

GIFFEN AVE PROPERTY, LLC.
CONDITIONAL USE PERMIT APPLICATION
COMMERCIAL CANNABIS MANUFACTURING
LEVEL 2 (VOLATILE, TYPE 7)

GIFFEN AVE PROPERTY, LLC
2715 GIFFEN AVE,BUILDING 2 SANTA ROSA, CA
APN: 010-450-008
June 06, 2019

City of Santa Rosa
NOV 15 2019
Planning & Economic
Development Department

TABLE OF CONTENTS

Project Description	2
Neighborhood	
Existing and Proposed Use	
Accessory Uses	
Signage	
Project Details	3
Hours of Operation	
Employees	
Delivery Services	
Special Events	
Zoning and General Plan Compliance	4
Zoning Consistency	
General Plan Consistency	
Building and Fire Code Compliance	
Licensing Compliance	
Hazardous Materials	
Traffic and Parking	8
Security Plan	9
Security Cameras	
Alarm System	
Secure Storage and Waste	
Transportation	
Locks	
Emergency Access	
Odor, Light and Noise Control	11
Odor Control	
Lighting Plan	
Noise Control	
Site Management, Records and Safety	11
Site Management	
Staffing and Local Hiring Plan	
Inventory Controls	
Training and Records	

PROJECT DESCRIPTION

Giffen Ave. Property LLC. seeks a Conditional Use Permit to construct and lease to a qualified applicant, a commercial cannabis manufacturing Level 7 in a Flex Mod building at Giffen Ave. Building 2. The proposed use of this site will be harmonious integrated into the existing business park which already houses multiple cannabis manufacturing and distribution facilities. The project will incorporate building code, fire code, security, and odor measures and meet all City of Santa Rosa Zoning and all State of California requirements. Giffen Ave Property LLC is a locally-based company and is looking forward to continuing its work with the City of Santa Rosa on this site.

Giffen Avenue Property LLC proposes the construction of a commercial cannabis Manufacturer Type 7 – Level 2 (volatile) facility and leasing the site to a tenant. Volatile extraction will occur in one exterior 12' x 40' Flex Mod unit located outside of Building 2 representing 480 sq ft. The proposed site is zoned Light Industrial (IL) and does not abut residential.

NEIGHBORHOOD

2715 Giffen avenue Building 2 is located in an industrial park in South West Santa Rosa. The campus houses multiple industrial facilities including Kind Quality Labs , NCC Essential , 4B LLC, 5A LLC, QPC Management and services LLC and Mac Thin Films.

EXISTING AND PROPOSED USE

The proposed site is abutting Building 2 Giffen Ave which currently houses a cannabis cultivation facility that includes manufacturing, volatile extraction and distribution activities.

The proposed project will include all activities permitted by a commercial cannabis Manufacturing Level 2 (volatile) license, including but not limited to the following activities: receiving raw bulk dried materials; light manufacturing and processing of bulk materials; packaging/re-packaging including but not limited to sorting, grading, quality control, labeling/re-labeling, packaging/re-packaging, inventory controls, internal testing for quality control, research and development, manufacturing of cannabis oils, products and compounds using volatile extraction, post-processing refining of cannabis oils, pesticide remediation, storage of raw materials and manufactured products, production and/or infusion of cannabis oil into cannabis products, and other storage accessory to the use.

- A. Volatile Extraction:** The Manufacturing business at this facility will include the processing of cannabis extracts, Type 7 Manufacturing, Level 2, by leveraging organic alcohol and hydrocarbon based solvents to extract selective components from the botanical plant material and purification of those extracts as well as the production of several end user products in the form of tinctures, gel-capsules, and topical sprays/creams. During the extraction process, the solvent and oils are contained in a closed system in which the solvent is recovered for re-use and extensive post processing procedures are executed to ensure no solvent residuals are left in any product and to isolate only the most pure and critical components from the plant and oils. We use food grade ethyl alcohol in removing and filtration of plant waxes, fats and

lipids, and to clean the machinery. We use small amounts of isopropyl alcohol (rubbing alcohol) and limonene for cleaning purposes. All extraction activities and processes involving any solvents are conducted in a certified Class 1 Division 1 environment that is spark-proof and has appropriate ventilation controls designed and audited by a certified Industrial Hygienist. Giffen Ave. Property LL will also be conducting non-volatile extraction in Class 1 Division 2 environments. As required by state law, all extraction equipment will be closed loop systems, and all extraction machines will satisfy state rules regarding engineering certification and inspections. Chris Witherell, with Pressure Safety Inspectors, LLC, a professional engineering firm certified in California and specializing in cannabis extraction facilities, has been engaged to inspect and certify the facility and extraction equipment prior to operations commencing. Also, as required for state licensing, the applicant will prepare and implement standard operating procedures for all manufacturing processes and use of all equipment. Although the applicant is continuing to research the equipment for use for volatile extraction, and will continue to upgrade and change the equipment as new technology becomes available, an example of a potential machine with specifications are attached as Attachment D-H.

ACCESSORY USES

No accessory uses are planned for the site.

SIGNAGE

Giffen Ave Property LLC. 's tenant will comply with all signage as required in Santa Rosa Ordinance No. Ord -2017- 025 in accordance with the sign permitting process, including the display of permits (Santa Rosa, Cal., ORD-2017-25, Chapter 20 § 46.80 (F11)) during business hours, in a conspicuous place.

No signage for the business is proposed at this time. The property is being upgraded with exterior lighted address signs to improve access for first responders by the building owner separate from this application and specific use.

LANDSCAPING

No changes to the existing landscaping are proposed.

PROJECT DETAILS

This section provides additional details on the operation of the proposed commercial cannabis manufacturing level 2 (volatile, type 7) facility.

HOURS OF OPERATION

The facility is proposed to operate twenty-four hours a day, seven days a week. The Applicant anticipated transportation activities to take place primarily between 6:00 AM and 11:00 PM.

EMPLOYEES

A maximum of 3 employees will work per shift.

ZONING AND GENERAL PLAN COMPLIANCE

The proposed Giffen Property LLC. Cannabis manufacturing facility is compliance with City, County and State requirements as discussed below.

ZONING CONSISTENCY

2715 Giffen Avenue is zoned Light Industrial (IL). The Light Industrial zoning district is described as follows:

“IL (Light Industrial) district. The IL zoning district is applied to areas appropriate for some light industrial uses, as well as commercial service uses and activities that may be incompatible with residential, retail, and/or office uses. Residential uses may also be accommodated as part of work/live projects. The IL zoning district is consistent with the Light Industry land use classification of the General Plan”

Properties abutting the parcel to the north on Apollo Way are zoned Business Park. Contiguous properties to the west on Corporate Center Way are also zoned Business Park. The Business Park zoning district is described as follows:

“BP (Business Park) district. The BP zoning district is applied to areas appropriate for planned, visually attractive centers for business that do not generate nuisances (noise, clutter, noxious emissions, etc.). This zone accommodates campus-like environments for corporate headquarters, research and development facilities, offices, light manufacturing and assembly, industrial processing, general service, incubator-research facilities, testing, repairing, packaging, and printing and publishing. Warehousing and distribution, retail, hotels, and residential uses are permitted on an ancillary basis. Restaurants and other related services are permitted as accessory uses. Outdoor storage is not permitted. The BP zoning district is consistent with and implements the Business Park land use classification of the General Plan.”

Adjacent parcels to the east and south are also zoned Light Industrial, the same zoning designation as the subject parcel. The subject property at 2715 Giffen Avenue and the contiguous parcel at 2717 Giffen Avenue are already approved for Type 6 Cannabis Manufacturing and for Type 11 Cannabis Distribution. The proposed small Flex Mod addition is consistent with these approved land uses.

The proposed project is consistent with the Industrial parcel zoning and with the character of the surrounding neighborhood. This 480 square foot flex mod addition has been sited to be on the far side of the existing building, which thus fully buffers and screens the flex mod from residential development to the northeast of the project site and accessed from Campbell Drive. The subject property abuts a single parcel in the development at the furthestmost northeast corner of the property (1329 Campbell Drive) and the project will not result in any impacts to this property.

GENERAL PLAN CONSISTENCY

The General Plan designation for this parcel is General Industry. The property's IL zoning is consistent with the General Industry General Plan designation. The neighborhood contains a wide mix of light industrial and business park uses serving both the immediate neighborhood and a broader area.

Additionally, the project is consistent with General Plan goals, policies and objectives, including the following:

EV-A Maintain a positive business climate in the community

EV-A-1 Continue to promote Santa Rosa as the North Bay's premier location for technology, clean/green technologies, and entrepreneurial businesses, which create new products and business models that will attract national and international markets.

EV-A-5 Maintain diversity in the types of jobs available in Santa Rosa to lessen the impact of economic cycles.

BUILDING AND FIRE CODE COMPLIANCE

Giffen Ave Property LLC. will work closely with the Building and Fire Departments to ensure that the proposed project is safe and will comply with all applicable fire and building codes. In addition, Giffen Ave Property LLC.'s tenant will complete and submit the required Hazardous Materials Management Plans to the City of Santa Rosa via the State of California Electronic Reporting System (CERS) which will disclose the site information, hazardous materials inventory, site map, contingency plan and an employee training plan as required by the California Health and Safety Code.

The facility will feature fire suppression, air quality/ventilation, and alarm systems, which will be maintained in good working order. Additionally, Giffen Ave Property LLC.'s tenant will implement fire and safety controls that include but are not limited to engineering controls, safe work practices, administrative controls and OSHA hazardous prevention and controls.

All employees will receive training on fire and safety systems and procedures. Also, Giffen Ave Property LLC.'s tenant will install a Fire Department lock box for keys to gates and doors. For communication purposes with emergency service providers, Giffen Ave Property LLC.'s tenant will assign a facility manager as the responsible party and keep the contact information for the responsible party up to date with the City.

LICENSING COMPLIANCE

Local and State Compliance

Giffen Ave. Property LLC. is committed to compliance with local and state regulations.

Giffen Ave Property LLC. includes partners with extensive experience in cannabis operations, including in current experience in owning and operating Santa Rosa cannabis manufacturing company CannaCraft, Santa Rosa Distribution Company KindHouse Distribution, and operating Hopland Cannabis Retail Facility Emerald Pharms.

Giffen Ave. Property LLC. will ensure that its tenant diligently pursues and obtains a State cannabis Type -7 license and will comply with all applicable State licensing requirements and conditions, including, but not limited to, operational standards and locational criteria.

In addition to the inherent experience of the ownership in operations of compliant cannabis companies, Giffen Ave Property LLC. has retained Golden State Government Relations, a compliance and advocacy firm with offices in Santa Rosa, San Luis Obispo and Sacramento, to provide oversight of operational compliance and advise on changes to the dynamic regulatory environment for cannabis in California.

Separation of License Types

Giffen Ave LLC.'s tenant will be the only applicant occupying this addition to Building 2, and Type 7 Manufacturing is the only proposed use within the building. Giffen Ave LLC.'s tenant will maintain separation from all other cannabis activities taking place at the Giffen Avenue property.

HAZARDOUS MATERIALS

For the proposed manufacturing activities, the hazardous materials on site may include: hexane, heptane, butane, pentane, ethanol, isopropyl alcohol, CO₂, acetone, and bleach. All hazardous materials will be used, stored and disposed of according to state and local rules, including applicable Health and Safety Code and California Fire Code requirements related to the storage, use and handling of hazardous materials and the generation of hazardous waste. Also, Giffen Ave. Property LLC will obtain all required Certified Unified Program Agency (CUPA) permits including completing a California Environmental Reporting System (CERS) submission for hazardous materials inventory. As required for state licensing, the Kind Quality Labs, Inc. will develop operating procedures for the use, storage, disposal of hazardous materials for manufacturing activities. Chemicals used in the manufacturing process are limited to the following organic solvents:

- N-Butane (99.9% pure laboratory grade)
 - o Volumes inside facility defined by local ordinance and building codes and stored in vented flammable storage cabinet.
 - o Additional cylinders, up to 4 150lb tanks at any given time, stored in certified locked cages outside each Flexmod unit that are bolted to the concrete.
- Heptane (99.9% pure laboratory grade)
 - o <10 Gallons in the facility stored in vented flammable storage cabinets.
- Pentane (99.9% pure laboratory grade)
 - o <10 Gallons in the facility stored in vented flammable storage cabinets.
- Ethyl Alcohol (180+ proof organic grain alcohol)

- o Volumes inside facility defined by local building codes and stored in vented flammable storage cabinet. No more than 500 gallons needed onsite at any given time.
- Isopropyl Alcohol (90%+ isopropyl alcohol)
 - o <5 Gallons used for cleaning purposes.

Ethyl and Isopropyl alcohols as well as liquid hydrocarbon solvents will be obtained from a scientific laboratory supplier. Laboratory grade hydrocarbon gasses will be obtained from Matheson Scientific or another regional ISO certified gas supplier. Generally, Hydrocarbon gases will be stored in 4 tanks of up to 150lbs each per Flexmod unit. Cylinders not in use are stored in a locked LPG storage cabinet outside the unit as defined by local code. Ethanol will be stored in 55 gallon stainless steel drums in the Hazmat locker outside the building except for the quantities in use during operations. Isopropyl alcohol will be stored in flammable storage lockers except for the quantities in use during operations. Anticipated storage and use quantities are expected to be less than 8 gallons. Hydrocarbon solvents will be stored in vented flammable solvent storage cabinets except for the quantities used during operations.

1. USE

With cannabis industry rapidly developing manufacturing methods, the use of solvents and machinery used will likely change overtime. For now, the Applicant anticipates potentially using the following solvents:

Solvent	Use
propane	Extraction of cannabis oil
n-butane	Extraction of cannabis oil
iso-butane	Extraction of cannabis oil
ethanol	Extraction and post-processing of cannabis concentrated oil.
heptane	Cleaning and washing of the raw cannabis materials, extraction, post-processing, research and development, and potentially for pesticide remediation.

When any new or different hazardous materials are added to manufacturing operations, the applicant will work with the City of Santa Rosa's Building and Fire Departments as well as state regulators to meet safety and other regulatory requirements prior to the new materials use.

Employees working with hazardous materials will receive training for safe use and disposal of all hazardous materials used onsite. All employees will be provided with protective eyewear and any other equipment needed for their safety. Eye washing stations will be in the manufacturing area.

2. STORAGE AND DISPOSAL

Giffen Ave Property LLC's tenant will utilize specially-designed chemical storage cabinets for storage of all solvents, flammable and hazardous materials. These

storage cabinets will only be able to be accessed by authorized employees and be kept under commercial-grade, non-residential locks. During the manufacturing process, Giffen Ave Property LLC's tenant will apply industry leading standards to containerize and transport small quantities of hazardous materials. Under US EPA rules, Applicant will be classified as a Very Small Quantity Generators (VSQGs also known as Conditionally Exempt Small Quantity Generators – CESQGs) which generate 100 kilograms or less per month of hazardous waste or one kilogram or less per month of acutely hazardous waste. This classification allows operators to transport 100 kilograms or less per month to an authorized facility.

Accordingly, Giffen Ave Property LLC's tenant will transport hazardous waste to an appropriate Solid Waste Management Authority or hire a vendor to transport and dispose of hazardous waste in accordance with rules and regulations.

TRAFFIC AND PARKING

The building will not be open to the public and will have no public parking. Building 2 is supplied with 13 standard spaces and 1 ADA on the west side and 23 standard and 1 ADA on the east side. At least three of these sites will be dedicated to this project. Overall there are 205 total spaces for the total site. See attached site parking plan.

SECURITY PLAN

The proposed project is located on property owned by Giffen Avenue Properties, LLC, which will be a fully fenced and secured campus previously approved through Planning Commission Resolution No. 11820, File No. CUP16-065.

The facility will be closed to the public and is located on a secure campus with controlled access. In addition to the campus-wide security measures, surveillance, alarm, and access control measures will be implemented in compliance with state and local requirements.

Visitors will be required to sign in to the facility and provide a valid form of government-issued photo identification. Visitors will be accompanied by authorized personnel at all times. The Applicant will not permit any person under the age of 21 years to enter the facility.

SECURITY CAMERAS

Security surveillance video cameras will be installed and maintained in good working order to provide coverage on a twenty-four (24) hour basis of all internal and exterior areas where cannabis is weighed, manufactured, stored, and transferred. The cameras will be oriented in a manner that provides clear and certain identification of all individuals within those areas. Surveillance cameras will be active at all times and operate effectively under any lighting condition. Security video will use standard industry format and will be stored for a period of ninety (90) days. Security video will be accessible to law enforcement to support criminal investigations.

ALARM SYSTEM

The Applicant will install a professionally monitored alarm system, which will be maintained in good working condition. The alarm system will provide the Applicant with instant notification of unauthorized activity and includes sensors to detect entry and exit from all secure areas and all windows.

The Applicant will obtain an alarm permit from the Santa Rosa Police Department prior to installation of the alarm system. The name and contact information of the alarm system installation and monitoring company will be kept on site. The Applicant will identify a local site contact person who will be responsible for the use and will provide and maintain up-to-date contact information with the Santa Rosa Police Department dispatch database as part of the alarm permit process.

SECURE STORAGE AND WASTE

All cannabis products and cannabis waste will be stored in an area secured with commercial-grade non-residential locks that is not visible to the public and in a manner that prevents diversion, theft, loss, hazards, and nuisance.

All storage and handling of hazardous materials will occur in code compliant control areas. All vendors will be pre-scheduled in advance and must present valid identification. Waste removal vendors will only be granted access to the areas required for removal of waste. All waste removal vendors will be required to document, track, and record all waste materials removed from the site.

TRANSPORTATION

No receiving or deliveries will be performed at the Flex Mod.

Cannabis materials and products will be transported to and from the main building (Building 2), in accordance with a site-wide secure delivery plan in compliance with State law.

LOCKS

The facility is located on a secure campus with access controlled entry points monitored by a security guard. The entrances to the building will be locked at all times with Building Code compliant commercial-grade, non-residential door and window locks to prevent unfettered access to the building and restricted areas.

Secure areas will be access controlled with locked doors so that only authorized employees may enter.

EMERGENCY ACCESS

Security measures will be compliant with the California Fire Code and Santa Rosa Fire Department standards. Fire Department Knox Box access is provided at the entrance gates and at the building's main entrance. All fire lanes will be maintained.

ODOR, LIGHT, AND NOISE CONTROL

Giffen Ave Property LLC. will ensure that the tenant provides odor, light, and noise controls that are in line with Best Management Practices outlined by the City of Santa Rosa and consistent with the State of California regulations.

ODOR CONTROL

To provide adequate air quality and prevent any odors from being detected from outside the facility, Giffen Ave Property LLC. will install air quality, ventilation and odor control systems. The engineering controls will include carbon filtration that utilize cartridges to filter the air throughout the facility. Giffen Ave Property LLC.'s client will insure that all odor control and air quality systems routinely inspected and maintained in good working order. Training on air quality and odor control systems will be provided to staff responsible for odor control within the facility.

LIGHTING PLAN

All interior and exterior lighting will be installed according to best management practices. No additional exterior lighting is proposed. Existing exterior lighting provides sufficient illumination and clear visibility to all outdoor areas of the premises, including all points of ingress and egress. Exterior lighting is stationary, fully shielded, directed away from adjacent properties and public rights of way, and of an intensity compatible with the neighborhood. All interior light systems are also fully shielded, including adequate coverings on windows, to confine light and glare to the interior of the structure.

NOISE CONTROL

The entire cannabis facility will comply with the City Santa Rosa Municipal Code Chapter 17-16 regarding noise. Carbon filters located inside facility will also decrease any potential noise produced from exhaust fans and air conditioning units.

SITE MANAGEMENT, RECORDS AND SAFETY

SITE MANAGEMENT

The Giffen Ave Property LLC. is experienced in ensuring superior compliance with their existing cannabis tenants. As outlined in this application, Giffen Ave Property LLC. will ensure that the tenant complies with all regulations of the City of Santa Rosa, the Bureau of Cannabis Control, and the County Environmental Health Services Department and maintain, in good standing, permits and licenses required by appropriate government entities.

STAFFING AND LOCAL HIRING PLAN

All staff will be listed on an employee register containing all required information and

kept up to date with required state agencies.

All staff will receive thorough training on workplace safety, operations, track and trace, and security protocols. In addition to state licensing requirements related to staffing, Giffen Ave Property LLC.'s tenant will diligently follow all applicable labor and employment laws. The employees will likely be part- and full-time and will work staggered shifts to accommodate customer flows. All employees will be over 21 years of age. Giffen Ave Property LLC. is committed to hiring employees locally. Sonoma County and Santa Rosa have a wealth of experienced and dedicated people who would be qualified to work in the facility, and will partner with a tenant that has the same outlook. Giffen Ave Property LLC.'s tenant will consider residency when making hiring decisions, will promote the job posting locally, and use local connections in the to discover new local talent.

INVENTORY CONTROLS

Giffen Ave Property LLC.' tenant will comply with and participate in the state's track and trace system and auditing requirements. Additionally, Giffen Ave Property LLC.'s tenant will track inventory closely to prevent diversion of cannabis outside the legal market. In the event of any inventory discrepancies, Giffen Ave Property LLC.'s tenant will immediately notify regulators and law enforcement within the time required by state regulations.

TRAINING AND RECORDS

Every employee will be required to participate in training to learn the Applicant's security and safety protocols as a condition of continued employment. Giffen Ave Property LLC.'s tenant will mandate that all employees be well versed in all security procedures. As required by state rules, Giffen Ave Property LLC.'s tenant will maintain up-to-date and current records related to the cannabis operation. Those records will be stored in a secure manner onsite and will include a list of all current authorized employees with access to the surveillance and/or alarm systems. All surveillance equipment, records and recordings will be stored in a secure area that is only accessible to Applicant's management. In addition Giffen Ave Property LLC. has contracted Golden State Government Relations to provide monthly training on site safety and hazardous materials, for all campus tenants. Finally, on an ongoing basis, Giffen Ave Property LLC.'s tenant will update the security plan to comply with any new local or state laws and regulations for cannabis licensing.