B) does not begin work to cure the breach within thirty (30) days after the City provides the Cannabis Business with a written notice of breach. The Parties may mutually agree in writing to extend the time period to cure the breach. The express designation in this Agreement of a provision as "material" does not imply that other provisions are not material.

    iv. The Cannabis Business fails to obtain and maintain at all times prior to and during operation of the Cannabis Business a valid Cannabis Business Permit and State License(s), or violates any condition of approval of the Conditional Use Permit.

    v. The uses and business activities of the Cannabis Business are declared unlawful by order of Court, or become illegal by operation of State law.

B. Cannabis Business's Termination Rights. The Cannabis Business may, at any time and in its sole discretion, effective thirty (30) days after the Cannabis Business provides written notice of termination to the City, may terminate this Agreement if the Cannabis Business has permanently ceased operations, or intends to cease operations within thirty (30) days, in the City of Woodland.

8. Release & Indemnification. The Cannabis Business shall release and hold harmless the City, its agents, officers, elected officials, staff and employees (collectively, "City Parties") from any and all claims, injuries, damages, or liabilities of any kind arising from: (i) any repeal or amendment of Chapter 13A of the Woodland Municipal Code, or any provision of the Zoning Code relating to the Cannabis Business, and (ii) any arrest or prosecution of the Cannabis Business or its owners, Managers, staff, employees, or members for violation of state or federal laws. The Cannabis Business shall further defend, indemnify and hold harmless the City Parties from and against any and all claims or actions: (i) brought by

adjacent or nearby property owners or any other parties for any damages, injuries, or other liabilities of any kind arising from or related to the Cannabis Business operations at the Subject Property, and (ii) brought by any party for any problems, injuries, damages, or other liabilities of any kind, including bodily injury, death or property damage, arising out of the distribution of cannabis or cannabis products at the Subject Property. The obligations in this Section 7 Release & Indemnification shall survive any expiration or termination of this Agreement.

9. Insurance.

A. Time for Compliance. The Cannabis Business shall not begin operations until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. Failure to provide and maintain all required insurance shall constitute a material breach of this Agreement.

B. Types of Required Coverages. Without limiting the indemnity provisions of this Agreement, the Cannabis Business shall procure and maintain in full force and effect during the term of the Agreement, the following policies of insurance:

i. Commercial General Liability. Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 0001, with minimum limits of at least $1,000,000 per occurrence. Defense costs shall be paid in addition to the limits.

The policy shall contain no endorsements or provisions limiting coverage for (1) products and completed operations; (2) contractual liability; (3) third party action over claims; or (4) cross liability exclusion for claims or suits by one insured against another.

ii. Automobile Liability. Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) with minimum limits of $1,000,000 each accident.

iii. Workers' Compensation. Workers' Compensation Insurance, as required by the State of California and Employer's Liability Insurance with a limit of not less than $1,000,000 per accident for bodily injury and disease.

If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement.

C. Endorsements.

i. The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability shall be endorsed to provide the following:

a. Additional Insured. The City's indemnified parties shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement. Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of Consultant; or (4) contain any other exclusions contrary to the Agreement.

b. Primary Insurance and Non-Contributing Insurance. This insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the indemnified parties shall not contribute with this primary insurance.

c. Severability. In the event of one insured, whether named or additional, incurs liability to any other of the insureds, whether named or additional, the policy shall cover the insured against whom claim is or may be made in the same manner as if separate policies had been issued to each insured, except that the limits of insurance shall not be increased thereby.

d. Cancellation. The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon the City except ten (10) days prior written notice shall be allowed for non-payment of premium.

e. Duties. Any failure by the named insured to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the indemnified parties.

f. Applicability. That the coverage provided therein shall apply to the obligations assumed by the Cannabis Business under the indemnity provisions of this Agreement, unless the policy or policies contain a blanket form of contractual liability coverage.

ii. The policy or policies of insurance required by this section for Workers' Compensation shall be endorsed, as follows:

a. Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the City's indemnified parties.

b. Cancellation. The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon the City except ten (10) days prior written notice shall be allowed for non-payment of premium.

DRAFT

D. Deductible. Any deductible or self-insured retention must be approved in writing by the City and shall protect the City's indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

E. Evidence of Insurance. The Cannabis Business shall, concurrently with execution of this Agreement or as soon thereafter as may be authorized by the City, deliver either certified copies of the required policies, or original certificates and endorsements on forms approved by the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, the Cannabis Business shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

F. Failure to Maintain Coverage. The Cannabis Business agrees to suspend and cease all operations hereunder during such period of time if the required insurance coverage is not in effect and evidence of insurance has not been furnished to the City.

G. Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

H. Insurance for Subcontractors. All subcontractors shall be included as additional insureds under the Cannabis Business's policies, or the Cannabis Business shall be responsible for causing subcontractors to purchase the appropriate insurance in compliance with the terms of this Agreement, including adding the City as an Additional Insured.

10. Notice. Any notice or other communication provided pursuant to this Agreement must be in writing and shall be considered properly given and effective only when mailed or delivered in the manner provided by this Section 9 to the persons identified below. A mailed notice or other communication shall be considered given and effective on the third day after it is deposited in the United States Mail (certified mail and return receipt requested). A notice or other communication sent in any other manner will be effective or will be considered properly given when actually delivered. A Party may change its address for these purposes by giving written notice of the change to the other Party in the manner provided in this Section 9.

If to the City:	**If to Cannabis Business:**
City of Woodland City Manager's Office	High Five Solutions, Inc

300 First Street
Woodland, California 95695
Attention: Paul Navazio

11. Force Majeure.

A. "Force Majeure Event" means a cause of delay that is not the fault of the Party who is required to perform under this Agreement and is beyond that Party's reasonable control, including the elements (such as floods, earthquakes, windstorms, and unusually severe weather), fire, energy shortages or rationing, riots, acts of terrorism, war or war-defense conditions, acts of any public enemy, epidemics, the actions or inactions of any governmental entity (excluding the City) or that entity's agents, litigation, labor shortages (including shortages caused by strikes or walkouts), and materials shortages.

B. Except as otherwise expressly provided in this Agreement, if the performance of any act required by this Agreement to be performed by either the City or Cannabis Business is prevented or delayed because of a Force Majeure Event, then the time for performance shall be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused.

12. Waiver. A Party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon the other Party's breach of this Agreement shall not constitute a waiver of any performance, right, or remedy. A Party's waiver of the other Party's breach of any provision in this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in writing and signed by the waiving Party.

13. Relationship of Parties. This Agreement does not create any employment relationship, ownership interest, or other association between the City and Cannabis Business. Nothing herein shall be construed to create the relationship of principal and agent, partnership or other joint venture between the City and Cannabis Business.

14. Attorneys' Fees. The Party prevailing in any litigation concerning this Agreement, the Subject Property, or the Cannabis Business operations, shall be entitled to an award by the court of reasonable attorneys' fees and litigation costs. If the City is the prevailing party, then this Section shall apply whether the City is represented in the litigation by the designated City Attorney or by outside counsel.

15. Severability. If a court with jurisdiction finds any provision of this Agreement to be invalid, void, or unenforceable, then the remaining provisions shall remain in full force and effect, and to this end this Agreement shall be severable.

16. Counterparts. The parties may execute this Agreement in counterparts, each of which shall constitute an original, but all of which shall collectively constitute this same Agreement.

17. Integration and Modification. This Agreement sets forth the Parties' entire understanding and agreement regarding the matters addressed herein. This Agreement supersedes all prior

or contemporaneous agreements, representations, and negotiations (written, oral, express, or implied) and may be modified only by written agreement signed by both Parties.

(*Signature Page Follows*)

DRAFT

IN WITNESS WHEREOF, the parties enter into this Agreement as of the date first set forth on this Agreement.

City of Woodland

By: _____
Paul Navazio, City Manager
Dated: _____, 2018

Cannabis Business:
High Five Solutions, Inc

By: _____
[INSERT]

Dated: _____, 2018

Approved as to Form

Woodland City Attorney

By: _____
Kara K. Ueda, City Attorney

RESOLUTION NO. CC 18-0_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN OPERATING AGREEMENT WITH ORMEX ENTERPRISES, LLC., FOR A CANNABIS DISTRIBUTION BUSINESS LOCATED AT 1460 TANFORAN AVENUE, SUITE B

WHEREAS, the applicant ORMEX Enterprises, LLC., submitted a Conditional Use Permit application to operate a Commercial Cannabis Distribution Facility ("Cannabis Business") in approximately 22,000 square feet in the existing building located at 1460 Tanforan Avenue, Suite B ("Subject Property"); and

WHEREAS, the City Council, following a Planning Commission recommendation to approve the use, approved granting a conditional use permit to the Cannabis Business to conduct commercial cannabis activities at the Subject Property, subject to conditions of approval and contingent on issuance of a cannabis business permit, state license(s) and execution of an Operating Agreement; and

WHEREAS, Section 13A-3-04(a)(9) of the Woodland Municipal Code provides that the City shall enter into an Operating Agreement and Indemnification, in conjunction with the issuance of a Cannabis Business Permit, in which the Cannabis Business agrees to abide by the requirements of the Municipal Code and any other operating terms and conditions as mutually agreed by the parties; and

WHEREAS, the City Council finds that both community benefits and potential adverse impacts may result from the operation of cannabis businesses in the City, and therefore desires to ensure all such impacts are adequately mitigated and offset by the potential community benefits the businesses can provide to the City and its residents; and

WHEREAS, the Cannabis Business and the City have therefore mutually agreed to enter into an operating agreement whereby the Cannabis Business will make certain minimum payments to the City to provide for projects, programs, and other services and activities that will positively contribute to the community and account for any adverse impacts or increases in need for services caused by the operation of the Cannabis Business in the community; and

WHEREAS, the proposed Operating Agreement additionally addresses other mutually agreeable terms and conditions regarding operation of the Cannabis Business, including minimum insurance requirements, security procedures, and indemnification.

NOW, THEREFORE, the City Council hereby resolves as follows:

1. The City Council adopts the findings above as true and correct.

2. The City Council hereby approves of an Operating Agreement between the City and ORMEX Enterprises, LLC., generally consistent with the terms and conditions provided in the Operating Agreement attached hereto as Attachment 1.

3. The City Manager, or his or her designee, is authorized to execute an Operating Agreement in substantially the form provided in Attachment 1, subject to any minor, technical, non-substantive or necessary changes approved by the City Attorney, and any other supporting documents necessary to execute the Operating Agreement. The City Attorney is hereby authorized to make clarifying and confirming changes to the Agreement, provided the total payment amount under the Agreement does not change.

4. The Operating Agreement shall be executed prior to issuance of a Cannabis Business Permit.

PASSED AND ADOPTED by the City Council this 16th day of October, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Enrique Fernandez, Mayor

ATTEST:

_____
Ana Gonzalez, City Clerk

APPROVED AS TO FORM:

_____
Kara K. Ueda, City Attorney

Attachment 1: Draft Operating Agreement

DRAFT

OPERATING AGREEMENT FOR CANNABIS BUSINESS LOCATED IN THE CITY OF WOODLAND

ORMEX ENTERPRISES, LLC LOCATED AT 1460 TANFORAN AVENUE, SUITE B

This Operating Agreement for a Cannabis Business (hereinafter "Agreement"), dated _____, 2018 ("Effective Date"), is entered into by and between the City of Woodland (the "City"), a California municipal corporation, and ORMEX Enterprises, LLC a cannabis distribution and transport facility ("Cannabis Business"). The City and Cannabis Business may be referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Cannabis Business submitted an application to the City for a conditional use permit to conduct certain cannabis uses in the City, located at 1460 Tanforan Avenue, Suite B ("Subject Property"); and

WHEREAS, the City granted a conditional use permit to the Cannabis Business on October 16, 2018, to permit cannabis distribution and transport at the Subject Property, subject to conditions of approval, issuance of a cannabis business permit and execution of this Agreement; and

WHEREAS, Section 13A-3-04(a)(9) of the Woodland Municipal Code provides that the City shall enter into an Operating Agreement and Indemnification, in conjunction with the issuance of a Cannabis Business Permit, in which the Cannabis Business agrees to abide by the requirements of the Municipal Code and any other operating terms and conditions as mutually agreed by the parties; and

WHEREAS, the City Council of the City of Woodland has determined that both community benefits and potential adverse impacts may result from the operation of cannabis businesses in the City, and therefore desires to ensure all such impacts are adequately mitigated and offset by the potential community benefits the businesses can provide to the City and its residents; and

WHEREAS, the Cannabis Business and the City have mutually agreed to certain minimum payments to the City to provide for projects, programs, and other services and activities that will positively contribute to the community and account for any adverse impacts or increases in need for services caused by the operation of the Cannabis Business in the community.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants set forth herein, the Parties agree as follows:

AGREEMENT

1. **Incorporation of Recitals.** The Recitals, and all defined terms set forth in this Agreement, are hereby incorporated into this Agreement as if set forth herein in full.

2. **Definitions.** The following terms shall have the following meanings for purposes of this Agreement, but other terms may be defined elsewhere in this Agreement.

A. "Cannabis business permit" means the regulatory permit issued by the City to the Cannabis Business pursuant to the provisions of Chapter 13A of the Woodland Municipal Code.

B. "Cannabis manufacturing" means the compounding, blending, extracting, infusing, or otherwise making or preparing a cannabis product, as permitted by Article 21.6 of the Zoning Code, expressly including the production, preparation, propagation, processing, or compounding of cannabis or cannabis products directly or indirectly, including through extraction and/or chemical synthesis methods. Nothing in this definition shall be construed to conflict with, preempt or replace applicable state law requirements for authorized cannabis manufacturing activities, nor does this definition authorize any activity that is otherwise illegal under state law.

C. "City" means the City of Woodland.

D. "City Permits" means all building permits, conditional use permits, zoning amendments, operating agreements, and other permits, including the Cannabis Business Permit, licenses, entitlements, and agreements that the City, acting in its governmental capacity, must issue or approve for the Cannabis Business to operate in accordance with this Agreement.

E. "Commencement Date" means the date that all of the following have occurred: (1) the City has issued all necessary City Permits; (2) the Cannabis Business has obtained all necessary State Licenses to operate; and (3) the Cannabis Business has obtained a certificate of occupancy.

F. "Community Development Director" means the Community Development Director and his or her designee.

G. "Conditional Use Permit" means the conditional use permit issued by the City to the Cannabis Business pursuant to the City's Zoning Code, as approved by the City Council on or about October 16, 2018, as may be amended, related to the operation of a commercial cannabis business.

H. "Effective Date" means the date first entered above as the Effective Date that both Parties have signed this Agreement.

I. "Gross Receipts" means the total amount actually received or receivable from sales and the total amounts actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, all cost of materials used, labor or service costs, interest paid or losses or other expenses. The following shall not be included in the definition of "Gross Receipts: (1) Cash discounts allowed and taken on sales; (2) Such part of the sale price of property returned by purchasers upon rescission of the contract of sale as is refunded either in cash or by credit; and (3)

Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business shall not be excluded.

J. "Manager" means a person with responsibility and authority over the establishment, management, supervision, or oversight of the operation of the Cannabis Business.

K. "State License" means all licenses required to be issued by the State of California for operation of the Cannabis Business pursuant to Division 10 of the Business and Professions Code and applicable state regulations, including Division 42 of Title 16, Division 8 of Title 3, and Division 1 of Title 17 of the California Code of Regulations, as those provisions may be amended.

L. "Term" means the period of time this Agreement is in effect, and any renewal periods, as specified in Section 3.

3. Term of Agreement. The Term of this Agreement shall commence on the Effective Date and continue for a period of two (2) years therefrom ("Initial Term"), unless earlier terminated as specified in this Agreement. Prior to the expiration of the Initial Term and any subsequent Renewal Period, the Parties may mutually agree to extend the Term of this Agreement for up to two (2) additional two-year (2-year) terms to run consecutively (each a "Renewal Period").

4. General Terms and Conditions. The Cannabis Business shall comply with all of the following terms and conditions for the Term of this Agreement:

A. This Agreement is only valid for the Cannabis Business to operate at the Subject Property identified in this Agreement. The rights and obligations set forth in this Agreement shall not be transferred, assigned, or assumed unless agreed to in advance in writing by the City.

B. Conditions placed on the Cannabis Business Permit and the Conditional Use Permit shall be conditions of this Agreement. Violations of the Cannabis Business Permit, the Conditional Use Permit and/or applicable State Licenses shall be deemed violations of this Agreement and shall constitute a material breach of this Agreement.

C. The Cannabis Business shall obtain and maintain at all times a valid Cannabis Business Permit, Conditional Use Permit, and applicable State License(s) prior to and during operation of the Cannabis Business.

i. As soon as practicable, the Cannabis Business shall inform the City when it obtains its necessary State License(s), and shall provide a copy of the State License(s) to the Community Development Director. The City shall cooperate with the Cannabis Business as appropriate and as needed to facilitate the State's issuance of a State License(s) to the Cannabis Business.

ii. The City shall diligently process the Cannabis Business's applications for all City Permits. This Agreement does not commit the City in advance to approve the City Permits; nor does this Agreement constrain the City's discretion to

determine compliance with all requirements regarding issuance of any City Permits. Nothing in this Agreement relieves the Cannabis Business of the obligation to comply with all requirements and application procedures set forth in Chapter 13A of the Woodland Municipal Code.

D. The Cannabis Business understands, acknowledges and agrees to comply with all applicable then-existing state and local laws and regulations applicable to operation of the Cannabis Business, including Chapter 13A of the Woodland Municipal Code.

5. Operational Requirements. In addition to all operating requirements set forth in Article IV of Chapter 13A of the Woodland Municipal Code, the Cannabis Business shall comply with the following specific operational requirements:

A. The Cannabis Business shall immediately notify the City Police Department of any criminal activity, or suspected criminal activity, occurring at the Subject Property. In the event of any internal security system breach, including a faulty alarm system, broken or damaged surveillance cameras or other video recording equipment, or broken or damaged locks, doors, or lighting which may increase risk of criminal activity at the Subject Property, the Manager of the Cannabis Business shall notify the City Police Department as soon as practicable after becoming aware of the security system breach. The Cannabis Business shall diligently attempt to fix or resolve any such security breach immediately; if circumstances require additional time and delay to remedy, the Cannabis Business shall so notify City police and provide an estimated timeline the breach will be cured.

B. If the Cannabis Business receives any criminal threats, or otherwise suspects any criminal targeting related to movement of product or cash from or to the Subject Property, the Cannabis Business shall immediately notify the City Police Department.

C. [INSERT ANY OTHER SPECIFIC REQUIREMENTS FOR THE PARTICULAR SITE]

6. Consideration. As consideration for the rights and benefits it enjoys under this Agreement, including its operation of approved cannabis uses in the City during the Term, the Cannabis Business shall do all of the following:

A. Monthly Payment. The Cannabis Business shall pay to the City a community benefit fee in the amount of $5,000 or five percent (5%) of the Cannabis Business's gross receipts, whichever is greater, per month ("Monthly Payment").

i. Monthly Payments shall be calculated per calendar month, due and payable on the 15th day of the subsequent calendar month. By way of example only, a Monthly Payment for the month of September would be calculated from September 1 through September 30, due and payable on October 15.

ii. The obligation to make Monthly Payments shall begin as of the Commencement Date. If the Commencement Date falls on a day other than the

first day of a month, the $5,000 flat-rate amount shall be prorated for purposes of calculating the first Monthly Payment.

iii. If a Monthly Payment is not paid in full within fifteen (15) days after it is due and payable, the Monthly Payment shall accrue a penalty of five percent (5%) compounding for each month the Monthly Payment is late, until the Monthly Payment and all penalties are paid in full.

iv. Monthly Payments shall be made to the City's Finance Department. In the event the Cannabis Business intends to pay a Monthly Payment in cash in an amount that exceeds $5,000, the Cannabis Business shall notify the City in advance to make prior arrangements.

v. The Cannabis Business shall keep accurate and adequate records and documentation to reflect its monthly gross receipts. Pursuant to section 13A-4-09 of the Woodland Municipal Code, the Cannabis Business shall maintain all such records for at least three (3) years, and shall produce those records to the City within 24 hours after receipt of the City's request.

vi. Accompanying the Monthly Payment, the Cannabis Business shall deliver to the City a report ("the Monthly Report") showing (1) Gross Receipts of the Cannabis Business for the immediate prior month; 2) a cumulative total of all amounts of Gross Receipts received by the Cannabis Business to date for the calendar year, (3) a calculation of the Monthly Payment currently due to the City; and (4) a calculation of the cumulative total of all Monthly Payments made to the City to date for the calendar year.

vii. In the event that City voters approve a cannabis-specific tax to be imposed on cannabis businesses operating in the City, including the Cannabis Business, the obligation to make Monthly Payments under this Agreement shall terminate as of the effective date of the cannabis tax. Nothing in this Agreement shall relieve the Cannabis Business of the obligation to pay all applicable State and local taxes, including a possible future City cannabis tax.

B. Community Contributions. The Cannabis Business, as part of its project proposal submitted to the City and accepted and approved by the City Council, promised to make certain additional community contributions to the City of Woodland to ensure that any potential adverse impacts of the Cannabis Business are adequately offset by the business's positive community contributions. Accordingly, the Cannabis Business agrees to provide the following: (List)

i. [REMOVE THIS SUBSECTION B IF NOT APPLICABLE; IF THE BUSINESS PROPOSED ADDITIONAL COMMUNITY CONTRIBUTIONS THAT ARE ACCEPTABLE TO THE CITY, LIST THEM HERE]

7. Termination. The City and/or Cannabis Business may terminate this Agreement prior to expiration of the Term for the reasons and subject to the requirements set forth below. The Cannabis Business understands and acknowledges that the right to operate the Cannabis

Business is expressly contingent on full execution of an Operating Agreement, as required by section 13A-3-04(a)(9) of the Woodland Municipal Code. As such, termination of this Agreement shall result in the immediate termination of the Cannabis Business's operations, unless and until a new Operating Agreement is executed by the Parties

A. City's Termination Rights. Without prejudice to its other remedies at law or in equity, the City may terminate this Agreement, at any time and in its sole discretion, effective thirty (30) days after the City provides written notice of termination to the Cannabis Business, if any of the following circumstances occurs:

    i. The Cannabis Business breaches its obligation to pay the Monthly Payments when due and fails to cure the breach within thirty (30) days after the City provides the Cannabis Business with a written notice of default.

    ii. The Cannabis Business breaches its obligation to perform in accordance with any material provision of this Agreement, other than the obligation to pay the Monthly Payment, and: (A) does not cure the breach within thirty (30) days after the City provides the Cannabis Business with a written notice of breach or, if the breach cannot reasonably be cured within 30 days, (B) does not begin work to cure the breach within thirty (30) days after the City provides the Cannabis Business with a written notice of breach. The Parties may mutually agree in writing to extend the time period to cure the breach. The express designation in this Agreement of a provision as "material" does not imply that other provisions are not material.

    iv. The Cannabis Business fails to obtain and maintain at all times prior to and during operation of the Cannabis Business a valid Cannabis Business Permit and State License(s), or violates any condition of approval of the Conditional Use Permit.

    v. The uses and business activities of the Cannabis Business are declared unlawful by order of Court, or become illegal by operation of State law.

B. Cannabis Business's Termination Rights. The Cannabis Business may, at any time and in its sole discretion, effective thirty (30) days after the Cannabis Business provides written notice of termination to the City, may terminate this Agreement if the Cannabis Business has permanently ceased operations, or intends to cease operations within thirty (30) days, in the City of Woodland.

8. Release & Indemnification. The Cannabis Business shall release and hold harmless the City, its agents, officers, elected officials, staff and employees (collectively, "City Parties") from any and all claims, injuries, damages, or liabilities of any kind arising from: (i) any repeal or amendment of Chapter 13A of the Woodland Municipal Code, or any provision of the Zoning Code relating to the Cannabis Business, and (ii) any arrest or prosecution of the Cannabis Business or its owners, Managers, staff, employees, or members for violation of state or federal laws. The Cannabis Business shall further defend, indemnify and hold harmless the City Parties from and against any and all claims or actions: (i) brought by

adjacent or nearby property owners or any other parties for any damages, injuries, or other liabilities of any kind arising from or related to the Cannabis Business operations at the Subject Property, and (ii) brought by any party for any problems, injuries, damages, or other liabilities of any kind, including bodily injury, death or property damage, arising out of the distribution of cannabis or cannabis products at the Subject Property. The obligations in this Section 7 Release & Indemnification shall survive any expiration or termination of this Agreement.

9. Insurance.

A. Time for Compliance. The Cannabis Business shall not begin operations until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. Failure to provide and maintain all required insurance shall constitute a material breach of this Agreement.

B. Types of Required Coverages. Without limiting the indemnity provisions of this Agreement, the Cannabis Business shall procure and maintain in full force and effect during the term of the Agreement, the following policies of insurance:

i. Commercial General Liability. Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 0001, with minimum limits of at least $1,000,000 per occurrence. Defense costs shall be paid in addition to the limits.

The policy shall contain no endorsements or provisions limiting coverage for (1) products and completed operations; (2) contractual liability; (3) third party action over claims; or (4) cross liability exclusion for claims or suits by one insured against another.

ii. Automobile Liability. Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) with minimum limits of $1,000,000 each accident.

iii. Workers' Compensation. Workers' Compensation Insurance, as required by the State of California and Employer's Liability Insurance with a limit of not less than $1,000,000 per accident for bodily injury and disease.

If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement.

C. Endorsements.

i. The policy or policies of insurance required by this section for Commercial General Liability and Automobile Liability shall be endorsed to provide the following:

a. Additional Insured. The City's indemnified parties shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement. Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of Consultant; or (4) contain any other exclusions contrary to the Agreement.

b. Primary Insurance and Non-Contributing Insurance. This insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the indemnified parties shall not contribute with this primary insurance.

c. Severability. In the event of one insured, whether named or additional, incurs liability to any other of the insureds, whether named or additional, the policy shall cover the insured against whom claim is or may be made in the same manner as if separate policies had been issued to each insured, except that the limits of insurance shall not be increased thereby.

d. Cancellation. The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon the City except ten (10) days prior written notice shall be allowed for non-payment of premium.

e. Duties. Any failure by the named insured to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the indemnified parties.

f. Applicability. That the coverage provided therein shall apply to the obligations assumed by the Cannabis Business under the indemnity provisions of this Agreement, unless the policy or policies contain a blanket form of contractual liability coverage.

ii. The policy or policies of insurance required by this section for Workers' Compensation shall be endorsed, as follows:

a. Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the City's indemnified parties.

b. Cancellation. The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon the City except ten (10) days prior written notice shall be allowed for non-payment of premium.

DRAFT

D. Deductible. Any deductible or self-insured retention must be approved in writing by the City and shall protect the City's indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

E. Evidence of Insurance. The Cannabis Business shall, concurrently with execution of this Agreement or as soon thereafter as may be authorized by the City, deliver either certified copies of the required policies, or original certificates and endorsements on forms approved by the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, the Cannabis Business shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

F. Failure to Maintain Coverage. The Cannabis Business agrees to suspend and cease all operations hereunder during such period of time if the required insurance coverage is not in effect and evidence of insurance has not been furnished to the City.

G. Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

H. Insurance for Subcontractors. All subcontractors shall be included as additional insureds under the Cannabis Business's policies, or the Cannabis Business shall be responsible for causing subcontractors to purchase the appropriate insurance in compliance with the terms of this Agreement, including adding the City as an Additional Insured.

10. Notice. Any notice or other communication provided pursuant to this Agreement must be in writing and shall be considered properly given and effective only when mailed or delivered in the manner provided by this Section 9 to the persons identified below. A mailed notice or other communication shall be considered given and effective on the third day after it is deposited in the United States Mail (certified mail and return receipt requested). A notice or other communication sent in any other manner will be effective or will be considered properly given when actually delivered. A Party may change its address for these purposes by giving written notice of the change to the other Party in the manner provided in this Section 9.

If to the City:	**If to Cannabis Business:**
City of Woodland City Manager's Office	ORMEX Enterprises, LLC

300 First Street
Woodland, California 95695
Attention: Paul Navazio

11. Force Majeure.

A. "Force Majeure Event" means a cause of delay that is not the fault of the Party who is required to perform under this Agreement and is beyond that Party's reasonable control, including the elements (such as floods, earthquakes, windstorms, and unusually severe weather), fire, energy shortages or rationing, riots, acts of terrorism, war or war-defense conditions, acts of any public enemy, epidemics, the actions or inactions of any governmental entity (excluding the City) or that entity's agents, litigation, labor shortages (including shortages caused by strikes or walkouts), and materials shortages.

B. Except as otherwise expressly provided in this Agreement, if the performance of any act required by this Agreement to be performed by either the City or Cannabis Business is prevented or delayed because of a Force Majeure Event, then the time for performance shall be extended for a period equivalent to the period of delay, and performance of the act during the period of delay will be excused.

12. Waiver. A Party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon the other Party's breach of this Agreement shall not constitute a waiver of any performance, right, or remedy. A Party's waiver of the other Party's breach of any provision in this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in writing and signed by the waiving Party.

13. Relationship of Parties. This Agreement does not create any employment relationship, ownership interest, or other association between the City and Cannabis Business. Nothing herein shall be construed to create the relationship of principal and agent, partnership or other joint venture between the City and Cannabis Business.

14. Attorneys' Fees. The Party prevailing in any litigation concerning this Agreement, the Subject Property, or the Cannabis Business operations, shall be entitled to an award by the court of reasonable attorneys' fees and litigation costs. If the City is the prevailing party, then this Section shall apply whether the City is represented in the litigation by the designated City Attorney or by outside counsel.

15. Severability. If a court with jurisdiction finds any provision of this Agreement to be invalid, void, or unenforceable, then the remaining provisions shall remain in full force and effect, and to this end this Agreement shall be severable.

16. Counterparts. The parties may execute this Agreement in counterparts, each of which shall constitute an original, but all of which shall collectively constitute this same Agreement.

17. Integration and Modification. This Agreement sets forth the Parties' entire understanding and agreement regarding the matters addressed herein. This Agreement supersedes all prior

or contemporaneous agreements, representations, and negotiations (written, oral, express, or implied) and may be modified only by written agreement signed by both Parties.

(*Signature Page Follows*)

DRAFT

IN WITNESS WHEREOF, the parties enter into this Agreement as of the date first set forth on this Agreement.

City of Woodland

By: _____
Paul Navazio, City Manager
Dated: _____, 2018

Cannabis Business:
ORMEX Enterprises, LLC

By: _____
[INSERT]

Dated: _____, 2018

Approved as to Form

Woodland City Attorney

By: _____
Kara K. Ueda, City Attorney

City of Woodland

Community Development Department
300 First St, Woodland CA 95695
(530) 661-5820 Fax (530) 406-0832
www.cityofwoodland.org

General Application Form

1. Owner/Applicant

PROPERTY OWNER: Ethan G. Conrad
MAILING ADDRESS: 1300 National Drive, Suite 100
CITY STATE ZIP CODE: Sacramento, CA 95834
PHONE NUMBER: (916) 779-1000
E-MAIL ADDRESS: ethan@ethanconradprop.com

PROJECT APPLICANT Tanforan Ventures, LLC
MAILING ADDRESS: 1460 Tanforan Ave, Unit B
CITY STATE ZIP CODE: Woodland, CA 95776
PHONE NUMBER: (916) 247-0094
E-MAIL ADDRESS: S.day1@sbcglobal.net (Secondary)
Shanan@treebirdco.com (Primary)

2. Application Requested

- [ ] General Plan Petition
- [ ] Zoning Amendment
- [ ] General Plan Amendment
- [ ] Tentative Subdivision Map
- [ ] Tentative Parcel Map
- [ ] Lot Line Adjustment
- [ ] Site Plan Review
- [ ] Design Review
- [ ] Sign Design Review
- [x] Conditional Use Permit (CUP)
- [ ] Zoning Administrator Permit
- [ ] Variance
- [ ] Public Convenience or Necessity
- [ ] Other _____

Is this request part of another application? [ ] Yes [x] No If so, what? _____

3. Project Description

Project Name: 1460 Tanforan Avenue, Unit B
Site address or location: 1460 Tanforan Ave, Unit B
Total Acres or Square Feet 9,891 Acres
Assessor's Parcel Number: 027-450-070-000

Is Your Project Located in a Flood Zone? [x] Yes [ ] No

Does this request include signage? [ ] Yes [x] No

4. Justification for Request

☞ On a separate sheet, explain in detail your request and why you believe your request is justified.

CANN - Tanforan Ventures LLC

PLNG-18-00027

5. General Plan Amendment

Existing General Plan Designation	Gross Acres	Proposed General Plan Designation	Gross Acres
Industrial	9.891 A.C	N/A	N/A

6. Zoning Amendment

Existing Land Use Zone	Gross Acres	Proposed Land Use Zone	Gross Acres
GP	9.891. A.C	NA	NA

7. Residential Development

No. of residential units are being requested? 0

No. of lots will be created by this project? 0

Single Family		Half-plex	
Duplex		Apartments	
Condominiums		Other	
Townhomes		**Total Units**	

Do you intend to market the units for sale?

☐ YES ☑ No

Do you intend to market the units for rent?

☐ YES ☐ No

8. Commercial/Industrial Development

Indicate the type of commercial/industrial development proposed:

Manufacturing, Distribution, Testing

Indicate the gross and leasable square footage for each type of development:

Testing: 5,184SF; Admin: 1,731SF
Manuf: 8,844 SF; Distrib.: 13,975SF;

9. Authority to File Application

Check one:

☑ Property Ownership ☐ Power of Attorney*

☐ Contract to Purchase* ☐ Other

Specify _____

*Attach Evidence of Authority

I hereby certify that the above information and accompanying documents are true and accurate to the best of my knowledge and acknowledge that the processing of this application may require additional fees and expenses for the preparation of necessary environmental documentation and planning studies. I certify that I have reviewed the current Hazardous Waste and Substances Site List, developed pursuant to AB 3750, and found that my project is not on the list.

Date Received Stamp Here

APPLICATION WILL NOT BE ACCEPTED WITHOUT SIGNATURE OF LEGAL OWNER OR OFFICIAL AGENT

Tanforan Ventures, LLC 3/30/18

Applicant: **Date**

3/30/18

Legal Owner: **Date**

Legal Owner: **Date**

DEPARTMENT USE ONLY

Amount Paid: _____ Project No: _____

Amount Due:: _____ Logged by: _____ Date: _____

GP / Zoning Designation: _____ Planner: _____ Date: _____

N:\ComShare\DEPARTMENTS\PLANNING DEPT\FORMS\AAAA APPLICATION FORM March 2014.doc

City of Woodland

Community Development Department, 300 First Street, Woodland CA 95695, (530) 661-5820 fax (530) 40640832

LETTER OF AGENCY

If the applicant is not the owner of record of the subject site, a Letter of Agency from the owner, or the owner's authorized representative must be submitted which grants the applicant permission to apply for the requested entitlements(s). The Letter of Agency must be notarized.

Date: 3/30/18

To: City of Woodland
Community Development Department
300 First Street
Woodland, CA 95695

Community Development Department:

I, the undersigned legal owner of record, hereby grant permission to:

Applicant: Tanforan Ventures, LLC Phone: (916)247-0094

Applicant's Address: 1460 Tanforan Avenue, Unit B
WOODLAND, CA 95776

To apply for the entitlement(s) listed below

☐ General Plan Amendment	☐ Zoning Amendment	☐ Tentative Subdivision Map
☐ Tentative Parcel Map	☐ Specific Plan Amendment	☐ Lot Line Adjustment
☐ Variance	☐ Conditional Use Permit	☐ Planned Development
☐ Site Plan Review	☐ Design Review	☐ Zoning Administrator Permit
☐ Specific Plan	☑ Cannabis Business Permit	☑ Cannabis Conditional Use Permit
Is this request part of another application? Yes ☐ No ☐	Other:	

The subject property is located at: 1460 Tanforan Ave., Unit B, Woodland, CA 95776

Assessors Parcel Number: 027-450-070

X _____
Signature of Owner(s) of Record (must be an original signature)

Ethan G. Conrad
Print Legal Owner(s) of Record Name

1300 National Drive, Suite 100, Sacramento, CA 95834
Address of Legal Owner *(attach title report)* Phone: (916) 779-1000

E-mail Owner(s) of Record: ethan@ethanconradprop.com

State of California)
) ss.
County of Sacramento

On 3-30-2018 before, me Kathryn Jones Faires, notary public, personally appeared Ethan G. Conrad

☐ Personally know to me ☒ Proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~ they executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal: Kathryn Jones Faires
Signature of Notary Public

KATHRYN JONES FAIRES
Notary Public – California
Sacramento County
Commission # 2229576
My Comm. Expires Jan 27, 2022

PROJECT NARRATIVE & STATEMENT OF PROPOSED USE

1460 Tanforan Ave.

C.U.P

10/8/18

PROJECT NARRITIVE & STATEMENT OF PROPOSED USE

The property at 1460 Tanforan Avenue, in Woodland is Zoned Industrial, and is submitting for a conditional use permit pursuant to the city of Woodland Municipal code 25-21.6 & chapter 13A.
Municipal code for Testing, Distribution, non-volatile / volatile manufacturing in the Industrial zone is allowed by a conditional use permit approved by the zoning administrator.

Manufacturing as defined in the Woodland Municipal Code as the compounding, blending, extracting, infusing, or otherwise making or preparing a cannabis product.
Testing Laboratories and Research as defined in the Woodland Municipal code means a laboratory facility that offers or performs tests or testing of cannabis or cannabis products, including accredited testing laboratories licensed by the state and involved in commercial cannabis activity in the state.
Distribution as defined in the Woodland Municipal Code means any facility engaged it the procurement, temporary storage, non-retail sales, and transport of cannabis and cannabis products.

The proposed building is on a 430,000 SF (9.891 acres) parcel consisting of 1460, 1462 & 1464 Tanforan Avenue. This project is considering only 1460 Tanforan Avenue, which is 64,000 square feet for the purpose of Manufacturing, Testing and the Distribution of cannabis and cannabis products.

The building currently consists of two suites: A & B. A new suite, Suite C, will be built out to house the proposed testing lab. The following is the breakdown per the CUP floor plan drawings: Suite A - Manufacturing, License Type 7, is 34,860 SF. Suite B - Distribution, License Types 11 & 12, 22,000 SF; Suite C - Testing Lab, License Type 8, 10,000 SF

Hours of operation will be from 6 a.m. to 10 p.m. every day, except state and federal holidays unless otherwise determined by the city of Woodland. There is a current management team of four members with extensive backgrounds in business, research and development, horticulture and education. A number of employees will be determined but the tenants, Tanforan Ventures, LLC, ORMEX Enterprises, LLC, & High Five Solutions, Inc. are prepared to draft Labor Peace Agreement(s) at the time of employing 20 or more employees, per state law.

The vehicles used will be fully enclosed and locked using all securities and keeping consistent with all regulations set forth by the city of Woodland as well as the Bureau of Cannabis Control’s Emergency Regulations.

The size shape and layout of the existing 64,000 SF building and site is ideal for the manufacturing, testing and distribution of cannabis.

The distance from sensitive uses meets the requirements set forth in the city of Woodland Municipal code 25-21.6.

All activities related to cannabis will be conducted indoors with no public access or sales at the proposed site. There will be set operating procedures and operational plans that will be to the city's satisfaction via the CUP process and included in this packet and more extensively during the CBP process, if necessary.

Lastly the neighborhood responsibility plan, security plan, and community relations plan are all being submitted as a part of the CUP application to address all potential impacts to the surrounding areas which ensure that peace and general welfare are maintained.

CONDITIONAL USE PERMIT

FOR

MANUFACTURING, DISTRIBUTION AND TESTING

VICINITY MAP

FIRE NOTES

- PROVIDE APPROPRIATE KNOX ACCESS TO SITE
- AUTOMATIC GATES SHALL HAVE AC POWER AND BE PROVIDED WITH KEY OVERRIDE SWITCH (KNOX) FOR GATES THAT DO NOT FAIL SAFE IN THE OPEN POSITION UPON LOSS OF AC POWER OR ARE PROVIDED WIT BATTERY BACKUP POWER, AN APPROVED PEDESTRIAN GATE SHALL BE INSTALLED WITHIN 10' OF ALL VEHICLE GATES KNOX SHALL BE INSTALLED AT LEAST 48" ABOVE GRADE ON THE OUTSIDE OF THE GATE.
- EXTERIOR DOORS THAT HAVE BEEN RENDERED NON-FUNCTIONAL SHALL BE LABELLED ON THE EXTERIOR WITH A SIGN STATING "THIS DOOR BLOCKED" WITH 4" LETTERS BY 1/4" STROKE OF AN APPROVED COLOR THAT IS CONTRASTING TO THEIR BACKGROUND IN A APPROVED LOCATION CFC 504.2

  PROVIDE APPROPRIATE KNOX ACCESS FOR THE SITE. CFC SECTION 506
- ALL FIRE ACCESS GATES ARE TO BE A MIN. 20 CLEAR ACCESS WIDTH.

DEPARTMENT OF PUBLIC WORKS

- ALL NEW AND EXISTING DRIVEWAYS SHALL BE DESIGNED AND CONSTRUCTED TO CITY STANDARDS TO THE SATISFACTION OF THE DEPARTMENT OF PUBLIC WORKS.
- DESIGN OF WALLS FENCES AND SIGNAGE NEAR INTERSECTIONS AND DRIVEWAYS SHALL ALLOW STOPPING SITE DISTANCE PER CALTRANS STANDARDS AND COMPLY WITH CITY CODE SECTION 12.28.010 (25' SIGHT TRIANGLE) WALLS SHALL BE SET BACK 3' FROM THE SIGHT LINE NEEDED FOR STOPPING SITE DISTANCE TO ALLOW SUFFICIENT ROOM FOR PILASTERS. LANDSCAPING IN THE AREA REQUIRED FOR ADEQUATE STOPPING TO BE LIMITED TO 3.5" IN HGT AT MATURITY

SEWER DISTRICT

- DESIGN STANDARDS TO APPLY TO ANY SEWER CONSTRUCTION OR MODIFICATION

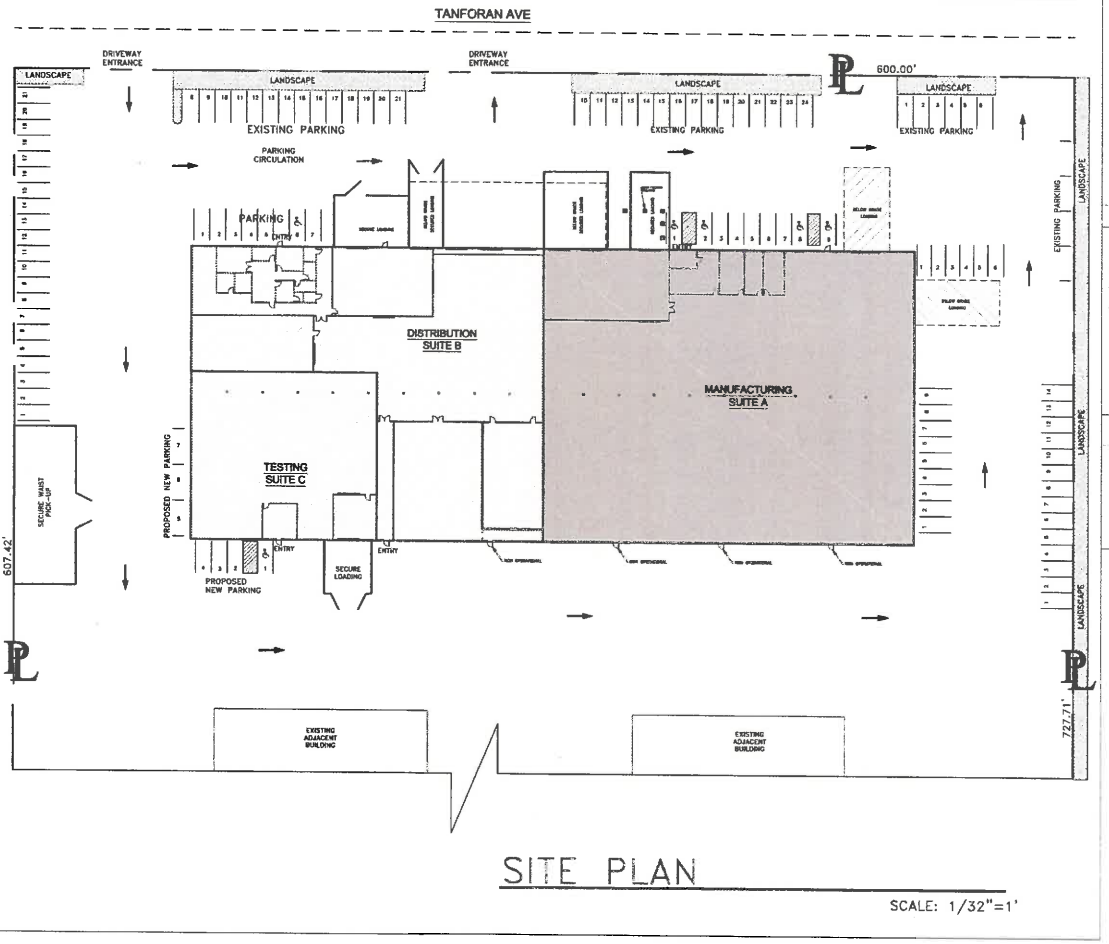
AIR QUALITY MANAGEMENT DISTRICT

- ALL DOORS FROM THE MANUFACTURING HANDLING AND STORAGE OF MARIJUANA SHALL BE KEPT FROM ESCAPING SUCH AS THE ODOR CAN NOT BE DETECTED BY A REASONABLY PEARSON OF NORMAL SENSITIVITY
- PROVIDE TREE PLANTINGS IN THE PARKING LOT DESIGNED TO RESULT IN 50 PERCENT SHADING OF PARKING LOT SURFACE WITHIN 15 YEARS.

SWUD

THERE SHALL NOT BE ANY BUILDING FOUNDATIONS PLACED WITHIN 5' OF ANY SWUD TRENCH TO MAINTAIN ADEQUATE TRENCH INTEGRITY. APPLICANT SHALL VERIFY SPECIFIC CLEARANCE REQUIREMENTS FOR OTHER UTILITIES (e.g., GAS, TELEPHONE, ETC.)

IN THE EVENT AN (IOD) IS REQUIRED FOR FUTURE ROAD IMPROVEMENTS THERE SHALL BE A DEDICATED 12.5-FOOT (PUE) FOR OVERHEAD AND/OR UNDERGROUND FACILITIES AND APPURTENANCES ADJACENT TO THE CITY'S IOD.



SITE PLAN

SCALE: 1/32"=1'

EXISTING BUILDING (SUITE) DESCRIPTION

2-32,000± SF INDUSTRIAL WAREHOUSE W/ (4) 8'X9' DOCK-HIGH DOORS & (2) GRADE-LEVEL DOORS. 4 OFFICES W/ AN OPEN AREA, CONFERENCE ROOM AND BREAK ROOM. 21'-22' CLEAR HEIGHT. FIRE SPRINKLERED.

LOCATED IN THE INDUSTRIAL PARK, WHICH IS THE NORTH END OF WOODLAND. EASY ACCESS TO I-5 & HWY 113.

PROPERTY OWNER:
ETHAN CONRAD PROPERTIES
1300 NATIONAL DRIVE
SUITE 100
SACRAMENTO, CA 95834
916-779-1000

APPLICANTS:
CUP – TANFORAN VENTURES
MANUFACTURING – HIGH FIVE SOLUTIONS
DISTRIBUTION – ORMEX ENTERPRISES

DESIGNER: AVIGNON DESIGN
BRANDON THATCHER
PHONE – 916-889-2700

APN: 027-450-070-000
LAND USE: INDUSTRIAL/WAREHOUSING
ZONE: GP
PARCEL AREA: 9.891 A.C.
YEAR BUILT: 1979
STORM ZONE: E3

NOTE:
THIS PROJECT TO COMPLY WITH ALL CURRENT LOCAL & STATE LAWS & REGULATIONS.

ALSO TO COMPLY WITH THE FOLLOWING CODES:
CALIFORNIA GREEN BLDG STDS 2016 EDITION
CALIFORNIA BUILDING CODE 2016 EDITION (2009 IBC)
CALIFORNIA FIRE CODE 2016 EDITION
CALIFORNIA PLUMBING CODE 2016 EDITION
CALIFORNIA ELECTRICAL CODE 2016 EDITION
CALIFORNIA MECHANICAL CODE 2016 EDITION
CALIFORNIA ENERGY CODE 2016 EDITION
ORDINANCE NO. 2016-0051

THIS SITE SHALL COMPLY WITH ALL OPERATING REQUIREMENTS 13A-4-1

SIGNS AND DISPLAY OF PERMIT

- "THIS SITE IS NOT OPEN TO THE PUBLIC"
- "RETAIL SALES OF ANY GOODS AND SERVICES IS PROHIBITED"
- "JUVENILES ARE PROHIBITED FROM ENTERING THIS SITE"
- "SMOKING, INGESTING, OR CONSUMING MARIJUANA ON OR WITHIN 20 FEET OF THIS SITE IS PROHIBITED"

AREA SUMMARY

DISTRIBUTION:	22,000 SF
MANUFACTURING:	32,000 SF
TESTING:	10,000 SF

TOTAL (E) WAREHOUSE:
1460 TANFORAN 64,000 SF

DRAWING INDEX

A-1 SITE PLAN
A-2 FLOOR PLAN
A-2.1 DEMO PLAN
A-3 ELEVATIONS
A-4 LIGHTING PLAN

AVIGNON DESIGN

TANFORAN VENTURES
C.U.P. – MANUFACTURING, DISTRIBUTION, TESTING
1460 TANFORAN AVE
WOODLAND, CA 95776

DATE	DESCRIPTION
2-12-18	START DATE
5/22/18	PLAN CHECK REV.

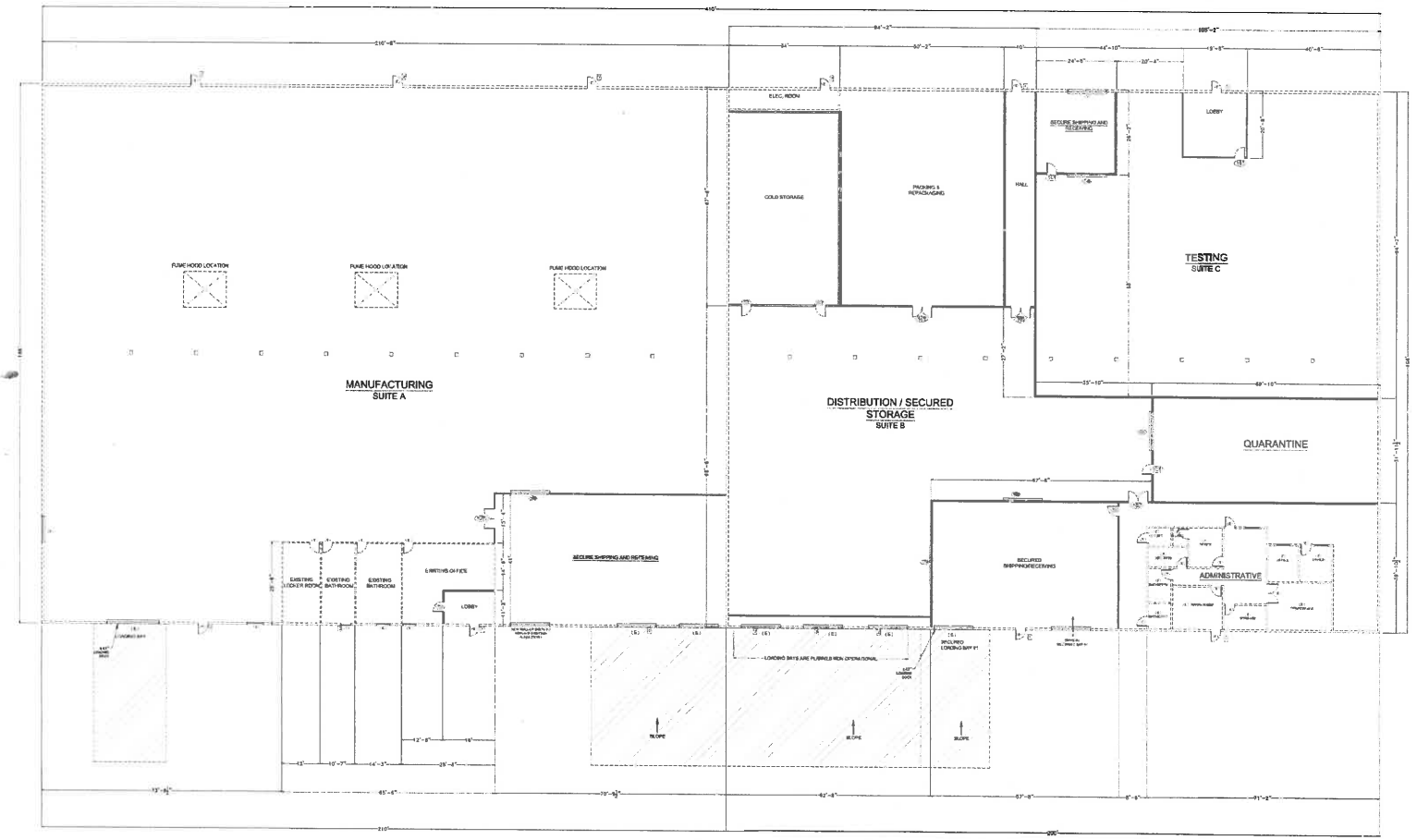
DESIGNED BY:
BRANDON THATCHER
AVIGNON DESIGN
916-889-2700

DRAWN BY:
BRANDON THATCHER

DATE: 8/16/2018
PROJECT NO: 836

SITE PLAN

SHEET NO:
A-1



FLOOR PLAN

SCALE: 1/16"= 1'-0"

WALL LEGEND

- EXISTING 8" C.M.U. BLOCK WALL FRAMING
- EXISTING 2X6OF AT 16"O.C. W/ 2X BOTTOM & TOP PLATES
- NEW WALL FRAMING 2X6OF AT 16"O.C. W/ 2X BOTTOM & TOP PLATES
- NEW WALL FRAMING 2X6OF AT 16"O.C. COLD STORAGE R-30

DOOR SCHEDULE

MARK	SIZE	MATERIAL	DESCRIPTION
(101)	3068	SOLID CORE	NEW INTERIOR W/SELF CLOSING DEVICE
(102)	8068	SOLID CORE	NEW INTERIOR DBL. DOOR W/SELF CLOSING DEVICE
(103)	3068	SOLID CORE	EXISTING EXTERIOR DOOR
104	120120	METAL	NEW - ROLL-UP DOOR
(105)	3068	GLASS (1GL)	NEW EXTERIOR DOOR W/ SELF CLOSING DEVICE

* DENOTES KEY FOR ACCESS CONTROL SYSTEM

KEY NOTES

1. RESTRICTED ACCESS SIGNAGE - AUTHORIZED PERSONNEL ONLY
2. EXTERIOR DOORS THAT HAVE BEEN RENDERED NON-FUNCTIONAL SHALL BE LABELED ON THE EXTERIOR WITH A DURABLE SIGN THAT SAYS "THIS DOOR BLOCKED" WITH 6" LETTERS BY 3/4" STROKE OF AN APPROVED COLOR THAT IS CONTRASTING TO THEIR SURROUNDING IN A APPROVED LOCATION CFC 504.2

ADA BATHROOM NOTES

NOTE:
ALL ACCESSIBLE TOILETS SHALL BE IDENTIFIED BY THE INTERNATIONAL SYMBOL OF ACCESSIBILITY PER CBC

MIRROR TO BE MOUNTED NO HIGHER THAN 40" TO POINT OF USE TOWEL DISPENSERS MOUNTED ON WALL SO ALL OPERABLE PARTS ARE W/in 40" OF FF

SEAT HEIGHT MIN 17"

42" GRAB BAR 33" FROM FF 54"MAX FROM CORNER

30"x48" CLEAR SPACE AT SINK

CENTERLINE OF TOILET TO BE 18" FROM WALL FLUSH ACTIVATOR TO BE ON WIDE SIDE

TISSUE DISPENSER MOUNTED 12" FROM TOILET 19" FROM FF (TYP.)

AREA SUMMARY

DISTRIBUTION:	22,000 SF
MANUFACTURING:	32,000 SF
TESTING:	10,000 SF
TOTAL (E) WAREHOUSE: 1460 TANFORAN	64,000 SF

DRAWING INDEX

A-1 SITE PLAN
A-2 FLOOR PLAN
A-2.1 DEMO PLAN
A-3 ELEVATIONS
A-4 LIGHTING PLAN

AVIGNON DESIGN

TANFORAN VENTURES
C.U.P. – MANUFACTURING, DISTRIBUTION, TESTING
1460 TANFORAN AVE
WOODLAND, CA 95776

DATE	DESCRIPTION
2-12-18	DATE DESCRIPTION START DATE

DESIGNED BY:
BRANDON THATCHER
AVIGNON DESIGN
916-889-2700

DRAWN BY:
BRANDON THATCHER

DATE: 8/16/2018
PROJECT NO: 836

FLOOR PLAN

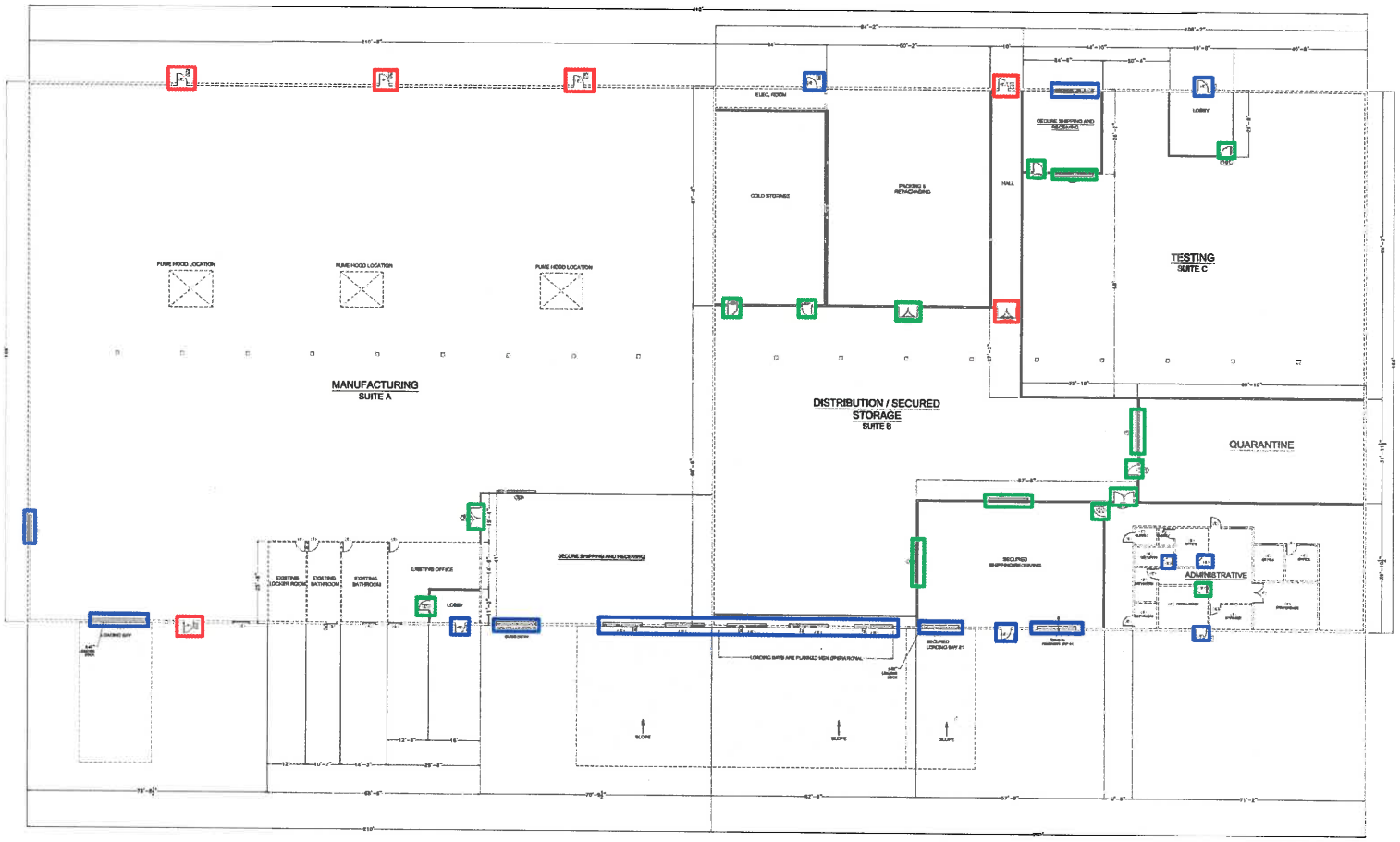
SHEET NO:
A-2

SECURITY PLAN - ACCESS CONTROL

RED = EMERGENCY EXIT ONLY (ALWAYS ALARMED)

BLUE = REQUIRES MANAGEMENT CREDENTIALED KEY/FOB FOR THE RESPECTIVE DISTINCT PREMISES/LICENSEE TO ACCESS

GREEN = REQUIRES EMPLOYEE CREDENTIALED KEY/FOB FOR THE RESPECTIVE DISTINCT PREMISES/LICENSEEE TO ACCESS



FLOOR PLAN

SCALE: 1/16"= 1'-0"

TO: THE MEMBERS OF THE PLANNING COMMISSION
AGENDA: Planning Commission Meeting
DATE: September 20, 2018
ITEM #: H.3.
SUBJECT: **Tanforan Ventures, LLC Cannabis Manufacturing, Distribution and Testing Facility**

Tanforan Ventures, LLC Cannaibs Manufacturing, Distribution and Testing Facility: Proposed Master Conditional Use Permit for a Commercial Cannabis Manufacturing, Distribution, and Testing Lab Facility Located at 1460 Tanforan Avenue: PLNG 18-00027

Location: 1460 Tanforan Avenue, Woodland CA 95776

Applicant: Tanforan Ventures, LLC

Property Owner: Ethan Conrad Properties

Environmental Report: Categorical Exemption

APN: 027-450-070

Project Planner: Cindy Norris, Principal Planner

Staff Recommendation: Conditional Approval

Report For: Planning Commission Public Hearing – September 20, 2018

General Plan Designation: Industrial/ Light Industrial Flex Overlay (I/LIF)

Existing Land Uses: The parcel is currently developed with three industrial buildings on a 9.891 acres. The building under consideration is located at 1460 Tanforan Avenue which is a 64,000 square foot industrial building of which the applicant is proposing to occupy the entire building. Suite A has been occupied by Nor Cal indoor Sports who do not intend to continue their lease after September of 2018.

Adjacent Land Uses & Zoning:

DIRECTION	LAND USE	ZONING
North	Existing Industrial/Tanforan Avenue	I/LIF
South	Existing Industrial	I/LIF
East	Existing Industrial/Tanforan Avenue	I/LIF
West	Existing Industrial/Tanforan Avenue	I/LIF

Flood Zone: Flood Zone AE – Map #06113C0 455H dated May 16, 2012.

Street Access: 1460 Tanforan Avenue, Suites A and B

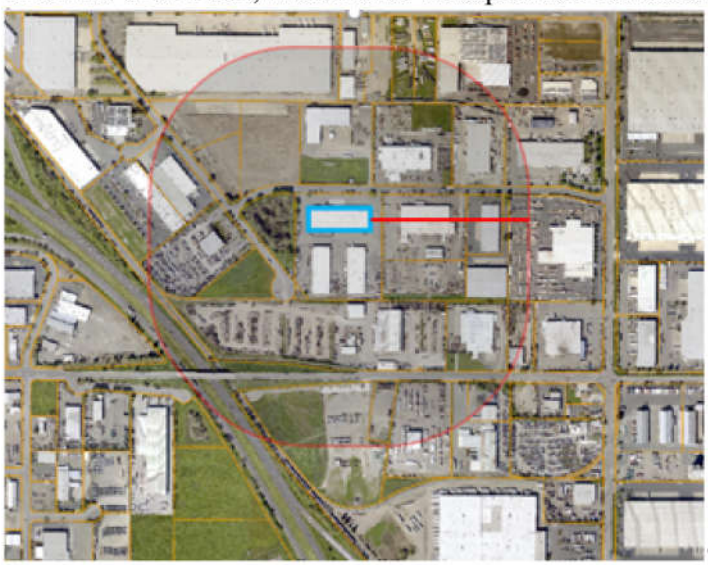
Pending/Potential Action

Staff recommends that the Planning Commission take action on the following:

1) Receive the staff report;
2) Conduct a public hearing;
3) Find that the project is exempt from further environmental review pursuant to Class 1 Categorical Exemption under the California Environmental Quality Act (CEQA) and find that the Exemptions reflect the independent judgement of the City as lead agency under CEQA;
3) Approve Planning Commission Resolution No. PC - _____ recommending that the City Council approve a Conditional Use Permit for cannabis manufacturing, distribution and testing laboratory at 1460 Tanforan Avenue, Suites A and B, conditioned upon approval of appropriate Cannabis Business Permit and the recommended conditions of approval.

Project Site Description

The overall project site is 9.89 acres in size and occupied by three existing warehouse buildings, (1460, 1462, and 1464 Tanforan Avenue) each approximately 64,000 square feet in size. The subject building at 1460 Tanforan Avenue, is the most northerly-located building and fronts on to Tanforan Avenue. The building is approximately 64,000 square feet in size and has housed multiple tenants, including the Nor Cal Indoor Sports previously located in Suite A. The applicant has indicated that the youth sports facility has opted to not continue their lease, which ends in September of 2018.



(1000 foot radius from the parcel)

The property is zoned for Industrial with a Light Industrial Flex Overlay and the proposed use may be considered with approval of a Conditional Use Permit by the City Council as the final acting body pursuant to Zoning Ordinance Article 25-21.6 relating to commercial cannabis. In accordance with Section 25-21.6-50(a), the Planning Commission shall review all conditional use permit applications and provide a recommendation regarding approval to the City Council.

Project Proposal

On April 16, 2018, Tanforan Ventures applied for a Master Conditional Use Permit (CUP). The applicant is requesting a recommendation of approval to the City Council for a master Conditional Use Permit by the Planning Commission, which will allow Tanforan Ventures, LLC the use of the entire 64,000 square foot building located at 1460 Tanforan Avenue. The applicant initially requested a recommendation of approval to allow three commercial cannabis business to occupy approximately 32,000 square feet in the existing building at 1460 Tanforan, Suite B. In a revised submittal, received on August 10, 2018 and updated August 22, 2018, the applicant has requested use of the entire 64,000 square foot building for commercial cannabis uses as follows:

Suite A – 32,000 square feet: High Five Solutions, Manufacturing (volatile and non-volatile License Types 6 & 7)
Suite B – 22,000 square feet: ORMEX Enterprises, LLC Distribution and Transport (License Type 11 & 12)
Suite C - 10,000 square feet (New):Testing (no business entity is identified at this time)

Any cannabis related commercial business, in addition to obtaining all required land use approvals, must also obtain a cannabis business permit from the city pursuant to Chapter 13A, Commercial Cannabis Business Permits (CBP) for each individual business activity. (Ordinance 1630). The CBP addresses the specific operating requirements of each business. To obtain a CBP each business will also be required to obtain the appropriate State License type (Type 6 and 7 – Medical and Adult Non- Volatile and Volatile Commercial Cannabis Manufacturing; Type 8 Testing Laboratory; Type 11 Distribution; and Type 12 Transport). No customers or sales will occur at the facility along with no signage or identification regarding the type of business that is operating.

Background

On November 8, 2016 California voters approved Proposition 64, known as the Control, Regulate, and Tax Adult Use of Marijuana Act (AUMA). AUMA legalized non-medical cannabis use, possession and cultivation by persons 21 years of age and older. With the majority vote passage, the provisions related to personal use, possession and cultivation of non-medical cannabis went into effect on November 9, 2016. Commercial non-medical cannabis activities also became legal on November 9, 2016, although commercial activities require state licenses. The state began issuing licenses for commercial activities on January 1, 2018.

On June 27, 2017, California Senate Bill 94 was signed into law, repealing the Medical Cannabis Regultion and Safety Act (MCRSA) and amending AUMA to consolidate state licensing of medical and non-medical commercial activities. The new law is now called the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

On September 16, 2017, Assembly Bill 133 was signed into law by Governor Brown and it made numerous minor amendments to MAUCRSA. One of the amendments removed the requirement that cannabis businesses maintain separate and distinct premises for each use. Now multiple uses may be located at the same location, so long as a separate state license is obtained for each location where commercial cannabis activity occurs, subject to applicable state regulations.

The City of Woodland has passed several Ordinances to update the Municipal Code to address both personal and commercial cannabis uses. On December 5, 2017 the City Council approved Ordinance 1629 to add

Article 21.6 of Chapter 25 to the Municipal Code relating to the zoning of Commercial Cannabis uses. The Council also approved Ordinance 1630 to add Chapter 13Λ to the Municipal Code related to commercial cannabis business permits and operating regulations. Ordinance 1629 allows consideration for up to six (6) conditional use permits for cannabis uses, which may be located in the Industrial or Industrial with Light Industrial Flex Overlay zones. The Ordinance allows the consideration of multiple cannabis license type in one location to be considered under one master Conditional Use Permit. However, each business entity will be required to obtain separate Cannabis Business Permits (CBP). An operating agreement, to be approved by the Community Development Director, consistent with council approved conditions, will be required with each CBP.

To date, the City has received three cannabis conditional use permit applications.

ANALYSIS

Public Notification

Public notice advertising for the public hearing on this project was prepared by the Community Development Department in accordance with notification procedures set forth in the City of Woodland's Municipal Code and State Planning Law. Two methods of public notice were used:

Legal notice was published in the Woodland Daily Democrat at least ten days prior to the public hearing. Notices were mailed to all property owners within 1,000 feet of the project site.

Applicable Laws, Codes & Ordinances

This project is subject to several laws, codes and ordinances:
The City of Woodland General Plan
The City of Woodland Zoning Ordinance
City of Woodland Cannabis Business Permit Requirements
Community Design Standards
California Environmental Quality Act (CEQA)

Environmental Assessment Status

Staff has determined that a Class 1 Categorical Exemption (Existing Facilities) pursuant to Section 15301 of the CEQA Guidelines as the appropriate level of CEQA review for this document. Class 1 consists of the operation, repair, maintenance, permitting, leasing, 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 agencies' determination. The environmentally benign project is consistent with the local general plan and zoning requirements. The proposed use would occupy approximately 64,000 square feet space within an existing industrial multi-tenant building already zoned and developed to allow industrial and manufacturing uses similar to the project.

Reviewing Agency Comments

The project has been circulated to other city divisions and departments for review as well as to agencies outside the City of Woodland who have may have interest in the application including Air Quality, Waste Management, Yolo County, Yolo County Office of Education, and PG & E . All reviewing agency comments

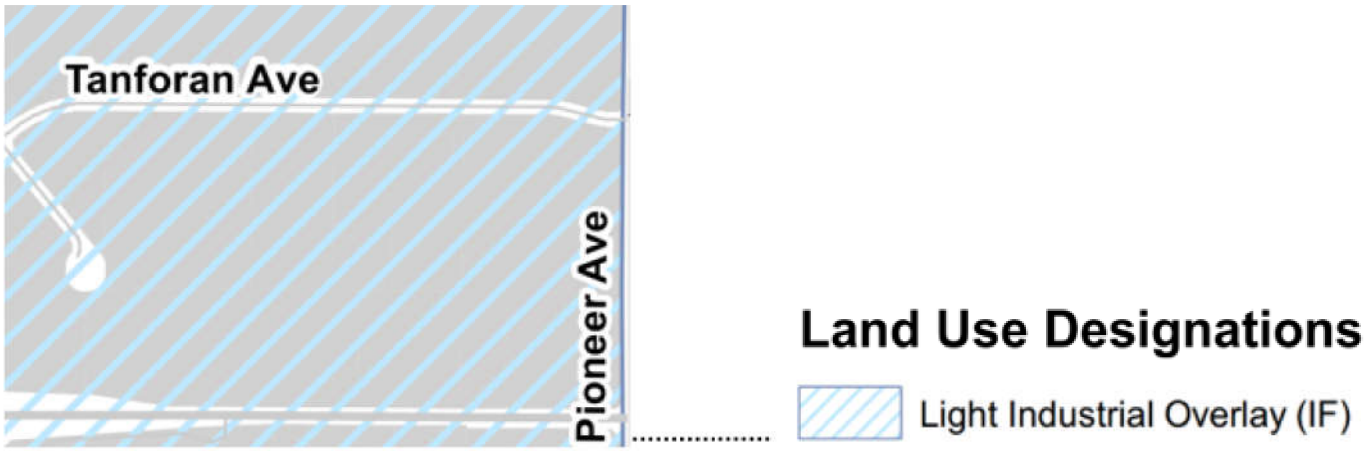
have been integrated into the conditions of approval.

Staff Analysis

General Plan Consistency

The 2035 General Plan (GP) designation for the site is Industrial with a Light Industrial Flex Overlay (I/LIF). The proposed use of the site is consistent with the General Plan and shall be reviewed in accordance to the policies listed in conditional use permit discussion below. The General Plan describes this land use designation as follows:

When applied over the Industrial base designation, the Light Industrial Flex Overly provides for a mix of general, light to custom industrial and manufacturing uses, including multi-tenant spaces with offices, contractor storage, agricultural processing, food producers, industrial technology, and other sensitive processing uses that require controlled performance standards.



Climate Action Plan Consistency

The project involves the re-use of an existing building that will be re-purposed and upgraded to encourage new technology and an employment generating use. Strategy T/LU-2 encourages Redevelopment and Repurposing. The Climate Action Plan assumed that development would occur and continue within the urban areas of the city. In this instance, project has been conditioned to encourage and utilize energy saving features including solar consistent with Strategy E-3. The applicant will be required to submit a statement with their building construction plans describing measures that they will be implementing.

Zoning Consistency

The zoning designation for the site is Industrial with Light Industrial Flex Overlay (I/LIF), which provides for types of animal and food processing uses, manufacturing uses, industrial yard uses, warehouse and storage uses and other related miscellaneous uses, such as office space and general agriculture. The site is an existing industrial warehouse building and is generally consistent with the Zoning Ordinance.

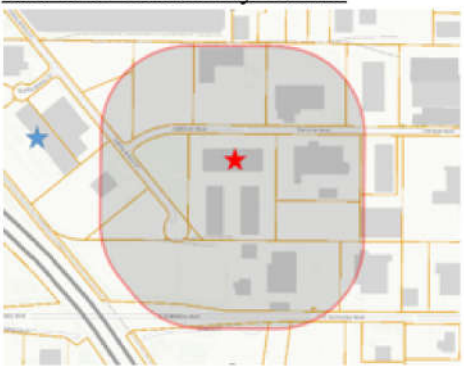
Access and Parking:

There is adequate parking provided for use. The site currently has 129 parking spaces directly adjacent to the building. A minimum of 32 spaces are required based on the ratio of one space per 2,000 square feet of gross floor area (1/2000). The site was designed to accommodate large truck loading and has multiple loading docks. The applicant intends to utilize 5 secure loading areas that will have additional fencing to secure the areas. Several of the older bay doors have been sealed and are no longer used or accessible.

Landscaping:

The site has existing landscape planters. The application will be conditioned to require on-going maintenance and replacement of any dead or dying plant materials. In addition, the site shall be cleared of any debris and trash on a daily basis.

600-foot Sensitivity Buffer



Nor Cal Indoor Sports is an identified youth oriented facility and was located in Suite A. However, the city has been notified that the sports use does not intend to continue their lease after September of 2018. The applicant has indicated that they have been working to help the sports facility locate another site that would meet their needs and is willing to store their equipment in the interim. The proposed site is located farther than 600-feet from the Office of Education located on Santa Anita Drive as illustrated in the diagram.

Conditional Use Permit Review

A conditional Use Permit (CUP) affords broad public review and evaluation of those uses which require special consideration to ensure proper integration into the community; mitigation of any potentially adverse impacts; and making the required findings to permit the use. In considering an application for a conditional use, due regard shall be given to the nature and condition of the proposed or existing use and all adjacent uses and structured and may impose such requirements and conditions with respect to location, construction, maintenance, and operation, as may be deemed necessary for the protection of adjacent properties and the public interest. Conditional Use Permit analysis typically includes consideration of proposed use; hours of operation; consistency with zoning standards such as parking; compatibility with existing uses and structures in the surrounding area; and other criteria as may be deemed appropriate.

A CUP runs with the land unless the use ceases or the CUP is revoked. Once approved, should ownership of the land or the business change, the CUP would remain valid at the location approved. In addition to the CUP land use considerations above, the Cannabis Ordinance 1629 (Municipal Code 25-21.6.50(c)): provides other specific factors that shall be considered by the Planning Commission and ultimately the City Council as follows:

1) *The type of proposed use by the applicant:*
The requested use is a conditionally allowed use in the zone regulations. The use would fit the category of cannabis manufacturing (volatile), distribution and testing as allowed in the Zoning Land Use Matrix and Article 25-21.6. The use is consistent with the General Plan. General Plan policies that specifically relate to this request include the following:

2.D.3 – Technology Sector: Grow the technology sector in Woodland by leveraging the research strength at U.C. Davis. Encourage smaller companies and start-ups to locate in incubator spaces in Downtown and in areas with the Light Industrial Overlay designation.

2.E.7 – Public Safety and Community Design: Promote design that enhances public safety and discourages crime by providing buildings that engage the street, as well as adequate lighting and sight lines.

4.C.6 – Monitor Trends: Monitor economic trends to identify emerging industries, new market opportunities, and the performance and mix of businesses to allow the City to be proactive and adjust to market changes.

4.C.9 – Importance of Agricultural Industry. Recognize the importance of agriculture-related business and industries to the City and region, and support the continuation and development of agriculture and agriculture-related enterprises in and around Woodland.

4.E.1 – Job Expansion though Business Expansion: Encourage the expansion and attraction of diverse businesses and industries that create and increase the quality and amount of stable, year-round jobs locally.

2) *Whether the proposed use will be detrimental to the health, safety and welfare of the community:*

The proposed facility would be contained within the existing building with numerous redundant security measures employed via a security plan reviewed and approved by the City of Woodland Police Department. The facility would not have exterior signage and would not be open to the public. Vehicles used to transport cannabis would be unmarked but also secure. The tenant improvement plans will undergo review and inspection by both the Building and Fire Divisions to ensure the proper construction, installation and operation of manufacturing equipment. The City will conduct annual review of the facilities and annual review of the general business operations. The applicant must also comply with all other agencies including health and state operating requirements.

3) *Whether the use would enhance the economic viability of the area in which it is proposed to be located, including adjacent and surrounding properties:*

The proposed facility will provide a new source of employment and revenue to the City while remaining under close regulation and oversight by both the City and State.

4) *Whether the applicant has adequately addressed potential community benefits of the use to offset potential adverse impacts*:

At the time of approval of a Cannabis Business Permit, an applicant will be required to pay a fee which has been determined to provide adequate cost recovery to the city for all activities, including police surveillance, associated with the proposed business. Further, as provided in a required operating agreement, a generalized contribution will be determined based on gross receipts derived from cannabis uses that will generate essential funds for protecting vital City services and facilities and mitigate impacts, and will help fund general municipal

services and place such businesses on more equal footing with existing City businesses.

5) The applicant has also included a Community Relations Plan and assigned a Community Relations Manager, Shanan Day. (Attachment 5)

The applicant has also include additional community benefit actions that they propose to conduct their business with good neighbor relations such as neighborhood clean-up and graffiti removal, donating assistance to Meals on Wheels, and Holiday Family Hosting.

6) *The extent of support or opposition to the proposed use and the location from members of the community:*

Public notice of the proposed cannabis use was provided in accordance with state law and consistent with city requirements for notice within a 1,000-foot radius.

7) *The number of cannabis uses located or proposed to be located within 1,000 feet of the proposed location:*

The closest proposed cannabis uses a cannabis manufacturing and a cannabis distribution facility located at 1230 Harter Avenue, Suites F and J, (ProTerp Manufacturing, LLC and Epic Bros Enterprises, Inc) which is approximately 2090 feet from this project site.

However, the reality is that there are a limited number of sites and/or buildings currently available to cannabis uses. This limitation may be due to a number of reasons, such as the reluctance of some owners to lease space to cannabis uses; a lack of availability of smaller spaces within industrial buildings more suitable to smaller scale manufacturing uses; and a number of restricted sites due to their proximity to sensitive uses. It is possible in the future that more cannabis related uses may request to locate in this proximate area due to the appropriate facility size available and a willing property owner.

Comments received have also intimated that vertical integration of uses is the most desirable for quality control purposes and safety. Vertical integration involves the combination of related cannabis uses housed in one facility. It has been suggested that should the city consider allowing indoor commercial cultivation that additional larger sized buildings may function better for cannabis uses.

8) *The extent to which the proposed use would cause a further over concentration of that particular type of use in the area:*

At this time, there is no overconcentration of cannabis uses. See discussion above. The City may find that on a limited scale that it is acceptable to have multiple cannabis uses located in a specific area.

9) *The background and history of the applicant, including the nature and extent of problems on any premises where he or she has operated a cannabis business in the past:*

The applicants have completed all request for “Live Scan” and provided all relevant background information concerning past history with regard to Cannabis uses. At this time, there do not appear to be any significant concerns identified that would warrant a recommendation for denial.

10) *Whether there is a history of police or crime related problems in the area of the proposed location which may be exacerbated by the establishment of the proposed cannabis use.*

The Police Department ran review of calls for service within a 1000-foot radius from the project site for the past calendar year. The calls for service do not reflect a high volume of police activity, especially for crime related calls. It is believed that establishment of the proposed cannabis operation, as conditioned, would not exacerbate crime related activities.

Cannabis Business Permit Review – Municipal Code Chapter 13A

The CBP provides for the review of operational features for each cannabis business entity and is required in addition to a state license. A CBP is required prior to initial operation and requires annual review. Prior to issuance of the CBP fees must be paid and a final Operating Agreement authorized. The CBP is approved by the Community Development Director. Operating details including a Security Plan, Lighting Plan, Odor Control Plan, Business Plan, Community Relations Plan, as well as an Operating Agreement and Indemnification statement are required as part of the CBP review.

Community Relations Plan:

A plan that describes who is designated as being responsible for outreach and communication with the surrounding community, including the neighborhood and businesses, and how the designee can be contacted. The community relations plan must include a description of the community benefit the business will provide, or proposes to provide, to the surrounding community. The applicant has provided an initial Community Benefit/Relations Plan with the CUP application (Attachment 5)

Business Plan:

A plan describing how the cannabis business will operate in accordance with this code, state law, and other applicable regulations. The plan must include plans for hours of operation, handling cash, and transporting cannabis and cannabis products to and from the business site, as may be applicable. Some aspects of this plan may be confidential. The applicant has provided an initial Community Benefit/Relations Plan with the CUP application (Attachment 4)

Odor Control Plan:

A detailed ventilation plan describing the air treatment system, or other methods implemented to prevent offensive odors generated from the manufacturing, testing, and /or storage of cannabis from being detected outside the building. The applicant has provided an initial Community Benefit/Relations Plan with the CUP application (Attachment 6)

Security Plan:

The Draft Security Plan is a confidential document that generally addresses safety concerns related to vandalism, internal and external theft, lighting, video surveillance, security personnel, and other crime prevention. Because this document is confidential, it cannot be attached to this report. All interested parties to a cannabis business permit application are subject to fingerprinting and a criminal background investigation. The security plan has been reviewed by the Police and Fire Departments as part of the conditional use permit review.

Operating Agreement and Indemnification:

The City and applicant shall enter into an operating agreement, in a form approved by the city attorney, in which the applicant releases the city from any damages or liabilities of any kind for violation of state or federal law and agrees to defend, indemnifies, against any and all claims or actions. In addition, the applicant agrees to operating terms and conditions mutually agreed upon that ensure that the community benefits derived from the proposed cannabis business adequately address potential adverse effects.

Appeal

The Planning Commission action on the Conditional Use Permit shall be final unless, within **ten (10) calendar days** after the decision, the applicant or any other person, including the City Council, any individual City Council member, or the City Manager, not satisfied with the decision of the Planning Commission, may appeal to the City Council. No conflict of interest shall exist solely by reason of the filing of an appeal by the City Council, an individual City Council member, or the City Manager. Any appeal shall be filed with the City Clerk and, except an appeal by the City Council, a Council member, or the City Manager, shall be accompanied by a filing fee as prescribed by City Council resolution. The City Clerk shall set a date for a public hearing and shall give notice to the appellant, the applicant, and neighboring property owners in the manner provided in Section 25-27-20.

Attachments:

1. 1 PC Reso Tanforan Ventures CANN CUP with Conditions of Approval
2. 2 Applicaiton and Request Statement
3. 3 Site Plan and Floor Plans
4. 4 Business Plan
5. 5 Community Benefits Plan
6. 6 Odor Control Plan

PLANNING COMMISSION
RESOLUTION NO. PC 18-0_____

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF WOODLAND RECOMMENDING THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVE A CONDITIONAL USE PERMIT FOR CANNABIS DISTRIBUTION, MANUFACTURING AND TESTING BUSINESSES LOCATED AT 1460 TANFORAN AVENUE

WHEREAS, the applicant has applied for a Conditional Use Permit for a commercial cannabis distribution, manufacturing and testing lab facilities within an existing one-story multi-tenant 64,000 square foot building in the Industrial with a Light Industrial Flex Overlay zone; and

WHEREAS, the project is exempt from further environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Class 1 Categorical Exemption, Existing Facilities), as the Planning Commission of the City of Woodland finds as follows:

- The project consists of the permitting and minor alterations of an existing private structure that involves negligible expansion of the use beyond that existing at the time of the lead agency's initial determination as the existing facility is already zoned to allow industrial and manufacturing uses similar to the proposed project;
- The project consists of minor alterations for additional mechanical and security equipment to operate a cannabis business that utilizes existing utility infrastructure;
- The project will not have any biological, air, water, traffic, or noise impacts; and

WHEREAS, the proposed use and its operating characteristics are consistent with the general plan, as the site is located in the Industrial/ Light Industrial Flex Overlay designation, which provides for industrial, distribution, and manufacturing uses that occur entirely within an enclosed building and are employment generating; and

WHEREAS, The Planning Commission funds that the proposed use is consistent with policies that encourage job expansion through business expansion, that encourage emerging industries and new market opportunities, that support agricultural related industry as well as the technology sector; and

WHEREAS, the Planning Commission finds that the proposed use and its operating characteristics are consistent with the applicable standards, requirements, and regulations of the zoning district in which it is located, and of all other provisions contained in Article 25-21.6 pertaining to commercial cannabis uses, and all operations will be conducted inside of the existing building; and

WHEREAS, the proposed use is in on a site and in a building that is physically suitable in terms of location, size, topography, and access, and that is adequately served by public and private services and utilities; and

WHEREAS, the proposed cannabis business uses will not adversely affect the peace or general welfare of the surrounding neighborhood, as follows:

- The proposed use is not consumer based (no retail sales will occur at the premises) and therefore, will result in low vehicle traffic;
- The odor control plan will ensure no odors will be detectible outside the building;
- All activities will take place inside the building and will not be visible from the outside;
- A secured and fenced area will provide a secure area for trash storage.
- All signage will be limited and the applicant will have a final lighting and security plan approved by the Police and Fire Departments to ensure internal and external safety**;** and

WHEREAS, the proposed use will enhance the economic vitality of the area in which it is proposed to be located, including adjacent and surrounding properties, the applicant will provide tenant improvements to the building including the addition of walls, partitions, and the use of a loading door and fenced secure loading and trash enclosures out side the building, and the project will be required to maintain the site in a clean and well kept manner; and

WHEREAS, based on existing circumstances, police data, and the background and history of the applicant, the Planning Commission finds that proposed use will not cause an overconcentration of cannabis uses in the area, potential community benefits of the use are likely to offset potential adverse impacts, and the proposed use is not likely to exacerbate crime-related problems in the area; and

WHEREAS, a public notice describing the proposed cannabis conditional use permit was published in the Daily Democrat, a newspaper of general circulation, in accordance with Government Code section 60661 and mailed to properties within 1,000 feet; and

NOW, THEREFORE BE IT RESOLVED, that the Planning Commission of the City of Woodland, based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby make the above findings, determinations, and recommendations with respect to the proposed Conditional Use Permit and recommends to City Council approval of the proposed Conditional Use Permit, as conditioned and attached hereto.

PASSED AND ADOPTED by the Planning Commission this 20th day of September, 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Marco Lizzaraga Chairperson

ATTEST:

_____
Cindy A. Norris, Principal Planner

CONDITIONS OF APPROVAL
Tanforan Ventures LLC - 1460 Tanforan Avenue

1. The project is as described in the staff report prepared for the September 20, 2018, Planning Commission meeting and shall consist of administrative offices, cannabis manufacturing (including authorized volatile extraction), distribution and testing facilities within an existing 64,000-foot tenant space. The project shall be established and operated as depicted in the staff report, except as modified in these conditions of approval and with any changes necessary to comply with City codes and specifications.

2. The applicant shall defend, indemnify, and hold harmless the City of Woodland, its agents, officers or employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul an approval of the subject application by the City, its legislative body, advisory agencies or administrative officers. The City will promptly notify the applicant of any such claim, action or proceeding against the City and the applicant will either, at the City's discretion, undertake defense of the matter and pay the City's associated legal costs, or will advance funds to pay for defense of the matter by the City Attorney.

3. The applicant shall secure approval and satisfy requirements of all agencies with jurisdiction prior to operating the cannabis business.

4. The Conditional Use Permit shall not be issued until the appeal period has expired or final action on an appeal has been rendered.

5. The Conditional Use Permit must be exercised within one year of issuance, or it shall be deemed null and void by act of law (Section 25-27-70).

6. The project approval is for the project as described in the above staff report and related attachments, which depict the projects proposed map, site and floor plans, business plan, community relations plan, odor control plan, energy efficiency plan, and plant oil and chemical waste disposal plan. Should there be a change in the use or an intensification of the described use, the change shall be described and provided in writing to be evaluated by the Community Development Director to determine general consistency with the provisions of the use permit. The Director shall either approve the proposed changes based on a finding that the changes shall not result in significant traffic, noise, safety or security concerns or other potential nuisance to surrounding property owners or within public right-of-ways beyond that anticipated by the original approval, or, if these findings cannot be made, the Director shall make a determination that a Conditional Use Permit Modification is required, which shall include Planning Commission review including applicable processing and development fees.

7. Environmental Recording Fee. Applicant shall provide the Community Development Department with a check for the sum of $50 made out to Yolo County to record the CEQA environmental document (Notice of Exemption) with the County.

8. The applicant shall comply with all state and local ordinances, including the provisions required of Chapter 13A of the Municipal Code and the requirement to secure a Cannabis Business Permit, including approval of an Operating Agreement, for each business entity operating at the location as part of the approved conditional use permit. The applicant shall obtain and maintain, prior to operation of the business and continuing at all times the business is in operation, a valid Cannabis Business Permit and all applicable state license(s). All requirements, terms and conditions of the

Cannabis Business Permit, Operating Agreement, and applicable state license(s) shall be considered conditions of this conditional use permit. Failure to comply with all applicable state and local laws and ordinances, the Cannabis Business Permit, Operating Agreement, and/or applicable state license(s) shall be deemed a violation of the conditional use permit and may result in revocation of the use permit.

9. As set forth and agreed to in the Operating Agreement for each approved Cannabis Business Permit, the business/applicant shall pay a fee in the form and in the amount and manner agreed upon between the City and the business receiving a Cannabis Business Permit. If, during the term of the Operating Agreement, the city imposes an alternative revenue mechanism, specifically related to cannabis operations (e.g. cannabis tax), the business/applicant will pay the city the greater of the two payments, or as otherwise agreed by the City or mandated by law.

10. If the applicant wishes to relocate, significantly modify the approved site layout and allowed cannabis uses, the applicant shall secure a new conditional use permit, or modification to the existing conditional use permit prior to any modification or occupancy of the site by a new or modified use.

11. If the Community Development Director finds evidence that conditions of approval have not been fulfilled or that the use or uses has or have resulted in a substantial adverse effect on the health, and/or general welfare of users of adjacent property, or have a substantial adverse impact on public facilities or services, the Community Development Director may refer the Conditional Use Permit to the Planning Commission for further review. If, upon such review, the Commission finds that any of the adverse results above have occurred, the Planning Commission shall recommend to the City Council to modify or revoke the Conditional Use Permit. If upon such review the City Council finds that any of the above results above have occurred, the City Council shall modify or revoke the Conditional Use Permit.

12. Upon receipt of a Cannabis Business Permit the applicant shall be subject to provisions relating to violations contained in Municipal Code Section 13A-1-09, as may be amended.

13. The applicant shall submit a final security plan for review and approval by the Police Department prior to operation and shall comply with requirements included in Section 13A-4-02, as may be amended.

14. The applicant's business shall not employ any juvenile, defined as under the age of 21.

15. No customers or sales shall occur at the facility.

16. All cannabis related activities shall take place in the interior of the building and any cannabis related activities outside the premises are strictly prohibited with the exception of the lawful receipt of raw cannabis materials received by the business and the delivery of finished lawful cannabis products to another lawful cannabis business in accordance with all applicable state and local laws governing transportation of cannabis goods. There shall be no exterior storage of materials or equipment.

17. The main entrance to the facility shall be clearly identified with proper signage to include name of business and address. Main entrance shall also provide adequate lighting per the City Security Ordinance and lighting regulations.

18. Approved numbers or addresses shall be placed on all new and existing buildings in such a position as to be plainly visible and legible from the street or road fronting the property. Said numbers shall contrast with their background.

19. Applicant shall comply with the design requirements as stated in the Community Design Standards for any exterior changes, modifications, and additions to the subject building. All exterior changes beyond those stated in the original approval will require staff level design review.

20. The site shall be inspected and maintained daily to be clear of litter.

21. Any new signage, modifications or changes to the signage the applicant shall conform to the City Zoning Code and Sign Ordinance and shall comply with provisions of Section 13A-4-04 of the Municipal Code. Except as otherwise approved by the City in writing or by law, project signage shall include nothing in word or symbol, identifying the fact that the property is used for cannabis related activities.

22. No vehicle owned or operated by the business, or used for the transportation of product or individuals associated with the Facility shall include markings (in words or symbols) identifying the vehicle as a vehicle used for cannabis-related activities, unless otherwise required by law.

23. Photometric data shall be provided, and indicate that the parking area will be equipped with one (1) foot-candle of minimum maintained illumination per square foot of parking surface to include the entire paved area. The parking area shall be illuminated from dusk until the termination of business every operating day. Photometric data must also confirm the absent of "Hot Spots" or areas of ten (10) foot-candle of illumination per square foot or more.

24. All existing landscape planter areas shall be replanted and maintained per City Standards. Vegetative matter shall cover no less than 75% of the required landscape area unless otherwise approved by the Community Development Director. Maintenance shall include but is not limited to watering, fertilizing, weeding, cleaning, pruning, trimming, spraying and cultivation.

25. The applicant shall utilize building energy saving measures to reduce energy usage. The applicant shall submit a statement with the initial submittal of their building construction plans describing energy conserving measures that they will be implementing.

26. The applicant shall provide a minimum of two bike parking spaces for employees. Bike parking shall be provided in a safe a secure location.

27. Waste materials shall be appropriately handled. The applicant shall describe methods that will be used to make cannabis waste unusable and unrecognizable, and how cannabis waste will be stored prior to removal from the business. The applicant shall describe methods used to transport cannabis waste from the manufacturing site to a solid waste facility.

28. The applicant shall include a solvent waste disposal plan, including projected accumulation volumes and where on the property the solvent waste will be stored. The applicant shall describe how the business will transport solvent waste from the manufacturing site to a waste facility.

29. The applicant shall have an appropriate plan that considers all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation.

30. The applicant shall establish safety protocols that will be adopted, including, but not limited to: staff training, protective equipment, hazardous material handling, emergency communication/response protocols, etc. The applicant shall conform to all Cal OSHA workplace safety standards.

31. The applicant shall develop a quality control guidelines and standard operating procedures that are in strict adherence to MAUCRSA, and applicable state regulations. The applicant shall establish quality control procedures for each business, manufacturing and testing to ensure that cannabis products are safe and suitable for human consumption and /or use. Quality control procedures will consider the proper handling and storage of raw materials, in-process materials, and finished product throughout the production process and shall ensure uniformity between each separately produced batch of cannabis product. This include equipment inspection and maintenance, internal controls for each step in the process, internal batch sampling and testing.

32. The applicant shall institute policies and procedures used by the business to help prevent contamination of any cannabis product. This will include hand washing, employee training, use of facemasks/gloves, prohibiting employees who are showing signs of illness, open wounds, sores or skin infections from handling cannabis, etc.

33. A toxic material control plan will be provided with the Cannabis Business Permit application that contains a description of all toxic, flammable, or other materials that will be used or kept at the cannabis business, the location of such materials, and how such materials will be stored. The toxic material control plan will include all materials regulated by a federal, state, or local government that would have authority over the business if it was not a cannabis business.

34. The applicant will establish and utilize Standard Operating Procedures that describe the steps the manufacturing facility will take when notified from a testing agency, Health Officials, or California State Regulators, that the tested cannabis product does not meet appropriate health standards. The manufacturing operator shall describe how the business will dispose of all rejected cannabis product associated with the test sample, and ensure that rejected cannabis product is not released to the public. In addition, the manufacturing operator shall provide a recall procedure which describes the policy for communicating with customers and businesses who have purchased the product from the manufacturing facility, as well as health officials. The recall plan shall describe the method to collect recalled product and dispose of it in a manner that ensures it will not be consumed.

35. The distribution and transport facility shall provide a warehouse management system integrating inventory control tools with track and trace technology. The applicant shall provide routing software the cost control mechanisms to prevent diversion, shortages, and ensure product integrity and complete transparency throughout the process. Protocols for loading and unloading, storage, and transportation of cannabis products shall be provided.

36. Any distributor and/or testing laboratory shall comply with all requirements provided by the Bureau of Cannabis Control (Bureau) (www.bcc.ca.gov).

37. Any Cannabis manufacturer shall comply with all requirements provided by the California Department of Public Health (CDPH)

BUILDING

The following comments are from the City of Woodland Building Division and are applicable to the reference project:

38. This project must meet all criteria and mandates for these City adopted codes or the most current code:

    a. 2016 California Building Code
    b. 2016 California Plumbing Code
    c. 2016 California Mechanical Code
    d. 2016 California Electrical Code
    e. 2016 Building Energy Efficiency Standards
    f. 2016 California Green Building Code
    g. The Code of the City of Woodland

39. The project will require engineered building plans for the proposed work to be plan reviewed and inspected to ensure safety. This would include compliance with California Building Codes (including the 2016 California Fire Code Chapter 38 in the July 1st, 2018 Supplement, Plant Processing and Extraction Facilities) and applicable NFPA standards.

40. Other City and County Agencies (Health, Fire, Public Works, and Planning) are be required to approve the project prior to a building permit being issued.

41. A licensed architect or licensed engineer shall be responsible for reviewing and coordinating all submittal documents prepared by others, including deferred submittal items, for compatibility with the design of the building.

42. The project will provide a final odor control plan for review and approval prior to issuance of building permits.

FIRE

43. One-hour separation wall shall be inspected for integrity and conformance to original installation standards. Inspection shall be performed on both sides of the rated wall.

44. Exit doors shall be provided with panic hardware. Exit doors shall swing in the direction of egress travel.

45. Provide exit signs and emergency means of egress illumination.

46. Prior to final occupancy, provide confirmation from a licensed professional (fire protection engineer) indicating the existing fire sprinkler system adequately provides the level of protection required for the specific operation and associated hazardous materials involved.

ENVIRONMENTAL SERVICES

47. Management of Waste

    a. If the waste generated from the cannabis facility contains green byproduct, meaning that it contains buds or that the byproduct can still be used for the making of oils or the like, then the materials must be serviced as waste (trash). Yolo County Central Landfill requires these loads to obtain a certificate of destruction with each disposal.

    b. If the waste generated is brown and does not contain buds or usable byproduct, then the materials should be hauled as organic waste, which will be composted and considered diverted materials. If loads taken to the Yolo County Central Landfill contain any green byproduct, they will be processed as waste and will require a certification of destruction.

c. Any hazardous waste materials generated (i.e. solvents, pesticides, chemicals, lamp ballasts, canisters/cylinders, personal protection equipment with residual, etc.) must be disposed of through a hazardous waste facility. Yolo County Central Landfill accepts commercial hazardous waste through their Conditionally Exempt Small Quantity Generator (CESQG) business program.

d. Recycling (cardboard, paper, and plastic, glass, or metal containers) is also required and should be separated from any waste or organics recycling loads.

e. Materials may be self-hauled to a waste or compost facility by the business in which the materials were generated. If self-hauled to the Yolo County Central Landfill, the above disposal procedures will be in effect.

f. If the materials are not self-hauled, Waste Management is the exclusive waste, recycling and organics recycling hauler for Woodland and must be used for disposal services. The business may not pay another company besides Waste Management to haul waste, recyclables, or organic materials.

g. The types of services, collection frequency, and bin sizes for waste and/or organics recycling services should be determined through Waste Management upon an assessment of the facility and types of materials generated.

h. Depending on the amount of materials generated, all waste generated from the facility should be removed from the premise no less than one time per week.

i. The City of Woodland, its residents and businesses have an obligation to meet state-mandated waste diversion requirements and requests that businesses make the highest effort possible to divert their waste through recycling or composting (organics recycling). Waste generated by a business should be processed in a manner that meet the landfill's requirements for acceptance as organic waste/composting.

j. Bins (dumpsters), roll-offs (debris boxes), or trailers used to collect materials be stationed in an area not generally accessible to the public. Bins should be padlocked, located inside of the business to deter scavenging.

POLICE

48. Site plans and floor plans shall be completed to the satisfaction of the Police Department CPTED requirements prior to issuance of building permits.

49. Exterior lighting shall be white light using LED lamps with full cutoff fixtures to limit glare and light trespass. Color temperature should be between 2700K an d4200K with a color rendering index of 75 or better and a light loss factor of 0.95 or better. All existing exterior fixtures shall be replaced with fixtures that meet this requirement.

50. Broken or damaged exterior lighting shall be repaired or replaced within 48 hours of being noted.

51. Exterior lighting shall be shielded or otherwise designed to avoid spill-over illumination to adjacent streets and properties.

52. Tree canopies shall not interfere with or block lighting. This creates shadows and areas of concealment. The landscaping plan shall allow for proper illumination and visibility regarding lighting and surveillance cameras through the maturity of trees and shrubs.

53. All solid core doors shall be equipped with a 180 degree viewing device to screen persons before allowing entry.

54. The business shall be equipped with and maintain a security system with an alarm system with a valid UL Certificate in accordance with ANSI/UL Standard 681-2014 (Standard for Installation and Classification of Burglar and Holdup Alarm), Extent No 3; and a Video Assessment and Surveillance System (VASS).

55. A hold up alarm shall be employed near the transport area, lobby, employee entrance and safe(s).

56. Burglar alarms shall cause the dispatch of a properly licensed private patrol.

57. Hold up alarms shall cause the dispatch of the Woodland Police Department.

58. The Security system shall be equipped with at least 24 hours of continued operation time in case of power failure.

59. The Security system shall be equipped with cellular backup in case of phone line disruption.

60. The facility shall be staffed at all times that the security system is not fully functional.

61. A log shall be maintained that shows when the alarm system was armed and disarmed, and by whom.

62. VASS storage shall be kept off-site or in a secured area accessible only to management.

63. VASS shall be capable of no less than 30-days worth of activity and shall provide comprehensive coverage of: safe, areas of ingress and egress, parking lot, loading areas, areas not clearly visible from public streets, and coverage of all exterior areas of the building.

64. Monitors displaying the employee parking area shall be mounted in a visible location near the door from which employees will arrive and depart so that employees may monitor the outside environment prior to departing the facility.

65. The applicant is responsible for reasonably controlling the conduct of persons of the site and shall immediately disperse loiterers.

66. Applicant shall install a “Knox Box” for police access of the exterior areas of the property after hours.

City of Woodland

Community Development Department
300 First St, Woodland CA 95695
(530) 661-5820 Fax (530) 406-0832
www.cityofwoodland.org

General Application Form

1. Owner/Applicant

PROPERTY OWNER: Ethan G. Conrad
MAILING ADDRESS: 1300 National Drive, Suite 100
CITY STATE ZIP CODE: Sacramento, CA 95834
PHONE NUMBER: (916) 779-1000
E-MAIL ADDRESS: ethan@ethanconradprop.com

PROJECT APPLICANT Tanforan Ventures, LLC
MAILING ADDRESS: 1460 Tanforan Ave, Unit B
CITY STATE ZIP CODE: Woodland, CA 95776
PHONE NUMBER: (916) 247-0094
E-MAIL ADDRESS: S.day1@sbcglobal.net (2ndary)
Shanan@treebirdco.com (primary)

2. Application Requested

- [ ] General Plan Petition
- [ ] Zoning Amendment
- [ ] General Plan Amendment
- [ ] Tentative Subdivision Map
- [ ] Tentative Parcel Map
- [ ] Lot Line Adjustment
- [ ] Site Plan Review
- [ ] Design Review
- [ ] Sign Design Review
- [x] Conditional Use Permit (CUP)
- [ ] Zoning Administrator Permit
- [ ] Variance
- [ ] Public Convenience or Necessity
- [ ] Other _____

Is this request part of another application? [ ] Yes [x] No If so, what? _____

3. Project Description

Project Name: 1460 Tanforan Avenue, Unit B
Total Acres or Square Feet 9,891 Acres
Site address or location: 1460 Tanforan Ave, Unit B
Assessor's Parcel Number: 027-450-070-000

Is Your Project Located in a Flood Zone? [x] Yes [ ] No

Does this request include signage? [ ] Yes [x] No

4. Justification for Request

☞ On a separate sheet, explain in detail your request and why you believe your request is justified.

CANN - Tanforan Ventures LLC

PLNG-18-00027

5. General Plan Amendment

Existing General Plan Designation	Gross Acres	Proposed General Plan Designation	Gross Acres
Industrial	9.891 A.C	N/A	N/A

6. Zoning Amendment

Existing Land Use Zone	Gross Acres	Proposed Land Use Zone	Gross Acres
GP	9.891. A.C	NA	NA

7. Residential Development

No. of residential units are being requested? 0

No. of lots will be created by this project? 0

Single Family		Half-plex	
Duplex		Apartments	
Condominiums		Other	
Townhomes		**Total Units**	

Do you intend to market the units for sale?

☐ YES ☑ No

Do you intend to market the units for rent?

☐ YES ☐ No

8. Commercial/Industrial Development

Indicate the type of commercial/industrial development proposed:

Manufacturing, Distribution, Testing

Indicate the gross and leasable square footage for each type of development:

Testing: 5,184 SF; Admin: 1,731 SF
Manuf: 8,844 SF; Distrib.: 13,975 SF;

9. Authority to File Application

Check one:

☑ Property Ownership ☐ Power of Attorney*

☐ Contract to Purchase* ☐ Other

Specify _____

*Attach Evidence of Authority

I hereby certify that the above information and accompanying documents are true and accurate to the best of my knowledge and acknowledge that the processing of this application may require additional fees and expenses for the preparation of necessary environmental documentation and planning studies. I certify that I have reviewed the current Hazardous Waste and Substances Site List, developed pursuant to AB 3750, and found that my project is not on the list.

Date Received Stamp Here

APPLICATION WILL NOT BE ACCEPTED WITHOUT SIGNATURE OF LEGAL OWNER OR OFFICIAL AGENT

Tanforan Ventures, LLC 3/30/18

Applicant: **Date**

3/30/18

Legal Owner: **Date**

Legal Owner: **Date**

DEPARTMENT USE ONLY

Amount Paid: _____ Project No: _____

Amount Due:: _____ Logged by: _____ Date: _____

GP / Zoning Designation: _____ Planner: _____ Date: _____

City of Woodland

Community Development Department, 300 First Street, Woodland CA 95695, (530) 661-5820 fax (530) 406-0832

LETTER OF AGENCY

If the applicant is not the owner of record of the subject site, a Letter of Agency from the owner, or the owner's authorized representative must be submitted which grants the applicant permission to apply for the requested entitlements(s). The Letter of Agency must be notarized.

Date: 3/30/18

To: City of Woodland
Community Development Department
300 First Street
Woodland, CA 95695

Community Development Department:

I, the undersigned legal owner of record, hereby grant permission to:

Applicant: Tanforan Ventures, LLC Phone: (916) 247-0094

Applicant's Address: 1460 Tanforan Avenue, Unit B
WOODLAND, CA 95776

To apply for the entitlement(s) listed below

☐ General Plan Amendment	☐ Zoning Amendment	☐ Tentative Subdivision Map
☐ Tentative Parcel Map	☐ Specific Plan Amendment	☐ Lot Line Adjustment
☐ Variance	☐ Conditional Use Permit	☐ Planned Development
☐ Site Plan Review	☐ Design Review	☐ Zoning Administrator Permit
☐ Specific Plan	☑ Cannabis Business Permit	☑ Cannabis Conditional Use Permit
Is this request part of another application? Yes ☐ No ☐	Other:	

The subject property is located at: 1460 Tanforan Ave., Unit B. Woodland, CA 95776

Assessors Parcel Number: 027-450-070

X _____
Signature of Owner(s) of Record (must be an original signature)

Ethan G. Conrad
Print Legal Owner(s) of Record Name

1300 National Drive, Suite 100, Sacramento, CA 95834
Address of Legal Owner *(attach title report)* Phone: (916) 779-1000

E-mail Owner(s) of Record: ethan@ethanconradprop.com

State of California)
) ss.
County of Sacramento

On 3-30-2018 before, me Kathryn Jones Faires, notary public, personally appeared Ethan G. Conrad

☐ Personally know to me ☒ Proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~ they executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal: Kathryn Jones Faires
Signature of Notary Public

KATHRYN JONES FAIRES
Notary Public – California
Sacramento County
Commission # 2229576
My Comm. Expires Jan 27, 2022

Project Narrative-revised with CUP modifications to include Suite A of the proposed Tanforan Project

The proposed building is on a 430,000 SF (9.891 acres) parcel consisting of 1460, 1462 & 1464 Tanforan Avenue. This project is considering only 1460 Tanforan Avenue, which is 64,000 square feet. The building currently consists of two suites: A & B.

A new suite, Suite C, will be built out to house the proposed testing lab. The following is the breakdown per the CUP floor plan drawings:
Suite A - 32,000 SF. High Five Solutions Inc. - Manufacturing, License Types 6 & 7.
Suite B - 22,000 SF. ORMEX Enterprises, LLC. Distribution, License Types 11 & 12 and Tanforan Ventures, LLC Administrative support for the campus.
Suite C - 10,000 SF. Proposed Testing Lab, License type 8.

RECEIVED
AUG 22 2018
City of Woodland
Community Development

CONDITIONAL USE PERMIT

FOR

MANUFACTURING, DISTRIBUTION

AND TESTING

VICINITY MAP

FIRE NOTES

- PROVIDE APPROPRIATE KNOX ACCESS TO SITE
- AUTOMATIC GATES SHALL HAVE AC POWER AND BE PROVIDED WITH KEY OVERRIDE SWITCH (KNOX) FOR GATES THAT DO NOT FAIL SAFE IN THE OPEN POSITION UPON LOSS OF AC POWER OR ARE PROVIDED WIT BATTERY BACKUP POWER, AN APPROVED PEDESTRIAN GATE SHALL BE INSTALLED WITHIN 15' OF ALL VEHICLE GATES KNOX SHALL BE INSTALLED AT LEAST 48" ABOVE GRADE ON THE OUTSIDE OF THE GATE.
- EXTERIOR DOORS THAT HAVE BEEN REDEEMED NON-FUNCTIONAL SHALL BE LABELED ON THE EXTERIOR WITH A SIGN STATING "THIS DOOR BLOCKED" WITH 6" LETTERS BY 3/4" STROKE OF AN APPROVED COLOR THAT IS CONTRASTING TO THEIR BACKGROUNDS IN A APPROVED LOCATION CFC 504.2

  PROVIDE APPROPRIATE KNOX ACCESS FOR THE SITE. CFC SECTION 506
- ALL FIRE ACCESS GATES ARE TO BE A MIN. 20 CLEAR ACCESS WIDTH.

DEPARTMENT OF PUBLIC WORKS

- ALL NEW AND EXISTING DRIVEWAYS SHALL BE DESIGNED AND CONSTRUCTED TO CITY STANDARDS TO THE SATISFACTION OF THE DEPARTMENT OF PUBLIC WORKS.
- DESIGN OF WALLS FENCES AND SIGNAGE NEAR INTERSECTIONS AND DRIVEWAYS SHALL ALLOW STOPPING SITE DISTANCE PER CALTRANS STANDARDS AND COMPLY WITH CITY CODE SECTION 12.18.010 (25' SIGHT TRIANGLE) WALLS SHALL BE SET BACK 1' FROM THE SIGHT LINE NEEDED FOR STOPPING SITE DISTANCE TO ALLOW SUFFICIENT ROOM FOR PILASTERS. LANDSCAPING IN THE AREA REQUIRED FOR ADEQUATE STOPPING TO BE LIMITED TO 3.5' IN HGT AT MATURITY

SEWER DISTRICT

- DESIGN STANDARDS TO APPLY TO ANY SEWER CONSTRUCTION OR MODIFICATION

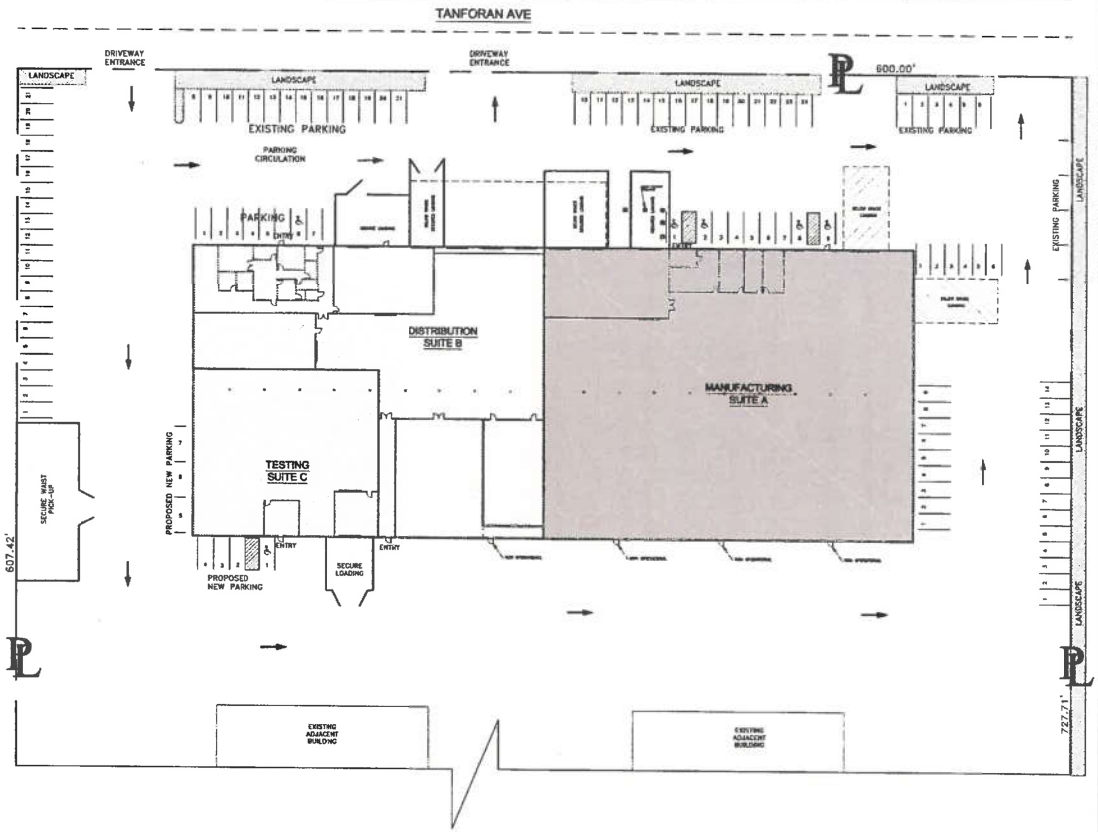
AIR QUALITY MANAGEMENT DISTRICT

- ALL DOORS FROM THE MANUFACTURING HANDLING AND STORAGE OF MARIJUANA SHALL BE KEPT FROM ESCAPING SUCH AS THE ODOR CAN NOT BE DETECTED BY A REASONABLY PEARSON OF NORMAL SENSITIVITY
- PROVIDE TREE PLANTINGS IN THE PARKING LOT DESIGNED TO RESULT IN 50 PERCENT SHADING OF PARKING LOT SURFACE WITHIN 15 YEARS.

SWAD

THERE SHALL NOT BE ANY BUILDING FOUNDATIONS PLACED WITHIN 5' OF ANY SWAD TRENCH TO MAINTAIN ADEQUATE TRENCH INTEGRITY, APPLICANT SHALL VERIFY SPECIFIC CLEARANCE REQUIREMENTS FOR OTHER UTILITIES (e.g., GAS, TELEPHONE, ETC.)

IN THE EVENT AN (IOD) IS REQUIRED FOR FUTURE ROAD IMPROVEMENTS THERE SHALL BE A DEDICATED 12.5-FOOT (PUE) FOR OVERHEAD AND/OR UNDERGROUND FACILITIES AND APPURTENANCES ADJACENT TO THE CITY'S IOD.



SITE PLAN

SCALE: 1/32"=1'

EXISTING BUILDING (SUITE) DESCRIPTION

2-32,000± SF INDUSTRIAL WAREHOUSE W/ (4) 8'X9' DOCK-HIGH DOORS & (2) GRADE-LEVEL DOORS. 4 OFFICES W/ AN OPEN AREA, CONFERENCE ROOM AND BREAK ROOM. 21'-22' CLEAR HEIGHT. FIRE SPRINKLERED.

LOCATED IN THE INDUSTRIAL PARK, WHICH IS THE NORTH END OF WOODLAND. EASY ACCESS TO I-5 & HWY 113.

PROPERTY OWNER:
ETHAN CONRAD PROPERTIES
1300 NATIONAL DRIVE
SUITE 100
SACRAMENTO, CA 95834
916-779-1000

APPLICANTS:
CUP - TANFORAN VENTURES
MANUFACTURING - HIGH FIVE SOLUTIONS
DISTRIBUTION - ORMEX ENTERPRISES

DESIGNER: AVIGNON DESIGN
BRANDON THATCHER
PHONE - 916-889-2700

APN: 027-450-070-000
LAND USE: INDUSTRIAL/WAREHOUSING
ZONE: GP
PARCEL AREA: 8.891 A.C.
YEAR BUILT: 1979
STORM ZONE: E3

NOTE:
THIS PROJECT TO COMPLY WITH ALL CURRENT LOCAL & STATE LAWS & REGULATIONS.

ALSO TO COMPLY WITH THE FOLLOWING CODES:
CALIFORNIA GREEN BLDG STDS 2016 EDITION
CALIFORNIA BUILDING CODE 2016 EDITION (2009 IBC)
CALIFORNIA FIRE CODE 2016 EDITION
CALIFORNIA PLUMBING CODE 2016 EDITION
CALIFORNIA ELECTRICAL CODE 2016 EDITION
CALIFORNIA MECHANICAL CODE 2016 EDITION
CALIFORNIA ENERGY CODE 2016 EDITION
ORDINANCE NO. 2016-0051

THIS SITE SHALL COMPLY WITH ALL OPERATING REQUIREMENTS 13A-4-1

SIGNS AND DISPLAY OF PERMIT

- "THIS SITE IS NOT OPEN TO THE PUBLIC"
- "RETAIL SALES OF ANY GOODS AND SERVICES IS PROHIBITED"
- "JUVENILES ARE PROHIBITED FROM ENTERING THIS SITE"
- "SMOKING, INGESTING, OR CONSUMING MARIJUANA ON OR WITHIN 20 FEET OF THIS SITE IS PROHIBITED"

AREA SUMMARY

DISTRIBUTION:	22,000 SF
MANUFACTURING:	32,000 SF
TESTING:	10,000 SF

TOTAL (E) WAREHOUSE:
1460 TANFORAN 64,000 SF

DRAWING INDEX

A-1	SITE PLAN
A-2	FLOOR PLAN
A-2.1	DEMO PLAN
A-3	ELEVATIONS
A-4	LIGHTING PLAN

AVIGNON DESIGN

TANFORAN VENTURES
C.U.P. - MANUFACTURING, DISTRIBUTION, TESTING
1460 TANFORAN AVE
WOODLAND, CA 95776

DATE	DESCRIPTION
2-12-18	START DATE
3/22/18	PLAN CHECK REV1

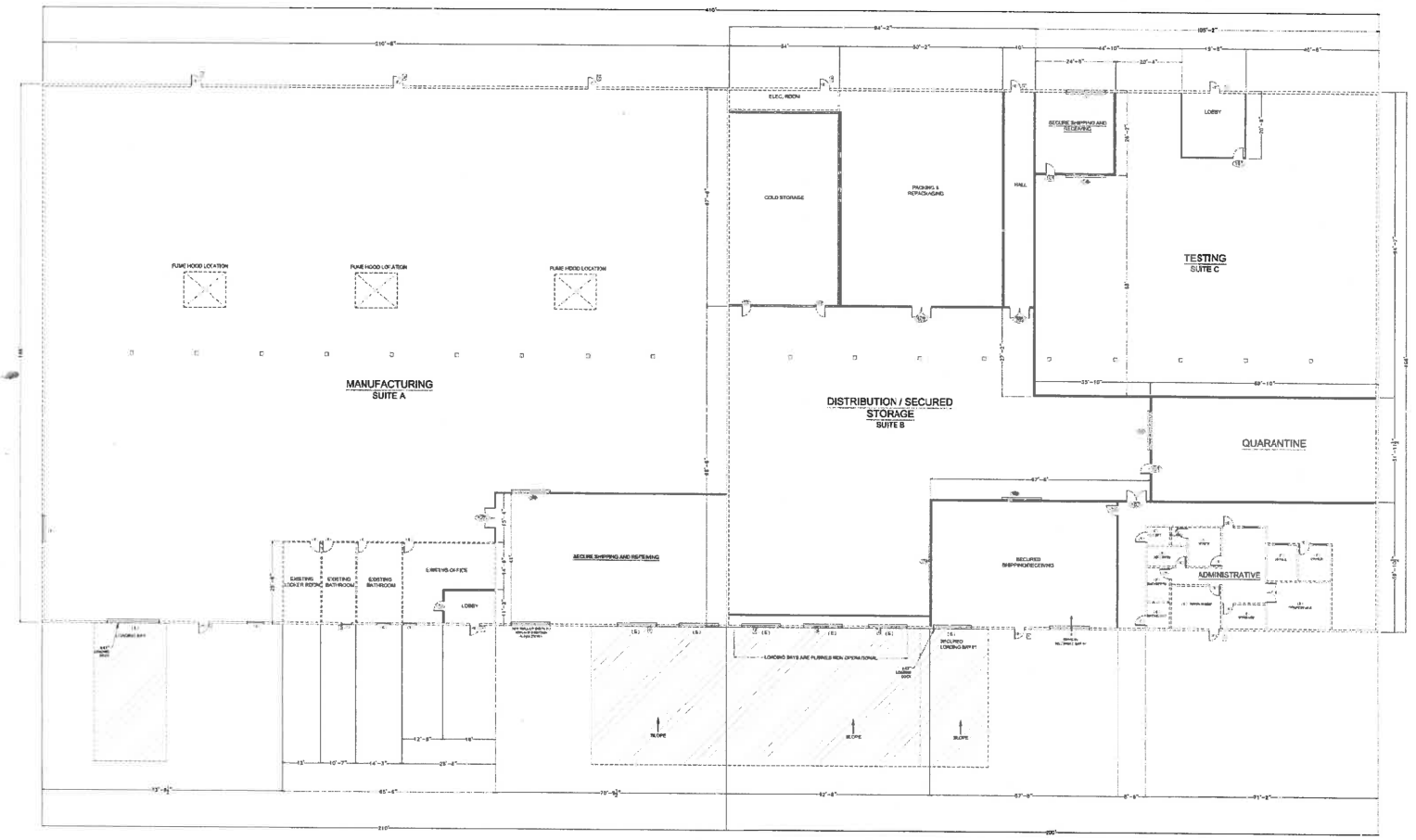
DESIGNED BY:
BRANDON THATCHER
AVIGNON DESIGN
916-889-2700

DRAWN BY:
BRANDON THATCHER

DATE: 8/16/2018
PROJECT NO: 856

SITE PLAN

SHEET NO:
A-1



FLOOR PLAN

SCALE: 1/16" = 1'-0"

WALL LEGEND

	EXISTING 8" C.M.U. BLOCK WALL FRAMING
	EXISTING 2X6OF AT 16"O.C. W/ 2X BOTTOM & TOP PLATES
	NEW WALL FRAMING 2X6OF AT 16"O.C. W/ 2X BOTTOM & TOP PLATES
	NEW WALL FRAMING 2X6OF AT 16"O.C. COLD STORAGE R-30

DOOR SCHEDULE

MARK	SIZE	MATERIAL	DESCRIPTION
101	3068	SOLID CORE	NEW INTERIOR W/SELF CLOSING DEVICE
102	8068	SOLID CORE	NEW INTERIOR DBL DOOR W/SELF CLOSING DEVICE
103	3068	SOLID CORE	EXISTING EXTERIOR DOOR
104	120120	METAL	NEW - ROLL-UP DOOR
105	3068	GLASS (IGU)	NEW EXTERIOR DOOR W/ SELF CLOSING DEVICE

* DENOTES KEY FOB ACCESS CONTROL SYSTEM

KEY NOTES

1. RESTRICTED ACCESS SIGNAGE - AUTHORIZED PERSONNEL ONLY
2. EXTERIOR DOORS THAT HAVE BEEN REMODELED NON-FUNCTIONAL SHALL BE LABELED ON THE EXTERIOR WITH A 3INCH STENCIL "DO NOT BLOCK" WITH 6" LETTERS BY 3/4" STROKE OF AN APPROVED COLOR CONTRASTING TO THEIR BACKGROUND IN A APPROVED LOCATION CBC 304.3

ADA BATHROOM NOTES

NOTE:
ALL ACCESSIBLE TOILETS SHALL BE IDENTIFIED BY THE INTERNATIONAL SYMBOL OF ACCESSIBILITY PER CBC

MIRROR TO BE MOUNTED NO HIGHER THAN 40" TO POINT OF USE TOWEL DISPENSERS MOUNTED ON WALL SO ALL OPERABLE PARTS ARE W/IN 40" OF FF

SEAT HEIGHT MIN 17"

42" GRAB BAR 31" FROM FF 54"MAX FROM CORNER

30"x48" CLEAR SPACE AT SINK

CENTERLINE OF TOILET TO BE 18" FROM WALL FLUSH ACTIVATOR TO BE ON WIDE SIDE

TISSUE DISPENSER MOUNTED 12" FROM TOILET 19" FROM FF (TYP.)

AREA SUMMARY

DISTRIBUTION:	22,000 SF
MANUFACTURING:	32,000 SF
TESTING:	10,000 SF
TOTAL (E) WAREHOUSE: 1460 TANFORAN	64,000 SF

DRAWING INDEX

A-1 SITE PLAN
A-2 FLOOR PLAN
A-2.1 DEMO PLAN
A-3 ELEVATIONS
A-4 LIGHTING PLAN

AVIGNON DESIGN

TANFORAN VENTURES
C.U.P. - MANUFACTURING, DISTRIBUTION, TESTING
1460 TANFORAN AVE
WOODLAND, CA 95776

DATE	DESCRIPTION
DATE START DATE	DESCRIPTION

DESIGNED BY:
BRANDON THATCHER
AVIGNON DESIGN
916-889-2700

DRAWN BY:
BRANDON THATCHER

DATE: 8/16/2018
PROJECT NO: 836

FLOOR PLAN

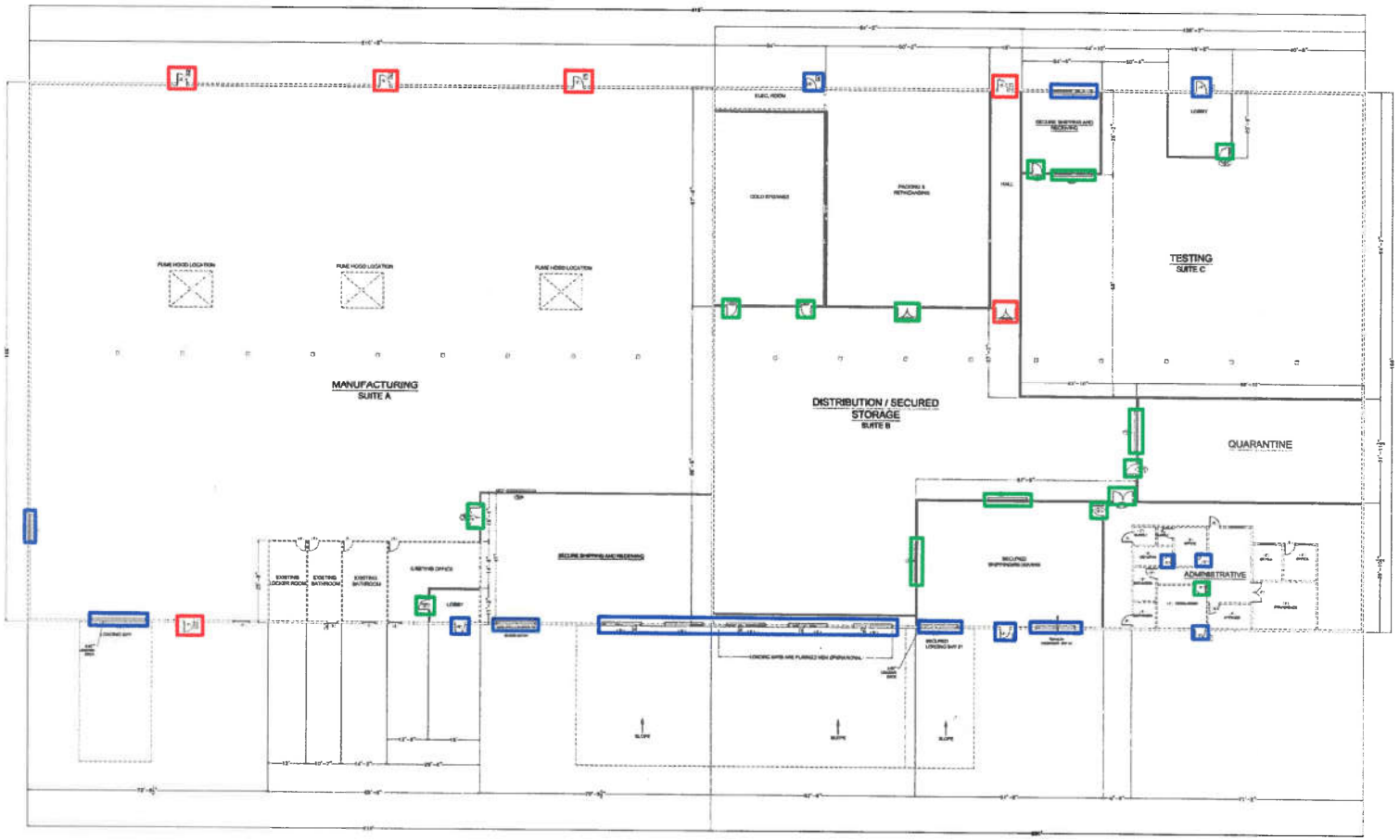
SHEET NO:
A-2

SECURITY PLAN - ACCESS CONTROL

RED = EMERGENCY EXIT ONLY (ALWAYS ALARMED)

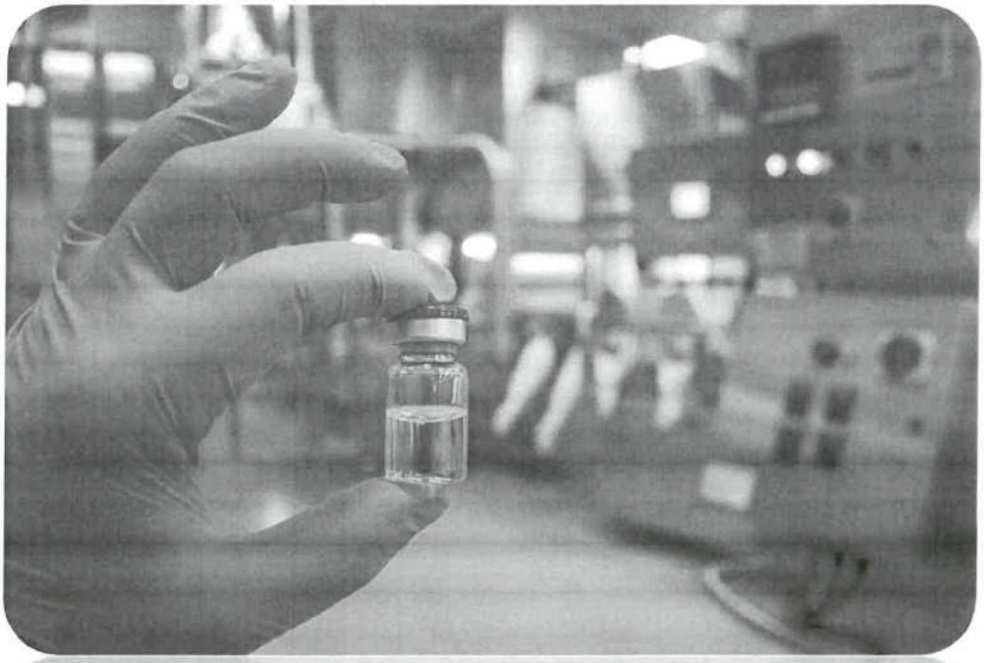
BLUE = REQUIRES MANAGEMENT CREDENTIALED KEY/FOB FOR THE RESPECTIVE DISTINCT PREMISES/LICENSEE TO ACCESS

GREEN = REQUIRES EMPLOYEE CREDENTIALED KEY/FOB FOR THE RESPECTIVE DISTINCT PREMISES/LICENSEEE TO ACCESS



FLOOR PLAN

SCALE: 1/16"= 1'-0"



High Five Solutions, Inc. & ORMEX Enterprises, LLC

BUSINESS PLAN

Description

High Five Solutions, Inc. & ORMEX Enterprises, LLC are applying for cannabis manufacturing and distribution licenses and will be conducting business in Woodland, California.

High Five Solutions, Inc. & ORMEX Enterprises, LLC are dedicated to making the safest and cleanest cannabis concentrates and extracts and distributing them to licensed retailers.

The companies will also produce premium quality cannabis edibles and topicals products to distribute through wholesale transactions to qualified, licensed and vetted cannabis establishments.

High Five Solutions, Inc. is a newly created business applying for Manufacturing in California. ORMEX Enterprises, LLC is a new full service cannabis distributor business.

Category: Manufacturing + Distribution

RECEIVED
AUG 22 2018
City of Woodland
Community Development

Date Created:
08/21/2018

Executive Summary 3
Company Summary 3
Market Opportunities 4
Market Overview 5
North American Cannabis Market 5
U.S. Cannabis Retail Market 7
Target Market 8
Concentrates and Infused Products Sector Analyses 10
Californian Concentrates and Infused Products Market 13
SWOT Analyses 17
Marketing & Sales Strategy 19
Marketing Plan 19
Competition 21
Target Customers 21
Sales Forecast 22
Operating Plan 24
Extraction Technology 24
Processing Technology 30
Infused Products 32
Legal Requirements 34
Insurance Requirements 35
Storage Location 35
Physical Security Plan for a Storage Space 36
Transportation 38
Testing 39
Packaging and Labeling 39
Tracking Solution 40
Organizational Structure 42
Ownership 44

Executive Summary

Company Summaries

High Five Solutions, Inc. is dedicated to produce and sell wholesale cannabis concentrates, edibles and topicals to service the exploding infused products industry. High Five Solutions, Inc. believes concentrates, edibles and topicals are the cleanest, most accessible way to consume the beneficial aspects of the cannabis plant. High Five Solutions, Inc. intends to start its manufacturing business November 2018.

ORMEX Enterprises, LLC was founded to serve the Adult and Medicinal cannabis community in California as a distribution company. ORMEX Enterprises, LLC will carry an extensive product portfolio which includes flowers, concentrates, edibles, dosables, and accessories from reputable and award-winning brands. We will create an efficient supply chain by acting as the intelligent hub sitting between retail dispensaries and the brands who cultivate and manufacture the products they sell. We will offer flexibility in the form of three unique programs for cultivators, processors and manufacturers.

Main Goals:

- ✓ To safely produce high-grade cannabis infused products and build a recognizable brand in a rapidly growing industry.
- ✓ To be fully compliant with all state and local municipalities and be primed and ready for national expansion as federal laws adjust and evolve to the benefit of the cannabis industry.
- ✓ To become an industry-leader in the blossoming extraction industry.
- ✓ To provide our retailer partners with top quality cannabis products for a superior path to success.
- ✓ To help our brand partners achieve greater market penetration through a superior approach with high volume licensed and compliant retailers.

Mission:

- ✓ Safely creating value through reliable service, supply-chain integrity, and a quality guarantee.

Main Objectives:

- ✓ Getting the California Cannabis Manufacturing and Distribution licenses necessary to operate in the legal market.
- ✓ Net annual income to support operational expenses.
- ✓ Monthly sales and capacity increasing steadily throughout the first year.

Market Opportunities

Sixty Percent of the U.S. population now lives in states that have legalized some form of cannabis use and sales, illustrating the rising acceptance of cannabis nationwide and highlighting the industry's immense potential for future growth.

The passage of initiatives in California, Nevada, Massachusetts, Maine, Florida, Arkansas, Montana, North Dakota, and West Virginia will add $7.4 billion to the 2021 market forecast bringing the overall market projection for legal adult-use and medicinal sales in North America to $24.5 billion by 2021. That brings the compound annual growth rate (CAGR) to 28%.

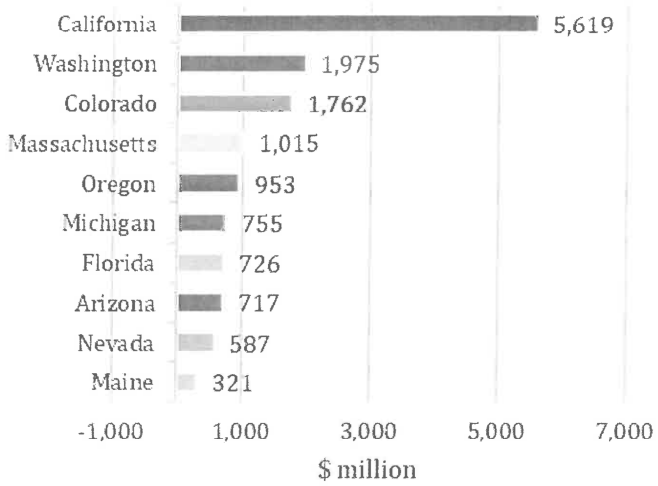


Figure 1. Medical and recreational cannabis sales in top states, 2020

In 2015, California lawmakers and the governor approved legislation creating the Medical Cannabis Regulation and Safety Act (MCRSA) to regulate the state's MMJ industry, which has been governed by a patchwork of local rules. The MCRSA took effect in January 2016, and the government has until Jan. 1, 2018, to develop statewide rules.

On November 8, 2016, California voters have approved cannabis for recreational use. The California Legislature passed, and the Governor signed into law, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), which creates the general framework for the regulation of both commercial medicinal and adult-use (recreational) cannabis. Under MAUCRSA, the California cannabis industry is regulated by three state agencies: Bureau of Cannabis Control (distribution, testing, retail and micro-business), Department of Food and Agriculture (cultivation), Department of Public Health (manufacturing).

Recreational cannabis sales officially began in California, and the agency had issued 404 temporary business licenses for cannabis companies, as of Jan. 1, 2018.

Over the next five years the total California market to grow at a compounded annual rate of 18.5% to $5.6 billion by 2020 according to the Arcview Market Research projections.

Market Overview

North American Cannabis Market

Although the federal government still considers the use of cannabis a criminal offence, more than half the states of America have legalized it in some form. Most states sell it only for medicinal purposes, often broadly defined. But eight states – Alaska, California, Colorado, Maine, Nevada, Massachusetts, Oregon and Washington – and the country's capital have gone further, legalizing the recreational use. Legal weed is more high-priced than the black market variety, but it is better value: three times more potent and only about 50% more expensive[1].

Legal cannabis reached almost $10 billion in North America in 2017, according to a new report from cannabis industry analysts Arcview Market Research, in partnership with BDS Analytics. That represents an unprecedented 33% increase over 2016.

The report further predicts the entire legal cannabis market to reach $24.5 billion in sales – a 28% annual growth rate by 2021 – as more states legalize cannabis for recreational use and existing markets mature.

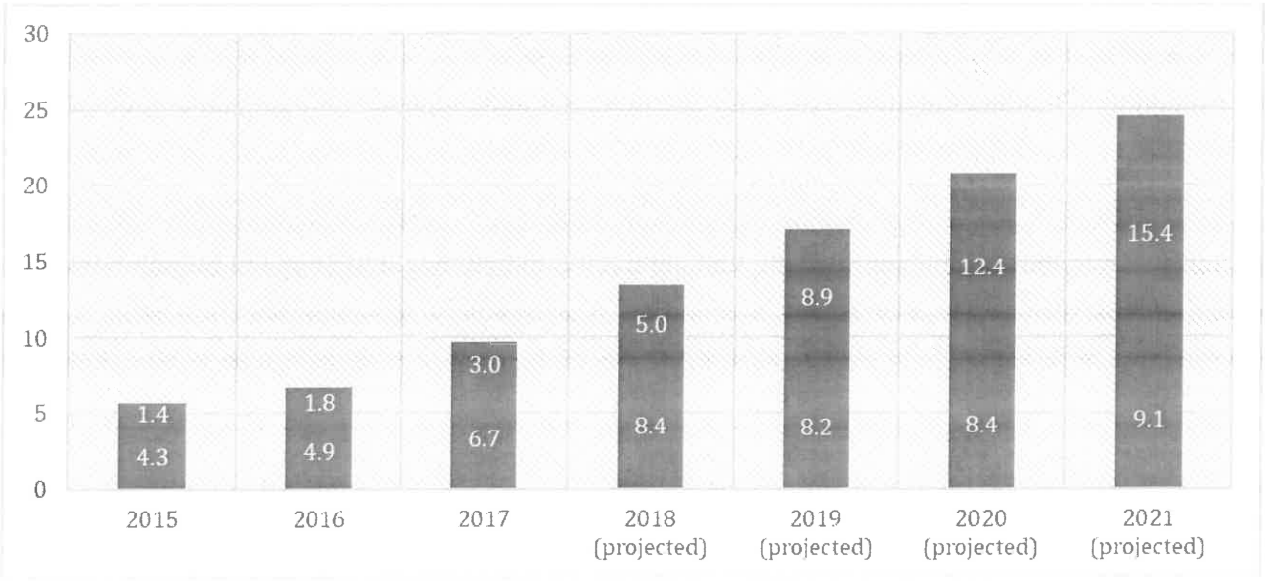


Figure 2. Medical and recreational cannabis sales forecast, billion $

[1] http://www.economist.com/blogs/graphicdetail/2016/02/daily-chart-10

60% of the U.S. population now lives in states that have legalized some form of cannabis use and sales, illustrating the rising acceptance of cannabis nationwide and highlighting the industry's immense

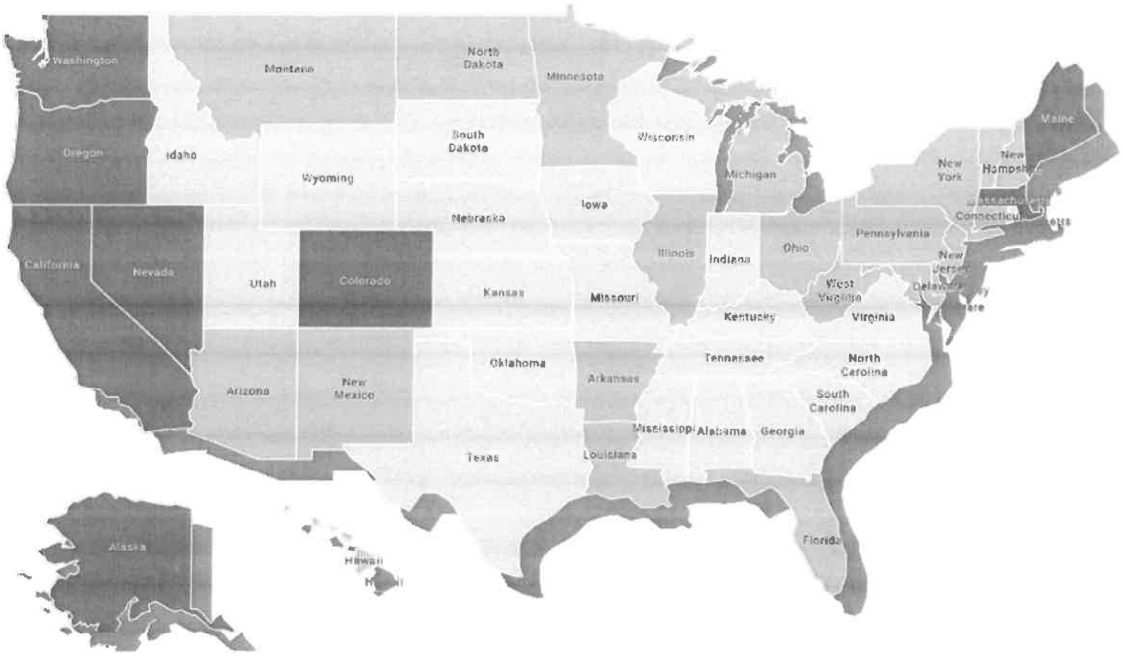


Figure 3. U.S. legalization map

Medical / Recreational cannabis legalization
Medical cannabis legalization
No laws legalizing

potential for future growth.

9 November 2016 three new states approved cannabis medical using: Arkansas, Florida and North Dakota. Four others that already had medical cannabis laws, legalized recreational. New markets could create $7 billion to $8 billion in additional retail revenue for the industry, according to estimates by Marijuana Business Daily.

As at January 2018, there are 30 States that now allow cannabis for medical use, 16 States allow Cannabidiol (CBD), 9 States and the District of Columbia now allow for recreational cannabis use.

There are 9,397 active licenses for cannabis businesses in the U.S., according to Ed Keating, chief data officer for Cannabiz Media, which tracks cannabis licenses. This includes cultivators, manufacturers, retailers, distributors, deliverers and test labs.

The industry employed 121,000 people in 2017. If cannabis continues its growth trajectory, the number of workers in that field could reach 292,000 by 2021, according to BDS Analytics.

U.S. Cannabis Retail Market

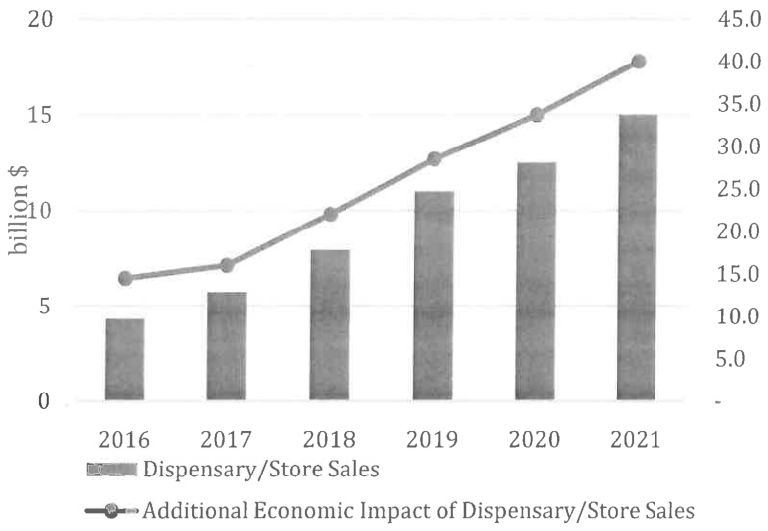


Figure 4. Cannabis retail industry economic impact

BDS Analytics estimates that the retail sector owed $1 billion in state taxes in 2016 and owes another $1.4 billion for 2017.

In 2017, overall cannabis sales in the United States at the retail level to soar by 31.5%, hitting $5.7 billion on the back of continued growth in existing recreational cannabis markets.

In fact, rec sales are expected to surpass medical next year for the first time ever. Medical marijuana sales also are expected to buoy the industry, fueled in part by the expected launch of MMJ markets in Maryland and Hawaii. At the same time, fledging medical marijuana programs in states such as Illinois, Nevada and New York could post impressive growth last year.

The expected growth comes after a solid 2016, when recreational cannabis sales jumped by 80% to hit $1.8 billion. Colorado and Washington led the charge, while Oregon's adult-use market posted strong sales gains in its first full calendar year of operation. The industry also saw a spike in medical marijuana sales last year, as patient counts rose in new MMJ states and continued climbing in mature markets like Arizona and Michigan.

The increase in retail sales over the next five years will provide a substantial economic boost for the United States. The total economic output from legal cannabis will grow 150% from $16 billion in 2017 to $40 billion by 2021, according to the "US Legal Cannabis: Driving $40 Billion Economic Output" report released by Arcview Market Research, in partnership with BDS Analytics.

The level of sophistication and involvement among investors in the marijuana industry varies quite widely, as some belong to cannabis-specific venture capital firms while others have taken a material interest in a friend or family member's cannabis business. For example, only a handful of investors in our survey indicated they intend to invest over $25 million in cannabis companies, whereas a large portion of respondents plan to invest less than $20,000.

But in general, more investors are pumping money into the cannabis industry than ever before, and they're also increasing the size of their capital placements. The average investor/investment firm involved in the cannabis industry has placed $450,000 in cannabis companies.

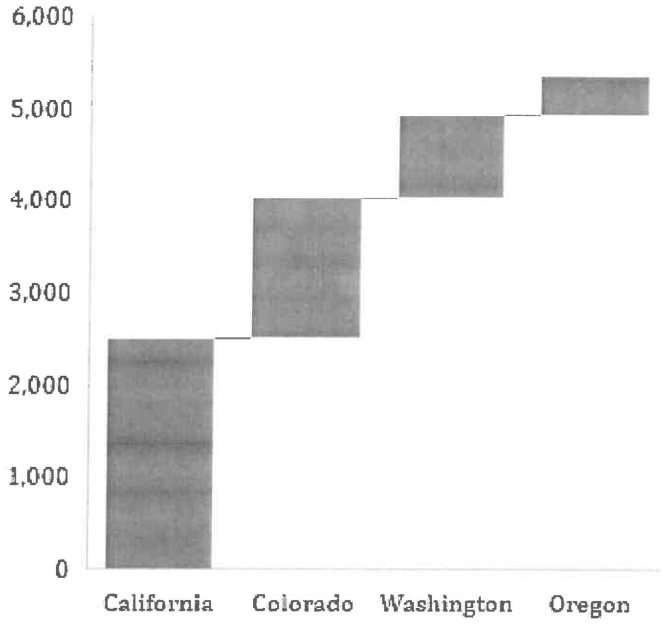


Figure 5. Medical and recreational cannabis sales in top states, 2017

Target Market

Legalization

In 1996, California became the first state to allow for medical marijuana use. State voters approved Proposition 215, the law that made it legal for doctors to recommend cannabis to patients.

California has 482 cities and 58 counties, all with the power to govern their own medical marijuana industries. The methods they choose vary throughout the state. Some local governments have rules limiting the number of dispensaries and where they can open. Others passed ordinances banning all marijuana cultivation.

In California, the weather conditions are ideal for cultivating cannabis outside, while a lot of marijuana is also grown indoors in massive warehouses. The state's marketplace is also known for its decades-long experience developing cannabis strains. Third-generation growers and breeders have some unparalleled knowledge of the plant and of the related regulatory environment compared to other states.

In the years since medical legalization, consumers have become more educated and sophisticated about products, and the state's medical market is relatively saturated. Consumers have high expectations for quality, according to ArcView research.

In 2015 Gov. Jerry Brown signed three bills that toughened regulations for medical cannabis businesses and sought standards for documentation and testing. The bills are known as the Medical Marijuana Regulation and Safety Act, or MMRSA for short. Collectively, the legislation also paved the way for medical cannabis businesses to turn a profit. The legislation is impacting marijuana business models in other ways. The laws have eliminated the idea of home-based dispensaries.

On November 8, 2016, California voters have approved cannabis for recreational use.

On November 16, 2017, California published rules and regulations to implement voter approved Proposition 64, the Adult Use of Cannabis Act of 2016, which legalized adult use of cannabis in the State of California. The California Legislature passed and the Governor signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), which creates the general framework for the regulation of both commercial medicinal and adult-use (recreational) cannabis. Under MAUCRSA, the California cannabis industry is regulated by three state agencies: Bureau of Cannabis Control

(distribution, testing, retail and microbusiness), Department of Food and Agriculture (cultivation), Department of Public Health (manufacturing).

Recreational cannabis sales officially began in California and the agency had issued 404 temporary business licenses for cannabis companies as of Jan. 1:

- 140 medical and 94 adult-use retail licenses
- 21 medical and 18 adult-use microbusiness licenses
- 49 medical and 40 adult-use distributor licenses, along with another four medical and five adult-use that are transport-only
- 12 medical and nine adult-use retail non-storefront retail licenses (for delivery companies)
- 12 testing labs

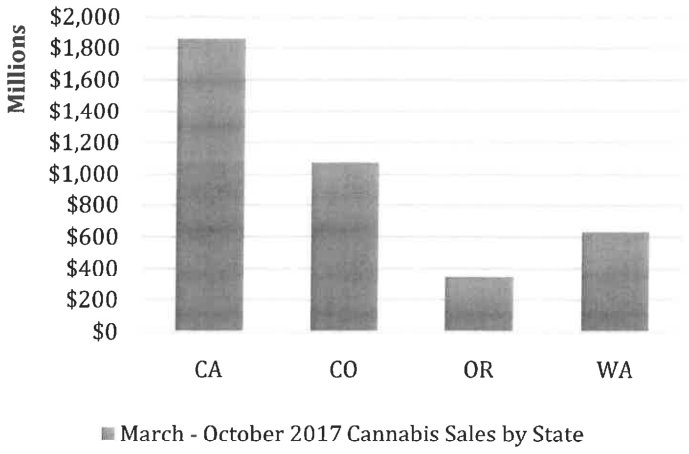


Figure 6. March - June 2017 Cannabis Sales by State

Market

In 2017, California's regulatory regime allowed only holding state-issued medical cannabis cards to legally purchase cannabis. But that hasn't stopped sales in the state from eclipsing the other states with recreational sales.

In March of 2017, BDS Analytics began tracking and reporting dispensary sales trends for California's cannabis industry. Between March and October of 2017, total sales through dispensary and delivery services across the most populous state in the country reached $1.856 billion.

In fact, sales in California represent about 34 percent of legal sales in the United States. In comparison, combined sales in Colorado, Washington and Oregon represent 41 percent of U.S. sales according to BDS Analytics report.

At year-end 2018, sales from recreational use are projected to account for over half of total Concentrate sales in California and continue to increase in proportion to overall category sales.

Figure 7. Medical and Recreational sales projections

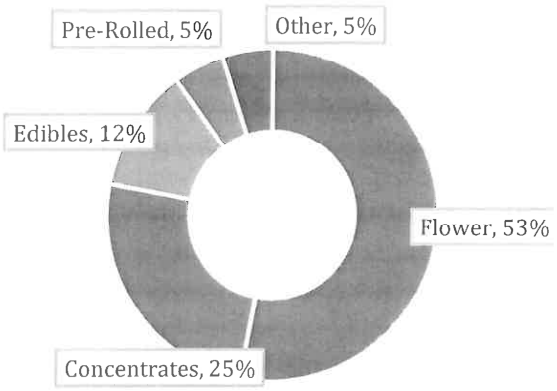


Figure 8. Cannabis products sales structure

Californians spend most of their dollars (53 percent) on flower. Concentrates, the next largest slice of the cannabis pie, captures 25 percent of the market. Edibles, with 12 percent, come in third. Pre-rolled joints grab 5 percent of the market, and non-THC items like apparel and devices represent much smaller slivers of the marketplace.

According to a study by the University of California Agricultural Issues Center, California's recreational cannabis market could be worth more than $5 billion; however, the benchmark will only be achieved once cannabis consumers fully embrace the state's legal market. While recreational cannabis market is expected to grow, medical cannabis sales are expected to decline down to $600 million as people migrate toward the adult-use market to avoid medical cannabis ID fees. After the state adopts regulations, legal recreational use will make up 61.5 percent of the overall market, illegally purchased marijuana will make up about 29.5 percent of the market and legal medical marijuana use will be about 9 percent of the overall market, the analysis estimated.

A report from the cannabis industry research firm BDS Analytics estimates sales of cannabis to hit $3.7 billion in 2018 alone and predict that number will increase to $5.1 billion in 2019 as more dispensaries come online.

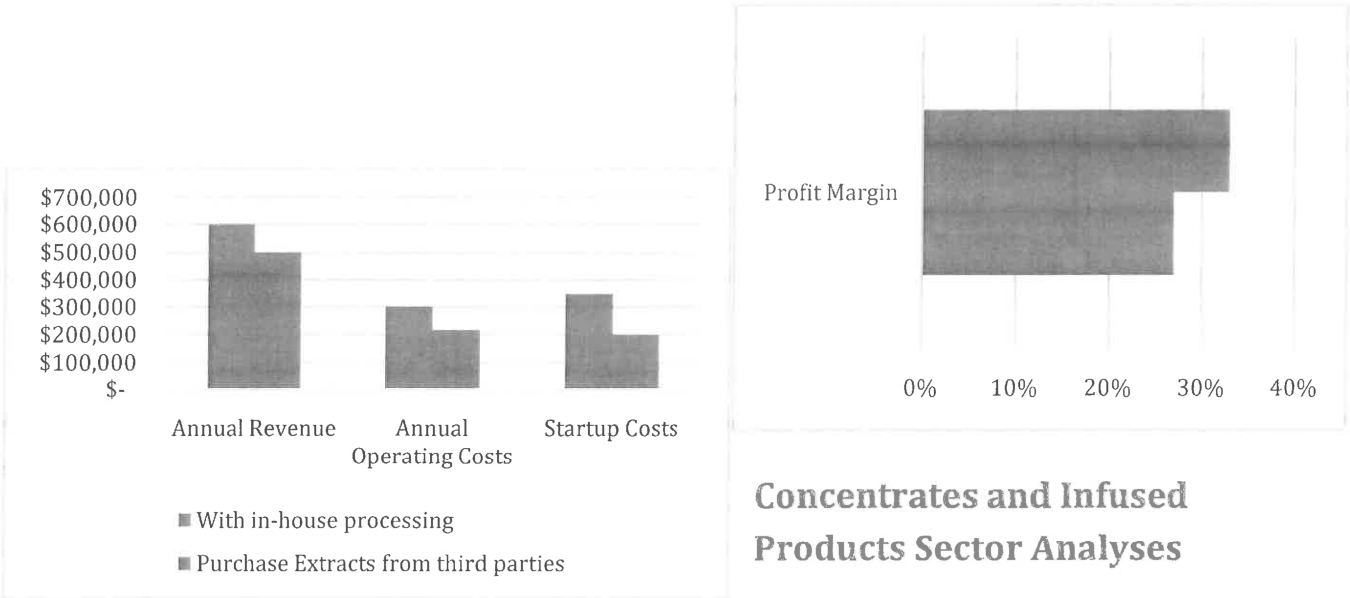


Figure 9. Profit & Costs benchmarks

Ryan Long, the head of business development for California-based Absolute Extracts, figures that there are probably "hundreds" of concentrate producers across the country.

That estimate includes companies focused specifically on making concentrates, dispensaries that produce and sell their own concentrates, and small one- to two-man operations in places where concentrates are still either illegal or only partly legal, such as in Michigan.

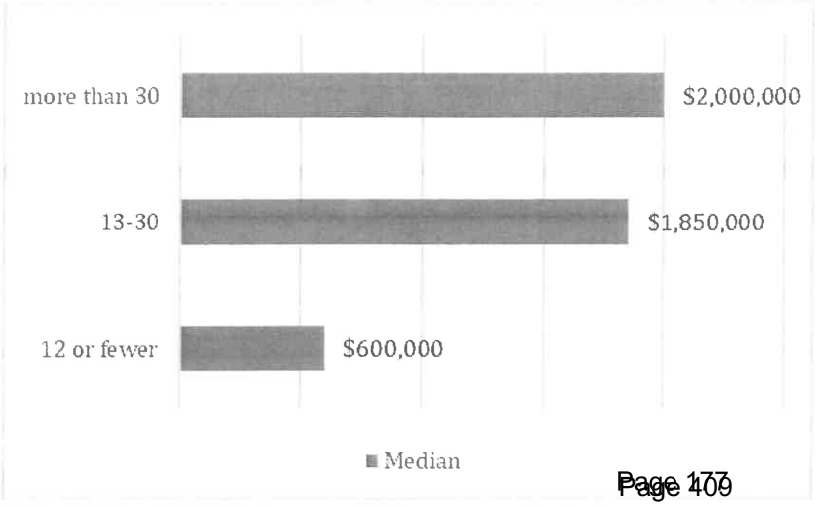
Many of today's larger concentrates companies started as tiny operations, but a good number have quickly moved out of basements and into industrial warehouses featuring high-tech equipment that costs tens of thousands of dollars.

From a business perspective, the profit margins can be huge, in some cases up to 60%. And demand is growing rapidly as the availability of concentrates increases.

Customers are also willing to shell out top-dollar for these products. Nationally, patients and consumers who favor concentrates spend an average of $4,800 each year, more than double the average amount spent by cannabis users in general, according to What Cannabis Patients and Consumer Want, a marketing research report published by Marijuana Business Daily.

Companies are going to be constantly on the lookout for ways to improve their processes and maximize their returns on the cannabis plants they use.

According to BDS Analytics, cannabis concentrate's market share grew from 9.8% to 11.7% from 2016 to 2017, while traditional cannabis flowers' market share fell 67.3% to 63.2% for the same time period.



The majority of infused product companies produce fewer than 12 products, which is why median revenue for this group of businesses is so similar to that of infused product companies as a whole.

While companies that produce more than 30 products are generating

more revenue than businesses with a smaller range of offerings, it's likely not because they're producing more products. Rather, successful businesses are expanding on their product lines as they grow, and the wider selection is a result of added revenue.

Lastly, the market in some states is maturing, and consumers/patients are increasingly demanding new types of products – leading to greater innovation and offerings.

The majority of infused product companies are manufacturing more than one type of good – typically edibles and concentrates, as these categories dominate the infused product landscape. Nearly half of all businesses are producing topicals, though just a small number have chosen to focus on this category exclusively – as it comprises a relatively small portion of the retail and medical markets.

Infused product companies are a relatively new type of cannabis business, as the market for products like vape cartridges and infused lotions was essentially nonexistent in most markets just five years ago. But despite the lack of experience for most businesses in this segment of the industry, consumer and patient demand has been steadily increasing.

Entrepreneurs are drawn to this segment of the industry because of the strong demand, falling price of wholesale cannabis and a general lack of restrictions on the number of available licenses in some key markets. There's also the potential for more sophisticated players to establish large and recognizable brands, as the same basic principles that make for a successful product in the traditional economy apply to the cannabis industry as well. An increasing number of companies are now selling products in multiple states, and even some celebrity brands are gaining traction in the market.

Portion of all infused product manufacturers that are profitable or break-even: 79%

One of the key hurdles that concentrates must face has to do with a negative public perception of the extraction process. However, as innovation and technology becomes a more integral part of the industry, producers of concentrates are developing cleaner, safer, and more efficient tools and processes to overcome this stereotype.

Demand for cannabis concentrates and edibles is exploding, offering a window into trends that will likely play out in the larger cannabis industry over time.

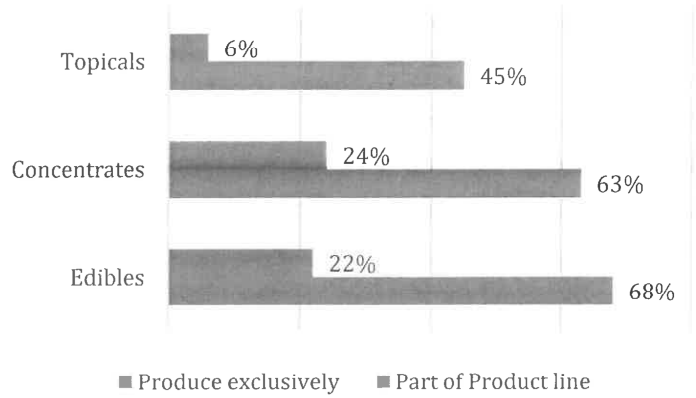


Figure 11. Percent of cannabis manufacturing businesses
Source: Marijuana Business Daily

Infused products and edibles are the fastest growing category in the cannabis industry, proving extremely popular with recreational consumers and medical patients alike. While flower still accounts for the majority of retail sales, concentrates and edibles continue to eat into flower's share of the market with each passing year.

Manufacturers have taken notice and are extending product lines to occupy

multiple segments of the infused products category. While this may maximize revenue in the short term, the industry grows more sophisticated by the day – and manufacturers that specialize on providing a top-quality product to a very narrow portion of the market may end up finding more success than those spread across multiple categories.

The cannabis beverage market captured 6 percent of the $543.3 million edibles market in CO, WA, OR and CA between January and October of 2017, on sales of $30.3 million.But growth (excluding California, for which 2016 data is not available to measure growth) held strong, at a rate of 23 percent.

In 2014 when adult-use just launched in Colorado, over 70% of sales came from dried flower; in 2016, that was down to 55%. In contrast, concentrate sales were $20 million in 2014, or 13% of sales. By the end of 2016 they had jumped to $85 million and 25% of sales. Edibles (including candy, beverages, tinctures, and all food) more than tripled during the same period, from $17 million to $53 million, moving from 11% to 14% of sales. Vape pens and vape products, candy, and other portable and convenient methods of consumption are especially popular with Colorado consumers.

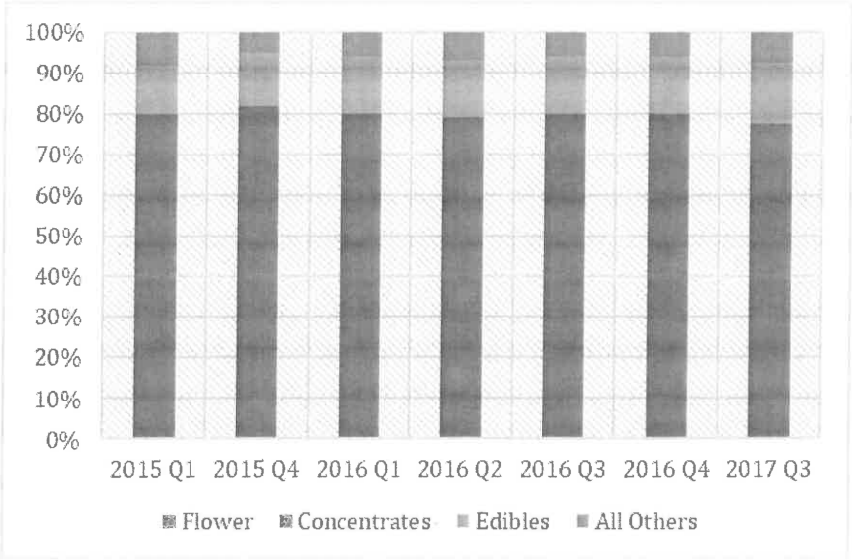
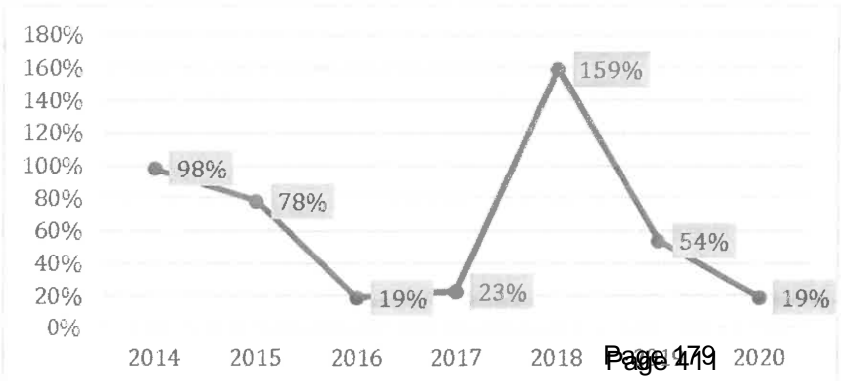


Figure 12. Trend sample in Colorado

In 2017, the contribution of sales from flower dropped to less than 50 percent in Colorado's cannabis industry.

Like Colorado, California will likely see flower's contribution to total revenue dip below 50 percent in 2018.

Californian Concentrates and Infused Products Market



Unlike the Edibles market in California, the top 10 Concentrate brands in the state continue to increase their share of the market, accounting for a third of the total sales in this

category compared to a quarter in July 2016.

The increase in the Concentrates market share for the top brands is being led by Moxie Seeds & Extracts, which has seen a tripling of its market share in less than a year (April 2016 to February 2017). Moxie Seeds & Extracts has separated itself from the other top brands, including Bhang which now has a third of the California Concentrates market share it once had a year ago.

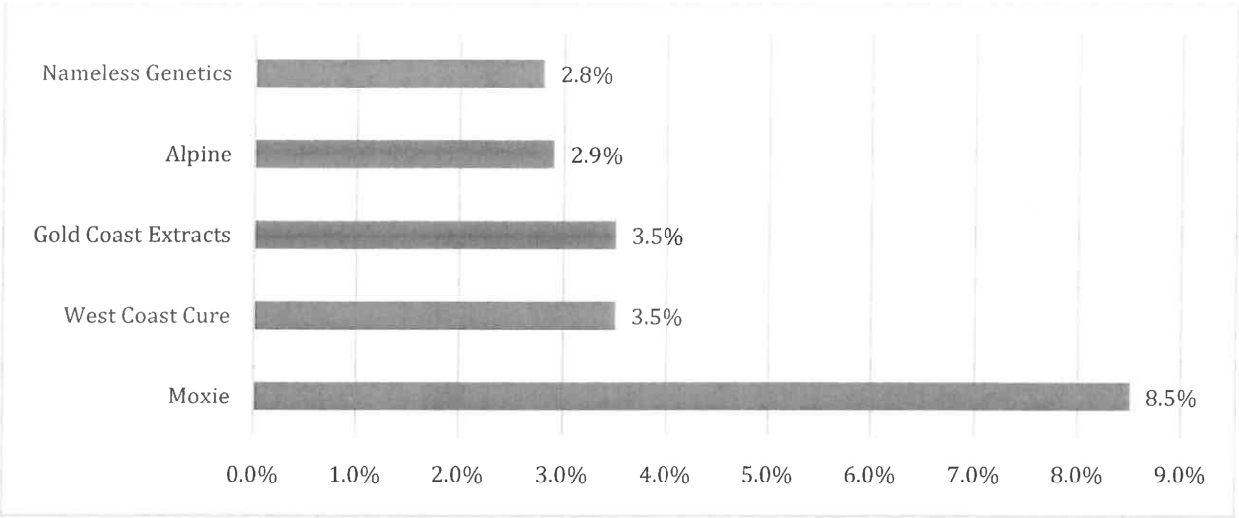


Figure 14. Top 5 Concentrates brand share in California

Moxie's top position may be due, in part, to the large variety of products it offers Concentrates users in California. It offers over 160 products, including shatters, waxes and vaporizer cartridges. Concentrates also make up a large proportion of Moxie's product line, while more than half of Bhang's product line is categorized as Edibles, mostly Chocolates.

As California welcomes recreational use of marijuana, look for some companies competing in the California Concentrates market to possibly shift their focus and resources to other categories where their brands have a stronger presence. In addition, to be competitive in this expanding market, companies will need to clearly communicate their value proposition which will set them apart in the crowded Concentrates market.

Edibles and Topicals Market Competition

Analysis results for November and December demonstrate the continued dominance of Kiva and Cheeba Chews in edibles, Moxie Seeds & Extracts in concentrates, and Emu 420 and Mary's Medicinals in the topicals market. However, some smaller and newer players are starting to climb the ranks in a variety of subcategories, most notably Whoopi & Maya whose sales are taking off in both chocolates and topicals.

Edibles

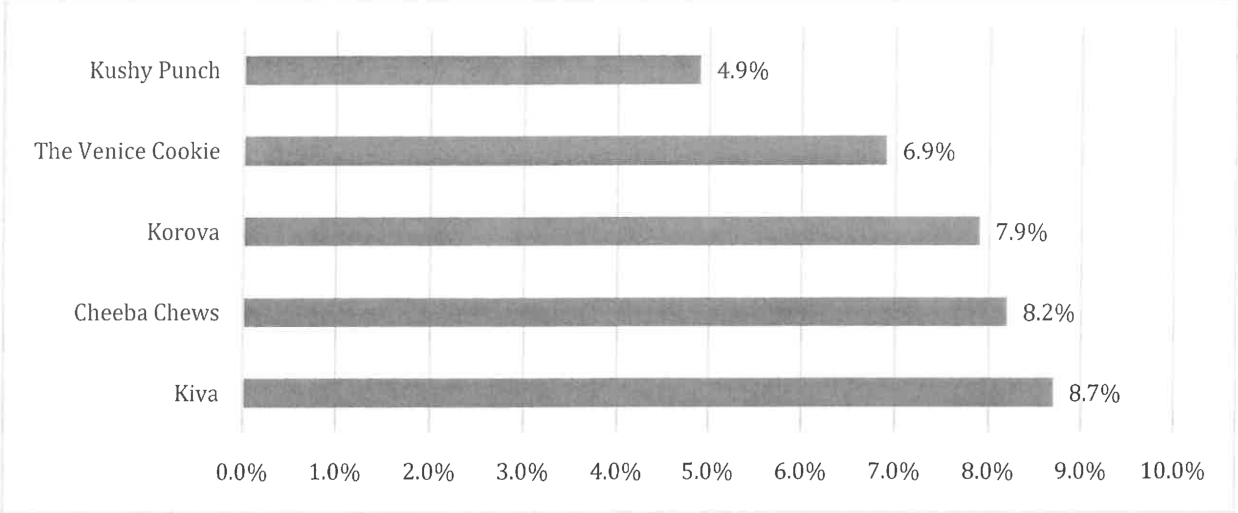


Figure 15. Top 5 Edible brand shares in California

The top ten edible brands made up 53% of the market in February 2017, down from 65% in February 2016. Of the top ten edible brands, only three gained market share year-over-year – Venice Cookie Company, Edipure, and Kushy Punch. Much of the lost market share came at the expense of the top edible brands, indicating that brands outside of the top ten are increasing their penetration of the market.

Cheeba Chews, Kiva, and Korova were the top three edible brands in February 2016 and continue to be the top three brands in February 2017. Cheeba Chews, which had the highest market share of any brand in February 2017 (14%), lost 6% share year-over-year and is now virtually neck-and-neck with Kiva and Korova.

While most other brands fought off rivals to hold on to their market share, Kushy Punch grew its year-over-year share by 65%. This growth was largely at the expense of its rival, Cheeba Chews, which saw its year-over-year share decrease by 42%.

Topicals

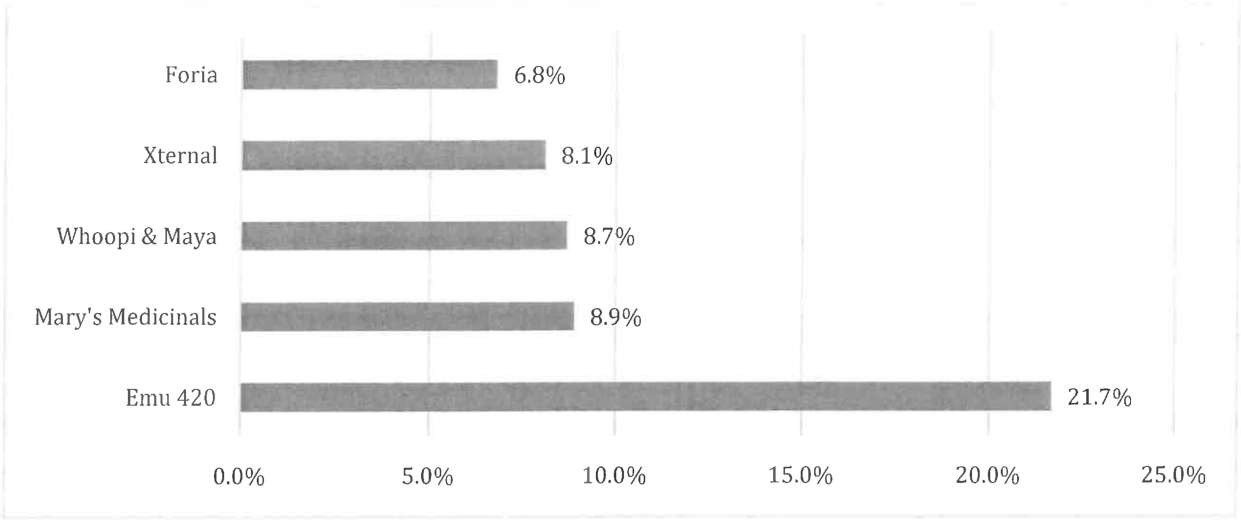
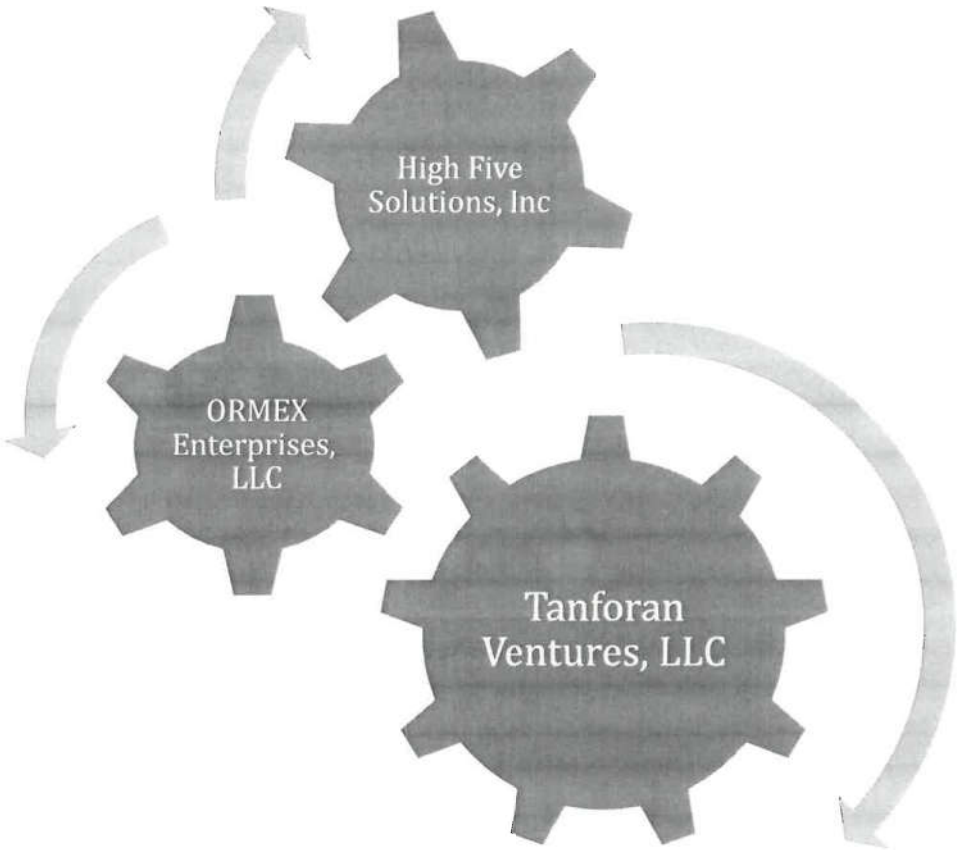


Figure 16. Top 5 Topical brand shares in California

Topicals is the most dynamic category in California cannabis this month, with established players losing share and newer players gaining. Emu 420 (21.7%) remains far and away the market leader, but second place Mary's Medicinals (8.9%) has been losing share month on month, with competitors Mary Jane's Medicinals (6.3%) and Apothecanna (6.0%) climbing in the ranks. The brand to watch in the topicals space is Whoopi & Maya (8.7%), whose distribution exploded at the end of 2016 and jumped to the number three spot in topicals by December. The brand is wildly popular with women, particularly in the Bay Area, though the brand made a strong push into southern Californian dispensaries in Q4 of 2016.

SWOT Analyses

Strengths	Weaknesses	Opportunities	Threats
• Building of dependable relationships with cultivators, concentrates and edibles manufactures • Diversified, Strategic Partnerships • Extensive industry knowledge	• Product liability / legal issues • Enhanced risk of banking / financial / IRS scrutiny • High energy consumption • Highly competitive market	• High growth industry • A significant drop in cannabis wholesale pricing • Growing interest and demand for natural, alternative medicine • Trend toward greater cannabis legalization, including the use of cannabis for recreational purposes • Global Market	• Enforcement of federal law • Possible cannabis law changing • Indicators of a slowed global economy • Large companies entering the market



Marketing Strategy

RECEIVED
AUG 22 2018
City of Woodland
Community Development

Marketing & Sales Strategy

Marketing Plan

Online advertising platforms are placing strict rules on how companies can market their products.

Google, Facebook and Twitter all have advertising policies that restrict the promotion of the sale of cannabis. Google's policy prohibits ads that promote "substances that alter mental state for the purpose of recreation." Facebook restricts any "illegal, prescription, or recreational drugs." And Twitter bans "illegal drugs" as well as substances that cause "legal highs." Instagram and Facebook have decided to go a step further by removing pages of cannabis related businesses.

The most effective strategies for legal marijuana companies are direct marketing at industry conferences and other events, building communities around marijuana -related concerns such as health and wellness. The marketing and sales strategy of High Five Solutions, Inc. & ORMEX Enterprises, LLC will be based on generating long-term personalized relationships with cultivators, manufacturers, distributors and retailers.

Marketing and advertising campaign includes:

- Meeting with cultivators, manufacturers, distributors and retailers
- E-mail Marketing
- Advertising and articles in the thematic magazines, including:
    - Cannabis Now
    - 420 Magazine
    - Marijuana Venture
    - MG Magazine
    - DOPE Magazine
- Business events and conferences
- Business and industry associations
- Brand development
- Brochures
- Website development with search engine optimization
    - Keywords
    - Fresh content
- Special directories and platforms

Table 1. Cannabis business directories

WEEDMAP https://weedmaps.com/	Marijuana dispensary finder on the planet. With over 7,750 listings throughout the U.S., Canada, and Europe.	WeedMaps has 7.96 million total visits each month.
LEAFLY https://www.leafly.com/	Leafly is a cannabis information resource for finding the right strains and products. Services include: cannabis finder, online store, branding, doctors' portal.	Leafly has 226.27 thousand total visits each month.
CannaSaver https://www.cannasaver.com/	Canna-Saver is website for cannabis and related coupons, devoted to medical marijuana deals and savings. Offers a constant flow of deals and savings from the top cannabis and medical marijuana retailers.	Cannasaver has 310.04 thousand total visits each month.
Cannabis Coupon Codes http://cannabiscouponcodes.com/	Website with cannabis coupon codes.	Cannabis coupon codes has 81.49 thousand total visits each month.

Competition

In every business there is competition, however, we believe we possess several strengths that will allow us to remain visible on the industry's radar at all times. The medicinal/recreational cannabis industry is known to be highly competitive in the U.S and in most parts of the world. The industry is growing and there are alternative ways through which clients/patients can obtain their medicinal/ recreational cannabis products. In some international markets methods like mail-order firms, grocery chains, mass merchants and dollar stores are the real competitors in the industry. These companies ensure that they do all that lies within their power to gain a favorable market share of the available market in any given region.

In this industry, most of the competitive dynamics center around the quality of cannabis cultivated and infused products produced, the service offered, the location where the cultivation and extraction will be done. The branding of High Five Solutions, Inc. & ORMEX Enterprises, LLC plays a significant role. Even though competition is stiff especially from the big, well-backed enterprises, smaller enterprises can still get their fair share of the market if they stay true to the competitive dynamics. It is a fact that small cannabis operations will always struggle with larger based cannabis operations when it comes to pricing power and brand recognition, hence the reason why smaller based operations will always go out of their ways to deliver excellent client service. It is through top-notch client service that they can secure a fair share of the available market.

Target Customers

Main customers for our own product line are dispensaries.

As a Distribution Company, ORMEX Enterprises, LLC will carry an extensive product portfolio which will include flowers, concentrates, edibles, dosables, and accessories from award-winning brands. We will create an efficient supply chain by acting as the intelligent hub sitting between retail dispensaries and the brands who cultivate and manufacture the products they sell.

We intend to offer flexibility in the form of three unique programs for cultivators, processors and manufacturers.

ORMEX ENTERPRISES, LLC PROGRAMS	BRONZE	SILVER	GOLD
Quality Assurance& Lab-Testing	Yes	Yes	Yes
Secure, climate-controlled storage	Yes	Yes	Yes
Secure, climate-controlled transportation	Yes	Yes	Yes
Carried by sales reps	No	No	Yes
Prepackaged Products only	No	Yes	Yes

Sales Forecast

Own Product Line

We will wholesale our concentrates and infused products to licensed dispensaries. Sales will be tracked

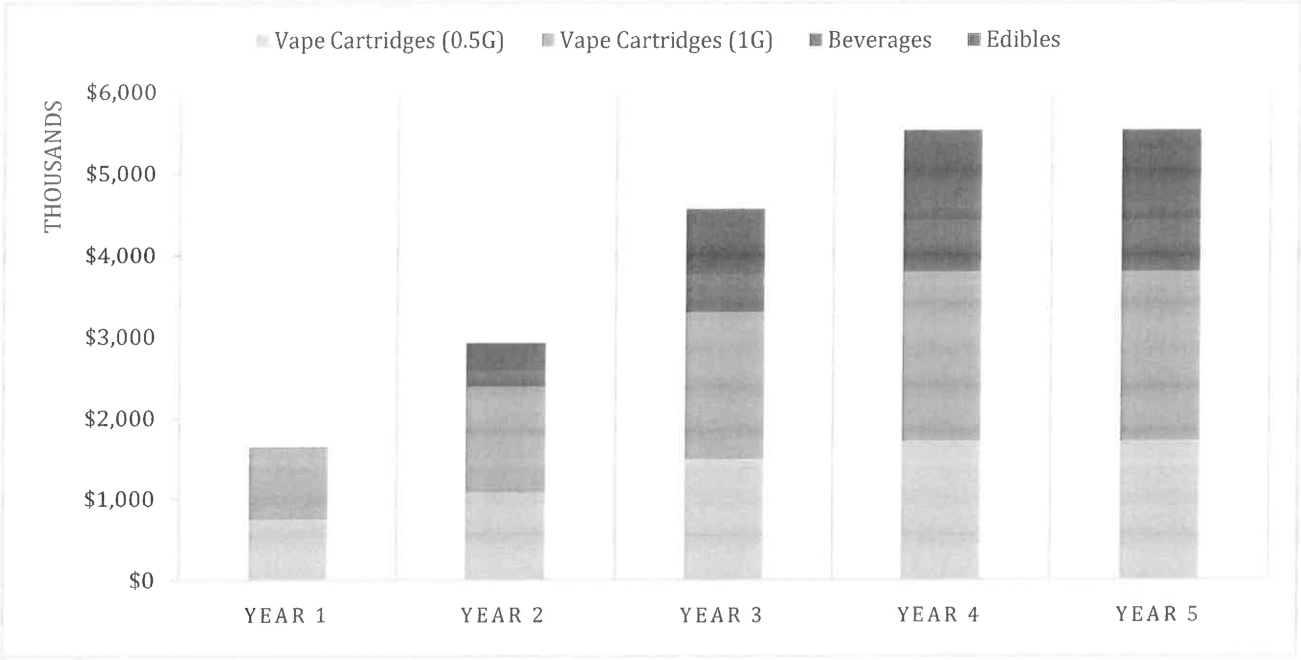


Figure 17. Sales projections

via our robust, industry-leading, inventory management and tracking system.

Distribution

Company intends to launch full service cannabis and cannabis products distribution, including wholesales and a wide range of services for cultivators and manufactures.

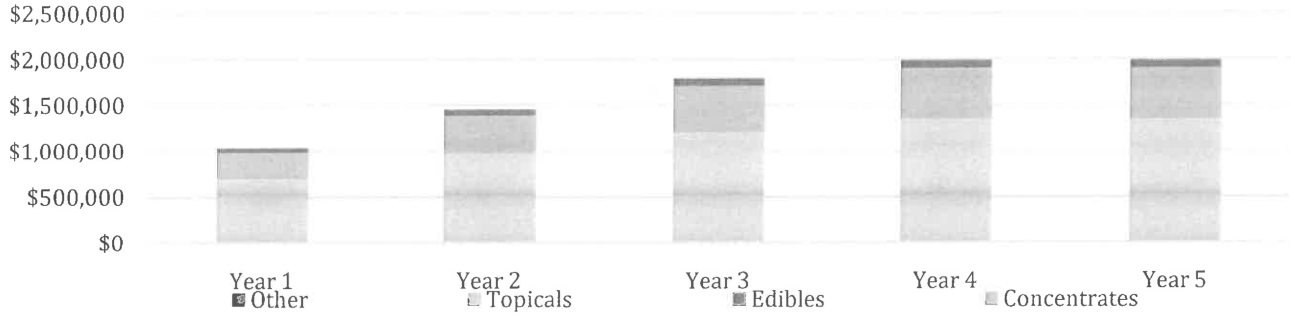
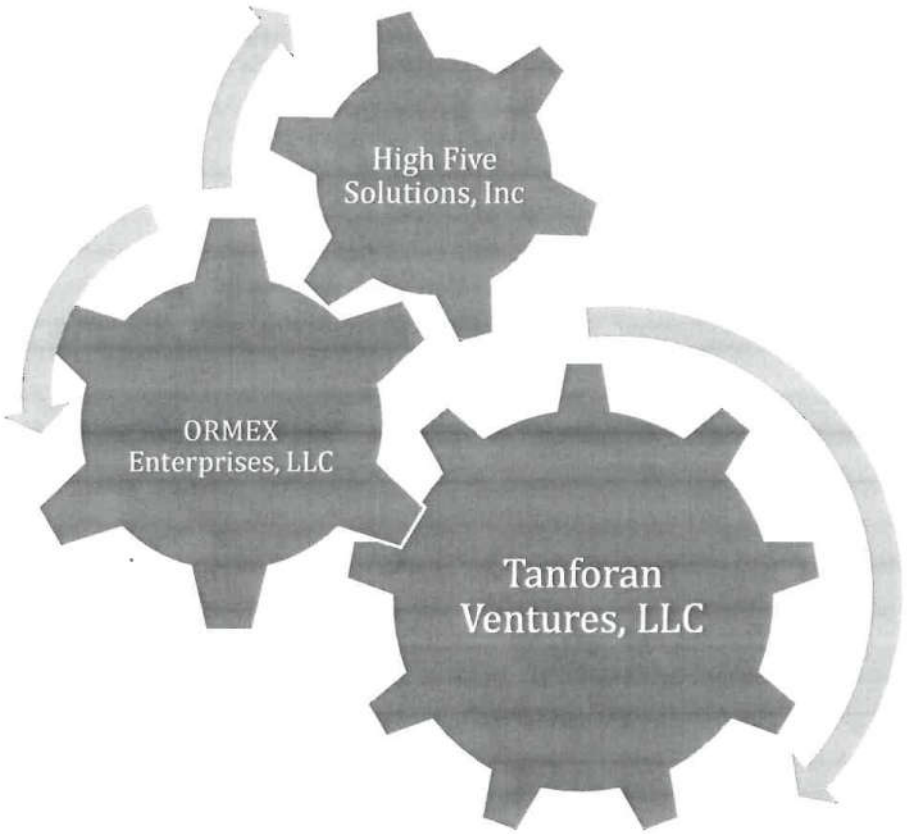


Figure 18. Sales forecast, cannabis & cannabis products



Operating Plan

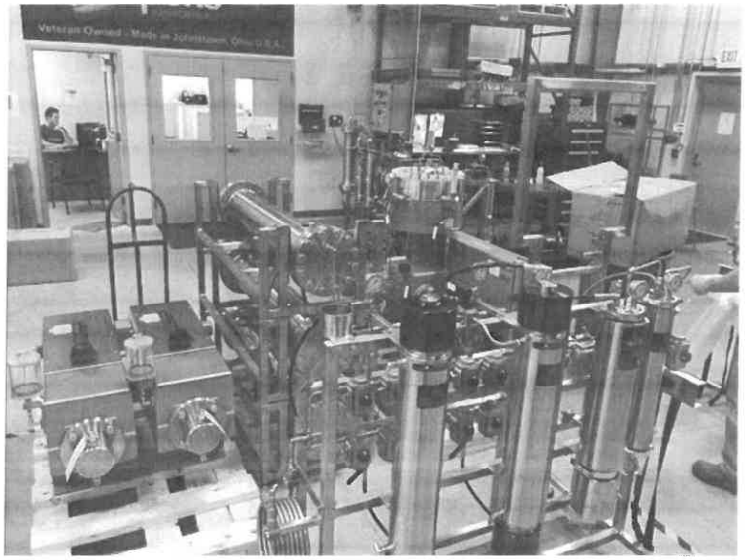
RECEIVED
AUG 22 2018
City of Woodland
Community Development

Operating Plan

Extraction Technology

Supercritical CO2 Extraction Method

High Five Solutions, Inc. intends to use a High Production Extraction system which efficiently extract botanical oils without thermal degradation at industry-leading processing rates. The system utilizes a Dual-Phase Pumping System – a liquid pump that allows for high CO2 flows at higher pressures and the Diaphragm Compressor Technology gas pump for energy efficiency and cold separation, these systems will provide high production with a wide range of processing options for supercritical and sub-critical extractions.



The system can process up to 20 kg of decarboxylated cannabis per day and uses 3-phase 208v, 230v, 460v. Equipped with CO2 storage tank.

Utilizing supercritical and sub-critical CO2, systems offer high-capacity, high-production operations with fast, efficient extractions of botanical oils without thermal degradation. The 5000psi Production Series is equipped with the patent-pending Dual-Phase Pumping System which combines a liquid pump allowing for high CO2 flows at higher pressures with the Diaphragm Compressor Technology gas pump for energy-efficiency and cold separation.

We have identified the most prominent manufacturer of CO2 extraction and intend to use the following equipment:

APEX

Main Features:

- ✓ Fully automated
- ✓ Highest yield per hour
- ✓ Ideal for high-volume production
- ✓ Most versatile – runs subcritical and supercritical
- ✓ Dual-Phase Pumping System (liquid and gas)
- ✓ Multiple 3-phase power options
- ✓ Valveless Expansion Technology
- ✓ Widest supercritical range

Yields: We assume 10% yield for planning while much higher yields can be achieved.

Average budget: $120,000.

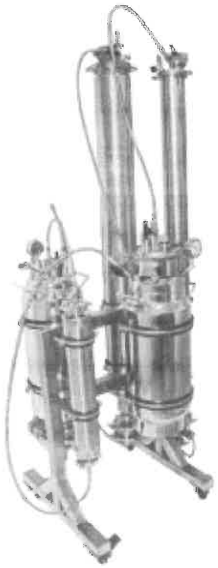
Butane Extraction Method

Butane/Propane extraction technique is the most cost-efficient extraction method available. With an average extraction cycle of less than one hour, BHO is the fastest commercial extraction method. That is 9 times faster than the average 9 – 10 hours comparable CO2 supercritical extraction cycle. The cost of BHO extraction equipment is also much lower than CO2 equipment (less than half the cost).

Certified BHO extraction is safe and if correctly installed, pose no safety risk or risk to the environment. Virtually all butane or propane solvents are reclaimed through a closed-loop system and are not released into the atmosphere. BHO extraction is also US FDA-approved and this method of extraction is currently also widely used for the extraction of vegetable oils from seeds such as soybeans, canola, sunflower and flax.

We have identified the most prominent manufacturer of BHO extraction and intend to use the following equipment:

Purge Labs Closed Loop System



After harvesting the plant material, the product is prepped (trimmed, grinded and put into stainless steel receptors. The extraction process happens inside the spark-proof laboratory. Once the extractor is loaded with Butane/Propane, the extraction process produces crude oil, which is then winterized (mixed with ethanol and frozen in a C1D2 spark proof freezer. Fats and lipids are drained off and a rotary evaporator pulls the ethanol off, which is kept for further processing. The product is then put into a decarb vessel where heat activates the CBD and THC. The next process is a white film evaporator distiller that separates the THC, CBD and terpenes, into the final product, which is golden in color and thick like syrup.

Yields: We assume 10% yield for planning while much higher yields can be achieved.

Average budget: $200,000.

Ethanol Extraction Method

We intend to use High Production Extraction system, which efficiently extract botanical oils without thermal degradation at industry-leading processing rates. System utilize alcohol which acts as a solvent and strips the THC, CBD, Terpenes, Chlorophyll, and wax compounds from plant material then carrying them in solution form within the alcohol.

The process begins with the double-jacketed reactor, walk-in freezer, or chest freezer, which allows to keep a constant negative temperature on the solvent while the extraction process takes place. To achieve this, the cryogenic chiller takes the coolant down to -20°C and this is pumped between the glass layers in the reactor. The solvent will be kept in the inner container and the frozen material will be soaked for a period of time.

Once the soak is complete, the plant material will be removed, and the extract will be filtered into the rotary evaporator (or large-scale reactor), through a series of filters. The rotary evaporator stays under vacuum, which allows distillation and reclaim of the alcohol at low temperature, thus keeping the more volatile molecules intact. The reclaimed alcohol will then be reused for another extraction.

Advantages:

- The FDA classifies ethanol as "Generally Regarded as Safe," or GRAS, meaning that it is safe for human consumption.
- Ethanol is safer than butane and more effective than supercritical CO2.
- The ethanol removed from the finished concentrate can be reused in multiple extractions, which effectively eliminates the production of chemical waste.

We have identified the most prominent manufacturer and intend to use the following equipment:

VTA

High Five Solutions, Inc. will be also focused on the next generation of high-value oil extraction from plant matrices by safe and healthy means. New extraction techniques appeared only few years ago, and it's still not really up to an industrial standard.

Yields: We assume 12% yield. While 18-25% yields can be achieved for planning 12% is a good baseline to accommodate the multiple factors, including strains.

Average budget: $90,000.

Extraction Method with Water

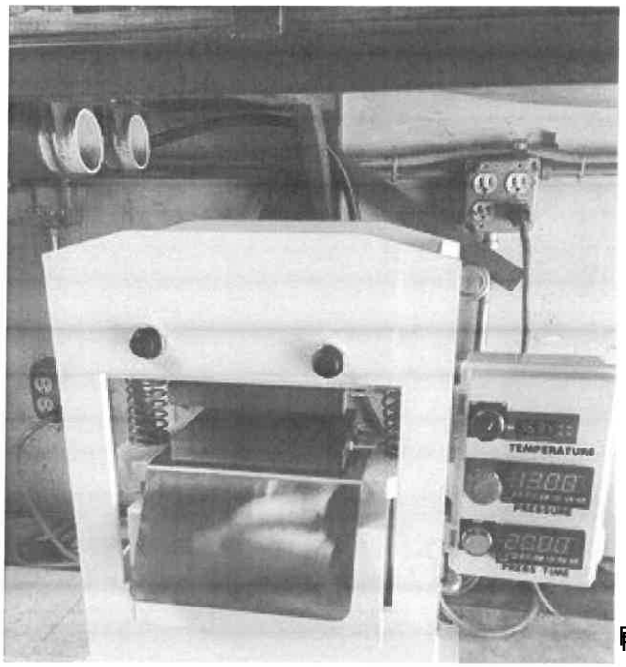
Main features:

- ✓ Solvent-Free Process
  - The polarity of water decreases dramatically under the right conditions
  - Can extract more medically viable compounds than CO^2.
- ✓ Ultra-High Throughput
  - Processes 100 Liters (up to 50 pounds) of wet or dry biomass in 30-40 minutes.
  - Employs industrial level automation.
- ✓ HPLC Analysis shows 90% Extraction Efficiency. Expected to approach 98% through improved methods.
- ✓ Mobile platform able to deploy globally (Air, Sea, Land).

Table 2. H2O and Supercritical C02 Extraction comparison

	H2O Extraction	**C02 Extraction**
Run Time (Minutes)	30	480
Changeover/Prep (Minutes)	15	30
Time Window (Hours)	24	24
Capacity (Liters)	100	100
Biomass Per Run (Pounds)	50	50
Biomass within Window (Pounds)	1600	141
Yield within Window (Tons)	0.80	0.07
Oil Yield (Pounds)	240	21
Pounds Per Acre	625	625
Acres Processed in Window	2.56	0.23

Yields: We assume 10% yield for planning while much higher yields can be achieved.



Average budget: $120,000.

Rosin Press Extraction Method

The method uses no butane, alcohols, or other solvents and produces a pure and clean product.

Rosin extraction is a simple mechanical process that in recent years, has gained traction in the cannabis industry as it is a simple and affordable way to produce a quality cannabis product, within seconds. The rosin pressing technique separates the resin from the plant material by using heat and high pressure.

While flowers from cannabis strains range in THC potency from about 10%-30%, concentrates like rosin may be up to 80% THC or higher.

Rosin can be manipulated into popular consistencies such as shatter, wax, sugar, and others.

Main factors:

- Quality of the input material
- Age of the input material
- Temperature at which the material is pressed

The most important factor affecting clarity when producing rosin is the quality of the material that is being pressed. The better the starting material, the greater the resulting rosin will be in all measures, including clarity, yield, and effects upon consumption.

Second to quality, the age of the material used in rosin extraction is critically important in resulting clarity. The fresher and more recently the material was harvested, the better the resulting color of the rosin will be.

Finally, the third key factor that contributes to clarity is the temperature at which the starting material is pressed at. There is legitimate scientific evidence that supports the notion of terpene loss at high temperatures, although different terpenes are damaged at different temperature levels. Additional tests have been performed on terpene degradation to oregano and basil leaves with similar results.

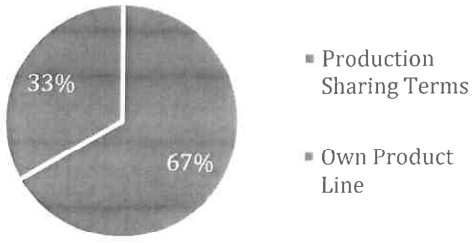
Yields: Trim – 10-15%, Flower – 15%-25%. We assume 10% yield for our planning.

Average budget: $20,000.

Production Forecast

High Five Solutions, Inc. will acquire all marijuana plants in accordance with the laws and regulations and intend to start its processing operations from the third month.

For the purposes of this plan, High Five Solutions, Inc. will assume that a 100 lbs. harvest of dried flower will also produce 10 lbs. of trim to be used for cannabis extractions and concentrates. 10 lbs. of high quality trim will yield about 1.2 lbs. of high quality extractions.



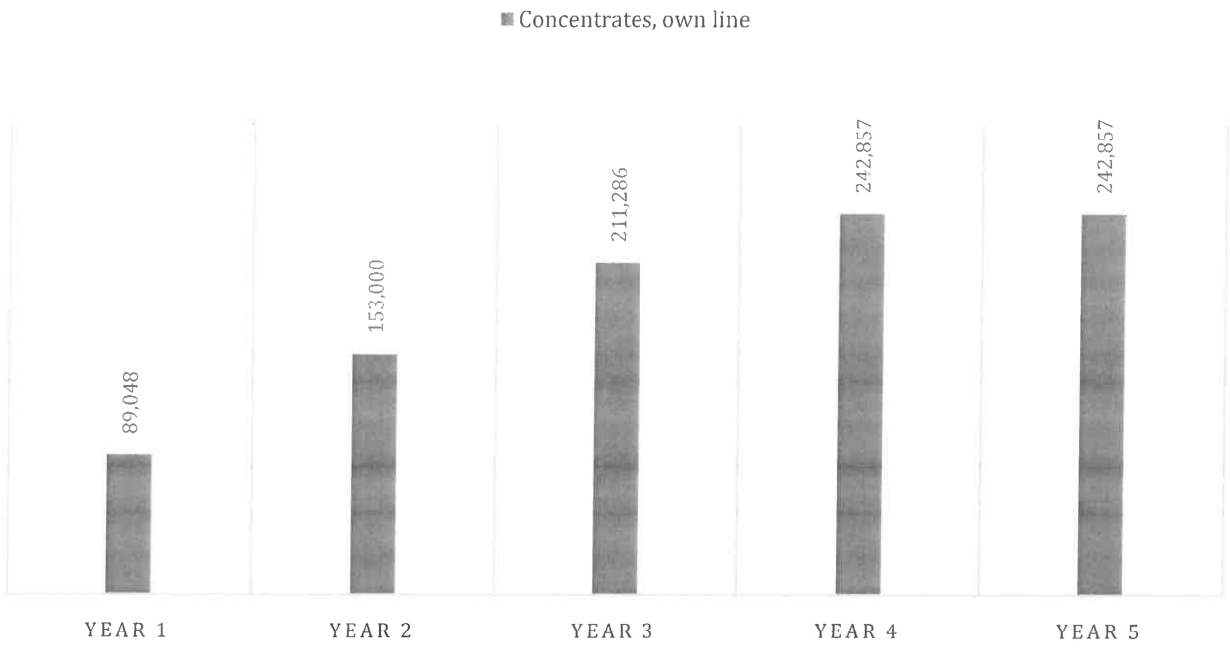
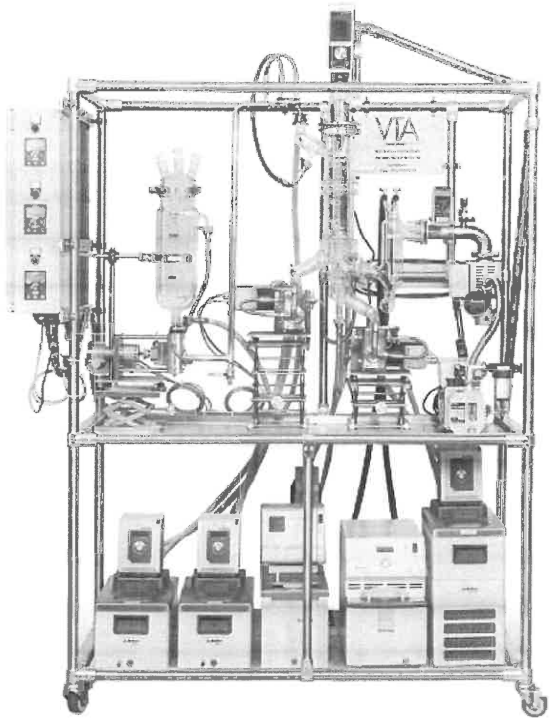


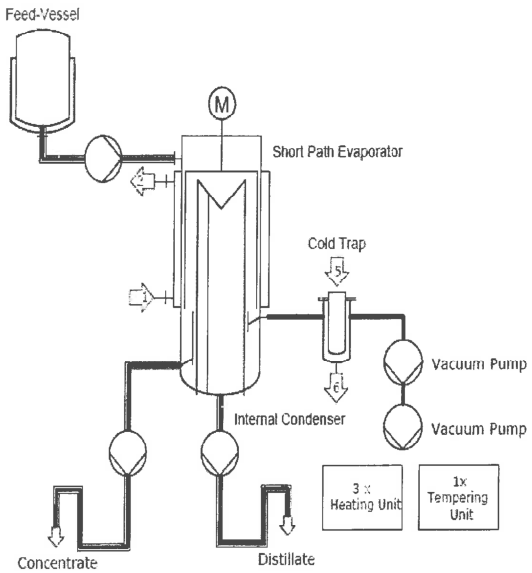
Figure 19. Crude oil production, gram

Processing Technology

Short Path Wiped Film Evaporator (WFE)

We use High Production WFE system which efficiently separates the botanical oils without thermal degradation at industry-leading processing rates. A rotating wiper system distributes the CO2 cannabis oil onto the inner wall of the short path evaporator, the evaporation process is sped up by the rotating wipers spreading the oil into a thin film layer so that the heat transfer and molecule transfer are optimized. The residence time is less than 10 seconds and the vapors are condensed onto the internal condenser as shown on the diagram below. The short path distillation process is split into two passes - the first pass in the evaporator isolates the Terpenes from the cannabinoids and the second pass removes the lipids, impurities and solvents leaving you with an odorless high value clear distillate. Our distillation process creates a distillate that can produce a fine oil used for vape cartridges, tinctures or edibles. The cannabis industry has advanced by leaps and bounds in recent years with new discoveries on the rise. There are lots of benefits to distillate which has skyrocketed its demand and led to price increases at the same time. Utilizing this WFE system offer high-capacity, high-production operations with fast, efficient molecule of botanical oils without thermal degradation. We have identified the most prominent WFE manufacturer and have purchased model number VKL 70-5 from German manufacture Verfahrenstechnische Anlagen GmbH also known as VTA.





Main Features:

- Continuous feed

- Low processing temperatures
- Ideal for high-volume production
- Compact design
- Multiple 3-phase power options
- Cannabinoid Separation (THC/CBD)

Yields: We assume 75% yield for planning while much higher yields can be achieved.

Average budget: $175,000.

Production Forecast

For the purposes of this plan, High Five Solutions, Inc. will assume that a 100 gram of crude oil will yield about 75 gram of high quality extractions.

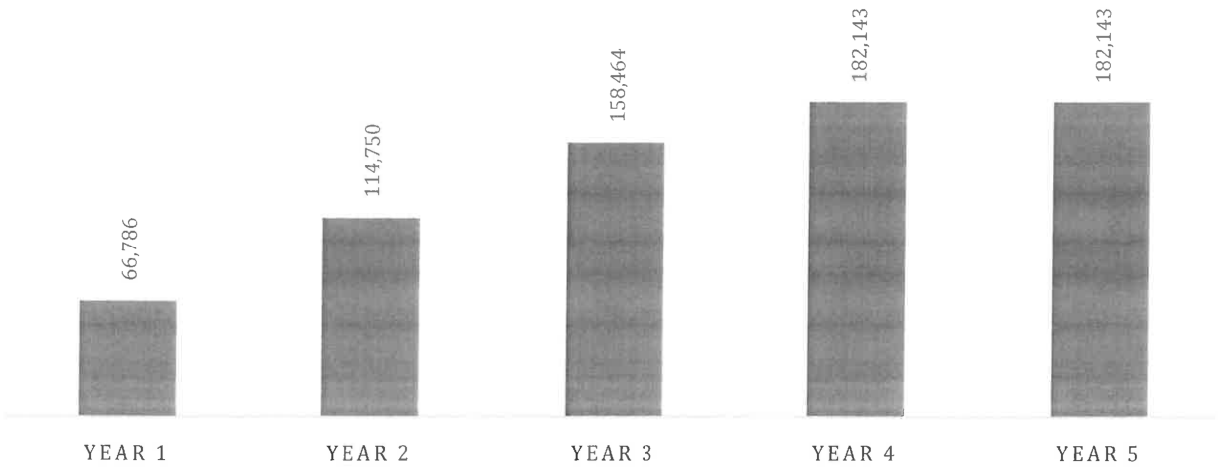


Figure 20. Pure oil production, gram

Infused Products

All High Five Solutions, Inc. Disposable Vape Pens include 500 milligrams co2 cannabis oil, extracted from high quality medical marijuana strains by reputable companies. All High Five Solutions, Inc. Disposable Vape Pens include Laboratory Test Results in their packaging.

High Five Solutions, Inc. Cartridges include 1,000 milligramsco2 cannabis oil and they are compatible with any 510-thread battery and have been tested at 72%+ THC, making them the perfect choice for anybody who doesn't want to sacrifice potency for convenience.

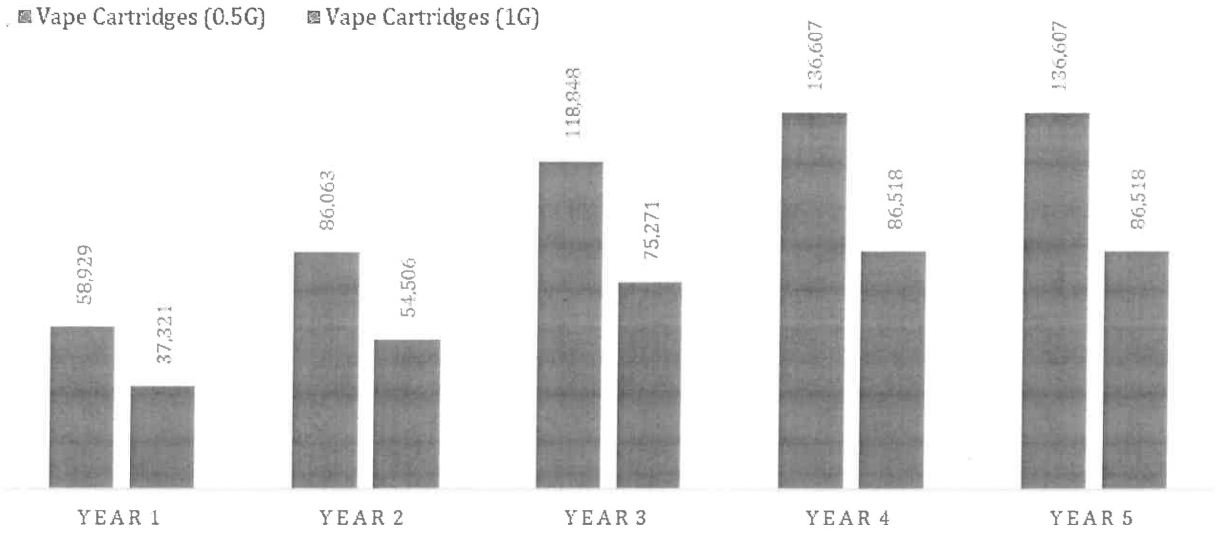


Figure 21. Concentrates production forecast, gram

High Five Solutions, Inc. will also produce a wide range of cannabis topicals and edibles.

Topicals can provide the perfect introduction for those who are "seeking relief from cannabis without the high," and work well for those looking to treat anxiety, depression, chronic pain or skin conditions.

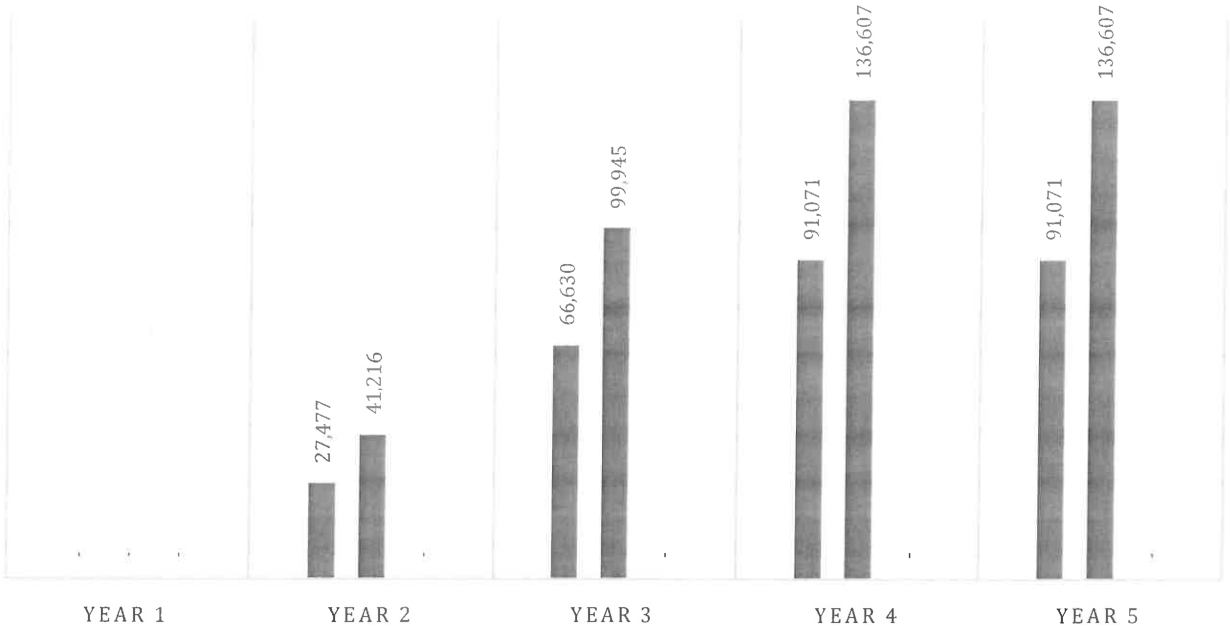


Figure 22. Edibles and Topicals production forecast, units

Legal Requirements

According to the Emergency Regulations for Commercial Cannabis Distributors, Retailers, Microbusinesses, Temporary Cannabis Events, and Testing Laboratories, MAUCRSA defines a distributor as an entity licensed to:

- Transport cannabis goods
- Arrange for laboratory testing
- Conduct quality assurance review of cannabis goods to ensure they comply with all packaging and labeling requirements
- Storage of cannabis goods

Key Requirements:

- CDTFA seller's permit
- Transport vehicles must have an alarm system
- Medicinal and adult-use cannabis goods may be transported together if they are clearly identified
- Must generate a shipping manifest prior to transporting

Vehicle requirements:

- Manned motor vehicle
- Motor carrier permit if transporting for hire
- Proof of ownership or valid lease
- Year, make, model, license plate number, and VIN
- Proof of insurance

Personnel Requirements:

- No person under 21 in the transport vehicle or trailer
- Only a licensee or employee shall be in a transport vehicle

Distributors must hold a Type 11 license, which is a new kind of entity created under MAUCRSA. A Type 11 licensee must register each location where a cannabis product is stored for the purposes of distribution. Distributors must also hold a Type 13 license in order to legally transport cannabis & cannabis products from one licensed business location to another.

Insurance Requirements

General liability insurance. Ormex Enterprises, LLC Cannabis Distribution Company will maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $1,000,000 per occurrence, $2,000,000 general aggregate, for bodily injury, personal injury, and property damage.

Automobile liability insurance. Ormex Enterprises, LLCCannabis Distribution Company will also maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the vendor arising out of or in connection with Cannabis Delivery Services to be performed in Woodland, California, including coverage for any owned, hired, non-owned, or rented vehicles, in an amount not less than $1,000,000 combined single limit for each accident.

Storage Location

Requirements:

- Each premises requires a license
- Only one licensee may occupy a premises.
- Should not be located within 600 feet of a school (grades K-12, day care, or youth center) unless permitted by the local jurisdiction.
- A premises diagram is required with the application
- The landowner of the land upon which a premises is located must provide approval for the cannabis activity to be conducted

Physical Security Plan for a Storage Space

Premises Access

- All external doors and gates will be secured by commercial locks rated to ANSI grade 1 or similar standards and materials will be available on-site for inspection to verify the security rating.
- All usable cannabis products will be stored indoors on the premises in a secure area with all entries secured with a steel door in a steel frame or the equivalent and commercial locks.
- All exterior doors, windows, or other points of ingress/egress will be locked.

Premises Alarm & Monitoring

- The premises will have an alarm system programmed to activate upon unauthorized breach of any door, window, or other point of entry.
- The alarm system will be capable of detecting unauthorized access to any portion of the premises, including any unenclosed portion of an outdoor production operation.
- The alarm system will provide notification to an authorized representative in the event of any unauthorized entry to any portion of the premises.
- The alarm system will provide a mechanism to contact law enforce by one or more of the following methods:
    - At least two "panic buttons" are installed on the premises that can trigger the alarm system and immediately notify a security company or law enforcement.
    - Mobile "panic buttons" are carried by all license representatives on the premises that can trigger the alarm system and immediately notify a security company or law enforcement.
    - An operational landline telephone is present at all times within the limited access area that is capable of contacting security or law enforcement.

Video Surveillance

1. The premises will be equipped with a video surveillance system.
2. Cameras will cover all areas where any marijuana items (including plants and waste) will be present at any time including pathways where product will be moved, without any "blind spots"
3. Cameras will cover all areas within 15 feet of all points of entry/exit from the licensed premises in all directions.
4. All cameras will record continuously 24 hours a day at a resolution of 1280 x 720 pixels or better in all lighting conditions.
5. All cameras will cover areas where marijuana items will be present and all cameras covering the surveillance area record at a minimum of 10 frames per second.
6. All cameras will cover exterior non-limited access areas record at a minimum of 5 frames per second.
7. The surveillance room will contain a list of personnel authorized to access the surveillance system.
8. We will keep a log of all maintenance activity for the surveillance equipment including name of the individual, date and time of access, and reason for access.
9. The surveillance system will include a monitor capable of viewing video from any camera, a digital archiving device, and a printer.
10. The surveillance system will have a backup battery that will provide at least one hour of continuous recording in event of any power failure.
11. An authorized representative will receive immediate notification within one hour of the failure of any security camera or portion of the surveillance system.
12. All required recordings, including the backups of the surveillance area recordings kept for 90 days with a method to store video longer than 90 days if requested.

Transportation

Prior to transporting cannabis or cannabis products, ORMEX Enterprises, LLC will do both of the following:

(1) Complete an electronic shipping manifest as prescribed by the licensing authority. The shipping manifest will include the unique identifier, pursuant to Section 26069, issued by the Department of Food and Agriculture for the original cannabis product.

(2) Securely transmit the manifest to the bureau and the licensee that will receive the cannabis product. The bureau shall inform the Department of Food and Agriculture of information pertaining to commercial cannabis activity for the purpose of the track and trace program identified in Section 26067.

During transportation, ORMEX Enterprises, LLCwill maintain a physical copy of the shipping manifest and make it available upon request to agents of the Department of Consumer Affairs and law enforcement officers.

1. An individual authorized to transport cannabis items will have a valid Driver's License.
2. Ormex Enterprises, LLC intend to:

- Keep marijuana items in transit shielded from public view;
- Use a vehicle for transport that is:
  - Insured at or above the legal requirements in California;
  - Capable of securing (locking) the cannabis items during transportation;
  - Equipped with an alarm system; and
  - Capable of being temperature controlled if perishable cannabis items are being transported.
- Generate a printed transport manifest that accompanies every transport of cannabis items that contains the following information:
  - The name, contact information of a licensee representative, licensed premises address and license number of the licensee transporting the cannabis items;
  - The name, contact information and medical cannabis card number of the individuals receiving the delivery;
  - Product name and quantities (by weight or unit) of each cannabis item contained in each transport, along with the UIDs for every item;
  - The date of transport and approximate time of departure;
  - Arrival date and estimated time of arrival;
  - Delivery vehicle make and model and license plate number; and
  - Name and signature of the licensee's representative accompanying the transport.

3. Company will generate the manifest of this rule at least 24 hours in advance of initiating transportation.
4. Each sales invoice will contain:
   a. Name and address of the purchaser.
   b. Date of sale and invoice number.
   c. Kind, quantity, size, and capacity of packages of cannabis or cannabis products sold.
   d. The cost to the purchaser, together with any discount applied to the price as shown on the invoice.
   e. The place from which transport of the cannabis or cannabis product was made unless transport was made from the premises of the licensee.
   f. Any other information specified by the licensing authority.

5. All cannabis items will be packaged in shipping containers and labeled prior to transport.
6. Company will be able to provide a copy of the printed transport manifest and any printed receipts for marijuana items delivered to law enforcement officers or other representatives of a government agency if requested to do so while in transit.
7. Ormex Enterprises, LLC will contact the Bureau immediately, or as soon as possible under the circumstances, if a vehicle transporting cannabis items is involved in any accident that involves product loss.

Testing

A testing laboratory employee takes the sample of cannabis or cannabis products from the distributor's premises for testing required by this division and that the testing laboratory employee transports the sample to the testing laboratory.

Packaging and Labeling

High Five Solutions, Inc. and ORMEX Enterprises, LLC will conduct the following regulations for packaging and labeling:

1. Cannabis packages and labels shall not be made to be attractive to children.
2. All cannabis product labels shall include the following information, prominently displayed and in a clear and legible font:
    a. Date of manufacturing and packaging
    b. Known allergens (nuts, etc.)
    c. Source and date of cultivation,
    d. Type of cannabis or cannabis product,
    e. Number of servings per package,
    f. Pharmacologically active ingredients (THC, CBD, etc.) and amount (mg per serving),
    g. "FOR MEDICAL USE ONLY" (for medicinal cannabis),
    h. Universal symbol for cannabis,
    i. Government Warning: "GOVERNMENT WARNING: THIS PRODUCT CONTAINS CANNABIS, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS PRODUCTS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. THE INTOXICATING EFFECTS OF CANNABIS PRODUCTS MAY BE DELAYED UP TO TWO HOURS. CANNABIS USEWHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS PRODUCTS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION." (in bold print)
    j. Any other requirements set by the Bureau.

Tracking Solution

According to the new regulations all licensees must enter certain events into the track and trace system so that cannabis is tracked throughout the supply chain

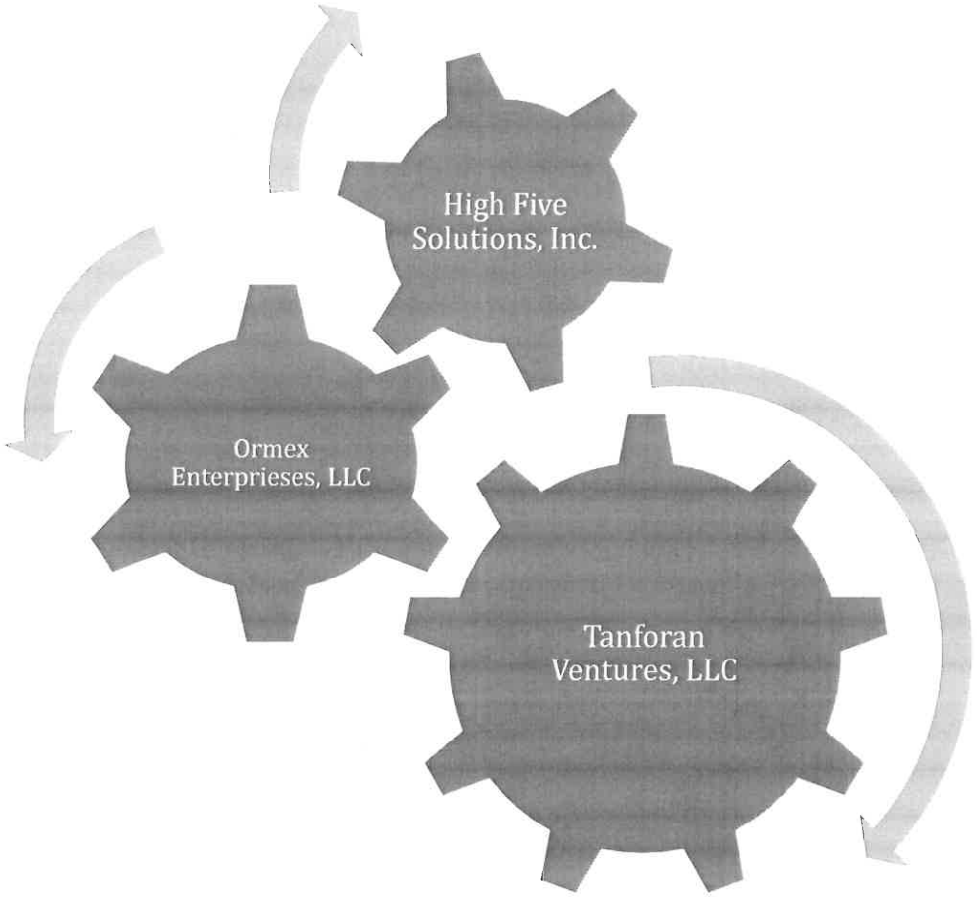
Company intends to use special tracking solution, which will allow us to remain compliant while helping to identify key data points to streamline and optimize inventory management at each phase of the operation: storage, lab testing and delivering.

Transport Manifests – Creating, submitting, and storing compliant transportation manifests noting vehicle, driver, and cargo contained for regulatory review.

Product Details – Product details for the inventory items, printing key information directly on the labels including ingredients, potency results, plus a reactive expiration date that can lock a product if it's past expiration.

Inventory Management – Analyzing the sales data to optimize the dispensary inventory to the customers.

Data Driven CRM – Out-of-the-Box Customer Relationship Management (CRM) tools to reward loyal customers and referrals. Setup targeted email and text campaigns based on customer's favorite products, last visit date, purchase history, birthdays and more.

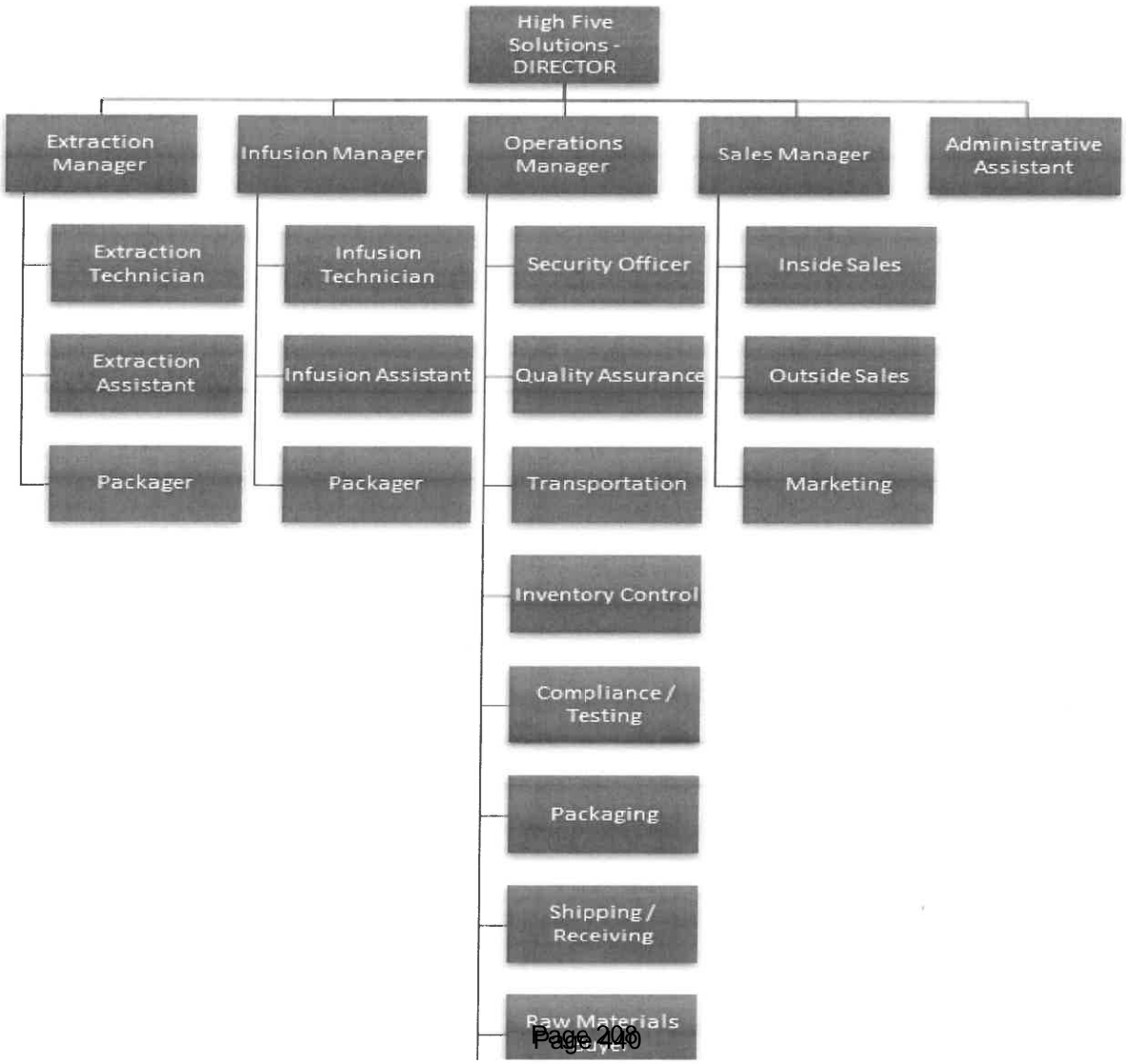


Organizational Structure

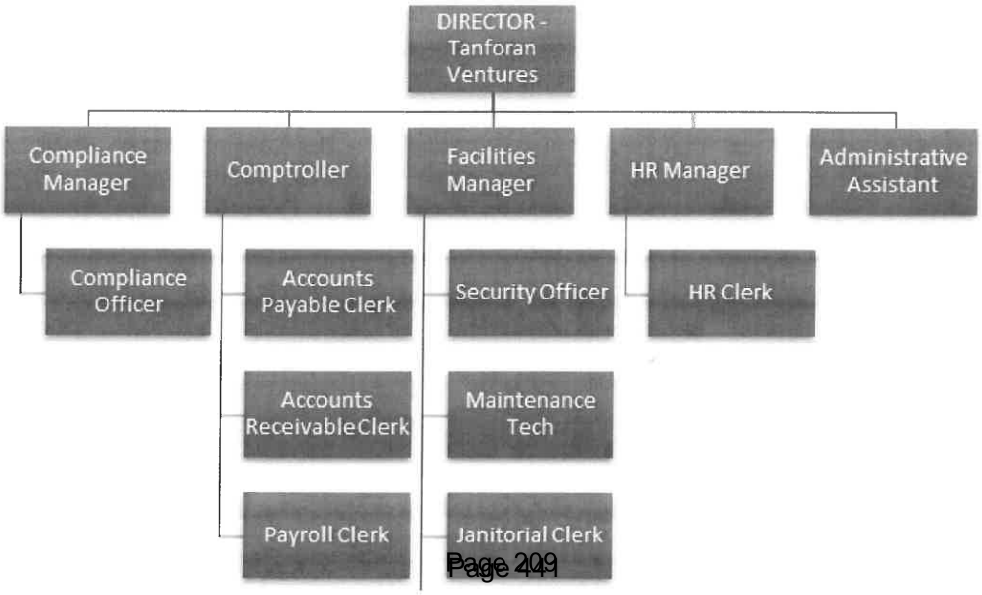
Organizational Structure

Tanforan Venures, LLC (the CUP applicant), ORMEX Enterprises, LLC (Distributor), and High Five Solutions, Inc. (Manufacturer) are three separate entities with their own set of bylaws and operating agreements but run between the same four individuals who have poured their hearts and souls into building these three companies and bringing them to a point where the potential to operate in multiple areas of the legal California commercial cannabis market is a viable opportunity. These businesses have been built on solid foundations. Before we introduce the founding members, we have decided that from the outset, we will recruit only qualified people to man various job positions in our company. We hope to leverage on their expertise to build our business brands to be well accepted in the United States.

These are the positions that will be available at Tanforan Ventures, LLC, ORMEX Enterprises, LLC & High Five Solutions, Inc.:



ORMEX Enterprises - DIRECTOR
Operations Manager
Purchasing Manager
Sales Manager
Administrative Assistant
Security Officer
Quality Assurance
Transportation
Inventory Control
Compliance & Testing
Packaging
Shipping / Receving
Raw Materials Buyer
Expendables Buyer
Inside Sales
Outside Sales
Marketing


DIRECTOR - Tanforan Ventures
Compliance Manager
Comptroller
Facilities Manager
HR Manager
Administrative Assistant
Compliance Officer
Accounts Payable Clerk
Accounts Receivable Clerk
Payroll Clerk
Security Officer
Maintenance Tech
Janitorial Clerk
HR Clerk

Training Plans

1. Train employees at time of hire on business operations and compliance.

2. Train employees regularly after hire.

3. Training plan and training log will be available for inspection on the licensed premises.

4. Any person entering data into the Cannabis Tracking System (CTS) first be trained by the CTS administrator and through the BCC's required process for CTS training.

5. All individuals will be required to have to be eligible to work in the United States and will have to qualify per California and BCC employee standards, including but not limited to age restrictions and necessary background checks; They must also complete the required training and maintain their working credibility while working on behalf of the Licensee.

Ownership

All three companies, though structured differently, are managed by the same following four individuals:

Coors Wright, Katie Blackstone Martin, Shanan Day and Samuel Marquez. These four friends have found common ground in their passion for cannabis and it's health benefits as a resource. They have worked together on several different cannabis-related projects in past years and now have decided to come together and form a manufacturing and distribution companies that not only would serve their cannabis productions but form bigger business relationships with other licensed cannapreneurs in Woodland and surrounding areas.

With each of their expertise in different aspects of business, this fantastic four has collaborated to contribute their knowledge and experience in setting the standard for manufacturing and distribution in the city of Woodland.

Biography of Coors Wright

Coors Wright is a business operations professional focusing on the management, administration, and supply chain for companies looking to improve legacy methods or to implement efficient processes for new ventures.

He is recognized for reducing company costs and streamlining workflows in small and large firms, while building moral across business functions for superior change management. Most recently, he was the Operations Manager for a multi-million dollar manufacturing and distribution company providing quality sports apparel to New England schools and summer camps for over 30 years. He had oversight of a 40,000-sku warehouse, where he analyzed inventory levels, managed forecasting and purchasing, directed shipping and receiving, supervised the production team, and lead a team of 15 employees. Prior to that role, Coors was the Supervisor of Fulfillment for a large US corporation, and the Operations Manager for a mid-size catering company.

Biography of Katie Blackstone Martin

Katie Blackstone Martin was born and raised in Marin County, California. Though she was raised in Marin County, she considers herself lucky enough to have the opportunity to have also spent time in Yolo County on her father's walnut ranch of 39 years.

Though she and her family spent a lot of time in this beautiful part of the Capay Valley, n 2017, her father began planting 1 acre of legal medical cannabis and for the past year, she has spent all of her time managing this part of her father's farm. Some of the tasks include but aren't limited to, familiarizing herself assisting with the Track and Trace program, management of the farm workers and ensuring the farm stays compliant. Katie also took the responsibility of acquiring and gathering all the necessary information to submit for license renewal for 2018.

Before she was involved in Cannabis, she worked in the wine industry primarily doing production and distribution for a startup.

Wine and cannabis have very similar production needs and she has found it to be an easy transition from the wine industry to the cannabis industry, with respect to manufacturing aspects as well as distribution models. The company she worked for focused on private labels for restaurants and wine clubs across the country. Katie managed everything after the point of sale of the bulk wine, which included managing transportation of the bulk wine to the bottling facilities from all around the world, placing all orders for packaging for over 100 SKUs, oversaw all bottling and managed distribution for the clients in 36 states and in over 100 locations.

With Katie's knowledge and background, she would surely be a great asset to the evolving legal Cannabis industry.

Biography of Shanan Day

Shanan was born and raised in Northern California where she has spent most of her life. After graduation from Woodland High School she worked in the administrative field and with her father farming in the Sutter Basin. In 1986, she moved to Texas to help her father with his shrimp boat and shrimped the Gulf of Mexico, after having her first child she returned to Northern California to raise her daughter. She went to Western Career College and became a RDA and she excelled in the Dental/Surgical field becoming a member of the NCSOMS and ICOI and traveled the world assisting in live surgeries and speaking to her peers. She had her son in 1992 and continued her work in the Dental Surgical field until 2016 when she helped her step father close his dental practice after 50 years in business.

In 2016 Shanan started working with her step-father and son in the Cannabis sector. They had a small farm and became cultivators in Yolo County. Shanan became knowledgeable in areas of compliance and Track and Trace and with her administrative background has

been helping others stay organized and in compliance with their cannabis ventures. This is an exciting time for her and enjoys the challenge of a new frontier in the business world.

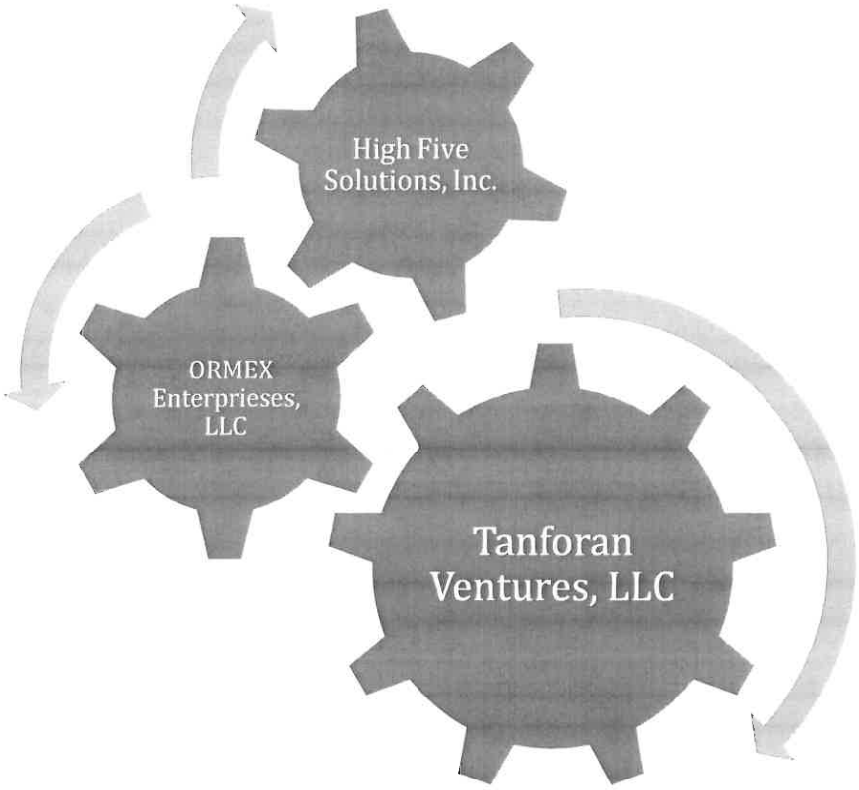
Shanan's enjoys working with her son and spending time with her daughter and grandchildren.

Biography of Samuel Marquez

Sam was born and raised in Northern California. He graduated in 2011 from Pioneer High School and then attended Mendocino College where he played football and started his college studies.

Sam has been involved in the Cannabis industry since 2014 where he worked on a small farm under a collective. He finished his AA at Mendocino and moved back to Woodland to finish college and continue working with his family in their small cultivation farm.

Today Sam is very involved in all aspects of the Cannabis sector and is still continuing his studies where he is taking Business classes so he has a full range of knowledge for his future.


High Five
Solutions, Inc.
ORMEX
Enterprieses,
LLC
Tanforan
Ventures, LLC

COMMUNITY BENEFITS PLAN

Community relationships are paramount to the success of any business and our management team strongly believes in being a steward of the community and has a demonstrated history of such. Our team of ardent professionals will display nothing but the highest levels of business acumen and respect for Neighbor's in greater community. We will work closely with the state and local government officials and regulators, law enforcement, citizen leaders and other community stakeholders to ensure our operation is beneficial to the community and to enable the quick resolution of any concerns as they arise.

We are planning to implement a community relations program with Shanan Day, the project's CEO, assigned as point of contact to address neighborhood concerns.

Shanan Day will be made available to the City of Woodland Development Department at all times to address any needs or issues that may arise. We will provide the cell phone number and email address to all interested City Departments, Law Enforcement Officials and neighbors surrounding our facility. We strive to address all concerns, questions, and issues with our operations and we will encourage our community to bring any concerns with our procedures or the behavior of our members to Shanan Day for appropriate mediation and resolution. We believe this will help people to better understand what we do, and in turn avoid problematic circumstances due to misconceptions.

COMMUNITY PROGRAMS

ORMEX Enterprises, LLC and High Five Solutions, Inc are working to develop projects to improve the City of Woodland that address the common needs of the community. We believe with a little love, inspiration, and dedicated resources, that we can vastly improve the beauty of our local landscape. We plan to contribute at least 2% of gross revenues to these programs. The following are some projects we are excited to develop to make this a reality:

Ongoing Neighborhood Clean-Up and Graffiti Removal: With the guidance of local organizations with similar goals, ORMEX Enterprises, LLC and High Five Solutions, Inc will help provide resources in any area deemed necessary, this includes organizing community clean up days and graffiti removal projects. We understand the ongoing struggle and burden of cleaning up areas where dumping, graffiti and neglect have created undesirable and unattractive situations in our community.

Meals on Wheels: We understand the challenges that our community and our members face to provide elderly family members their day to day necessities. Our objective in donating money and time to Meals on Wheels will not only help the community, but individual families that face hardships when trying to help their elderly loved ones.

Holiday Family Hosting: This is a personal holiday tradition that the applicants have enjoyed doing. Each of us host a family either through a church or family and friend request. On Thanksgiving, we honor them with a full meal for their family and on Christmas we buy gifts for each family member chosen to put under their Christmas tree.
Our applicant, Sam Marquez, has for the last five years donated to the backpack program at our local schools. We will continue with our personal passions and bring them into our venture.

COMMUNITY CONTRIBUTIONS

We will work to make the City of Woodland a better place to live, work and thrive. Our operations will use its resources to improve the community through projects and local funding opportunities. We will partner with local charities and non-profit organizations to provide support and funding for worthwhile projects. Causes we value and will focus on helping in the community are graffiti, homelessness, helping the elderly and their families and our personal holiday family hosting.

BLACK MARKET ELIMINATION

Aiding in the elimination of illegal, problematic grow houses and the nuisances surrounding them is one of the biggest challenges the communities face today. Those nuisances include, but are not limited to, increased opportunity for crimes against property and persons at unsecured locations, obnoxious odors, fire hazards and the like. These growers hope to profit by selling cannabis on the black market, avoiding regulated and compliant operations which pay taxes and benefit the community at large. Our business aids in eliminating this behavior by providing legally grown cannabis to dispensaries in our neighborhood.

ODOR CONTROL PLAN

1460 Tanforan Ave.
Woodland, CA 95776

3/13/2018
Document Author:
Avignon Design
Brandon Thatcher
(916) 889-2700

RE:
Distribution
Manufacturing
Testing

1. TABLE OF CONTENTS

2. FACILITY INFORMATION

   a. 1460 Tanforan ave, Woodland, CA 95776

   b. Facility Owner- CRAEMER 1990 SURVIVORS TRUST

   c. Facility Operator- COORS WRIGHT

   d. Facility Hours of Operation- 6am to 10pm; 7 DAYS

   e. Emergency Contact Information- 617 699 70666

   i. CUP, BOP, and State Permit Numbers- (Pending)

3. FACILITY ODOR EMISSIONS INFORMATION

   a. Facility Floor Plan

      Included for Review

   b. Specific Odor-Emitting Activities

Handling, storage, and processing of cannabis and cannabis bi-product

I. Storage - Storage of cannabis will omit a substantial level of odor within the secured storage locations.

II. Processing- The processing of the dry cannabis material will take place in the packaging Rooms, and the manufacturing warehouse while processing raw material.
Packaging will emit high levels of odor throughout the Rooms while cannabis is being processed, packaged, and labeled.

III. Testing – The handling and testing of cannabis products will produce hi levels of odor throughout the testing rooms

4) ODOR MITIGATION PRACTICES - ADMINISTRATIVE CONTROLS

   c. Processing

The processing of dry cannabis material will take place in the packaging, manufacturing, and testing rooms. It will emit high levels of odor while cannabis is being processed, packaged, and labeled. The procedure for working in processing room is to maintain a sealed environment by keeping the door closed at all times. Inspecting the charcoal filtration system to make sure it is running is a mandatory procedure. Lastly, we will deploy one portable charcoal filtration system to be running at all times while processing is taking place to have an additional protection for controlling the odor.

5) STAFF TRAINING PROCEDURE

a. Responsible Employee

The facility director is responsible for the training of all staff members about odor control. The facility director will be required to provide training to every new staff member on the importance of odor control, the importance of closing doors to maintain a sealed environment, and the importance of checking the filtration systems to ensure that they are running. The facility director will also train every new staff member on how to properly check to ensure that the filtration systems are running properly. Lastly, the facility director will be responsible for training every staff member on how to deploy the portable charcoal filtration system safely and properly.

b. Duration of Training

The facility director will be required to provide 60 minutes of in-person odor control training during the initial orientation of all staff members on their first day on the job. After that, odor control shall be a topic of training at every staff safety meeting to ensure that all procedures are being reinforced and followed. The training will include the importance of closing doors and ensuring that the exhaust and filtration systems are running as required. Any staff member not following procedures related to odor control will be re-trained by the facility director and placed on administrative probation for not following procedure.

6) RECORDKEEPING SYSTEMS AND FORMS

a) Equipment

Each filtration system located in the facility shall be inventoried and recorded in a maintenance log spread sheet. The spreadsheet shall list the make and model of the filter, the date of installation, the expected life of the filter per the manufacturer's specifications, exact locations, and shall note any failed inspections by staff.

b) Training Logs.

The facility director shall document all training conducted by maintaining a sign-in sheet for all trainings and stored in a training records binder. All new staff members will sign an acknowledgement of training received during their orientation on their first day of work. This acknowledgement will be stored in their employee file.

7) ENGINEERING CONTROL

a) Components of the Odor Control System

System design:
The system was designed with two different air filtration strategies; positive air filtration systems, and negative air filtration systems. Negative air carbon/ charcoal filtration systems or {exhaust) will be utilized, in the common areas of the facility, offices, processing room, and the storage rooms. Anywhere there is a door entry to the facility it will open to a negative pressure carbon air filtration system to ensure no odors will /eave the facility. Positive air filtration systems or {scrubbing) will be utilized in the areas of the facility storing, packaging, or handling cannabis products . All charcoal carbon filters are sized appropriately to the manufacturer's guidelines on CFM.

b) Operational Processes

Each day the operator will evaluate odors onsite and evaluate planned operations for the potential to release

objectionable odors. If the operator detects an objectionable onsite odors/he will take the following actions:

Investigate and determine the likely source of the objectionable odor.

Determine if onsite management practices could remedy the problem.
And immediately take steps to remedy the situation.

Determine whether or not the odor is traveling beyond the site by patrolling the perimeter of the site and determining wind patterns.

Determine whether or not the odor event is significant enough to warrant contacting the adjacent neighbors.

In the event that no odor event has taken place the operator shall proceed onto normal daily operations following the procedures as related to the specific odor event activities.

c) Maintenance plan

The goal for maintaining the charcoal carbon filtration system is to maintain the odor mitigation systems and optimize performance. All records shall be kept via excel spreadsheet to be submitted and reviewed by the facility director. All logs shall be maintained on site in the log book binder.

d) Responsible Personnell

The facility director shall oversee the facility odor mitigation
Maintenance program according to the standards set forth in this plan.

The facility manager will be the facility maintenance lead and shall be responsible for performing the maintenance according to this plan.

The facility manager may delegate a maintenance task to a staff member who is properly trained on how to perform the task, but the facility manager will be held accountable for completion of the task properly.

e) Maintenance activities

All charcoal carbon filters shall be maintained and inspected monthly by the Facility manager or supervised staff member.

All charcoal carbon p re-filters shall be inspected, and changed when needed to ensure a clean sealed environment
All charcoal carbon filters shall be replaced according to the maintenance log showing the change by date. (manufacturer's recommendation)

All system fans will be required to be inspected monthly for signs of wear or repair. All conditions shall be noted.

Any repairs or noted issues shall be documented and submitted to the facility director.

8. TIMELINE FOR IMPLEMENTATION OF ODOR MITIGATION PRACTICES

i. Approval of CUP by the planning department

a) Pending approval

ii. Approval of BOP by the City

a) Pending approval

iii. Purchase and installation of equipment.

9. COMPLAINT TRACKING SYSTEM

In the event of significant odors where a complaint has been filed , the protocol is for the operator to inspect the location of a received complaint. The operator shall attempt to determine if an offensive odor exists and notify the City of the complaint and the determination of odor source.

In the event that the complaint cannot be verified in this manner, the operator will continue to perform self-monitoring and continue the best management practices described in this document. This section may include, but is not limited to, the mechanism for , and the responsible staff involved in, receiving odor-related complaints, how and by whom such complaints will be addressed, and how the odor complaint and response will be recorded (e.g., logbook, complaint report).

a) Protocol for Handling Complaints

Complaints may be received by either the operator or the City but shall be handled accordingly.

I. The operator receives and reviews the complaint.

II. The facility director will go to the location of the complaint to assess if the site may be responsible for the odor.

III. The facility director shall document complaints in the Facility operations log, and on the attached complaint form.

IV. The facility director assesses complaint and responds in the on-site log within 24 hours of receiving the complaint, or 48 hours should the citizen complaint be received on a weekend or holiday.

V. The facility director implements reasonable recommendations suggested by experts or regulatory agencies. The operator will continue operations utilizing best management practices .

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: K.18.
SUBJECT: Lower Cache Creek Feasibility Study Update

Recommendation for Action:
Staff recommends that the City Council receive an informational report on the status of the Army Corps of Engineers' Lower Cache Creek Feasibility Study and ongoing efforts to advance projects to provide 200-year flood protection to the City of Woodland.

Staff Contact:
Paul Navazio, City Manager, (530)661-5800, paul.navazio@cityofwoodland.org

Council Goal(s):
Infrastructure – Complete Lower Cache Creek Flood Control Plan

Fiscal Impact:
This is an informational update and, as such, does not result in any direct fiscal impact.

Background:
The City of Woodland faces significant flood threats from both Cache Creek (located north of the City) and the Yolo Bypass (located east of the City). In their current condition, the south levee of Cache Creek and the west levee of the Yolo Bypass provide less than 100-year flood protection. In order to provide adequate flood protection for land within the existing City boundaries as well as to comply with State statutory requirements imposed by SB 5, various efforts are underway to advance projects that would provide 200-year flood protection to the City of Woodland.

For several years, staff's primary effort in this regard has been working with the U.S. Army Corps of Engineers (USACE) to complete the Lower Cache Creek Feasibility Study (LCCFS). This study is designed to identify specific parameters of a "preferred" project that addresses community flood risks while also meeting the federal requirements of a National Economic Development (NED) plan that would qualify for federal funding, subject to Congressional appropriation.

The project to provide Woodland with 200-year flood protection from Lower Cache Creek is but one of several projects being advanced as part of the regional Central Valley Flood Protection Plan, which, under the direction of the Department of Water Resources, provides a comprehensive framework for system-wide management and flood risk reduction planning for the Sacramento and San Joaquin River Basins. Additional projects of interest to the City of Woodland included in the CVFPP are improvements along the Yolo Bypass and levee improvements throughout the region.

At the City's request, in January 2015, the LCCFS was "paused" to further investigate critical issues that were necessary to confirm that the non-Federal sponsors could support the NED project emerging from the Army Corps study. We requested the pause so that we could conduct an analysis of the NED without impacting either the study schedule or cost, while also engaging the community to ensure there would be support for the project.

During the pause, the City and DWR spent over $500,000 in non-project funding to develop additional detail on the NED in order to confirm that the NED Plan could be supported by the community and would not have adverse impacts on the sediment trapping efficiency and mercury TMDL of the Cache Creek Settling Basin. The pause, and work by the City and DWR, were critical in building community support to avoid the public opposition that halted the 2003 recommended plan. The technical information, developed by the sponsors during the pause, was provided to the USACE to improve the level of detail of the study, and reduce uncertainties associated with the project cost estimate.

In early 2017, the City was informed that the Army Corps of Engineers had re-classified the Lower Cache Creek Feasibility Study to "Inactive" status, thereby halting all federally-funded work. Over the past 18 months, the City has been working diligently, aided by DWR and our Federal representatives to request that the USACE re-activate the LCCFS with a commitment to complete the study. This advocacy effort was a major focus of the Flood Team that traveled to Washington, D.C. earlier this year as part of the Sacramento Metro-Chamber's annual Cap-2-Cap event.

Just last month, the City was informed that the USACE Headquarters took action to return the Lower Cache Creek Feasibility Study to "active" status, provided that specific project milestones are executed prior to the end of the calendar year and that a Tentatively Selected Plan (TSP) conference be held in early 2019, followed by completion of the Feasibility Study later in the year.

While this represents a significant step to re-engage the USACE on this important project, the task is somewhat complicated by the lack of resources dedicated to the project by USACE District staff, and the large backlog of funded projects that have priority over completing the LCCFS.

Staff has prepared a presentation to update the City Council on the status of the Lower Cache Creek Feasibility Study and describe the work effort and next steps necessary to meet the project milestones established by the USACE for completion of the study. An outline of the presentation is included as an attachment to this cover memo.

Conclusion:
Staff recommends that the City Council receive an informational report on the status of the Army Corps of Engineers' Lower Cache Creek Feasibility Study and ongoing efforts to advance projects to provide 200-year flood protection to the City of Woodland.

Attachments:
1. Flood Protection Update

Paul Navazio
City Manager

FLOOD PROTECTION UPDATE

City Council Meeting
October 16, 2018

I. Introduction

II. City of Woodland Flood Risks
   a. Lower Cache Creek – 200-year Flood Plain
   b. Levee Flood Zones – West Levee Yolo Bypass

III. Efforts to Address Flood Risks
   a. FEMA Re-mapping (2013)
   b. Army Corps of Engineers - Lower Cache Creek Feasibility Study
   c. West Levee Set-back Project Analysis
   d. Central Valley Flood Protection Plan
   e. Coordination with other Regional Flood Projects

IV. Lower Sacramento/Delta Regional Improvements
   a. Yolo Bypass
   b. Flood Protection
   c. Rail Realignment

V. Lower Cache Creek Feasibility Study - Status Update
   a. Army Corps 3x3 Process
   b. Alternative 2A: NED / Likely Preferred LCC Flood Protection Project
   c. LCCFS "Paused" (January 2016)
   d. Reclassification to "Active' Status (August 2018)
   e. Remaining Milestones / Timeline(s)

VI. Flood Project Implementation (Preview)
   a. Cost Estimates / Potential Funding Sources
   b. Collaboration with Project Partners / Stakeholders

VII. Next Steps:
   a. Update to Citizens' Flood Advisory Committee
   b. LCCFS Milestones (TSP Conference / Completion of LCCFS)
   c. Federal & State Advocacy:
      i. Federal Work Plan Funding
      ii. State Water Bond
   d. City Council Workshop – Spring 2019

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: K.19.
SUBJECT: Lower Cache Creek Flood Feasibility Study, CIP 09-15; Approve Contract Amendment with Larsen Wurzel Associates for Consulting Services.

Recommendation for Action:
Staff recommends that the City Council adopt Resolution No. _____, authorizing the City Manager to execute Amendment #4 to the consultant services agreement with Larsen Wurzel & Associates, Inc. (LWA) for the Lower Cache Creek Feasibility Study, CIP 09-15, for an additional amount up to $86,600.

Staff Contact:
Tim Busch, Principal Utilities Civil Engineer, 530-661-5963, tim.busch@cityofwoodland.org

Fiscal Impact:
LWA's $25,000 base contract involved evaluation of financial viability and possibilities for leveraging State and Federal fund sources, as part of the development of a strategic plan for flood control. Amendments #1 and #2 included services for the development of local financing alternatives bringing the contract total to $124,000. Amendment #3 included an extension of contract time. Approval of amendment #4 in the amount of $86,600 for Project 09-15 will bring the total, not to exceed cost, for the Lower Cache Creek Feasibility Study (LCCFS) consulting services to $210,600. The amendment covers LWA's services for the California Department of Water Resources Urban Flood Risk Reduction (UFRR) funding agreement.

This project is included in the approved Capital Budget with $3,550,000 in funding. The project budget includes $2,950,000 in sewer enterprise funding that includes a future repayment from the storm drain enterprise fund as approved by Council on January 17, 2012. The project budget also includes $600,000 in capital project funding that represents the amount of funding that will be reimbursed by the Department of Water Resources under the UFRR grant program. In addition, as part of the long-term financing plan for the project, the team will pursue cost-sharing, including project management services, with public agency and private property stakeholders with an interest in partnering on a flood solution for Lower Cache Creek. Work included in this task is expected to be considered work-in-kind under the UFRR program.

Background:
In December of 2013, the City engaged LWA Engineers, under contract authority of the City Manager, to assist with the development and scoping of various flood control alternatives with a focus on funding and financing mechanisms for the Lower Cache Creek Flood Project. A funding request was submitted under the UFRR program and the City was awarded a $5,000,000 grant. This Contract Amendment is now being presented to Council for the following reasons:

This amendment provides for continuing financial consulting services to develop the most economically efficient, politically acceptable, and financially feasible methods for funding the delivery of recommended flood risk reduction improvements. Activities include: coordination with project partners, including the Department of Water Resources (DWR), and providing technical advice to the City on various financing mechanisms.

The scope of work includes administrative support for the UFRR Program Agreement.

The scope of work includes the preparation of the In-Kind-Work submittal to DWR, in order to secure credit for eligible expenses incurred by the City prior to execution of the funding agreement with DWR.

The scope of work includes development of a conceptual finance plan for implementation of the selected flood protection project.

Discussion:

The City's Lower Cache Creek Flood Project program manager, MBK Engineers, has completed the strategic plan and found that the City has three options for pursuing a flood risk reduction project which include: 1) participating as a joint non-Federal sponsor with DWR in a US Army Corps of Engineers feasibility study; 2) participating in a cooperative feasibility urban flood risk management study with DWR; and/or 3) participate as one of many local sponsors with DWR in a regional flood risk management study. Currently, all three options are being pursued.

The City of Woodland has been awarded a $5,000,000 matching grant under DWR's UFRR Program for the Lower Cache Creek Basin Woodland Integrated Flood Risk Reduction. The original UFRR Agreement included funding to complete the feasibility study and to advance the design of the project to approximately 65%, and include geotechnical and environmental work in a phased approach. The scope has since been revised to complete the feasibility study at a cost of approximately $750,000. LWA's contract amendment will provide the City with needed assistance in executing the financial aspects of the project for both the design and potential construction phases of the flood project; including preparation of the In-Kind-Work package for DWR submittal.

Conclusion:

Staff recommends that the City Council adopt Resolution No. _____, authorizing the City Manager to execute Amendment #4 to the consultant services agreement with Larsen Wurzel & Associates, Inc. (LWA) for the Lower Cache Creek Feasibility Study, CIP 09-15, for an additional amount up to $86,600.

Prepared by: Tim Busch, Principal Utilities Civil Engineer

Reviewed by: Brent Meyer, City Engineer
Ken Hiatt, Assistant City Manager/Community & Economic Development Director

Attachments:

1. Resolution
2. Scope

Paul Navazio
City Manager

RESOLUTION NO. ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND APPROVING AN AGREEMENT WITH LARSEN WURZEL & ASSOCIATES FOR ENGINEERING CONSULTING SERVICES

WHEREAS, the City of Woodland wishes to enter into an engineering consulting services agreement with Larsen Wurzel & Associates (LWA) for Engineering Services ("Agreement"); and

WHEREAS, LWA was selected through a quality based selection process; and

WHEREAS, LWA has been working on the Lower Cache Creek Feasibility Study and has assisted the City of Woodland in flood management since 2013; and

WHEREAS, LWA will continue providing financial planning assistance, including coordination with Department of Water Resources and City consultants to advance the feasibility studies that are currently underway; and

WHEREAS, the contract amendment with LWA authorizes an additional contract amount of $86,600 to cover the scope of work. The current contract amount including the original contract and amendments 1-3 is $124,000 and with this fourth amendment, the new contract amount is $210,600; and

WHEREAS, the City Council wishes to approve the Agreement and authorize its execution through the adoption of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WOODLAND AS FOLLOWS:

Section 1. The City Council hereby approves the Agreement with LWA in the amount of $86,600. The City Manager is hereby authorized and directed to execute the Agreement, subject to City Attorney approval. The City Attorney is hereby authorized to make clarifying and confirming changes so long as the total dollar amount authorized in the Agreement does not change.

Section 2. Copies of the Consultant Agreement for Design Services are available and on file in the City Clerk's office, and are incorporated herein by reference and made a part of this Resolution

PASSED AND ADOPTED this 16th day of October 2018, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Enrique Fernandez, Mayor
ATTEST:

_____
Ana B. Gonzalez, City Clerk

LWA
LARSEN WURZEL
& Associates, Inc.
2450 Venture Oaks Way, Suite 240 • Sacramento, CA 95833
www.larsenwurzel.com

October 9, 2018

Mr. Tim Busch
City of Woodland
300 First Street
Woodland, CA 95695

Subject: City of Woodland Integrated Flood Risk Reduction Project
Phase 2 Feasibility Study Support - Amended Scope of Work and Budget for Consulting Services
California Department of Water Resources Urban Flood Risk Reduction Funding Agreement

Dear Mr. Busch:

Larsen Wurzel & Associates, Inc. (LWA) appreciates the opportunity to continue to work with the City of Woodland (the City) in support of its flood risk reduction goals. LWA is currently under contract with the City to support future flood risk reduction efforts. This letter describes an amendment to an existing scope of work and additional scope of work and estimated budget, to support City staff with Phase 2 work on the Feasibility Study being advanced under the California Department of Water Resources (DWR) Urban Flood Risk Reduction (UFRR) funding agreement.

Background:
The City of Woodland decided to advance a second phase of the Feasibility Study in partnership with DWR. The USACE has reinitiated the Lower Chace Creek Feasibility Study and requested the City take on a larger role in completing the federal study. The second phase of the feasibility study was originally scoped to explore opportunities to integrate multi-benefit project components and refine costs of the Locally Preferred Project. Since that time, the State of California has decided to evaluate a number of the planned multi-benefit scope items as part of the Upper Yolo Bypass Feasibility Study. Phase 2 of the UFRR Feasibility Study will be modified to focus on advancing the USACE led feasibility study and evaluating project impacts to local infrastructure. This scope of work is being proposed to support the City in developing the Phase 2 UFRR Feasibility Study.

On November 15, 2013 LWA signed a Professional Services Agreement for an initial budget of $25,000 to cover Task 1. On April 23, 2015 Amendment No. 1 was approved for additional scope and fee to complete work in Tasks 2 and 3, estimated to be $49,000, increasing the total contract amount to $74,000. On April 14, 2016 Amendment No. 2 was approved for additional scope and fee to complete work in Task 4, estimated to be an additional $50,000 over 12-months, increasing the total contract amount to $124,000. Earlier this year on May 3, 2018 Amendment No. 3 was approved for a term extension from June 30, 2017 to December 31, 2020.

Task 4 – UFRR Funding Agreement Administrative Support

To date LWA prepared the original Overall Work Plan and a Credit Request to DWR. LWA responded to comments from DWR and revised the credit request. The execution of the State funding agreement occurred much later than anticipated and thus the City accrued credit for most of the work completed under the Phase 1 Feasibility study and this was offset by work completed by DWR. LWA prepared a draft Phase 2 Feasibility Study Overall Workplan and submitted it to DWR for review. The City has directed MBK to modify the scope of work to provide additional services to the USACE to complete the Lower Cache Creek Feasibility Study. LWA will amend the Phase 2 Feasibility Study Overall Workplan with additional information provided by MBK.

Overall Work Plan (**Will Require and Update**) – LWA will work with MBK Engineers, City Staff and DWR to update the previously approved overall work plan to include Phase 2 feasibility study scope in the UFRR funding agreement. The State requires the preparation of an overall work plan as an exhibit to the funding agreement.

Credit Request – LWA used the information provided by the City to develop a local credit request for submittal to DWR to secure credit for eligible investments made prior to execution of a funding agreement. LWA will continue to work through this process to secure approval of eligible project costs.

Reporting – The State funding agreement requires funding recipients to submit reports summarizing the progress and status of the scope, schedule and budget of the project. LWA will work with the City and the consultant team to develop a reporting format that meets the State requirements.

Project Completion Report – LWA will lead development of the Project Completion Report required by the funding agreement to close out the project and secure the State's 10% retention.

LWA estimates this scope of work to cost $45,600 assuming 18 months of service.

Task 5 – Conceptual Finance Plan

LWA is proposing to develop a conceptual financial plan as part of the Phase 2 feasibility study. The plan will focus on identifying the amount of local funding needed to construct the Locally Preferred Flood Risk Reduction Project. LWA will use the cost information provided by other consultants to identify the amount of State and local funding needed to advance the flood risk reduction project under different State and local cost share funding scenarios.

LWA estimates completing the conceptual finance plan to cost $41,000.

Estimated Budget

LWA's total budget estimate to provide the above listed scope of services is $86,600. The estimate assumes that this effort will require 18 months to complete. This is LWA's best estimate of the budget that will be required to perform the above listed scope of services given currently available information. With these types of services however, a moderate level of uncertainty is inherent. The total fee estimate will be very sensitive to the amount of time required to complete the work and the extent to which City staff or other consultant team members are assigned recurring activities required to administer the funding agreement. Consequently, the estimated budget may be in excess of or short of the funds required to perform the requested services.

Summary

LWA charges for services on a direct-cost (hourly billing rates plus direct expenses), not-to-exceed basis; therefore, LWA will bill only for the services completed up to the authorized budget amount. LWA's current hourly rate schedule is attached as **Exhibit A**.

If additional services are required or requested, LWA will request authorization for additional budget with the understanding that terms would be negotiated in good faith. It is expected that this budget may be increased on an as-needed basis through a contract amendment process.

LWA sends requests for payment to the City on a monthly basis after the completion of services.

Request for payment will be sent to the following address:

City of Woodland
Attn: Tim Busch
300 First Street
Woodland, CA 95695

LWA's current contract budget is $124,000. LWA proposes to amend its current agreement to include this additional scope and fee to complete the work described in **Tasks 4 and 5** above totaling $86,600. An amendment of the existing contract from $124,000 to $210,600 will cover the additional scope.

Please do not hesitate to contact me with any questions or comments regarding this proposed scope or budget estimate. We appreciate the opportunity to work the City to advance its flood risk reduction efforts.

Sincerely,

Derek B. Larsen, PE, MBA, CFM
Vice President
Larsen Wurzel & Associates, Inc.

Attachments:
Exhibit A: Hourly Rate Schedule

Exhibit A
Larsen Wurzel & Associates, Inc.
Hourly Rate Schedule

Staff Billing Rates	2018*
Principal	$220
Senior Consultant	$230-$270
Supervising Project Manager	$220
Senior Project Manager	$210
Associate Project Manager	$200
Project Manager	$190
Senior Technical Associate	$180
Senior Associate	$170
Associate	$160
Senior Analyst	$150
Analyst II	$135
Analyst I	$120
Supervising Engineer	$215
Project Engineer	$195
Associate Engineer	$175
Assistant Engineer	$155
CAD Tech/GIS Specialist	$135
Junior Engineer	$125
Engineering Intern (hourly rates)	$70
Project Coordinator	$120
Project Assistant	$115
Technical Editor	$100
Clerical Staff	$90

Rates will increase by 4% (rounded to the nearest dollar) on January 1st of each year.

Automobile mileage is billed at the IRS federal reimbursement rate.

Professional services provided by others billed through LWA are billed at cost plus a service charge of 5%.

TO: THE HONORABLE MAYOR AND CITY COUNCIL
AGENDA: City Council Regular Meeting
DATE: October 16, 2018
ITEM #: K.20.
SUBJECT: Staff recommends that the City Council receive an informational report representing the FY2018/19 First Quarter Budget Update.

Recommendation for Action:
Staff recommends that the City Council receive an informational report representing the FY2018/19 First Quarter Budget Update.

Staff Contact:
Evis Morales, Senior Management Analyst, (530) 661-5923, evis.morales@cityofwoodland.org

Fiscal Impact:
This informational item represents Citywide revenue and expenditure (1) unaudited results for all 12 periods of activity in fiscal year 2017/18 and (2) results through the first three periods of fiscal year 2018/19.

Discussion:

This report summarizes All Funds revenue and expenditure results through the fourth (4th) quarter of fiscal year (FY) 2017/18 and through first (1st) quarter of FY 2018/19. In addition, the report highlights, in more detail, revenues and expenditures in the General Fund through for the same time periods.

Highlights of the preliminary FY 2017/18 results (Attachment A) include the following:

- All Funds revenues through fiscal year-end FY2017/18 were $149.2 million or 92% of the amended budget of $161.6 million.
- General Fund revenues totaled $51.5 million, $1.87 million more than the amended budget.

- Property tax revenues totaled $11.5 million or 1% over the amended budget; the budget assumed a 3% increase in assessed value but actual results were a 5.3% increase.
- Sales Tax payments resulted in $20.6 million or 2% over the amended budget. Sales tax revenues received include the City's 1% local share, Measure E, and Measure J. A positive variance of $432,722 occurred in the City's local share of sales tax, a positive variance of $117,935 in Measure J, and with moderate negative variance ($48,872) in Measure E.
- Other Taxes category totaled $1.7 million or 3% greater than the amended budget due to primarily to better than expected Transit Occupancy Tax (TOT) collections.
- Licenses and Permits revenues exceeded budget by $666,791 or 27% over the amended budget. Although the City issued fewer building permits than the budget anticipated, the revenues from engineering plan check and inspection were much more than expected.
- Service Charges, which represent revenues primarily from recreation and police programs, came in over budget by $173,000 due to increased program participation.
- Lease/Interest Income resulted in $466,966 revenue, or 51% over the amended budget at year-end. This was primarily due to higher than expected earnings on investments.

- Through the fourth quarter of FY 2017/18, All Funds expenditures totaled $156.6 million, or 71% of the

amended budget. General Fund expenditures totaled $53.5 million, or $1.3 million less than the amended budget.

- Departmental and category expenditures were mostly within approved appropriations through the end of FY2017/18.
- The General Fund ended the year with a net decrease in unreserved fund balance of $3.04 million. In preparation of the fiscal year 2017/18 budget, a net decrease of $1.5 million was assumed. The originally budgeted net decrease in fund balance was attributed to one-time expenses to be paid for out of excess fund balance. The actual, larger, decrease in fund balance is related to the one-time contribution to PERS as a direct payment on the City's unfunded liability.

Highlights of the FY 2018/19 first quarter results (Attachment B) include the following:

- All Funds revenues through the first quarter of FY 2018/19 total $31.2 million, or 21% of the amended budget.
- General Fund revenues are $5.1 million or 10% of the amended budget, with many of the City's major tax revenues yet to be collected.

- The City will not receive the first installment of property tax payments until January 2019. Information received from Yolo County indicates that the total assessed value increased by 5.81% from the prior year; the FY2018/19 budget assumed a 4% growth factor.
- Sales Tax payments received through the month of September were slightly over $1.8 million, or 9% of amended budget.
- Licenses and Permit revenue is trending higher than most categories due to housing and commercial development activity that is generally higher during the summer months.
- The Motor Vehicle In Lieu revenues are received in conjunction with the City's property tax revenues, which do not get distributed until January and May.
- Lease and Interest Income revenue was at $471,113 or 121% of the amended budget due to interest received on the City's investment portfolio. The interest is accumulated in this fund until fiscal year end and will be allocated across all funds based on respective cash balances at that time.

- Through the first quarter of FY2018/19, All Funds expenditures totaled $29.8 million, or 19% of the amended budget. General Fund expenditures totaled $10.8 million, or 21% of the amended budget.
- Operating expenditures appear to be tracking within budget for all categories.

Although fiscal year 2017/18 ended with positive results, the City's General Fund Five-Year forecast will continue to be a challenge as city staff is still projecting a growing structural deficit in the years beyond fiscal year 2018/19. Fund balance will be an important factor in assisting with development of balancing plans and targeted investment with high priority one-time funding needs.

Conclusion:
Staff recommends that the City Council receive an informational report representing the FY2018/19 First Quarter Budget Update.

Prepared By: Evis Morales, Senior Management Analyst

Reviewed By:Kimberly McKinney, Finance Officer

Attachments:

1. Quarterly Budget Update- FY18Q4 Attachment A
2. Quarterly Budget Update-FY19Q1 Attachment B

Paul Navazio
City Manager

ATTACHMENT A

ALL FUNDS REVENUES AND EXPENDITURES

Table 1 – All Funds Revenues

	FY2017/18 Revenues				
	Original Budget	Amended Budget	Year-to Date Actuals	Difference Favorable/ (Unfavorable)	%
General Fund	$ 47,605,024	$ 49,656,043	$ 51,525,642	$ 1,869,599	104%
Special Revenue	$ 21,470,178	$ 26,580,372	$ 12,988,016	$ (13,592,357)	49%
Debt Service	$ 1,855,105	$ 1,855,105	$ 1,850,182	$ (4,923)	100%
Development/Capital	$ 16,266,225	$ 16,246,225	$ 16,751,051	$ 504,826	103%
Enterprise Funds	$ 46,120,913	$ 46,120,913	$ 44,448,167	$ (1,672,746)	96%
Internal Service	$ 15,839,291	$ 15,839,291	$ 15,829,689	$ (9,602)	100%
Successor Agency	$ 900,000	$ 900,000	$ 1,240,776	$ 340,776	138%
Agency	$ 4,394,950	$ 4,394,950	$ 4,614,055	$ 219,105	105%
Total All Funds	$ 154,451,686	$ 161,592,899	$ 149,247,578	$ (12,345,322)	92%

- All Funds revenues through fiscal year-end FY2017/18 were $149.2 million or 92% of the amended budget of $161.6 million.
- General Fund revenues totaled $51.5 million, $1.87 million more than the amended budget. Table 4 provides more detail regarding General Fund revenues.
- Special Revenue funds generated $12.9 million or 49% of the amended budget. The unfavorable variance of $13.5 million is mostly due to the Kentucky Avenue Widening and Reconstruction Project. This revenue and expenditure budget for this project were based on $18.6 million in project expenditures and related grant reimbursements. However, only $3.65 million in reimbursements were received based on actual costs incurred; a similar variance is noted in the expenditure results for the same fund.
- Development/Capital funds generated $16.7 million, or $0.5 million more than the amended budget, due in large part to better than expected Measure E revenues.
- Enterprise Funds revenues ended the year at $44.4 million or 96% of the amended budget. The unfavorable variance of $1.6 million is mostly due to a pending Transportation Development revenue reimbursement from the State of California.
- Successor Agency revenues were $1.2 million or 138% of the amended budget. Of the $340,776 above projected revenue: $160,017 was realized through loan repayments, $158,824 due to higher than projected property tax, and $21,934 due to interest income. Successor Agency revenue is used to repay debt service on former Redevelopment Agency debt obligations.
- Agency funds are primarily pass-through special assessment funds. The revenues in these funds totaled $4.6 million, slightly more than the amended budget due to collection of special assessment on more units than originally expected.

Table 2 – All Funds Expenditures by Fund

	FY2017/18 Expenditures				
	Original Budget	Amended Budget	Year-to Date Actuals	Difference Favorable/ (Unfavorable)	%
Internal Service	$16,662,099	$18,074,045	$15,701,450	$2,372,596	87%
General Fund	$49,148,886	$54,880,701	$53,533,349	$1,347,352	98%
Enterprise Funds	$56,877,132	$77,819,997	$49,515,523	$28,304,475	64%
Special Revenue	$13,899,630	$29,578,546	$12,854,454	$16,724,092	43%
Development/Capital	$11,007,914	$17,640,762	$9,848,274	$7,792,488	56%
Successor Agency	$867,157	$780,587	$787,096	($6,509)	101%
Springlake	$3,519,336	$16,532,167	$7,984,344	$8,547,822	48%
Debt Service	$1,855,079	$1,855,079	$1,850,078	$5,001	100%
Agency	$4,407,300	$4,407,300	$4,556,611	($149,311)	103%
Total All Funds	$158,244,533	$221,569,185	$156,631,179	$64,938,006	71%

- Through the fourth quarter of fiscal year 2017/18, All Funds expenditures totaled $156.6 million, or 71% of the amended budget. General Fund expenditures totaled $53.5 million, or $1.3 million less than the amended budget.
- Operating expenditures stayed within the amended budget for most categories.
- The General Fund resulted in $53.5 million or 98% of the amended budget largely due to savings in Supplies & Services, water used by the city for facilities, parks, and landscaping, and matching funds not used because of an unsuccessful application to the COPS grant. Although departments, citywide, were able to realize savings in FY2017/18; $565,928 was re-appropriated to FY2018/19 due to prior year commitments and project priority goals that transcend fiscal years. Additional details for General Fund expenditures are included in Table 5.
- Enterprise Funds resulted in $49.5 million or 64% of the amended budget due in large part to many capital projects that did not incur expenses to their estimated budget. Some of these projects included:
    - Water Systems Maintenance and Repair ($6.1 million in unspent funds),
    - New ASR Well Construction ($5.5 million in unspent funds),
    - Surface Water SRF Loan ($3.0 million in unspent budgeted debt service),
    - West Main Street Water Main Upgrade ($2.6 million in unspent funds),
    - Annual Sewer Repair and Replacement ($1.2 million in unspent funds).

  All Capital Improvement Project (CIP) unspent budget will carry-forward to FY2018/19 and be available for project expenses. In addition to savings from capital projects, the City saved $1.7 million compared to budget for payments to WDCWA for O&M of the water treatment facility. This savings resulted from an overpayment in the previous year that offset the FY2017/18 contribution. Finally, due to debt refunding and timing of SRF

loan payments, actual debt service expenditures were less than budget by close to $4 million.

- Special Revenue funds resulted in $12.8 million or 43% of the amended budget due to appropriations to large grant funded projects that were only partially expended during the year. Some of these projects included the following:
    - Kentucky Avenue Widening and Reconstruction ($5.7 million in unspent funds),
    - West Main Street Bicycle-Pedestrian Mobility and Safety ($3.7 million unspent),
    - I-5/County Road 102 Interchange Landscaping ($1.7 million in unspent funds),
    - East Main Street Improvement ($1.7 million in unspent funds), and
    - West Woodland Safe Routes to School ($1.5 million in unspent funds).
- Development/Capital funds resulted in $9.8 million or 56% of the amended budget due to a few large projects slowly incurring expenses. These projects include:
    - Kentucky Avenue Widening and Reconstruction ($1.4 million in unspent funds),
    - North Gibson Detention Ponds ($1.3 million in unspent funds),
    - West Main Street Bicycle-Pedestrian Mobility and Safety ($858,281 unspent),
    - Sports Park Drive Pedestrian Crossing ($741,366 in unspent funds).
- The City's Spring Lake Funds ended the fiscal year with $7.9 million in expenses or 48% of the amended budget due to a number of infrastructure projects that were not completed in FY2017/18. Examples of projects include:
    - North Regional Pond and Pump Station ($7.5 million in unspent funds),
    - North Gibson Ponds Detention ($2.7 million in unspent funds),
    - Spring Lake Neighborhood Park ($1.7 million in unspent funds).
- Agency Funds reflect expenditures of $4.5 million or 103% of the amended budget. Agency expenses are related to debt service payments for special districts.

Table 3 – All Funds Expenditures by Department

	FY2017/18 Expenditures				
	Original Budget	Amended Budget	Year-to Date Actuals	Difference Favorable/ (Unfavorable)	%
Administrative Services	$ 16,382,589	$ 16,748,758	$ 15,651,489	$ 1,097,270	93%
Community Development	$ 6,505,972	$ 6,840,423	$ 6,099,594	$ 740,830	89%
Community Services	$ 9,866,203	$ 12,252,819	$ 10,263,673	$ 1,989,146	84%
Police	$ 19,276,379	$ 19,532,845	$ 19,315,125	$ 217,720	99%
Fire	$ 10,443,728	$ 11,177,364	$ 10,992,919	$ 184,445	98%
Library	$ 1,958,178	$ 2,001,178	$ 1,909,767	$ 91,411	95%
Public Works	$ 26,198,473	$ 27,431,315	$ 29,122,431	$ (1,691,116)	106%
Capital Improvements	$ 27,624,716	$ 80,856,454	$ 20,676,378	$ 60,180,076	26%
Non-Departmental	$ 39,988,295	$ 44,728,029	$ 42,599,805	$ 2,128,224	95%
Total All Departments	$ 158,244,533	$ 221,569,185	$ 156,631,179	$ 64,938,006	71%

- At the end of fiscal year 2017/18, most department operating budgets were within the approved appropriations.
- Administrative Services ended with savings of $1.0 million across all funds due primarily to savings in internal service funds. Due to lower than expected medical premiums, claims and insurance premiums, the city's Benefit fund came in under budget by $303,909 and the Self Insurance Fund also had substantial savings of $419,511. Technology Services also underspent their budget by $320,748 related to equipment purchases and contracts.
- Community Development expenditures were under budget by 11% due to personnel savings of $496,187 from various vacancies throughout the year. Supplies and Services came in under budget largely attributed to Economic Development effort savings and other smaller savings throughout all Community Development programs across all funds. The unexpended budget in Economic Development and Visitors Attraction efforts was rolled over to FY2018/19.
- Community Services ended FY2017/18 with $10.2 million in expenditures across all funds or 84% of the amended budget. In the General Fund, approximately $346,426 in savings results from supplies and services and most notably $183,327 from water usage. Measure J programs resulted in $424,833 in savings across all programs. CDBG projects and Supportive Housing projects underspent by $410,107 combined. Lighting and Landscape districts throughout the City also had a combined savings of $469,819 due mostly to savings in the cost of water for landscaping.
- Police ended the year with $19.3 million in expenditures or 99% of the amended budget with no large or notable variances.
- Fire ended the year with $10.9 million in expenditures or 98% of the amended budget. A majority of the savings were a result of contractual commitments that have been carried-over into FY2018/19.
- Library ended the year with $1.9 million in expenditures across all funds or 95% of the amended budget with the majority of savings coming from an unfilled approved position.
- Public Works ended the year with $29.1 million in expenditures across all funds or 106% of the amended budget. The department was over budget due to depreciation under-budgeted in the Water and Sewer enterprise funds.
- Capital Improvements budget was underspent by $60.1 million or 26% of budget of the amended budget; however, this remaining balance in funds has been carried-over to the fiscal year 2018/19 budget. Large project variances are discussed with Table 2.

GENERAL FUND REVENUES AND EXPENDITURES

Table 4 – General Fund Revenues

FY2017/18 General Fund Revenues					
	Original Budget	Amended Budget	Year-to Date Actuals	Difference Favorable/ (Unfavorable)	%
Property Tax	$ 11,196,328	$ 11,418,118	$ 11,567,027	$ 148,909	101%
Sales Tax	$ 19,428,157	$ 20,174,822	$ 20,676,606	$ 501,784	102%
Other Taxes	$ 1,430,158	$ 1,688,712	$ 1,738,218	$ 49,506	103%
Franchise Fees	$ 2,390,605	$ 2,445,381	$ 2,415,541	$ (29,840)	99%
Licenses/Permits	$ 2,469,408	$ 2,451,856	$ 3,118,647	$ 666,791	127%
Fines/Forfeitures	$ 332,616	$ 235,064	$ 297,441	$ 62,377	127%
Service Charges	$ 679,798	$ 675,122	$ 848,850	$ 173,728	126%
Motor Vehicle In Lieu	$ 4,785,741	$ 4,903,464	$ 4,934,845	$ 31,381	101%
Intergovernmental	$ 280,279	$ 320,377	$ 298,130	$ (22,247)	93%
Lease/Interest Income	$ 114,290	$ 308,328	$ 466,966	$ 158,638	151%
Miscellaneous	$ 4,497,644	$ 5,034,799	$ 5,163,424	$ 128,625	103%
Transfers	$ -	$ -	$ (52)	$ (52)	n/a
Total General Fund	$ 47,605,024	$ 49,656,043	$ 51,525,642	$ 1,869,599	104%

- Total General Fund revenues at fiscal year-end 2017/18 were $1.87 million more than the amended budget. Revenues in almost every category exceeded projections.
- Assessed property value for FY2017/18 was anticipated to increase by 3%, but actual results from the County showed a 5.3% increase. As a result, property tax revenues generated an additional $150k, or 1%, over the amended budget.
- Sales Tax payments resulted in $20.6 million or 2% over the amended budget. Sales tax revenue received includes the City's 1% local share, Measure E, and Measure J. A positive variance of $432,722 occurred in the City's local share of sales tax, a positive variance of $117,935 in Measure J, and with moderate negative variance ($48,872) in Measure E.
- Other Taxes category totaled $1.7 million or 3% greater than the amended budget due to primarily to better than expected Transit Occupancy Tax (TOT) collections.
- Licenses and Permits revenues exceeded budget by $666,791 or 27% over the amended budget. Although the City issued fewer building permits than the budget anticipated, the revenues from engineering plan check and inspection were much more than expected.
- Service Charges, which represent revenues primarily from recreation and police programs, came in over budget by $173,000 due to increased program participation.
- Lease/Interest Income resulted in $466,966 revenue, or 51% over the amended budget at year-end. This was primarily due to higher than expected earnings on investments.
- Miscellaneous revenues resulted in $5.1 million or 3% over the amended budget.

Table 5 – General Fund Expenditures by Category

FY2017/18 General Fund Expenditures					
	Original Budget	Amended Budget	Year-to Date Actuals	Difference Favorable/ (Unfavorable)	%
Personnel	$ 28,213,618	$ 32,341,128	$ 32,294,308	$ 46,821	100%
Supplies & Services	$ 7,219,165	$ 8,000,919	$ 7,273,006	$ 727,913	91%
Education & Training	$ 275,758	$ 278,001	$ 259,079	$ 18,922	93%
Capital Expenditures	$ -	$ 24,000	$ -	$ 24,000	0%
Non-Discretionary	$ 6,865,828	$ 7,147,508	$ 6,812,406	$ 335,102	95%
Operating Transfers	$ 6,574,517	$ 7,089,145	$ 6,894,551	$ 194,594	97%
Total All Categories	$ 49,148,886	$ 54,880,701	$ 53,533,349	$ 1,347,352	98%

- End-of-year FY2017/18 General Fund expenditures totaled $53.5 million, a savings of $1.35 million from the amended budget, including $474,698 in unspent Measure J funds.
- Personnel expenditures were in line with the amended budget, including $197,617 in unspent Measure J funds.
- Both Supplies & Services/ Education & Training categories resulted in combined savings of $746,835, including $197,085 in unspent Measure J funds. Approximately $400,000 of these savings were carried over into FY2018/19 for use on approved activities.
- Capital Expenditures were underspent by $24,000 as a result of pending purchase of Police Observation Devices. FY2018 appropriations have been carried-over into FY2018/2019.
- Non-discretionary savings of $335,102 results primarily from savings in the use of water and other utilities in City parks and facilities.
- Operating Transfers ended at $6.8 million or 97% of the amended budget largely due to $120,207 budgeted matching funds not needed for the City's unsuccessful COPS grant application. The City also received $48,873 in less than expected Measure E revenues (tax revenues are received in the General Fund and then transferred to the Measure E fund for project expenditures).

Table 6 – General Fund Expenditures by Department

FY2017/18 General Fund Expenditures				
	Original Budget	Amended Budget	Year-to Date Actuals	Difference Favorable/ (Unfavorable)	%
Administrative Services	$ 2,804,927	$ 3,118,907	$ 3,067,419	$ 51,489	98%
Community Development	$ 2,976,571	$ 3,294,942	$ 3,121,613	$ 173,328	95%
Community Services	$ 5,988,155	$ 6,156,928	$ 5,385,669	$ 771,259	87%
Police	$ 17,997,035	$ 18,222,501	$ 18,287,014	$ (64,513)	100%
Fire	$ 10,254,969	$ 10,988,605	$ 10,788,410	$ 200,195	98%
Library	$ 1,834,948	$ 1,877,948	$ 1,789,407	$ 88,542	95%
Public Works	$ 717,834	$ 800,917	$ 710,478	$ 90,439	89%
Capital Improvements	$ -	$ 35,497	$ 12,953	$ 22,545	36%
Non-Departmental	$ 6,574,447	$ 10,384,456	$ 10,370,387	$ 14,069	100%
Total All Departments	$ 49,148,886	$ 54,880,701	$ 53,533,349	$ 1,347,352	98%

- At the end of FY2017/18, most departments were within budget.
- Community Development's year-end savings of $173,328 was a result of mostly Personnel savings from vacancies throughout the year, and in Supplies & Services.
- Community Service's year-end savings of $771,259 was mostly a result of $417,750 in Personnel/Supplies & Services, $179,734 in Utilities, $80,000 in Measure J fundraising seed funding, and $73,243 in funding for the homeless efforts. Of the total savings achieved by the department, $424,833 were from Measure J. Unspent appropriations for the homelessness activities have been carried over into FY2018/19.
- Police ended the fiscal year with $18.2 million in expenses or $64,513 over amended budget. This was a result of both Personnel overages and Supplies & Services savings.
- Fire year-end savings of $200,195 was mostly due to $147,090 in contract obligations for fire plan checking services and an update of the emergency operations plan. $121,000 of these unspent appropriations have been carried over to FY2018/19.
- Library ended the fiscal year with $1.7 million in expenses or 95% of the amended budget. Most savings achieved were a result of an unfilled approved position.
- Public Works ended the fiscal year with $710,478 in expenses or 89% of the amended budget. Most savings achieved were in unspent appropriations in the Downtown Improvement budget; these savings were carried over for expenditure in FY2018/19.

Table 7 – General Fund Forecast

General Fund	Mid-Year Projection FY2017/18	Unaudited Actuals FY2017/18	Difference	Revised FY2018/19
Beginning Balances	$ 15,270,926	$ 15,837,855	$ 566,929	$ 12,789,020
Revenues	$ 49,656,045	$ 51,525,642	$ 1,869,597	$ 50,384,235
Expenditures (Includes Measure J)	$ 50,114,700	$ 49,041,298	$ (1,073,402)	$ 50,087,039
Annual Surplus/Deficit	(458,655)	2,484,344	2,943,000	297,197
General Fund One-Time Expenses	(1,445,649)	(1,445,649)	0	(490,000)
One-time Funding (CALPERS Extra Payment)	(3,046,402)	(3,046,402)	0	
Measure J Unspent Fund Balance		(488,200)	(488,200)	
Fire Station				(1,100,000)
Unreserved Fund Balance	$ 10,320,219	$ 13,341,948	$ 3,021,729	$ 11,496,217
FY17 Encumbered/Uencumbered Carry-Over to FY18	$ 566,929		$ (566,929)	
FY18 Encumbered/Uencumbered Carry-Over to FY19		$ (552,928)	$ (552,928)	
Measure J One-Time Funding	$ 85,000	$ -	$ (85,000)	
Ending Unreserved Fund Balance	$ 10,972,148	$ 12,789,020	$ 1,816,872	$ 11,496,217
Percentage (E.U.F.B./Revenues)	24.7%	27.6%	2.9%	25.5%
Reserve Policy $	$ 8,896,752	$ 9,280,446	$ 383,694	$ 9,028,794
Reserve Policy %	20.00%	20.00%		20.00%
"Excess" Fund Balance (over Reserve Target)	$ 2,075,396	$ 3,508,574	$ 1,433,178	$ 2,467,423

Fiscal Year 2017/18 Results:

The preliminary results for fiscal year 2017/18 show that the General Fund ended the year with a net decrease in unreserved fund balance of $3,048,835. In preparation of the fiscal year 2017/18 budget, a net decrease of $1,543,862 was assumed. The originally budgeted net decrease in fund balance was attributed to one-time expenses to be paid for out of excess fund balance.

During the development of the FY 2018/19 adopted budget, projections were made for the ending of the fiscal year 2017/18 (Mid-year Estimates); revenues were assumed to be $49.6 million; actual results came in over that target by $1.8 million. This variance resulted from better than expected revenue from most categories including property taxes, sales tax and permit fee revenues. Most notable was sales tax revenue with $501,784 and development related permit fee revenue with $666,791 over projected revenue.

Expenditures ended the year under the projected $50.1 million by $1.0 million from a variety of savings in discretionary supplies and services, as well as utility and matching grant funds not needed.

Total ending fund balance in the General Fund was expected to be $10.9 million for the fiscal year 2017/18 or 24.7% of revenues at the mid-year update. Actual fund balance at the end of FY2017/18 is $12.7 million or 27.6%, an increase of $1.8 million.

The General Fund forecast, presented with the adoption of the FY2018/19 budget reflects projected operating deficits over the next five years. The current fund balance will be a key factor in assisting the City to balance budgets throughout the forecast period and maintain reserves at the policy target of 20%. The City Council will continue to receive updates on the status of the forecast and development of the FY2019/20 budget, including budget balancing measures and use of the current fund balance.

ATTACHMENT B

ALL FUNDS REVENUES AND EXPENDITURES

Table 1 – All Funds Revenues

FY2018/19 Revenues								
		Original Budget		Amended Budget		Year-to Date Actuals		%
General Fund	$	50,384,235	$	50,384,235	$	5,173,405		10%
Special Revenue	$	12,902,960	$	12,902,960	$	1,878,703		15%
Debt Service	$	1,542,900	$	1,542,900	$	-		0%
Development/Capital	$	16,886,056	$	16,886,056	$	8,040,966		48%
Enterprise Funds	$	48,037,841	$	48,037,841	$	12,506,477		26%
Internal Service	$	16,430,035	$	16,430,035	$	3,559,115		22%
Successor Agency	$	900,000	$	900,000	$	110,813		12%
Agency	$	4,635,060	$	4,635,060	$	7,664		0.17%
Total All Funds	$	151,719,087	$	151,719,087	$	31,277,145		21%

- All Funds revenues through the first quarter of fiscal year 2018/19 are $31.2 million, or 21% of the amended budget.
- General Fund revenues are $5.1 million or 10% of the amended budget, with many of the City's major tax revenues yet to be collected during the current fiscal year.
- Special Revenue is, for the most part, are grant funds that are reimbursed to the City as projects make progress, or special assessments with revenues that are received with property tax installments in January and May.
- Revenues in Debt Service funds come from transfers from other funds, which are typically recorded at the end of the year.
- Development/Capital revenues are $8.0 million or 48% of the amended budget through September 30, 2018. A majority of the revenues received, $5.2 million, are related to Spring Lake Infrastructure fees collected. The Measure E and F funds are included in the Development/Capital Projects fund category, and sales tax revenues associated with Measure E/F have been partially received ($442,206 or 8% of the amended budget); other revenues are dependent upon development activity.
- Enterprise and Internal Service funds revenues are in line with expected results for the fiscal year.
- Successor Agency revenues are received as tax increments in line with property taxes that are received in January and May.
- Agency funds are primarily pass-through special assessment funds. The revenues in these funds are received with the City's property tax distributions in January and May.

Table 2 – All Funds Expenditures by Fund

	FY2018/19 Expenditures			
	Original Budget	Amended Budget	Year-to Date Actuals	%
Internal Service	$16,865,041	$17,388,782	$4,004,448	23%
General Fund	$50,751,376	$52,834,682	$10,844,676	21%
Enterprise Funds	$51,087,012	$51,234,199	$8,147,889	16%
Special Revenue	$12,648,871	$13,613,381	$3,248,035	24%
Development/Capital	$14,296,414	$14,297,255	$1,599,605	11%
Successor Agency	$1,065,782	$1,065,782	$200,250	19%
Springlake	$3,305,337	$3,305,337	$128,924	4%
Debt Service	$1,542,875	$1,542,875	$768,434	50%
Agency	$4,690,025	$4,690,025	$892,442	19%
Total All Funds	$156,252,733	$159,972,318	$29,834,703	19%

- Through the first quarter of FY2018/19, All Funds expenditures totaled $29.8 million, or 19% of the amended budget. General Fund expenditures totaled $10.8 million, or 21% of the amended budget.
- Operating expenditures appear to be tracking within budget for all categories.
- Internal Service funds reflect expenditures of $4.0 million, or 23% of the amended budget due mostly to up-front payments made for insurance premiums out of the Self Insurance fund and health insurance premium payments from the Benefits fund.
- Enterprise funds expenditures are at $8.1 million or 16% of the amended budget after three months of activity. This low percentage is due primarily to $4.7 million in budgeted Depreciation that is not recorded until the end of the fiscal year.
- Special Revenue funds are at $3.2 million or 24% of the amended budget. Expenditures are currently tracking concurrently with budget.
- Development/Capital funds are at $1.5 or 11% of the amended budget due to a many of the planned capital projects budgeted within these funds that are slow in incurring expenses in the first three months of activity this fiscal year.
- Spring Lake funds are at $128,924 or 4% of the amended budget due to a many of the planned capital projects budgeted within these funds that are slow in incurring expenses in the first three months of activity this fiscal year.
- Debt Service fund expenditures are $768,434 million or 50% of the amended budget due to payments for refunding of lease revenue bonds, with other payments due later in the year.
- Agency funds reflect expenditures totaling $892,442 million or of 19% of the amended budget due to debt service payments made on certain bonds during the first quarter.

Table 3 – All Funds Expenditures by Department

FY2018/19 Expenditures						
	Original Budget		Amended Budget		Year-to Date Actuals	%
Administrative Services	$	16,857,494	$	16,966,832	$ 4,351,099	26%
Community Development	$	6,979,908	$	7,065,466	$ 1,705,000	24%
Community Services	$	10,925,795	$	12,435,175	$ 2,496,861	20%
Police	$	20,843,048	$	21,069,663	$ 4,758,101	23%
Fire	$	10,948,727	$	10,987,090	$ 2,953,060	27%
Library	$	2,067,351	$	2,067,351	$ 447,968	22%
Public Works	$	27,261,439	$	27,821,771	$ 4,083,012	15%
Capital Improvements	$	21,217,568	$	22,317,568	$ 4,270,668	19%
Non-Departmental	$	39,151,403	$	39,241,403	$ 4,768,934	12%
Total All Departments	$	156,252,733	$	159,972,318	$ 29,834,703	19%

- As of the end of the first quarter of fiscal year 2018/19, all departments appear to be tracking closely to budget.
- Fire is slightly higher than other departments in terms of percent (%) of budget. This is due to mostly to over-time expenditures that are trending high due to Strike Team activities that the City will be reimbursed for by State/Federal agencies. Budget corrections to address the impact of strike teams will occur with the mid-year budget update.
- Capital Improvements are dependent upon project activity, which has been fairly slow through the first quarter of FY2018/19.
- Non-Departmental budgets include debt service payments and interfund transfers. The debt service payments are due periodically throughout the year, and the transfers are generally recorded at fiscal year-end, when operating results are known.

GENERAL FUND REVENUES AND EXPENDITURES

Table 4 – General Fund Revenues

FY2018/19 General Fund Revenues						
		Original Budget		Amended Budget	Year-to Date Actuals	%
Property Tax	$	11,975,708	$	11,975,708	$ -	0%
Sales Tax	$	20,165,816	$	20,165,816	$ 1,880,399	9%
Other Taxes	$	1,722,487	$	1,722,487	$ 395,657	23%
Franchise Fees	$	2,512,062	$	2,512,062	$ 258,387	10%
Licenses/Permits	$	2,564,206	$	2,564,206	$ 879,661	34%
Fines/Forfeitures	$	280,572	$	280,572	$ 30,384	11%
Service Charges	$	729,478	$	729,478	$ 161,326	22%
Motor Vehicle In Lieu	$	5,148,637	$	5,148,637	$ -	0%
Intergovernmental	$	253,981	$	253,981	$ -	0%
Lease/Interest Income	$	388,328	$	388,328	$ 471,113	121%
Miscellaneous	$	4,556,800	$	4,556,800	$ 1,094,478	24%
Transfers	$	86,160	$	86,160	$ 2,000	2%
Total General Fund	$	50,384,235	$	50,384,235	$ 5,173,405	10%

- Through the end of the first quarter of FY2018/19, General Fund revenues are $5.1 million or 10% of the amended budget.
- The City will not receive the first installment of property tax payments until January 2019. Information received from Yolo County indicates that the total assessed value increased by 5.81% from the prior year; the FY2018/19 budget assumed a 4% growth factor.
- Sales Tax payments received through the month of September were slightly over $1.8 million, or 9% of amended budget. There is a timing delay for receipt of sales tax revenues, and projections for fiscal year activity are closely monitored by staff.
- Licenses and Permit revenue is trending higher than most categories due to housing and commercial development activity that is generally higher during the summer months.
- The Motor Vehicle In Lieu revenues are received in conjunction with the City's property tax revenues, which do not get distributed until January and May.
- Lease and Interest Income revenue was at $471,113 or 121% of the amended budget due to interest received on the City's investment portfolio. The interest is accumulated in this fund until fiscal year end and will be allocated across all funds based on respective cash balances at that time.

Table 5 – General Fund Expenditures by Category

FY2018/19 General Fund Expenditures						
	Original Budget		Amended Budget		Year-to Date Actuals	%
Personnel	$	29,247,683	$	29,259,626	$ 7,763,047	27%
Supplies & Services	$	7,508,431	$	8,078,488	$ 1,299,269	16%
Education & Training	$	279,826	$	287,319	$ 41,666	15%
Capital Expenditures	$	90,000	$	24,000	$ -	0%
Non-Discretionary	$	6,565,942	$	6,685,003	$ 1,613,035	24%
Operating Transfers	$	7,059,494	$	8,500,247	$ 127,659	2%
Total All Categories	$	50,751,376	$	52,834,682	$ 10,844,676	21%

- Through the first quarter of FY2018/19, General Fund expenditures (not including encumbrances) total $10.8 million or 21% of the amended budget.
- Personnel costs are trending to be on target with budget, at 27% of amended budget through the first quarter with Fire slightly higher in over-time expenditures that are trending high due to Strike Team activities that the City will be reimbursed for by State/Federal agencies.
- Supplies & Services/Education & Training expenses are trending lower than other categories. Expenses within these categories vary depending on when services are needed and when training takes place.
- Capital Expenditures consist of carry-over funds for the Police Observation Devices that have yet to be acquired.
- Operating Transfers consist primarily of the transfer of Measure E/F sales tax received to the capital projects fund, as well as the subsidy for the Storm Drain and Cemetery operations. Fund transfers are typically recorded toward the end of the fiscal year, when more accurate information is available regarding required transfer amount.

Table 6 – General Fund Expenditures by Department

FY2017/18 General Fund Expenditures						
	Original Budget		Amended Budget		Year-to Date Actuals	%
Administrative Services	$	3,121,445	$	3,168,291	$ 686,801	22%
Community Development	$	2,900,202	$	2,961,897	$ 699,225	24%
Community Services	$	6,376,600	$	6,971,280	$ 1,444,165	21%
Police	$	19,257,679	$	19,393,321	$ 4,492,725	23%
Fire	$	10,252,025	$	10,290,388	$ 2,814,989	27%
Library	$	1,934,347	$	1,934,347	$ 421,215	22%
Public Works	$	640,047	$	656,127	$ 142,129	22%
Capital Improvements	$	-	$	1,100,000	$ 126,906	12%
Non-Departmental	$	6,269,031	$	6,359,031	$ 16,522	0%
Total All Departments	$	50,751,376	$	52,834,682	$ 10,844,676	21%

- After the first quarter of FY2018/19, most departments appear to be tracking in line with the amended budget amounts.
- Capital Improvements consist of Council approved budget for land acquisition of the Fire Station Relocation project.
- Non-Departmental expenditures consist primarily of the transfer of Measure E/F sales tax received to the capital projects fund, as well as the subsidy for the Storm Drain and Cemetery operations. There are minimal expenditures to date. Expenses in this category consist mostly of transfers that are typically recorded toward the end of the fiscal year, when more accurate information is available regarding the transfer actually required.