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W16b

Prepared June 23, 2017 (for July 12, 2017 Hearing)

To: Commissioners and Interested Persons

From: Susan Craig, Central Coast District Manager
Yair Chaver, Central Coast Coastal Planner

**Subject: City of Grover Beach LCP Amendment Number LCP-3-GRB-17-0046-1
(Commercial Cannabis Activities and Uses)**

SUMMARY OF STAFF RECOMMENDATION

The City of Grover Beach proposes to amend the Local Coastal Program's (LCP) Implementation Plan (IP) to allow 'commercial cannabis activities and uses in the Coastal Industrial and Coastal Industrial Commercial zoning districts and add standards for these uses. Specifically, the proposed amendment would define commercial cannabis activities and uses as encompassing the broad range of cannabis cultivation, manufacture, and distribution. In all cases, a CDP is required for these uses subject to specific standards, including that a Water Recycling Management Plan be prepared for proposed cultivation, that cultivation take place within an enclosed building, and that all dispensaries be located a minimum of 100 feet from residential zones and 600 feet from schools, among other requirements.

The proposed amendment allows commercial cannabis activities and uses within two industrial zoning districts in the coastal zone. While these areas currently do not specifically allow for cannabis uses, these areas already allow for a broad range of industrial and semi-industrial uses. Thus, the introduction of cannabis activities (cultivation, manufacture, and distribution, which constitute industrial uses) into these districts allows a use of similar kind and intensity. Furthermore, the amendment includes development standards specific to cannabis uses so as to ensure potential impacts engendered by this unique land use will be appropriately addressed and mitigated.

In short, the proposed IP amendment adds cannabis activities to two industrial zoning districts which already allow for uses of a similar type and scope, includes additional protective standards to address cannabis-specific concerns, and requires CDP approval so as to ensure the protection of coastal resources. The amendment will not cause any impacts to coastal resources, and can be found consistent with and adequate to carry out the certified LUP, as submitted.

Therefore, staff recommends that the Commission find the proposed amendment consistent with and adequate to carry out the policies of the LUP, and that the Commission approve the amendment as submitted. The motion and resolution are found on page 3 below.

Staff Note: LCP Amendment Action Deadline

This proposed LCP amendment was filed as complete on June 9, 2017. The proposed amendment affects the LCP's IP, and the 60-day action deadline is August 8, 2017. (*See Pub. Res. Code § 30513.*) Thus, the Commission has until August 8, 2017 to take a final action on this LCP amendment unless the Commission extends the deadline to act. (*See Pub. Res. Code § 30517.*)

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EXHIBIT

Exhibit 1: Proposed IP Amendment

I. MOTION AND RESOLUTION

Staff recommends that the Commission, after public hearing, approve the proposed LCP amendment as submitted. The Commission needs to make one motion in order to act on this recommendation.

A. Certify the IP Amendment As Submitted

Staff recommends a **NO** vote on the motion below. Failure of the motion will result in certification of the IP amendment as submitted and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

***Motion:** I move that the Commission reject Implementation Plan Amendment Number LCP-LCP-3-GRB-17-0046-1 as submitted by the City of Grover Beach, and I recommend a **no** vote.*

***Resolution:** The Commission hereby certifies Implementation Plan Amendment Number LCP-3-GRB-17-0046-1 as submitted by the City of Grover Beach and adopts the findings set forth below on the grounds that the amendment is consistent with and adequate to carry out the certified Land Use Plan. Certification of the Implementation Plan amendment complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there are no further feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Implementation Plan Amendment may have on the environment.*

II. FINDINGS AND DECLARATIONS

A. DESCRIPTION OF PROPOSED LCP AMENDMENT

The Medical Cannabis Regulation and Safety Act (MCRSA) took effect in 2016 and establishes

a dual licensing structure requiring both a state license and a local license or permit for medical marijuana activities, a regulatory structure imposing health, safety, and testing standards for cultivation and dispensary facilities, and the criteria for licensing medical marijuana businesses. The proposed amendment would allow ‘commercial cannabis activities and uses’ in the Coastal Industrial (CI) and Coastal Industrial Commercial (CIC) zoning districts and add standards for these uses. Specifically, the proposed amendment would define commercial cannabis activities and uses as encompassing the broad range of cannabis production, manufacture, and distribution, including its cultivation, nurseries, manufacturing, testing laboratories, transportation, delivery, distribution (including storage), and dispensaries. In all cases, a CDP is required for these uses, subject to standards specific to cannabis issues, including that a Water Recycling Management Plan must be prepared for proposed cultivation, that cultivation take place within an enclosed building, and that all dispensaries be located a minimum of 100 feet from residential zones and 600 feet from schools. Lastly, the proposed amendment limits the total number of commercial medical cannabis in Grover Beach to two. Please see **Exhibit 1** for the proposed IP amendment text.

B. CONSISTENCY ANALYSIS

Standard of Review

The proposed amendment affects the IP component of the City of Grover Beach LCP. The standard of review for IP amendments is that they must be consistent with and adequate to carry out the policies of the certified LUP. (*See* Pub. Res. Code §§ 30513, 30514(b).)

Applicable Policies

The Grover Beach LUP allows for industrial uses within areas designated as Industrial, and requires such uses to have adequate water and sewer services. Applicable policies include:

LUP Section 7.1 Land Use Designations:

Industrial: The industrial designation allows for planned industrial parks, warehouses, retail uses when accessory to a warehouse or industrial use, light manufacturing and assembly, and similar and compatible uses....

LUP Policy 6.7.1.6: *Development shall only be approved if it is first clearly demonstrated that the development will be served by an adequate, long-term public water supply.*

IP Amendment Consistency Analysis

The proposed amendment adds commercial cannabis activities and uses within two industrial zoning districts in the coastal zone. While these areas currently do not allow for cannabis uses specifically, these areas are designated Industrial pursuant to the LUP, and thus they do already allow for a broad range of industrial and semi-industrial uses, including manufacturing, testing laboratories, transportation, delivery, etc. Thus, the introduction of commercial cannabis activities, including cultivation, manufacture, and distribution, into these districts allows a use of similar kind and intensity as other uses allowable within these industrial zoning districts. Furthermore, the amendment includes standards specific to cannabis uses so as to ensure potential impacts, including impacts to coastal resources, engendered by this unique land use will be appropriately addressed and mitigated, including with respect to water (e.g., requiring recycled water to the maximum extent feasible for cultivation uses), noise, and traffic (e.g.,

specifying operating and delivery hours for dispensaries) odor (*e.g.*, odor control devices and techniques; indoor cultivation and nurseries only), visual (prohibition on visible mixed-lights through roofs and windows from dusk to dawn) and community character (setbacks from residential zones and schools).

In short, the proposed IP amendment adds cannabis activities to two industrial zoning districts which already allow for uses of similar type and scope, includes additional protective standards to address cannabis-specific concerns, and requires CDP approval so as to ensure the further protection of coastal resources. Therefore, the proposed IP amendment allows for new uses of a type, character, and intensity similar to other allowable uses within the industrial land use designation, and the newly proposed uses are consistent with and adequately carry out the policies of the certified LUP. To the extent that the newly proposed uses implicate any impacts to coastal resources, the development standards specified in IP section 4.10.045.G (as well as the requirement for a CDP in all cases, as specified in 4.10.045.C) ensure that the proposed IP amendment is consistent with and adequately carries out the policies of the certified LUP. In conclusion, the amendment will not cause any impacts to coastal resources, and can be found consistent with and adequate to carry out the certified LUP, as submitted.

C. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The Coastal Commission's review and development process for LCPs and LCP amendments has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA. (14 CCR § 15251(f).) Local governments are not required to undertake environmental analysis of proposed LCP amendments, although the Commission can and does use any environmental information that the local government has developed when certifying LCPs and LCPA amendments. CEQA requires that alternatives to the proposed action be reviewed and considered for their potential impact on the environment and that the least damaging feasible alternative be chosen as the alternative to undertake.

For the proposed LCP amendment, the City of Grover Beach determined that the proposed amendment would not have a significant impact on the environment and adopted a Negative Declaration. This report has discussed the relevant coastal resource issues with the proposal. All above findings are incorporated herein in their entirety by reference.

As such, there are no additional feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse environmental effects which approval of the amendment would have on the environment within the meaning of CEQA. Thus, the proposed amendment will not result in any significant environmental effects for which feasible mitigation measures have not been employed consistent with CEQA Section 21080.5(d)(2)(A).