

**Second Amended Application for Major Conditional Use Permit  
Cannabis Manufacturing and Distribution  
NT Ventures, Inc.  
444 Yolanda Ave., Suite B**

Proposed Use: Cannabis Manufacturing and Distribution

Owner: Ed Nessinger  
Applicant: NT Ventures, Inc.  
Address: 444 Yolanda Ave.  
APN: 044-091-065  
Zoning: IL  
General Plan: Light Industry  
Building Size: 32,060  
Lot Size: 2.09

**INTRODUCTION**

On January 19, 2018 NT Ventures, Inc. (the “Applicant”), submitted a Conditional Use Permit for cannabis cultivation, manufacturing and distribution. On March 14, 2018 a neighborhood meeting was held and as a result of input from that meeting, Applicant hereby submits this **SECOND Amended Application** for Major Conditional Use Permit. Changes from the first amended submission are *italicized*.

Applicant proposes to occupy approximately 3869 square feet of an existing industrial building located at 444 Yolanda Ave. (the “Building”), Sonoma County APN 044-091-065 (the “Parcel”), and obtain a Major Conditional Use Permit for the operation of a volatile cannabis manufacturing and distribution facility.

There are three buildings on the Parcel; “*Suite B*,” is the subject of this application and is located in the southwest corner of the parcel. This project does not involve any exterior modifications to the Building or the surrounding area other than *ADA accessibility upgrades, parking and landscaping*.

**CONDITIONAL USE PERMIT**

The amended application for conditional use permit is attached.

**ADDITIONAL DOCUMENTS**

Included are the following:

- Amended Vicinity Map
- Amended Neighborhood Context Map
- Amended Proposed Site Plan
- Amended Floor Plans

## **NEIGHBORHOOD MEETING**

The project's site is located within 300 feet of residential uses. *Thus, a neighborhood meeting was required and was conducted on March 14, 2018.*

## **ZONING AND SETBACK ISSUES**

### *Zoning*

The Building is Zoned IL, with Light Industry General Plan designation, one of the designated zoning districts where cannabis manufacturing and distribution uses are allowed.

The parcel is located on a heavily developed industrial and commercial street. The area around the Parcel is industrial and commercial in nature. General Industrial zones are located across Yolanda Avenue to the north; the parcel to the east is zoned Light Industrial; and the parcel to the west is zoned General Commercial. Single family residences are located to the south of the Parcel.

### *Setback from Schools*

California Business & Professions Code section 26054 requires cannabis licensees to be at least 600 feet from grade schools, day care centers, or youth centers. Santa Rosa has not set a different required radius. The Parcel easily meets this requirement. The closest school is Kawana Elementary, which is more than 3,000 feet from the Parcel. The next-closest school is Taylor Mountain Elementary School, which is more than 3,800 feet from the Parcel. A map showing the exact distances is attached.

## **BUILDING CHANGES**

### *Exterior Modifications*

This project requires no modifications to the exterior of the Building *with the exception of new van accessible parking striping and signage, pedestrian striping, and tactile warning as indicated on CUP4.*

### *Interior Modifications*

The floor plans submitted with the permit application describe the internal modifications to the Building, including the layout and square footages for the various planned uses.

*Approximately 1500 square feet will be devoted to manufacturing activities, including Mod, Lab 1 and 2, Manufacturing, and Post-processing rooms. Approximately 730 square feet will be dedicated to storage, including Packaging, Freezer, and Finished Product Storage. Approximately 444 square feet will be dedicated to shipping and Distribution activities. The balance of the first floor is dedicated to office, entry, waste storage, and restroom facilities.*

**Mezzanine Floor.** A new mezzanine level will be built and will be used for *Dry storage (approximately 829 square feet), and equipment (699 square feet).*

## **PARKING AND LANDSCAPING**

The Building has twenty-three (23) parking spots located along its north and east sides. Santa Rosa City Code §20-36.040 (as amended) requires one (1) parking space per 350 square feet of manufacturing rooms, and one (1) space per 1,000 square feet of distribution. Thus, *five (5) spaces would be required for the manufacturing uses, and one (1) space for distribution uses.*

## **TRAFFIC**

*A traffic study has been conducted by Transpedia Consulting Engineers and will be submitted upon completion.*

## **SITE SECURITY**

The Building will employ security measures as required by Section 20-46.050(G) and Title 16, Sections 5042 through 5047, of the California Code of Regulations, including:

- twenty-four hour security cameras covering all areas where cannabis is handled;
- a professionally monitored robbery alarm system;
- card- or fob- based system to control and log access through all doors, integrated with the cameras and security system
- secure storage for all cannabis products and waste;
- procedures for secure and safe transportation of cannabis products and currency as required under state law;
- commercial-grade door and window locks; and
- emergency access measures in compliance with California Fire Code and Santa Rosa Fire Department standards.

### *Access Controls*

The applicant will install an IP-based door access and entry control system integrated with an IP camera surveillance system to provide a complete security system. This security process will require employees to utilize a key along with a unique access card to unlock the main entrance and all external doors. In the event of any theft or loss of cannabis, these devices will also provide a security log of persons accessing the doors, which can be used for any ensuing investigations.

All doors and windows will have both deadbolt locks and IP based alarms. All doors will also be equipped with an alarm that will sound if they are opened without the access reader and deadbolt key or if they are damaged. Both the entry alarm and surveillance alarm will notify the monitoring service if a failure is detected in the system, which will be corrected as soon as possible.

## **PRODUCT SECURITY**

The planned storage areas are sufficient to store the quantities of cannabis to be produced. Inventory controls and loss documentation procedures will be implemented. An inventory control system created by BioTrackTHC will be implemented and will comply with state track and trace program requirements. All cannabis products produced, manufactured, or distributed through the facility will be inventoried into the system including the employee identification number, date/time, quantity, strain and batch number. This system will keep track of all movement of cannabis on and off the premises. All employees will be trained to report loss or theft immediately to the company and the City of Santa Rosa.

## **EMPLOYEE SECURITY/HIRING/TRAINING**

The applicant will hire experienced experts to train employees on product safety and best management practices. In accordance with state law, all employees will submit to and pass a background check. Hiring practices will focus on the Santa Rosa and Sonoma County employee pool. Employees and managers will receive extensive training on safe industry practices, best management practices, City of Santa Rosa ordinances and the requirements of the permits called for under this permit, California regulations and the requirements of any California license subsequently obtained, and federal guidelines regarding diversion and protection of minors. Employees will be paid a living wage in order to support the City of Santa Rosa's goals of efforts to create a sustainable jobs base and head-of-household jobs.

## **MANUFACTURING**

Manufacturing operations will include volatile-solvent extraction, exclusively within a closed loop system that meets the requirements of the federal Food, Drug, and Cosmetic Act, using only authorized solvents, preventing off-gassing, and bearing the certification of a California licensed engineer will be conducted onsite. Activities will include extraction, processing, sorting, packaging and grading. The operation will use UL-listed devices to ensure safety and reliability.

### *Layout*

*The designated manufacturing area within the Building are enclosed rooms labeled "Mod. Lab. 1", "Mod. Lab. 2", "Manufacturing," and "Post-Processing." The size of the manufacturing area is ideal for implementing sufficient safety measures, transparency for local inspectors, expediency in product processing, and maintenance of a professional work area for the lead engineer and other personnel. The manufacturing area is further ideal for complying with the operational requirements set forth in Santa Rosa Cannabis Ordinance 20-46.070 ("Cannabis Manufacturing").*

### *Process Description*

The manufacturing use will utilize a highly efficient, closed-loop extraction system, as further described below. The system yields a clean, safe output from processes that incorporate careful safety and preventative measures. The liquid solvent to be used is butane, which is particularly

effective at extracting desired components from cannabis biomass. When done by professionals within the confines of a well-engineered, closed-loop system, butane extraction is safe and effective.

**Closed-Loop System.** The stigma surrounding butane extraction stems from the improper use of butane for extraction, in particular where processes create hazardous conditions by allowing butane, which readily evaporates, to escape into poorly ventilated spaces. Closed-loop systems solve this problem. In a closed-loop system, butane remains contained and is recycled or reused in a controlled, sealed environment, thereby preventing any dangerous run-off, or “escapable molecules.” This system allows for safe and virtually fail-proof extraction from cannabis biomass.

**Vacuum.** The closed-loop system maintains a vacuum seal to guarantee that butane does not leave the system and enter the enclosed manufacturing premises. This element is the cornerstone of the closed-loop system. To ensure vacuum reliability, before any process is conducted, or before introducing any volatile solvent, the vacuum must first pass a rigorous fifteen (15) minute hold test. The vacuum must maintain its seal for fifteen (15) minutes, with no signs of leaks or breaks, thus ensuring that the butane will remain safely isolated in the closed-loop system, where it cannot mix with air to create a fire hazard. The vacuum recovers all butane evaporated in the extraction process, thus preventing any contamination of the surrounding environment.

**Ventilation.** While a vacuum failure is rare, a ventilation system will be used to mitigate the risk of such a failure. The ventilation system will effectively prevent any dangerous accumulation of butane in the unexpected event of a vacuum seal failure.

**Extraction.** Extraction of desired compounds from cannabis biomass involves multiple steps.

First, the biomass is packed into a sanitary spool, the vessel where it will remain housed during the process itself. Then, using sanitary tri-clover clamps, the biomass is effectively sealed within the vessel (the “biomass column”). The biomass column is then hung on a stainless steel rack, and all of the hoses and related fittings are attached. For safety, “quick disconnect” fittings are utilized. The vacuum is then tested, as described above, to ensure vacuum reliability before the introduction of any solvent. The vacuum system ensures there are no molecules competing for space within the recovery tank where the solvent returns so that it (a) does not blend with the local environment and (b) may be recycled and re-used.

Liquid solvent then runs through the system and ends up back in its starting point, completing the “closed-loop” while the vacuum seal ensures complete containment of volatile solvents. The solvent, a liquid, is heated and moves into a separation column with hot water running through it. The hot water accelerates the evaporation of the solvent in order to push it through the contained system. The heating process converts the compound (butane) from liquid to gas; however, the gas is recaptured, condensed in a pneumatic compressor, and returned as a liquid to the starting vessel, thus completing the closed-loop process. The system wastes no gas, releases no volatile compounds, and may be repeated safely and efficiently.

**Waste Product.** This process leaves no volatile waste products or byproducts, as the volatile solvent is contained, recycled, and reused within the system. The only waste product is spent biomass, or cannabis which has had its active components removed, leaving behind only non-

psychoactive plant matter, which will be safely destroyed in environmentally-friendly manner and as required by law.

**Safety, Generally.** There are many safety components to the system. As mentioned above, the functionality of the vacuum is tested before any volatile solvent is introduced; this safety precaution means that reactionary safety measures will seldom, if ever, be needed. Moreover, by ensuring the vacuum functionality, which prevents the mixing of air with the butane, fire is prevented. Additionally, ventilation and fan systems will remove volatile compounds from the enclosed manufacturing area in the event of a leak, effectively mitigating the risk of fire.

Following best practices is another element of safety. In instances where danger has occurred, unprofessional and untrained actors are typically attempting to adapt machinery which is not built for use with butane. This project will benefit from experienced, expert operators using proper equipment. The pneumatic pumps to be used are specifically engineered to compress butane solvent safely (e.g., the Haskell EXT420). For added safety, these pumps have no electrical components. Other standard operating procedures and protocols are to be put in place for safe use, as described below.

As for the butane itself, it is a compound widely misunderstood due to its notorious misuse by unprofessional actors. Butane, when used safely and in effective closed-loop systems, is extremely efficient, can be handled safely, and is containable for recycle and reuse. In fact, butane is an FDA-approved food processing agent. When used by trained professionals and within controlled environments, the risks of butane are effectively mitigated.

**Experienced Lead Engineers.** Alex Rowland and Justin Pullman will be the lead engineers on-site. Both are skilled in their field, are trained in safety measures, and are experienced with safe and effective operation of closed-loop systems and associated machinery.

**Safety Policies.** Under supervision of the lead engineer, all staff will be trained in safety measures to ensure the proper handling and mitigation of any potential hazard. All personnel will strictly adhere to safety protocols. These include, but are not limited to, the following:

- Precautionary safety measures
- Adherence to State and Local laws as well as industry standards
- Machinery training and supervision (machinery is only to be operated in the presence of lead engineer)
- Personnel safety training and accident avoidance/mitigation training
- Protective equipment (e.g. eyewear, gloves, masks) where appropriate
- Training in the safe handling of chemical materials and volatile compounds
- Scheduled safety checks by lead engineer
- Frequent cleaning schedule
- Evacuation plan and notification system
- “Good Neighbor Plan” and notification method
- Third party engineer safety checks as required by law
- Monitoring systems (smoke, CO2, and gas detectors/sensors)
- Sprinkler system
- Secure premises with dual entry method required (e.g. two separate keys)

- Fire extinguishers present and maintained
- Monitored security system (e.g. video surveillance, alarm)
- Strict policy against use of cannabis products at or before operating any machinery

Additionally, compliance with Santa Rosa Ordinances, California law, and all future ordinances, laws, and regulations is to be maintained at all times, and the lead engineer shall be responsible for the upkeep of knowledge of accepted industry standards and practices, as well as machinery safety enhancements or upgrades on an ongoing basis.

### **DISTRIBUTION**

Cannabis distribution operations will be conducted onsite. Activities include interacting with lab facilities to ensure quality control and lab testing, collection of taxes, transporting cannabis products, and logistics.

### **ODOR MITIGATION AND AIR QUALITY**

The applicant will retain a licensed engineer, as required by Section 20-46.050(H), to certify an odor mitigation plan. All outgoing air from the Building will filtered through a carbon filtration system to eliminate odors and impurities.

### **LIGHTING**

Interior and exterior lighting shall utilize best management practices and technologies for reducing glare, light pollution, and light trespass onto adjacent properties. Exterior and interior lighting will comply with the standards set forth in Santa Rosa Ordinance section 20-46.050(I).