A G E N D A
CITY OF SEASIDE
PLANNING COMMISSION

REGULAR MEETING
440 HARCOURT AVE (COUNCIL CHAMBER)
Wednesday, February 26, 2025
6:00 PM

NOTICE: *The Planning Commission will hold its public meetings in person, with a virtual option for public participation based on availability. The City of Seaside utilizes Zoom tele-conferencing technology for virtual public participation; however, we make no representation or warranty of any kind, regarding the adequacy, reliability, or availability of the use of this platform in this manner. Participation by members of public through this means is at their own risk.*

1. To view this meeting: Please click on the following link to the City of Seaside YouTube Channel: https://www.youtube.com/c/CityofSeasideCalifornia

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   Enter the **WEBINAR ID:** 815 5546 7580 when prompted. There is no participate code – press the pound sign # after the recording prompts you.

4. To make public comment, the following options are available:

   Before the Meeting via Email: Written comments can be emailed to CityClerk@ci.seaside.ca.us Include the following subject line: "Public Comment Item #___" (insert the agenda item number relevant to your comment). Written comments must be received by 2:00 p.m. on the day of the meeting.

   During the Meeting: When the Chair calls for public comment, members of the public participating in person and wishing to address the Commission may approach the podium when the Chair calls for public comment.

   When the Chair calls for public comment, members of the public participating on Zoom and wishing to address the City Council can queue to speak with the "Raise Hand" feature. On the Zoom application, click the "Raise Hand" button. On the phone, press *9 to "Raise Hand"; press *6 to unmute.

5. In accordance with the City's Remote Meeting Participation Policy for Public Comment: The City of Seaside reserves the right to refuse, limit, and/or revoke use of video conferencing technology and the option for virtual public participation. Granting use of the virtual participation in no way constitutes an endorsement of any person or group to display hateful conduct, including sending or posting hateful images, making violent threats, or targeting others with hateful or abusive speech. The City may remove any participate that violates its agreement or applicable policy with proper notice as outlined in the conditions of use/meeting access.

1. CALL TO ORDER

2. ROLL CALL

William Silva	Chair
Keith Dodson	Commissioner
John Owens	Commissioner
Arlington La Mica	Commissioner
Dave Evans	Commissioner
Danny Huynh	Commissioner

3. REVIEW OF AGENDA

If there are any items that arose after the 72-hour posting deadline, this is the point in the meeting where a vote may be taken to add the item to the agenda. (A 2/3-majority vote is required).

4. APPROVAL OF MINUTES

A. APPROVE MINUTES FROM JANUARY 8, 2025

5. PUBLIC COMMENT

Members of the public wishing to address the Commission on matters within the jurisdiction of the City of Seaside, but not on this agenda, may do so during the Public Comment period for up to three (3) minutes. Comments on specific agenda items are heard under that item. For the public record, please state your name.

6. BUSINESS ITEMS

A. USE PERMIT APPLICATION UP-2025-001. SEA PACIFIC INVESTMENTS, PROPERTY OWNER, AND BETTY P. PHAYSOUPHANH, APPLICANT, ARE REQUESTING APPROVAL OF USE PERMIT UP-2025-001 TO ADD CANNABIS CULTIVATION TO 1717C FREMONT BOULEVARD. THIS USE WOULD BE ASSOCIATED WITH AN EXISTING CANNABIS MICROBUSINESS (DBA SEASIDE GREEN) LOCATED AT 1717B FREMONT BLVD IN THE CRG (REGIONAL COMMERCIAL) ZONING DISTRICT (APN: 011-535-027). THE EXISTING CANNABIS MICROBUSINESS CONSISTS OF RETAIL SALES, NON-VOLATILE MANUFACTURING, AND DISTRIBUTION, AND WOULD REMAIN UNCHANGED. THE PROJECT IS CATEGORICALLY EXEMPT CLASS 1 SECTION 15301(A) FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

RECOMMENDATION: Approve Use Permit No. UP-2025-001 to supersede UP-2024-08 to allow for cannabis cultivation at 1717C Fremont Boulevard and retail, manufacturing, and distribution (dba Seaside Green) at 1717B Fremont Blvd.

7. REPORTS FROM COMMISSIONERS

8. REPORTS FROM STAFF

This is a time specifically set aside for the Staff Liaison to provide updates on non-agendized requests from the Commission, and to provide brief information on topics under the purview of the Commission.

9. ADJOURNMENT

Next Regularly Scheduled Meeting:
March 12, 2025
6:00 PM

The City of Seaside is committed to providing accessible facilities and accommodating people with disabilities in all of its services programs and activities. If special considerations are needed by any person to fully participate in this meeting, contact the City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. Agendas are posted at:
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Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.

FINAL MINUTES

CITY OF SEASIDE
PLANNING COMMISSION

REGULAR MEETING
COUNCIL CHAMBER
January 8, 2025
6:00 PM

1. CALL TO ORDER

Chair Silva called the meeting to order at 6:00 p.m.

2. ROLL CALL - NEIGHBORHOOD IMPROVEMENT COMMISSION

PRESENT: EVANS, OWENS, SILVA, LAMICA, DODSON,
ABSENT: HUYNH,

3. REVIEW OF AGENDA

No Changes.

4. PUBLIC COMMENT

None.

5. APPROVAL OF MINUTES

Approve Minutes from September 25, 2024 and November 13, 2024

On motion by Commissioner, Owens and second by Commissioner Evans, and carried by the following vote, the Planning Commission moved to approve the Minutes from September 25, 2024 and November 13, 2024

RESULTS: 5, 0, 0, 1
AYES: Evans, Dodson, Silva, LaMica, Owens
NOYES: None
ABSTAIN: None
ABSENT: Huynh

ACTION: APPROVED & ADOPTED RESOLUTION

6. BUSINESS ITEMS

A. USE PERMIT APPLICATION UP-2024-006 AND ARCHITECTURAL REVIEW APPLICATION AR-2024-004. DAN MATTERSON, APPLICANT AND OWNER, REQUESTS USE PERMIT APPROVAL FOR A PROPOSED SECOND-STORY DECK TO PROJECT 4'-10" INTO THE 15' REAR SETBACK; AND ARCHITECTURAL REVIEW APPROVAL FOR THE DESIGN OF THE DECK.

THE PROJECT IS LOCATED AT 1060 AMADOR AVENUE (APN: 012-272-044) IN THE RM (MEDIUM DENSITY RESIDENTIAL) ZONING DISTRICT. THE PROJECT IS CATEGORICALLY EXEMPT (CLASS 3) FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO SECTION 15303(E) OF THE CEQA GUIDELINES.

Beth Rocha, Senior Planner, provided a presentation proposing approval of UP-2024-006 and AR 2024-004 for a second-story deck that projects 4'-10" into the 15' rear setback and Architectural review approval for the deck's design.

PUBLIC COMMENT:

Dan Matterson

On motion by Commissioner Silva, and second by Commissioner Evans, and carried by the following vote, the Planning Commission moved to approve UP-2024-006 and AR-2024-004 for a second-story deck to project 4'-10" into the 15' rear setback; and Architectural Review approval for the design of the deck.

RESULTS: 5, 0, 0, 1
AYES: Evans, Owens, Silva, LaMica, Dodson
NOYES: None
ABSTAIN: None
ABSENT: Huynh

ACTION: APPROVED & ADOPTED RESOLUTION

B. MASTER SIGN PROGRAM MSP-2024-004. PROPERTY OWNER, THE ARAGON LLC, AND APPLICANT MONTEREY SIGNS, INC., REQUEST APPROVAL OF A MASTER SIGN PROGRAM TO ALLOW THE CREATION OF THREE WALL SIGNS, A FREESTANDING PYLON SIGN, AND WINDOW SIGNS AT THE TWO-TENANT COMMERCIAL BUILDING LOCATED AT 1333 AND 1325 FREMONT AVENUE (APN 011-333-015) IN THE COMMUNITY COMMERCIAL (CC) ZONING DISTRICT. THE PROJECT IS CATEGORICALLY EXEMPT (CLASS 11) FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO SECTION 15311(A) OF THE CEQA GUIDELINES.
PUBLIC COMMENT:

Eric Azriel, Associate Planner, provided a presentation that proposes approval of a Master Sign Program, MSP-2024-004 to allow the creation of three wall signs, a freestanding pylon sign, and window signs at the two-tenant commercial building.

PUBLIC COMMENT:

Jon Mata

On motion by Commissioner Owens, and second by Commissioner LaMica, and carried by the following vote, the Planning Commission moved to approve Master Sign program, MSP-2024-004 to allow the creation of three wall signs, a freestanding pylon sign, and window signs at the two-tenant commercial building.

RESULTS: 5, 0, 0, 1
AYES: Evans, Owens, Silva, LaMica, Dodson
NOYES: None
ABSTAIN: None
ABSENT: Huynh

ACTION: APPROVED & ADOPTED RESOLUTION

7. REPORTS FROM COMMISSIONERS

Commissioner Silva spoke on creating traffic safety for the cars crashing into backyards on Coe Ave at the curve.
Commissioner Evans informed the Commission that you cannot park within 20 feet of a crosswalk in an intersection.

8. REPORTS FROM STAFF

Andrew Myrick, Planning Manager, mentioned that Eric Azriel has been promoted to Associate Planner. 2. Working on a major transit stop and 3. a new state law will go into effect for any zoning code amendments that could affect property values is a 20 day instead of a 10 day. This zoning ordinance is coming through and other state laws in the coming months.

9. ADJOURNMENT

With no further business the meeting adjourned at 6:46 p.m.

On motion by Commissioner Owens, and second by Commissioner Silva, the Planning Commission moved to approve to adjourn the meeting.

Respectfully submitted,

Jennifer Hancock, Committee Clerk **William Silva, Chair**

CITY OF SEASIDE
STAFF REPORT

Item No.: 6.A.

TO: Planning Commission

BY: Beth Rocha, Senior Planner

DATE: February 26, 2025

SUBJECT: **USE PERMIT APPLICATION UP-2025-001. SEA PACIFIC INVESTMENTS, PROPERTY OWNER, AND BETTY P. PHAYSOUPHANH, APPLICANT, ARE REQUESTING APPROVAL OF USE PERMIT UP-2025-001 TO ADD CANNABIS CULTIVATION TO 1717C FREMONT BOULEVARD. THIS USE WOULD BE ASSOCIATED WITH AN EXISTING CANNABIS MICROBUSINESS (DBA SEASIDE GREEN) LOCATED AT 1717B FREMONT BLVD IN THE CRG (REGIONAL COMMERCIAL) ZONING DISTRICT (APN: 011-535-027). THE EXISTING CANNABIS MICROBUSINESS CONSISTS OF RETAIL SALES, NON-VOLATILE MANUFACTURING, AND DISTRIBUTION, AND WOULD REMAIN UNCHANGED. THE PROJECT IS CATEGORICALLY EXEMPT CLASS 1 SECTION 15301(a) FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

RECOMMENDATION

Approve Use Permit No. UP-2025-001 to supersede UP-2024-08 to allow for cannabis cultivation at 1717C Fremont Boulevard and retail, manufacturing, and distribution (dba Seaside Green) at 1717B Fremont Blvd.

BACKGROUND

The subject site consists of a 53,578 (1.23 ac.) square-foot (SF) parcel developed with a 10,000 SF multi-tenant commercial building. The basement is 4,400 SF, with approximately 3,600 SF proposed for cannabis cultivation. The adjacent parcels consist of automotive dealership sites to the south and west and retail businesses to the north and east.

The original Medical/Adult Recreational Retail Cannabis Use Permit was approved on March 15, 2018 with Council Resolution No.18-19. On September 11, 2024, Use Permit UP-24-08 for a Cannabis Microbusiness featuring retail, manufacturing and distribution was approved by the Planning Commission. The commercial building is comprised of three lease areas, two on the main level and one in a basement below. The main level is occupied by Round Table Pizza (1717A) on the south side of the building and Seaside Green Microbusiness (1717B), located on the north side of the building on the first floor. The basement below (1717C) is the proposed location of the cannabis cultivation. There is no interior access from 1717B to 1717C. The steel roll-up door would only be used to move bulk material in and out between cultivation cycles and the standard door would be used by workers to access the space for their shifts.

Parking

The property was originally developed as a bank, encompassing the entire first floor, with the basement serving as the vault. Once the bank business ended, the three separate tenant spaces were created. The site has 34 parking spaces, including two ADA spaces. The site is considered to have nonconforming parking. There is not additional floor area being added and both the former and current uses are classified as Group 1, or low parking demand, as outlined in SMC 17.34.040, Table 3-8 Parking Requirements by Land Use. Therefore, since the amount of required parking is the same for both the previous and proposed use and therefore is in compliance with SMC 17.72.030.C.2.b, additional parking is not required.

CULTIVATION PROJECT PROPOSAL

The existing microbusiness is permitted for all cannabis-related uses except cultivation. If approved the microbusiness license will include all of the following activities for a cannabis microbusiness license: cultivation, distribution, manufacturing, and retail operations. The previously approved security plan remains unchanged and is provided as Attachment 3.

Proposed - Cultivation

The basement space offers a stable underground environment built like a vault, with high ceilings and ample room to accommodate the various activities required for a successful cultivation operation. The open floor area will allow for around 3,600 square feet of plant canopy. That area will be covered by a total of 115 lights hung above the plants. Ninety of these will be LED units, interspersed with 25 high pressure sodium lights.

The cultivation activity will require four to six employees working in two shifts, with the bulk of the work happening when the horticultural lights are on. Tracking plants through the production system starts with the purchase of small rooted cuttings from a State-licensed nursery. Workers transfer the cuttings to root in containers filled with a coir (coconut fiber) media, set in trays on the floor to catch any runoff. The open floor area will be used to grow out purchased starter plants in five

gallon pots with a coir medium, set in trays on the floor to capture any irrigation runoff. Existing rooms will be used for waste and nutrient storage.

Once the desired size is reached the daily light period is cut back, and the plants begin flowering under the shorter day length. Workers then tag the plants for entry into the State METRC track and trace system. For most cannabis strains, the flowering period will last seven to nine weeks before harvest. The cut plant material will hang to dry for two weeks before going to the trimming room for final processing and sorting by grade. The discarded material is stored and treated as cannabis waste in accordance with State requirements, and the cultivation area is cleaned and set up for the next cycle.

The flowers produced by the cultivation activity in the basement will be transferred to the distribution operation, which will arrange for product testing by a state-licensed laboratory. Once cleared for sale the flowers can be packaged on-site or transferred to the manufacturing operation for further processing. The finished packaged and labeled products can either be put into the retail inventory or distributed to other retailers. Cannabis products will only be transported inside of a vehicle or trailer in accordance with procedures mandated by the State, and will not be visible or identifiable from outside the vehicle or trailer.

The cultivation system will run three to four batch cycles per year and produce around 250 lbs of flowers each cycle. Of that amount some ten percent will be small and of inferior quality. The manufacturing arm of the microbusiness allows the option to further process this lower-grade material into value-added consumer products. The complete project narrative is provided as Attachment 2.

Existing - Distribution
This activity will continue unchanged. It allows the business to move cannabis and cannabis products between cultivation, manufacturing, distribution premises, deliveries, as well as laboratory testing. Cannabis and cannabis products will only be transported inside of a vehicle or trailer and will not be visible or identifiable from outside the vehicle or trailer.

Existing - Manufacturing
This activity will continue unchanged. The State distinguishes between manufacturing processes that use volatile solvents and those that use non-volatile solvents or mechanical methods for extraction. State Type 6 manufacturing license activities, which rely on non-volatile solvents – like cooking oils or butter - and mechanical extraction methods that use pressure, heat or cold instead of using chemicals. Manufacturing allows for raw material to be purchased from licensed cultivators, with a focus on mechanical extraction to create a concentrate and a rosin press for extraction of resinous sap. Neither of these methods of extraction involves solvents or chemicals.

Existing - Retail
This activity will continue unchanged.

CEQA EXEMPTION

This project is exempt from the California Environmental Quality Act pursuant to Class 1, Section 15301(a): Class 1 consists of the operation, repair, maintenance, permitting, leasing, or minor alterations of private structures and facilities involving negligible or no expansion of the former use.

Evidence: The proposed project will consist of interior tenant improvements within an existing commercial building involving minor plumbing and electrical alterations to accommodate operations on the basement level. The proposed addition of cultivation to the cannabis microbusiness will not require any exterior alteration to the site or change in intensity of the project site or the City's infrastructure off-site where it can be seen with certainty that the proposed interior improvements can be accommodated without creating any significant off-street parking demand or external effects that would be detrimental to the health, safety, and general welfare of the community.

USE PERMIT FINDINGS

The required findings are provided below, as required of SMC 17.62.070.E:

1. The proposed use is allowed within the applicable zone and complies with all other applicable provisions of this Zoning Ordinance and the Municipal Code.

Evidence: Adding cannabis cultivation to the existing cannabis microbusiness is allowed within the CRG District. The project complies with the regulations of the Seaside Zoning and Municipal Codes.

2. The proposed use is consistent with the General Plan and any applicable specific plan.

Evidence: Per the General Plan Land Use Element, the site is designated as Employment. The following Goals and Policies are supportive of this type of business:

ED-1: A healthy business climate that supports the growth and prosperity of businesses that are beneficial to the community.

Policy, Economic diversification. Focus economic development efforts on attracting and retaining a greater range of business types which appeal to the needs of the current and expected future resident demographic.

Policy, Vacant and underutilized sites. Support the full and efficient use of vacant and underutilized nonresidential and mixed-use sites for the development and expansion of targeted commercial and industrial facilities.

Policy, Revenue diversification. Continually evaluate potential opportunities to diversify revenue, and therefore be able to reduce the cannabis city sales tax so as to alleviate cumulative tax burden on cannabis operators.

3. The design, location, size, and operating characteristics of the proposed activity are compatible with the existing and planned future land uses in the vicinity.

Evidence: The proposed cannabis cultivation use being added to the existing microbusiness will be contained within an existing commercial structure. The operating characteristics of the cannabis microbusiness will remain largely unchanged and will

continue to blend with the retail cannabis facility on the main floor and improve the overall business investment opportunities for the community.

4. The site is physically suitable for the type, density, and intensity of discretionary use being proposed, including access, utilities, and the absence of physical constraints.
Evidence: The project site is served by existing water, wastewater, and electrical infrastructure and facilities with adequate capacity to serve the proposed project.

5. Granting the permit would not be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone district where the property is located.
Evidence: The proposed use of the existing commercial floor area for cannabis cultivation would not be detrimental to the public health, safety, and general welfare of the people of the City and surrounding neighborhood. The proposed use is located within an underutilized area of an existing commercial building that is completely screened from public view and would help maintain a compact city form consistent with the scale and character of the surrounding commercial neighborhood.

Although a Use Permit is the required permit type for a microbusiness associated with existing cannabis retail, SMC 19.03.010.G. requires findings be made for Minor Use Permits for standalone cannabis cultivation. The following findings have been made for transparency in support of the project:

1. The cultivation, as proposed, will comply with all of the requirements of the state and city, and any additional conditions of license for the cultivation of medical or adult cannabis.
Evidence: The cultivation use will have to comply with all state and city regulations, which includes the project conditions of approval and an updated State microbusiness license.

2. The cultivation, as approved and conditioned, will not result in significant unavoidable impacts on the environment.
Evidence: The cultivation use is exempt from CEQA Class 1, Section 15301(a): Class 1 and it can be seen with certainty that the proposed interior improvements can be accommodated and will not result in significant unavoidable impacts on the environment

3. The cultivation includes adequate measures that minimize use of water for cannabis cultivation at the site.
Evidence: The irrigation system will only supply for three or four grow cycles per year. Recycled water from air conditioning condensation will substitute for some tap water usage. Additionally, the projected water use is approximately 1/3 of what is calculated for a Group 1 water use with MPWMD.

4. The cultivation includes adequate measures to address the projected energy demand

for cannabis cultivation at the site.
Evidence: The project is proposing to use 90 energy-saving LED lights, which typically consume 60% less energy to provide the same level of light as non-LED options.

5. The cultivation includes adequate quality control measures to ensure cannabis cultivated at the site meets industry standards.
Evidence: Once the plants begin flowering, workers will tag the plants for entry into the State METRC track and trace system. The discarded material is stored and treated as cannabis waste in accordance with State requirements, and the cultivation area is cleaned and set up for the next cycle. The flowers produced by the cultivation activity in the basement will be transferred to the distribution operation, which will arrange for product testing by a state-licensed laboratory. Once cleared for sale the flowers can be packaged on-site or transferred to the manufacturing operation for further processing.

6. The cultivation includes adequate measures that address the federal enforcement priorities for cannabis activities including restricting access to minors, and ensuring that cannabis and cannabis products are not supplied to unlicensed and unpermitted persons within the state and not distributed out of state.
Evidence: The business will continue to operate in compliance with federal, state, and city regulations. Since starting operations in 2020 there have not been any violations at the federal, state, or local level. Minors will not have access to any part of the microbusiness and the distribution use will not be supplied to unlicensed and unpermitted persons within the state and not distributed out of state.

7. The applicant, property owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with Chapter 19.03 of the Seaside Municipal Code from any enforcement officer of the City of Seaside or their designee.
Evidence: In signing the project resolution, the applicant and owner are acknowledging the requirements of the conditions of approval. This item has been added as a condition of approval.

8. Any person cultivating cannabis shall obtain a valid and fully executed commercial cannabis permit pursuant to Chapter 5.04 SMC prior to commencing operations and must maintain such permit in good standing in order to continue operations.
Evidence: If necessary, the existing microbusiness business license application will be amended to reflect the addition of the cultivation use.

9. The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by state law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits or licenses in good standing with the city, county or state may be grounds for seeking the suspension or revocation of a use permit pursuant to Chapter 17.80 SMC. (Ord. 1047 § 2, 2018; Ord. 1043, 2017).

Evidence: In signing the project resolution, the applicant and owner are acknowledging the requirements of the conditions of approval. This item has been added as a condition of approval.

ATTACHMENTS

1. Attachment 1 Draft Resolution
2. Exhibit A To Attachment 1: Project Plans
3. Attachment 2: Project Narrative
4. Attachment 3: Security Plan

PLANNING COMMISSION
RESOLUTION NO. 24-XX

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SEASIDE, STATE OF CALIFORNIA, APPROVING USE PERMIT APPLICATION NO. UP-2025-001 TO SUPERSEDE UP-2024-08, TO ALLOW FOR CANNABIS CULTIVATION AT 1717C FREMONT BOULEVARD ASSOCIATED WITH AN EXISTING CANNABIS MICROBUSINESS (DBA SEASIDE GREEN) AT 1717B FREMONT BLVD. IN THE CRG (REGIONAL COMMERCIAL) ZONING DISTRICT (APN: 011-535-027).

WHEREAS, Sea Pacific Investments, Property Owner, and Betty P. Phaysouphanh, Applicant, applied for Use Permit No. UP-2025-001; and

WHEREAS, the proposed project requires the review authority to consider and weigh the merits of the application and public input in relation to the policies, standards and intent of the Seaside General Plan and Seaside Municipal Code; and

WHEREAS, the Planning Commission considered oral comments and written information concerning Use Permit No. UP-2025-001 at a duly noticed public hearing that the Planning Commission held on February 26, 2025.

NOW, THEREFORE, BE IT RESOLVED, that UP-2024-08, as adopted by the Planning Commission via Resolution 24-26 on September 11, 2024 is hereby superseded by UP-2025-001, allowing for a cannabis microbusiness including retail, manufacturing, distribution, and cultivation and the Planning Commission adopts the following finding:

1. The project is exempt from the California Environmental Quality Act pursuant to Class 1, Section 15301(a): Class 1 consists of the operation, repair, maintenance, permitting, leasing, or minor alterations of private structures and facilities involving negligible or no expansion of the former use.
   Evidence: The proposed project will consist of interior tenant improvements within an existing commercial building involving minor plumbing and electrical alterations to accommodate operations on the basement level. The proposed addition of cultivation to the cannabis microbusiness will not require any exterior alteration to the site or the City's infrastructure off-site where it can be seen with certainty that the proposed interior improvements can be accommodated without creating any significant off-street parking demand or external effects that would be detrimental to the health, safety, and general welfare of the community.

BE IT FURTHER RESOLVED, that the Planning Commission adopts the following findings for Use Permit No. UP-2025-001:

2. The proposed use is allowed within the applicable zone and complies with all other applicable provisions of this Zoning Ordinance and the Municipal Code.
   Evidence: Adding cannabis cultivation to the existing cannabis microbusiness is allowed within the CRG District. The project complies with the regulations of the Seaside Zoning and Municipal Codes.

3. The proposed use is consistent with the General Plan and any applicable specific plan.
   Evidence: Per the General Plan Land Use Element, the site is designated as Employment. The following Goals and Policies are supportive of this type of business:
   ED-1: A healthy business climate that supports the growth and prosperity of businesses that are beneficial to the community.
   Policy, Economic diversification. Focus economic development efforts on attracting and retaining a greater range of business types which appeal to the needs of the current and expected future resident demographic.
   Policy, Vacant and underutilized sites. Support the full and efficient use of vacant and underutilized nonresidential and mixed-use sites for the development and expansion of targeted commercial and industrial facilities.
   Policy, Revenue diversification. Continually evaluate potential opportunities to diversify revenue, and therefore be able to reduce the cannabis city sales tax so as to alleviate cumulative tax burden on cannabis operators.

4. The design, location, size, and operating characteristics of the proposed activity are compatible with the existing and planned future land uses in the vicinity.
   Evidence: The proposed cannabis cultivation use being added to the existing microbusiness will be contained within an existing commercial structure. The operating characteristics of the cannabis microbusiness will remain largely unchanged and will continue to blend with the retail cannabis facility on the main floor and improve the overall business investment opportunities for the community.

5. The site is physically suitable for the type, density, and intensity of discretionary use being proposed, including access, utilities, and the absence of physical constraints.
   Evidence: The project site is served by existing water, wastewater, and electrical infrastructure and facilities with adequate capacity to serve the proposed project.

6. Granting the permit would not be detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone district where the property is located.
   Evidence: The proposed use of the existing commercial floor area for cannabis cultivation would not be detrimental to the public health, safety, and general welfare

of the people of the City and surrounding neighborhood. The proposed use is located within an underutilized area of an existing commercial building that is completely screened from public view and would help maintain a compact city form consistent with the scale and character of the surrounding commercial neighborhood.

BE IT FURTHER RESOLVED, the Planning Commission approves UP-2025-001 subject to the following Conditions of Approval:

Planning:

1. A Cannabis Microbusiness holding a Business License Permit shall report to the City Manager each of the following within the time specified; provided that if no time is specified, such a report shall be provided within fifteen (15) days of the triggering event: (1) The transfer or change of ownership interest, business manager, or in the permit application at least thirty days before the transfer or change; (2) Sales and taxable transactions and file sales and discretionary use tax reports to the City quarterly; (3) A conviction of any disqualifying crime by any owner, member of management, or employee of a Cannabis Business.

2. The cannabis facility shall have an odor-absorbing ventilation and exhaust system to ensure that odor generated inside the premises is not detected outside the premises.

3. The Microbusiness shall enact a documented system to respond to odor complaints within 24 hours. Microbusiness owners, management, and employees shall be trained in the system.

4. All operations shall be conducted within sealed infrastructure that contains any odors until the ventilation.

5. The daily hours of operation of the microbusiness uses located in 1717B are 10am to 8pm.

6. In accordance with MPWMD's Non-Residential Water Release and Water Permit application, the use will be permitted as a Group 1 Use of 4,400SF with a factor of

0.00007 for a total of 0.308 acre-feet (100,362 gallons) per year, which shall not be exceeded by the actual water usage.

7. The City requires the applicant provide copies of water bills from the submeter of 1717C every 12 months.

8. The applicant, property owner, and permittees agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with Chapter 19.03 of the Seaside Municipal Code from any enforcement officer of the City of Seaside or their designee.

9. The owner shall be responsible for ensuring that all commercial cannabis activities at the site operate in good standing with all permits and licenses required by state law. Failure to take appropriate action to evict or otherwise remove permittees and persons conducting commercial cannabis activities at the site who do not maintain permits or licenses in good standing with the city, county or state may be grounds for seeking the suspension or revocation of a Use Permit pursuant to Chapter 17.80 SMC. (Ord. 1047 § 2, 2018; Ord. 1043, 2017).

Building:

10. At building permit phase, provide a conforming exiting plan per CBC Chapter 10 with proper number of exist, minimum widths, conforming rise/run, and conforming landings.

Police:

11. The video and surveillance system shall, at a minimum, meet the following requirements: (a) Capture a full view of the public right-of-ways and any parking lot under the control of the cannabis business; (b) Record and maintain video 24/7 for a minimum of ninety (90) days, or as otherwise determined by the Seaside Police Department.

12. The cannabis business shall continue to maintain a fire and burglar alarm system that is monitored by a company that is staffed twenty-four hours (24) a day, seven (7) days a week. The security plan submitted to the City shall identify the company monitoring the alarm, including contact information. Changes in the security plan shall be approved by the Seaside Police Department prior to implementation.

Standard:

13. Except as modified by the conditions of approval, plans submitted for Building Permits must be in compliance with Exhibit A: Project Plans.

14. State and Local representatives (Health, Fire and Building inspectors) may enter and inspect the Property of each Cannabis Business between the hours of nine (9) am and eight (8) pm or during normal business hours.

15. The applicant agrees as a condition and in consideration of the approval of this permit that it will defend, indemnify and hold harmless the City of Seaside or its agents, officers and employees from any claim, action or proceeding against the City or its agents, officers or employees to attack, set aside, void or annul this approval. The applicant will reimburse the City for any court costs and attorney's fees, which the City may be required by a court to pay as a result of such action. City may, at its sole discretion, participate in the defense of such action; but such participation shall not relieve applicant of his obligations under this condition. The City shall promptly notify the applicant of any such claim, action, or proceeding, and the City shall cooperate fully in the defense thereof.

16. The project shall comply with the requirements and the applicable ordinances of the Monterey Peninsula Water Management District (MPWMD).

17. The permit shall have no force or effect unless and until accepted, and the terms thereof agreed to, in writing, by the applicant and property owner prior to issuance of any Building Permit or establishment of any use authorized by the permit.

18. This approval shall become null and void unless a Building Permit application is submitted or authorized use is established within twelve (12) months of March 5, 2025 in accordance with Seaside Municipal Code Section 17.64.080.A. Time extensions may be granted by the original review authority if a written request and associated fee are received by the Community Development Department at least 30 days prior to the expiration in accordance with Seaside Municipal Code Section 17.64.080.B. This approval shall also become null and void if the implementing Building Permit application expires.

19. For purposes of assuring compliance, the applicant, agents, representatives or their assignees agree not to deny or impede access to the subject property by City employees in the performance of their duties.

PASSED AND ADOPTED at a regular meeting of the Planning Commission of the City of Seaside, State of California, on the 26th day of February 2025, by the following vote:

AYES:

NOES:
ABSENT:
ABSTAIN:

Will Silva, Chairperson

ATTEST:

_____
Planning Commission Secretary

Exhibits:

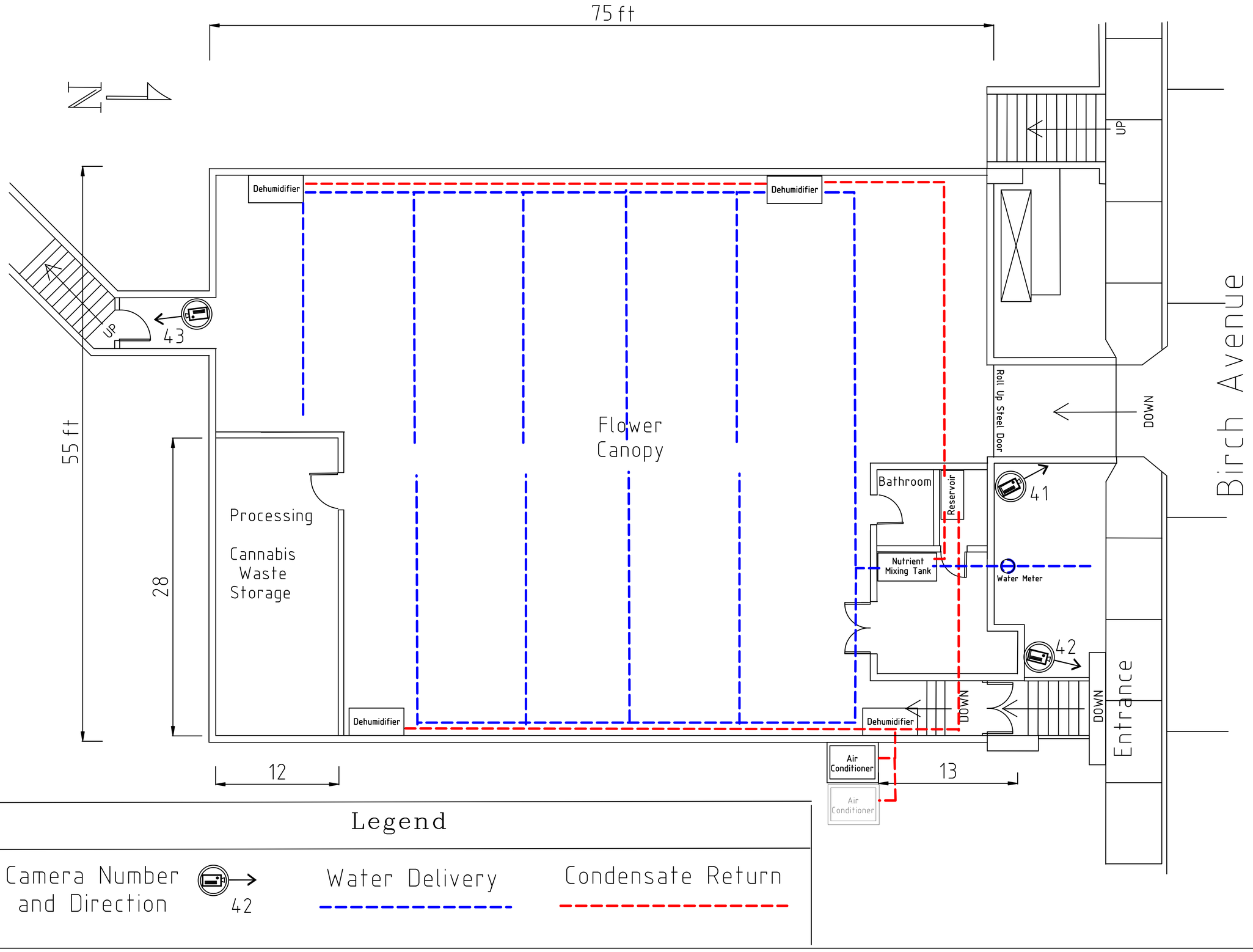
Exhibit A: Project Plans

USE PERMIT No. UP-2025-001
RESOLUTION No. XX-XX

This permit is hereby accepted upon the express terms and conditions hereof, and shall have no force or effect unless and until agreed to, in writing, by the applicant and property owner(s).
The undersigned hereby acknowledge the approved terms and conditions and agree to fully conform to, and comply with, said terms and conditions within the time frames approved by the City of Seaside Planning Commission.

_____ _____
Applicant's Signature Date

_____ _____
Property Owner's Signature Date



Legend

Camera Number and Direction	Water Delivery	Condensate Return
42		

Drawn by

JDC

Notes
Flower canopy
~ 3,600 sq ft
Plants in pots set in
moveable trays

1717 Fremont Blvd
Seaside CA

Basement Level

4,400 square feet

Cultivation Diagram

A3

Cannabis Microbusiness Project Description

General Description

The State cannabis microbusiness license offers businesses the option to vertically integrate and lower costs. The microbusiness model allows a licensee to engage in cultivation, distribution, manufacturing, and retail operations. To qualify, a business must incorporate at least three of these activities, and all in a single premises. The ability to control product quality, stabilize product supply, and cut out the middle man are some of the potential benefits afforded by this organizational structure. A scarcity of sites with characteristics suited to all of these uses tends to limit the widespread use of this model.

The property at 1717 Fremont Blvd in Seaside currently houses a cannabis retail storefront (formerly Plantacea) in Suite B. The facility holds suitable space for all four of the microbusiness uses. The building features a secure basement area with high ceilings, ideal for an indoor cultivation operation. The retail area upstairs contains a number of rooms that remain underutilized, which can be dedicated to distribution and manufacturing operations. The existing retail operation will continue unchanged, while the distribution, manufacturing, and cultivation activities take place out of public view.

Proposed Cultivation Operation Facility

Indoor cannabis flower production is a highly specialized form of agriculture that demands control over a wide range of environmental factors like temperature, humidity, and the duration and quality of light. Setting up an indoor commercial cultivation operation requires a significant initial investment in equipment, while offering the ability to stabilize production and control product quality. Everything necessary for the plants to thrive must be provided; from the rooting medium, light, water, and nutrients to the proper temperature, moisture and CO2 content of the air.

The large basement area beneath the retail operation appears tailor-made for this use. The space offers a stable underground environment built like a vault, with high ceilings and ample room to accommodate the various activities required for a successful cultivation operation. The open floor area will be used to grow out purchased starter plants in five gallon pots with a coir medium, set in trays on the floor to capture any irrigation runoff. Existing rooms will be used for waste and nutrient storage. Fertilizers will be properly labeled and stored to avoid contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife.

An electrical sub panel will be installed by a qualified electrician to service the basement for lighting and climate control. Light emitting diode (LED) technology has been advancing steadily, and today it represents the future in horticultural lighting. While the purchasing price is higher, the LED technology offers a number of advantages over traditional systems. LED grow lights are more efficient than traditional lighting systems, consuming 60% less energy to provide the same level of light. Cooler operating temperatures increase the lifespan of these units, and cultivators can give plants the exact spectrum of light they need.

The open floor area will allow for around 3,600 square feet of plant canopy. That area will be covered by a total of 115 lights hung above the plants. Ninety of these will be LED units, interspersed with 25 high pressure sodium lights.

Reliable crop production depends on maintaining proper temperature and humidity at each stage of development. A thirty ton commercial air conditioning unit mounted beside the building will respond to thermostatic controls placed in the cultivation area. Dehumidification units will operate in the grow room to maintain proper humidity for plant development and discourage fungal growth. Since air exchange with the outdoors is limited by design, carbon dioxide generating units mounted in the flower rooms will maintain levels conducive to plant growth.

The design of the nutrient and water delivery system allows the cultivators to tailor the nutrient mix and pH to each stage of plant growth. Main PVC delivery lines will run along exterior walls with smaller lines branching to serve each section. Reclaimed condensate from the AC unit and the dehumidifiers will be piped back to a four hundred gallon reservoir, to be filtered by reverse osmosis and blended with tap water. Cultivators can mix nutrient solutions in the reservoir suitable for the current development stage of the crop, and deliver the mixture through hoses that workers use to hand water the corresponding trays.

Cultivation Operations Plan

The cultivation activity will require four to six employees working in two shifts, with the bulk of the work happening when the horticultural lights are on. Tracking plants through the production system starts with the purchase of small rooted cuttings from a State-licensed nursery. Workers transfer the cuttings to root in containers filled with a coir media, set in trays on the floor to catch any runoff.

Coco coir is a natural fiber growing medium extracted from the husk of coconuts with good water retention and aeration characteristics. All the nutrients necessary for plant growth come dissolved in the irrigation water, and the cultivators initially adjust the concentration of the fertigation solution to match the needs of the plants at the early stages of development. Cultivators then allow the plants to grow for a period under long light conditions.

Once the desired size is reached the daily light period is cut back, and the plants begin flowering under the shorter day length. Workers then tag the plants for entry into the State METRC track and trace system. For most cannabis strains, the flowering period will last seven to nine weeks before harvest. The cut plant material will hang to dry for two weeks before going to the trimming room for final processing and sorting by grade. The discarded material is stored and treated as

cannabis waste in accordance with State requirements, and the cultivation area is cleaned and set up for the next cycle.

Workers pack the finished flower material in batches for transfer to the distribution storage facility upstairs. Distribution employees arrange for sampling and product safety testing by a licensed laboratory before going to consumers or other distributors. The cultivators log all stages of the custody chain in the State track and trace system.

The cultivation system will run three to four batch cycles per year and produce around 250 lbs of flowers each cycle. Of that amount some ten percent will be small and of inferior quality. The manufacturing arm of the microbusiness allows the option to further process this lower grade material into value-added consumer products.

Water Consumption

Our reliance on limited freshwater resources has emerged as a major consideration in licensing new commercial cannabis cultivation operations. On the Monterey peninsula water resources remain under severe pressure, and scarcity can become a limiting factor for new commercial and agricultural development. The proposed cultivation operation at the Fremont Blvd. facility offers a means of producing a quality agricultural consumer product with minimal consumption of scarce water resources.

There are many cultivation systems in use for cannabis flower production with widely varying rates of water consumption - indoor, greenhouse, outdoors, hydroponic or drip irrigation systems, plants rooted in the ground or in pots, and so on. Estimates of water consumption based on observations in one system will not apply across the spectrum of methods employed in the industry.

Regulators will need information gathered in running systems that use similar methods under similar environmental conditions to arrive at realistic projections of water consumption for a particular cannabis cultivation project. The data set we present here to estimate water consumption for the Fremont Blvd cultivation project compares systems which share basic cultivation methods - indoors, with plants in large pots sitting in catchment trays.

Conditioning the indoor air to maintain optimal temperature and humidity during growth and flowering remains critically important in producing a safe consumer product often used by medical patients with compromised immune systems. Fungal plant pathogens can thrive in conditions with insufficient control over these factors. In the sealed grow space the mechanical air conditioning and dehumidification units remove moisture from the air transpired by plants - yielding significant amounts of condensate water that can then be collected and recycled for irrigation.

To illustrate the potential impact we can extrapolate from a data set collected from a single indoor cannabis crop cycle to arrive at a conservative estimate of annual water consumption in the proposed cultivation operation. The observed cycle occupied 70 square feet of canopy area. The recorded observations for this proxy crop cycle served as a baseline to examine the effect of vapor pressure deficit on cannabis growth rates. The overall exercise required comprehensive tracking of inputs and environmental conditions over the course of several production cycles. The data also document a significant use of recycled water.

The observed system was not designed to facilitate the collection and use of condensate water, and there were a number of recorded instances when using tap water alone was a choice of convenience. Consequently, while the estimates presented here are based on real world numbers, they do not represent the full potential to conserve water through recycling. Although the observed system was considerably smaller in scale than the proposed system and involved a longer cropping cycle, the basic principles remain the same and an extrapolation should

result in a reasonable approximation of annual water consumption in the proposed system.

Like any crop, water demand rises as the plants reach maturity, and the indoor system needs to be ‘charged’ with a significant quantity of water stored in the plant tissue and growing media. The media sits in trays so excess irrigation is gradually reabsorbed and no wastewater is generated in the process. Once charged the system can run largely as a closed loop with the moisture evaporated from the growth media and transpired by the plants recaptured as condensate and fed back into irrigation. A relatively small amount will be lost to exhaust air when doors are opened or discarded with plant waste material.

For the recorded proxy cycle, the plants went into a sealed grow room as young cuttings and were observed over an 80 day growth period and flowering cycle. Plants were rooted in mixed soil media in fabric pots sitting in catchment basins, with a canopy area that measured approximately 70 square feet. All watering and feeding in solution was done by hand, and the inputs - including source, amount, and quality of the water - were recorded.

The data set shows irrigation volume and frequency increasing as the plants mature and transpiration rates ramp up, along with use of a corresponding volume of condensate water recovered in the course of conditioning the air. The typical feeding/ irrigation solution started with half tap water and half recycled water, although in a few instances all one or the other was used. The plants consumed a total of 286 gallons over the course of the cycle, and nearly half - or 138.5 gallons of that total - was recycled water collected while conditioning the grow room air. The total amount of water available for recovery and reuse for irrigation was not recorded, only what was actually used in cultivation.

Summary of Water Consumption Data

Summing the water inputs for an 80 day growth and flowering cycle with 70 sq. ft. of indoor canopy we have:

Tap H2O = 147.5 gal.

Recycled H2O = 138.5 gal.

Total Water Consumption = 286 gallons

To put that in the context of annual consumption per square foot of canopy, the examined system used 147.5 gallons of tap water for a 70 square foot canopy, or 2.11 gallons of tap water per square foot in a single cycle. A system running an eighty day cycle can in theory turn over four and a half times a year. On an annual basis then, the described proxy system used about nine and a half gallons of tap water per square foot of canopy.

The proposed cultivation operation at the Fremont facility will devote around 3,600 square feet to plant canopy. If we assume that the use of recycled water relative to tap water remains proportional to the proxy system, or slightly less than half of the total, then the total annual consumption of tap water will be:

3,600 square feet X 9.6 gallons/sq. ft./year = 34,560 gallons/year

The proposed system will in practice only run between three and four cycles per year. Installation of the equipment to condition air in the facility will collect and return recovered condensate easily by design to substitute for fresh tap water - so the extrapolated consumption estimate can be considered a high end projection of the annual use.

Water Use Factor Comparison

The Water Management District staff looked at the earlier version of this proposal, and determined that the correct factor for this use is Industrial with the assigned

use factor of 0.00007AF/SQFT. The industrial use in this case comprises the entire basement area of 4,400 square feet.

If we convert the assigned use factor expressed in acre-feet to gallons we have:

0.00007 acre-feet/square ft/yr = 22.8 gallons/square ft/yr, and annual total capacity then becomes:

22.8 gal/sq. ft X 4,400 sq. ft = 100,320 gal/yr

The Estimated Annual Water Use Capacity represents nearly three times the high end use projections for the facility using recycled water. That represents a significant margin of safety for the City in authorizing the MPWMD to issue a permit, and there remains ample room for improvement in those numbers.