

Thursday, August 22, 2019

6:00 p.m.

City of Turlock Yosemite Conference Room
156 S. Broadway, Turlock, California

MINUTES

Special Meeting

Turlock Planning Commission

- A. **1. CALL TO ORDER** – Chairman Powers called the meeting to order at 6:01 p.m.

PRESENT: Commissioner Geoff Powers, Jim Reape, Constance Anderson,
Matthew Davis, Elvis Dias, Anokeen Varani and Ray Souza

ABSENT: None

- B. **APPROVAL OF MINUTES**

Chairman Powers noted there were none.

- C. **ANNOUNCEMENTS**

Deputy Director Katie Quintero stated the three green sheets at the dais were for changes in the development agreements for G.2, G.3, and G.4.

- D. **PUBLIC PARTICIPATION**

Chairman Powers opened the floor for public participation.

Milt Triewailer inquired why the City Attorney was present at the meeting.

DJ Fransen stated development agreements should go through City Council first not the Planning Commission.

City Attorney Doug White responded stating his attendance at the meetings is due to his knowledge of the cannabis pilot program. He also answered that the development agreements start at Planning Commission first due to state stature.

Hearing no one else, Chairman Powers closed the floor for public participation.

- E. **1. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS**

- 2. DISCLOSURE OF EX PARTE COMMUNICATIONS**

Chairman Powers asked the Commission to disclose any conflicts of interest or ex parte communications for items listed. Commissioner Davis stated he has a conflict with item G.5 JDI Farms Inc.

- F. **CONSENT CALENDAR**

Chairman Powers noted there were no consent calendar items.

- G. **PUBLIC HEARINGS**

***CONSENT ITEMS**

Chairman Powers noted there were no public hearing consent items.

NONCONSENT ITEMS

Attorney White explained the cannabis RFQ process stating City Council adopted the pilot program and initiated an RFQ process. Forty applications were received. Each respondent had a 40 minute interview. Four respondents were selected for retail cannabis dispensaries. There were ten respondents for other commercial cannabis businesses. Once development agreements are approved, applicants will apply for CUP which includes background checks (takes 4-6 weeks). The businesses cannot operate business until CUP is granted.

Attorney White explained tonight's meeting is an introduction to the selected operators. Approval of the development agreement does not give land use approval, that is approved in CUP, but negotiates the financial arrangements with the City. The public benefit amounts for retail businesses will be \$25,000 or 5% of gross receipts (whichever is greater) with .25% used for juvenile drug and alcohol abuse prevention and treatment.

Commissioner Powers asked what if they cannot meet the minimum is the ¼% taken out of the \$25,000.

Attorney White answered no, it is taken out of the total gross receipts earned.

Commissioner Reape asked who decides where the .25% is used.

Attorney White answered City Council will set up the parameters.

Attorney White continued explaining cultivation and manufacturing will be charged \$10.00 per square feet, based on area of the building, on a monthly basis. Distribution will be charged 2.5% of gross receipts.

Commissioner Dias questioned if the addresses on the development agreements were for discussion.

Attorney White stated the addresses are approved with the CUP but the location on the development agreement was needed to see if it was a compatible site.

Commissioner Powers questioned how the applicants could be advanced without running a background check first.

Attorney White stated a complete background check will be done before the CUP is brought to Commission. Ten of the applicants have had background checks in different jurisdictions.

Commissioner Davis asked if by having the location listed in the Development Agreement the community can speak up at any point in the process.

Attorney White answered yes, they can.

Commissioner Souza asked if Attorney White had represented any of these people before.

Attorney White stated he had worked with some while representing the Cities of Oakdale and Patterson.

1. Presentations by Cannabis RFQ participants.

Commissioner Davis stepped out at 6:36 p.m.

Attorney White stated the cannabis RFQ participants were invited to make a presentation to the Planning Commission.

A. Doug Mutoza, representing JDI farms, stated they will be applying for cultivation, manufacturing and distribution.

Commissioner Anderson asked why a continuance was requested.

Attorney White answered stating they did not have a secured address.

Director Quintero stated the change of address has to be renoticed.

Commissioner Dias asked if they are planning to do retail.

Doug Mutoza stated were not selected for retail only cultivation.

Commissioner Davis was reseated at the dais at 6:40 p.m.

B. Natasha Parra representing Firehouse stated they are requesting to open a retail store in Turlock and added they currently run one in Merced.

Ron Roberts, representing Fuego Azul stated they will be requesting a manufacturing and cultivation cannabis facility.

Commissioner Dias asked if they have other cultivation sites.

Ron Roberts answered two, one in Merced and one in Stanislaus County.

Kristin Olsen, representing Evergreen Market, explained Evergreens business model.

Commissioner Varani inquired where their location will be.

Kristen Olsen answered 693 N Golden State Blvd.

C. Caity Maple, representing Perfect Union gave information about Perfect Unions existing businesses.

D. A representative for MedMen explained their business model and current operations.

E. Anna Karapetyan, representing Cai State Ventures2 stated they were applying for a cannabis distribution center in Turlock that will be discussed later in the meeting.

F. Lee Neves, representing Kings Happy Farm, explained they would be applying for a commercial cannabis cultivation site and explained their business model and planned operation.

Attorney White stated there are six other applicants but locations were not decided yet.

Chairman Powers asked for a recess at 7:24 p.m.

Chairman Powers resumed the meeting at 7:34 p.m.

Public Comments:

Chairman Powers opened the floor for public comments.

Milt Trieweler asked questions about the Development Agreement process.

DJ Fransen made statements about the Development Agreement process.

Attorney White explained the Development Agreement process was being followed as mandated by the State of California. .

Chairman Powers closed the floor for public comment.

Commissioner Powers questioned what happens after the 5-year pilot program term ends.

Attorney White stated it will be determined by the City Council.

The Commission asked additional questions about the Development Agreement process.

2. Ron Roberts stated he was representing the development agreement for Firehouse Cooperate Inc, dba Firehouse. He stated he is asking the Commission to look at location and if the zoning fits within ordinance to approve it.

Attorney White clarified this is a financial arrangement not an approval of the location with development agreement.

Commissioner Powers stated he was uncomfortable making a recommendation without a background check.

Ron Roberts stated background checks passed in five other cities.

Attorney White stated the applicant was told the background check would be completed before CUP process.

Commissioner Powers stated he understands the process will benefit the City but with the lack of information given he cannot make a recommendation to the City Council.

Public Hearing: Chairman Powers opened the public hearing.

Anna Karapetyan, representing Cai State Ventures², stated she understood the location was not necessary yet, that this was only an introduction to put a face to a name.

DJ Fransen expressed concern about the process.

Chairman Powers closed the public hearing.

Commissioner Souza spoke about development agreements.

Commissioner Dias stated he visited the applicants three existing locations and he liked the repurposing of buildings. He also stated concerns about the existing freeway sign at the location on Main Street and asked the applicant about their plans for the sign.

Ron Roberts answered he has purchased the location and signage is up to what City will allow. He explained he wants a good relationship with the City and is eager to compete and move forward.

Commissioner Anderson stated she appreciated the applicant's introductions, but if the Commission's roles were known before this meeting there would have been less confusion.

Commissioner Dias stated the Commission in Turlock likes workshops to clarify process.

Attorney White stated the process was approved with City Council setting the direction of what the Commissions roles were in this process.

MOTION:

Commissioner Dias moved, seconded by Commissioner Reape determining the project is "Categorically Exempt" from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section §15061(b)(3) of Title 14 of the California Code of Regulations and approving the proposed Development Agreement for FireHouse Cooperative Inc.

AYES:	Commissioners Anderson, Davis, Reape, Dias, Souza, and Varani
NOES:	None
ABSTAIN:	Chairman Powers
RECUSED:	None
ABSENT:	None

3. Ron Roberts, applicant for Fuego Azul, Inc. was available for questions.

Commissioner Reape asked how odor was controlled.

Ron Roberts explained odor is controlled by a 2000 carbon filter, two times the recommended filter in the State of California, processing in a 4000 pound bomb proof room ran by specialists in extraction.

Commissioner Dias asked the square footage of 495 S Golden State.

Ron Roberts answered 58,000 square feet and added the security for the building will be a benefit to the area.

Commissioner Anderson asked if one license covers anywhere in California.

Attorney White answered each location needs a separate license.

Public Hearing: Chairman Powers opened the public hearing. No one spoke, Chairman Powers closed the public hearing.

MOTION:

Commissioner Reape moved, seconded by Commissioner Davis determining the project is "Categorically Exempt" from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section §15061(b)(3) of Title 14 of the California Code of Regulations and approving the proposed Development Agreement for Fuego Azul Inc.

AYES: Commissioners Anderson, Davis, Reape, Dias, Souza, and Varani
NOES: None
ABSTAIN: Chairman Powers
RECUSED: None
ABSENT: None

4. Anna Karapetyan, representing Cal State Ventures2, Inc. said she was requesting to operate a cannabis distribution business located at 501 West F Street.

Commissioner Dias asked if W F Street address was secured location.

Anna Karapetyan stated yes.

Cipriano Sulamo, CEO of Cal State Ventures2 stated CBD oils will also be processed. He explained he has the second largest farm in Lake County California and plans to transfer all of the business to Turlock.

Public Hearing: Chairman Powers opened the public hearing.

Milt Trieweller stated there are ways discussion can be made without violating the brown act.

Chairman Powers closed the public hearings.

Commissioner Souza commented concerns with the community knowing the address.

Commissioner Dias commented the address helps in making the decision.

MOTION:

Commissioner Reape moved, seconded by Commissioner Varani determining the project is "Categorically Exempt" from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section §15061(b)(3) of Title 14 of the California Code of Regulations and approving the proposed Development Agreement Cal State Ventures2.

AYES: Commissioners Anderson, Davis, Reape, Dias, Souza, and Varani
NOES: None
ABSTAIN: Chairman Powers
RECUSED: None
ABSENT: None

5. Staff explained the Commission would not be taking an action on G.5 JDI Farms. This item will need to be opened for public comment because the item was noticed.

Public comment: Chairman Powers opened the floor for public comment. No one spoke. Chairman Powers closed the public comment.

H. OTHER MATTERS

None

I. COMMISSIONERS CONSIDERATION

Commissioners asked Attorney White when the deadline was for the other non-retail businesses.

Attorney White answered applications for non-retail businesses are still being accepted.

Chairman Powers stated he would like information on cannabis items more in advance .

Commissioner Varani stated the Commission cannot do their job without proper information.

Attorney White acknowledged the hard work and long hours staff has been working on the Cannabis Program.

J. STANISLAUS COUNTY PLANNING REFERRAL ITEMS

None

K. COMMISSIONERS COMMENTS

None

L. STAFF UPDATES

Directory Quintero updated the Commission on the following:

- City Council approved the commercial cannabis ordinance.
- On August 28th LAFCO will consider approving annexing the property at 3525 W Monte Vista into the City of Turlock.
- Adrienne Werner was promoted to Senior Planner.

M. ADJOURNMENT

Chairman Powers asked for a motion to adjourn the meeting. Motion by Commissioner Davis and carried unanimously. The meeting was adjourned at 9:14 p.m.

RESPECTFULLY SUBMITTED

Geoff Powers
Chairman

Katie Quintero
Deputy Director of Development Services