



Wednesday, September 11, 2024, 6:00 p.m. Council Chambers, 990 Palm Street, San Luis Obispo

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INSTRUCTIONS FOR PUBLIC COMMENT:

Public Comment prior to the meeting (must be received 3 hours in advance of the meeting):

Mail - Delivered by the U.S. Postal Service. Address letters to the City Clerk's Office at 990 Palm Street, San Luis Obispo, California, 93401.

Email - Submit Public Comments via email to <u>advisorybodies@slocity.org</u>. In the body of your email, please include the date of the meeting and the item number (if applicable). Emails *will not* be read aloud during the meeting.

Voicemail - Call (805) 781-7164 and leave a voicemail. Please state and spell your name, the agenda item number you are calling about, and leave your comment. Verbal comments must be limited to 3 minutes. Voicemails *will not* be played during the meeting.

*All correspondence will be archived and distributed to members, however, submissions received after the deadline may not be processed until the following day.

Public Comment <u>during the meeting</u>:

Meetings are held in-person. To provide public comment during the meeting, you must be present at the meeting location.

Electronic Visual Aid Presentation. To conform with the City's Network Access and Use Policy, Chapter 1.3.8 of the Council Policies & Procedures Manual, members of the public who desire to utilize electronic visual aids to supplement their oral presentation must provide display-ready material to the City Clerk by 12:00 p.m. on the day of the meeting. Contact the City Clerk's Office at cityclerk@slocity.org or (805) 781-7114.

1. CALL TO ORDER

Chair Cooley will call the Regular Meeting of the Planning Commission to order.

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

At this time, people may address the Commission about items not on the agenda. Comments are limited to three minutes per person. Items raised at this time are generally referred to staff and, if action by the Commission is necessary, may be scheduled for a future meeting.

3. CONSENT

Matters appearing on the Consent Calendar are expected to be noncontroversial and will be acted upon at one time. A member of the public may request the Planning Commission to pull an item for discussion. The public may comment on any and all items on the Consent Agenda within the three-minute time limit.

3.a CONSIDERATION OF MINUTES - AUGUST 14, 2024 PLANNING COMMISSION MINUTES

Recommendation:

To approve the Planning Commission Minutes of August 14, 2024.

4. PUBLIC HEARINGS

Note: Any court challenge to the action taken on public hearing items on this agenda may be limited to considering only those issues raised at the public hearing or in written correspondence delivered to the City of San Luis Obispo at, or prior to, the public hearing. If you wish to speak, please give your name and address for the record. Please limit your comments to three minutes; consultant and project presentations limited to six minutes.

4.a 1137 PEACH ST (APPL-0210-2024) - STAFF MEMO REGARDING WITHDRAWN APPEAL FOR DENIED HOMESTAY PERMIT (HOME0029-2024)

The appellant has formally withdrawn their appeal request. There is no action before the Planning Commission on this item.

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4.b REVIEW OF A CONDITIONAL USE PERMIT (USE-0266-2024) FOR A NEW 2480 SQUARE-FOOT COMMERCIAL CANNABIS RETAIL STOREFRONT LOCATED AT 2400 BROAD STREET, IN THE RETAIL COMMERCIAL (C-R-SF) ZONE WITH SPECIAL FOCUS OVERLAY

Recommendation:

Adopt the Draft Resolution granting a Conditional Use Permit allowing the establishment and operation of a cannabis retail storefront at 2400 Broad Street, based on findings and subject to conditions.

5. COMMENT AND DISCUSSION

5.a STAFF UPDATES AND AGENDA FORECAST

Receive a brief update from Principal Planner Brian Leveille.

6. ADJOURNMENT

minutes.

The next Regular Meeting of the Planning Commission is scheduled for September 25, 2024 at 6:00 p.m. in the Council Chambers at City Hall, 990 Palm Street, San Luis Obispo.

<u>LISTENING ASSISTIVE DEVICES</u> for the hearing impaired--see the Clerk

The City of San Luis Obispo wishes to make all of its public meetings accessible to the public. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's Office at (805) 781-7114 at least 48 hours before the meeting, if possible. Telecommunications Device for the Deaf (805) 781-7410.



Planning Commission Minutes

August 14, 2024, 6:00 p.m. Council Chambers, 990 Palm Street, San Luis Obispo

Planning

Commissioner Sheryl Flores, Commissioner Juan Munoz-Morris,

Commissioners

Justin Cooloy

Present:

Justin Cooley

Planning

Commissioners

Absent:

Commissioner Bob Jorgensen, Commissioner Steve Kahn

Commissioner Eric Tolle, Vice Chair Dave Houghton, Chair

City Staff Present:

Assistant City Attorney Markie Kersten, Principal Planner Brian

Leveille, City Clerk Teresa Purrington

1. CALL TO ORDER

A Regular Meeting of the San Luis Obispo Planning Commission was called to order on August 14, 2024 at 6:00 p.m. in the Council Chambers at City Hall, 990 Palm Street, San Luis Obispo, by Chair Cooley.

2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Public Comment:

None

--End of Public Comment--

3. CONSENT

3.a CONSIDERATION OF MINUTES - JUNE 26, 2024 PLANNING COMMISSION MINUTES

Motion By Vice Chair Houghton Second By Commissioner Munoz-Morris

To approve the Planning Commission Minutes of June 26, 2024.

Ayes (5): Commissioner Flores, Commissioner Munoz-Morris, Commissioner Tolle, Vice Chair Houghton, and Chair Cooley

Absent (2): Commissioner Jorgensen, and Commissioner Kahn

CARRIED (5 to 0)

4. PUBLIC HEARING

4.a REVIEW OF TEXT AMENDMENTS TO TABLE 2-1 OF THE ZONING REGULATIONS TO ALLOW CANNABIS RETAIL STOREFRONTS TO CONDUCT RETAIL SALES BY DELIVERY WITH APPROVAL OF A CONDITIONAL USE PERMIT OR BY AMENDMENT TO AN EXISTING CONDITIONAL USE PERMIT (CODE-0401-2024)

Ivana Gomez, Cannabis Business Coordinator, presented the staff report and responded to Commission inquiries.

Chair Cooley opened the Public Hearing

Public Comment:

Megan Souza

-- End of Public Comment--

Chair Cooley closed Public Comment

Motion By Commissioner Munoz-Morris **Second By** Commissioner Tolle

To adopt the Draft Resolution, which recommends City Council introduce and adopt an Ordinance amending Table 2-1 (Uses Allowed by Zone, Section § 17.10.020) of the Municipal Code to allow cannabis retail storefronts to conduct retail sales by delivery with the approval of a Conditional Use Permit, or by amendment to an existing Conditional Use Permit.

"A RESOLUTION OF THE CITY OF SAN LUIS OBISPO PLANNING COMMISSION RECOMMENDING THE CITY COUNCIL INTRODUCE AND ADOPT AN ORDINANCE AMENDING TABLE 2-1 (USES ALLOWED BY ZONE, SECTION § 17.10.020) OF THE MUNICIPAL CODE TO ALLOW CANNABIS RETAIL STOREFRONTS TO CONDUCT RETAIL SALES BY DELIVERY WITH APPROVAL OF A CONDITIONAL USE PERMIT, OR BY AMENDMENT TO AN EXISTING CONDITIONAL USE PERMIT. THE PROJECT IS EXEMPT FROM ENVIRONMENTAL REVIEW (CEQA) AS REPRESENTED IN THE PLANNING COMMISSION AGENDA REPORT AND ATTACHMENTS DATED AUGUST 14, 2024 (CITYWIDE; CODE-0401-2024)"

Ayes (5): Commissioner Flores, Commissioner Munoz-Morris, Commissioner Tolle, Vice Chair Houghton, and Chair Cooley

Absent (2): Commissioner Jorgensen, and Commissioner Kahn

CARRIED (5 to 0)

5. COMMENT AND DISCUSSION

5.a STAFF UPDATES AND AGENDA FORECAST

Principal Planner Brian Leveille provided an update of upcoming projects.

6. ADJOURNMENT

The meeting was adjourned at 6:23 p.m. The next Regular Meeting of the Planning Commission scheduled for August 28, 2024 will be cancelled due to lack of items.

The next Regular Meeting of the Planning commission is scheduled for September 11, 2024 at 6:00 p.m. in the Council Chambers at City Hall, 990 Palm Street, San Luis Obispo.

APPROVED BY PLANNING COMMISSION: XX/XX/2024



Meeting Date: 9/11/2024

Item Number: 4a Time Estimate: N/A

PLANNING COMMISSION AGENDA REPORT

SUBJECT: 1137 PEACH ST (APPL-0210-2024) REVIEW OF APPEAL OF DIRECTOR'S DECISION TO DENY A HOMESTAY PERMIT APPLICATION (HOME-0029-2024) REGARDING A REQUEST FOR A HOMESTAY PERMIT TO ALLOW SHORT-TERM RENTAL

BY: Mallory Patino, Assistant Planner FROM: Rachel Cohen

Phone Number: (805) 783-7704 Phone Number: (805) 781-7574 Email: mpatino@slocity.org Email: rcohen@slocity.org

APPELLANT: Fabrizio and Kristie Paolozzi

The appellant has formally withdrawn their appeal request. There is no action before the Planning Commission on this item.



Meeting Date: 9/11/2024

Item Number: 4b

Time Estimate: 60 minutes

PLANNING COMMISSION AGENDA REPORT

SUBJECT: REVIEW OF A CONDITIONAL USE PERMIT (USE-0266-2024) FOR A NEW 2480 SQUARE-FOOT COMMERCIAL CANNABIS RETAIL STOREFRONT LOCATED AT 2400 BROAD STREET, IN THE RETAIL COMMERCIAL (C-R-SF) ZONE WITH SPECIAL FOCUS OVERLAY (THE PROJECT IS CATEGORICALLY EXEMPT FROM E

FILE NUMBER: USE-0266-2024 BY: Ivana Gomez, Cannabis Business

Coordinator

Phone Number: (805) 781-7147 Email: igomez@slocity.org

APPLICANT: Embarc SLO

PROJECT ADDRESS: 2400 Broad

Street FROM: Brian Leveille, Principal Planner

RECOMMENDATION

Adopt the Draft Resolution (Attachment A) granting a Conditional Use Permit allowing the establishment and operation of a cannabis retail storefront at 2400 Broad Street, based on findings and subject to conditions.

SITE DATA

SHEDAIA			
Applicant	Embarc SLO		
Zone	Retail Commercial (C-R)		
Overlay Zone	Special Focus Area Overlay Zone (S-F), Cannabis Business Zone Overlay (CBZ)		
General Plan Land Use	General Retail (G-R)		
Site Area	Approximately 0.18 acre (8,000 s.f.)		
Environmental Determination	Categorically Exempt, CEQA Guidelines § 15301 (Existing Facilities)		



Figure 1: Project Site.

The Planning Commission's role is to review the project for consistency with the policies and standards set forth in the City's General Plan and Zoning Regulations, including specific standards for commercial cannabis activities described in Section § 17.86.080 of the Municipal Code (Zoning Regulations for Cannabis Activities).

2.0 SUMMARY

The applicant, Embarc San Luis Obispo (Embarc SLO), has applied for a Conditional Use Permit to establish a cannabis retail storefront business, as provided by Sections §§ 17.10.020(A) and 17.86.080(E)(1)(a) of the Municipal Code (SLOMC) in a 2,480 square-foot commercial building space (formerly the Hanger Clinic) at 2400 Broad Street. To operate a commercial cannabis business in the City, applicants are required to obtain both a Commercial Cannabis Operator Permit (Operator Permit) pursuant to Chapter 9.10 (Cannabis Regulations), and a Conditional Use Permit, as outlined in Section § 17.86.080.

The City of San Luis Obispo currently hosts two commercial cannabis operations—Megan's Organic Market, LLC and SLOCAL Roots, LLC—both of which are retail storefronts. Per Section § 17.86.080(E)(10)(b)(ii) of the Municipal Code, retail storefronts are capped at three citywide. During the most recent application period (July 1, 2023 – August 15, 2023), the City received two competitive applications for the remaining retail storefront permit. These applications were scored based on the City's Cannabis Business Operator Permit Scoring Guidelines¹ and merit criteria adopted by the City Council². Following this evaluation process, Embarc SLO was selected and issued a Contingent Operator Permit by the City Manager. Embarc SLO will be eligible to receive a Final Operator Permit upon approval of the Conditional Use Permit.



Figure 2: Embarc SLO Front Elevation as proposed in application (Broad Street).
3.0 PROJECT INFORMATION

¹ Cannabis Business Operator Permit Scoring Guidelines

² R-11417 approving updates to the Cannabis Operator Permit Ranking Criteria (slocity.org)

3.1 Site Information/Setting

Table 1: Site Information

Present Use &	Vacant tenant space (formerly Hanger Clinic)	
Development	, , , , , , , , , , , , , , , , , , ,	
Access	Broad Street (Frontage Road Section)	
	Woodbridge Street (Access Road)	
Surrounding Use/Zoning	North: C-R-SF (General Retail Businesses - Cucina	
_	Kitchen & Baths, My Friend Mike's Pizza)	
	East: C-S-SF (Services & Manufacturing – West Coast	
	Detailing)	
	South: C-R-SF (General Retail Businesses – Isaman	
	Design)	
	West: R-2 (Medium Density Residential)	

3.2 Project Description

As shown in the project Site Plan (Attachment B) and Floor Plan (Attachment C), the applicant proposes to convert an existing vacant retail building into a cannabis retail storefront business with:

- 2,480 total square feet of commercial building space;
- 1,028 square feet of retail space;
- 397 square feet of secure storage space;
- 331 square feet of employee break room space;
- 113 square feet of office space;
- A contact free screening lobby with polycarbonate windows and electronic access control;
- A covered and gated loading/unloading area with an electronic swinging gate; and,
- Customer parking area with eight vehicle parking spaces (including an ADA space) and two bicycle parking spaces;



Figure 3: Embarc SLO Retail Sales Area and Lobby as proposed in application. 4.0 PROJECT ANALYSIS

4.1 Parking Statistics

Table 2: Parking

Item	Proposed	Standard
Parking Spaces		
Total Vehicle	8	8
General Retail	8	8 (1 per 300 s.f. of general retail)
Accessible Parking (ADA)	1	1
Total Bicycle	2	2
Bicycle	2 (short term)	2 (1 per 1,000 s.f.)

Proposed: Applicant's project plans Standard: SLOMC Chapter 17.72

The proposed project at 2400 Broad Street shares a parking lot with the neighboring business at 2420 Broad Street, Isaman Design. The total number of available parking spaces in the shared lot is 18 total parking spaces. Of those 18 parking spaces, 8 of them are to be reserved for Embarc SLO use, designated by signage. Additionally, 1 of the allocated Embarc SLO parking spaces is proposed to be a van accessible (ADA) parking space in accordance with the California Building Code (CBC).

The proposed parking meets the required number of spaces required for the land use (General Retail). The parking calculation is based on Section § 17.72.030, which requires 1 parking space for every 300 feet of general retail area, as well as the most recent edition of the ADA Standards for Accessible Design and the requirements of the California Building Code (CBC). The applicant is proposing to install two (2) short-term bicycle parking spaces consistent with bicycle parking space requirements of the Zoning Regulations (Section § 17.72.070).

4.2 Consistency with the General Plan

Staff has evaluated the proposed project for consistency with the applicable General Plan goals and policies, Zoning Regulations, and for consistency with the regulations for commercial cannabis activities set forth in SLOMC Chapter 9.10 (Cannabis Regulations) and Section § 17.86.080 (Zoning Regulations for Cannabis Activities).

Land Use Element - General Retail (GR)

The General Retail (GR) designation within the General Plan Land Use Designations and Development Standards provides for goods and services adequate to meet most of the cities needs and nearby county residents³. A cannabis retail storefront aligns with this land use designation because it functions primarily as a retail operation, which is a core activity permitted in these areas. Just like other retail businesses, it involves the sale of goods directly to consumers, fitting within the intended commercial uses of the General Retail zone.

<u>Special Planning Area – Broad Street Area</u>

The Broad Street Area is included as a Special Planning Area identified in the General Plan to create a safe, attractive and economically vital neighborhood with a mix of complementary land uses. The project is consistent with the purpose of this area as it will implement design ideas which promote the safety and beautification of the surrounding area including the development of limited access areas and a limited access intake area with an electronic swinging door, as well as updates to the exterior building such as new paint, trim and signage.

4.3 Consistency with Overlay Zones

Cannabis Business Zone (CBZ) and Special Focus Area (S-F) Overlays

The Cannabis Business Zone (CBZ) Overlay establishes land use controls for developments within its boundaries. The proposed retail storefront at 2400 Broad Street is consistent with this overlay, as cannabis retail storefronts are permitted in the Retail Commercial (C-R) Zone within the CBZ Overlay with a Conditional Use Permit. The project also meets buffer requirements by maintaining the required distance from sensitive land uses such as schools, parks, and residential areas.

Additionally, the site falls within the Special Focus Area (S-F) Overlay, which encourages revitalization through thoughtful development. This project enhances the Broad Street Area by incorporating design upgrades like new paint, trim, and signage, contributing to the area's beautification.

4.4 Consistency with Cannabis Regulations and Zoning Requirements (SLOMC Chapter 9.10 and Section § 17.86.080)

The project is consistent with the cannabis regulations outlined in Chapter 9.10 of the SLOMC, which were adopted by Ordinance No. 1647⁴ on May 22, 2018. Chapter 9.10 establishes a regulatory framework to protect the health, safety, and welfare of the community by setting standards for commercial cannabis operations. The applicant has complied with these standards by obtaining a Contingent Operator Permit from the City on February 23, 2024, and upon approval of a Conditional Use Permit, will be eligible to obtain a Final Operator Permit from the City and a Type 10 storefront retailer license from the California Department of Cannabis Control (DCC).

³ Chapter 1 - SLO General Plan Land Use Element (slocity.org)

⁴ O-1647 Zoning Amendments for Cannabis Business and Personal Cultivation (slocity.org)

The project adheres to the operational requirements of Chapter 9.10, including provisions related to Records and Reporting (Section § 9.10.130), Inspection and Enforcement (Section § 9.10.140), and Security Measures (Section § 9.10.250). Additionally, the project complies with Sections §§ 9.10.210, 9.10.220, and 9.10.240, as no alcohol or tobacco sales, cannabis events, or cannabis vending machines are proposed on site. The applicant will be required to renew the commercial cannabis operator permit annually and maintain compliance with all reporting, inspection, and security requirements.

The project is also consistent with Section § 17.86.080 of SLOMC Title 17 (Zoning Regulations for Cannabis Activities), which were amended by Ordinance No. 1647 to establish land use requirements and development standards for cannabis activities. The proposed storefront is located within a zone designated for cannabis retail use, and the project meets all applicable development standards, including location restrictions and operational limitations. Based on this evaluation, the project satisfies the land use and development criteria set forth in the Zoning Regulations.

4.4.1 Operations Plan

The applicant submitted an Operations Plan that complies with Section § 17.86.080(E)(4)(b), including an employee safety and training plan, noise and light management plan, waste management plan, and educational materials dissemination plan. The project will adhere to California Green Energy Standards and is not expected to result in excessive water, energy, or waste demand. Detailed analyses of the security plan, odor management plan, and access restriction plan for minors are provided below. Excerpts of the Operations Plan are included as **Attachment D** (sensitive material, such as certain Security Plan information, has been removed).

4.4.2 Security Plan

The applicant prepared a Security Plan that meets both state-mandated regulations and City Police Department requirements (Section § 17.86.080(E)(4)(b)(i)). This Security Plan was reviewed and approved by the City's Police Department during the evaluation of the Commercial Cannabis Operator Permit application. The plan includes on-site security guards, controlled access to the retail area, a secured delivery bay, and real-time accessible video cameras for the City Police Department.

4.4.3 Enforcement Priorities

Pursuant to Section § 17.86.080(E)(5)(e), all commercial cannabis facilities shall incorporate measures to adequately address enforcement priorities for commercial cannabis activities, including restricting access to the public and to minors and ensuring that cannabis and cannabis products are only obtained from and supplied to other permitted licensed sources within the state and not distributed out of state. The applicant will prevent anyone from under the age of 21 (or 18 with a valid physician's recommendation) from entering the retail facility by reviewing valid forms of identification in the screening lobby, before allowing access into the retail sales area.

Signage will be posted at the entrances to limited access areas, clearly indicating that only employees are permitted beyond these points. Access to these areas will be restricted based on employee roles, with keys and credentials distributed and collected at the beginning and end of each shift. The product intake area will feature a covered, gated entry with an electronically controlled swinging door for secure access.

Upon intake, a manager will examine goods for compliance with state packaging and labeling compliance, while verifying the sell-by dates, expiration dates and general condition of goods prior to acceptance. In accordance with state law, the applicant will use Metrc, the state's track-and-trace program which is designed to track the movement of cannabis products from seed to sale, ensuring compliance with state laws and regulations.

4.4.4 Cannabis Odor

Commercial cannabis activities must be conducted in a manner that prevents cannabis odors from being detected offsite (Section § 17.86.080(E)(5)(c)). The applicant prepared an Odor Control Plan as part of their application packet, stating that all cannabis goods will be received in final form packaging with a tamper-evident seal, which significantly reduces odor. Odor control has been addressed as a condition of approval, requiring the operator to implement and maintain an effective ventilation and filtration system that prevents cannabis-related odors from escaping the premises. This condition creates an enforceable mechanism, allowing the City to take corrective actions if odors are detected beyond the building or on adjacent properties. Compliance with this condition will be monitored through inspections and complaints, ensuring that odor impacts on surrounding areas are minimized.

4.4.5 Hours of Operation

Hours of operation proposed by the applicant are 7:00 a.m. to 9:00 p.m. Monday through Sunday, consistent with requirements set forth in Section § 17.86.080(E)(10)(v).

4.4.6 Location and Number of Facilities

Zoning Regulations mandate that cannabis retail storefront businesses be located at least 1,000 feet from schools (of any level), public parks, and playgrounds; at least 600 feet from licensed daycare centers; and at least 300 feet from any residentially zoned area within the Cannabis Business Zone (Section § 17.86.080(E)(10)(iii)). Cannabis retail storefronts are limited to three facilities within the City (Section § 17.86.080(E)(10)(b)(ii)). Additionally, cannabis retail storefront businesses must be separated by at least 1,000 feet from other cannabis retail storefront businesses (§ 17.86.080(E)(10)(b)(iv)). The two other retail storefronts in the City, Megan's Organic Market at 280 Higuera Street and SLOCAL Roots at 3535 South Higuera Street, are both more than 1,000 feet from the subject site. A Sensitive Use Map has been submitted with the application and is attached for reference (Attachment E).

5.0 ENVIRONMENTAL REVIEW

The project is categorically exempt from the preparation of environmental documentation under the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301 (Existing Facilities). The project is consistent with General Plan policies for the land use designation and is consistent with the applicable zoning designation and regulations. The project consists of the operation of existing, private structures that involves negligible expansion of use beyond existing and historical uses as an orthotic and prosthetic sales facility (Hanger Clinic), as described in CEQA Guidelines § 15301 (Existing Facilities). The project site is not on a list of hazardous waste sites and does not contain a significant historical resource. The property is less than one acre in size and is surrounded by urban uses that have no value as habitat for endangered, rare or threatened species as the site is located on an existing developed property and is almost entirely paved. The site is served by required utilities and public services.

6.0 OTHER DEPARTMENT COMMENTS

The project has been reviewed by the Building Division, Engineering Division, Planning Division, Utilities Department, and Fire Department. As noted above, the Security Plan was reviewed and approved by the City Police Department. Any conditions of approval or informational notes from these departments and divisions have been incorporated into the Draft Resolution (**Attachment A**) for project approval.

7.0 ALTERNATIVES

- 1. **Continue the item**. An action to continue the item should include a detailed list of additional information or analysis required to make a decision.
- 2. Deny the item. Deny the project based on findings of inconsistency with State law, the General Plan, Zoning Regulations, and/or other pertinent City standards. This is not recommended as the applicant has already received a contingent operator permit and the Conditional Use Permit application demonstrates consistency with all applicable local and state requirements governing commercial cannabis activity.

8.0 ATTACHMENTS

- A Draft PC Resolution (USE-0266-2024)
- B Project Site Plan
- C Project Floor Plan
- D Operations Plan (Excerpts)
- E Sensitive Use Map

RESOLUTION NO. PC-XXXX-24

A RESOLUTION OF THE CITY OF SAN LUIS OBISPO PLANNING COMMISSION GRANTING A CONDITIONAL USE PERMIT FOR THE ESTABLISHMENT AND OPERATION OF A CANNABIS RETAIL STOREFRONT. THE PROJECT IS EXEMPT FROM ENVIRONMENTAL REVIEW (CEQA) AS REPRESENTED IN THE PLANNING COMMISSION AGENDA REPORT AND ATTACHMENTS DATED SEPTEMBER 11, 2024 (2400 BROAD STREET; USE-0266-2024)

WHEREAS, the Planning Commission of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California on September 11, 2024, for the purpose of considering a Conditional Use Permit application USE-0266-2024 for establishment and operation of a cannabis retail storefront; and

WHEREAS, notices of said public hearing were made at the time and in the manner required by the law; and

WHEREAS, the Planning Commission has duly considered all evidence, including the testimony of interested parties and the evaluation and recommendations provided by staff, presented at said hearing.

NOW, THEREFORE, BE IT RESOLVED, by the Planning Commission of the City of San Luis Obispo as follows:

SECTION 1. Findings. Based upon all evidence, the Planning Commission makes the following findings in support of approval of the Conditional Use Permit:

1. The project complies with the applicable provisions of the San Luis Obispo Municipal Code (SLOMC), specifically Chapter 9.10 (Cannabis Regulations) and Section § 17.86.080 (Zoning Regulations for Cannabis Activities) because the applicant has secured a Contingent Operator Permit to conduct commercial cannabis activity, and upon approval of a Conditional Use Permit, will be eligible to obtain a Final Operator Permit from the City and a Type 10 storefront retailer license from the California Department of Cannabis Control (DCC). The project, as proposed, meets all operational requirements set forth in Chapter 9.10, including reporting, inspection, and security measures, and the applicant is required to maintain ongoing compliance with these regulations. The proposed location is within a zone designated for cannabis retail use, and the project complies with all applicable development standards including adherence to an Operations Plan, Security Plan, Waste Management Plan, and Odor, Noise and Light Management Plan.

- 2. The proposed use is consistent with the General Retail (G-R) designation as described in the General Plan Land Use Element. The General Retail designation is intended to accommodate businesses providing goods and services to meet the needs of city residents and nearby county communities. A cannabis retail storefront operates similarly to other retail establishments, engaging in direct sales of goods to consumers, which aligns with the permitted uses in the General Retail zone.
- 3. The project is consistent with the goals of the Broad Street Area Special Focus Planning area because it will contribute to the visual improvement and economic revitalization of the surrounding area.
- 4. The proposed use is consistent with the intent of the Cannabis Business Zone (CBZ) Overlay. This overlay establishes specific land use controls for areas zoned to accommodate cannabis-related businesses. The proposed project complies with the Zoning Regulations, as cannabis retail storefronts are permitted within the Retail Commercial (C-R) Zone under the CBZ Overlay, subject to the approval of a Conditional Use Permit. The project also meets the required buffer distances from sensitive land uses, including schools, parks, and residential areas, thereby satisfying the location criteria established in the CBZ Overlay.
- 5. The site is adequate for the project in terms of size, configuration, topography, location, and other applicable features, and has appropriate access to public streets with adequate capacity to accommodate the quantity and type of traffic expected to be generated by the use.
- 6. The project will not be detrimental to the health, safety and welfare of persons living or working at the site or in the vicinity because the cannabis retail storefront does not present a potential threat to the surrounding property and buildings. This project is subject to the Conditional Use Permit requirements, City regulations, and California Building Code requirements designed to address health, safety, and welfare concerns.
- 7. The applicant prepared a Security Plan that addresses both state-wide regulations of the Department of Cannabis Control and concerns of the City Police Department.
- 8. The cannabis retail storefront, as proposed, will comply with all the requirements of the State and City for the dispensing of cannabis, including dual licensure and participation in an authorized track and trace program.

Planning Commission Resolution No. PC-XXXX-2024 USE-0266-2024 (2400 Broad Street)
Page 3

SECTION 2. Environmental Determination. The project is categorically exempt from the preparation of environmental documentation under the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301 (Existing Facilities). The project is consistent with General Plan policies for the land use designation and is consistent with the applicable zoning designation and regulations. The project consists of the operation of existing, private structures that involves negligible expansion of use beyond existing and historical uses as an orthotic and prosthetic sales facility (Hanger Clinic), as described in CEQA Guidelines § 15301 (Existing Facilities). The project site is not on a list of hazardous waste sites and does not contain a significant historical resource. The property is less than one acre in size and is surrounded by urban uses that have no value as habitat for endangered, rare, or threatened species as the site is located on an existing developed property. The site is served by required utilities and public services.

SECTION 3. Action. The Planning Commission hereby approves the Conditional Use Permit application USE-0266-2024 for a cannabis retail storefront project at 2400 Broad Street subject to the following conditions:

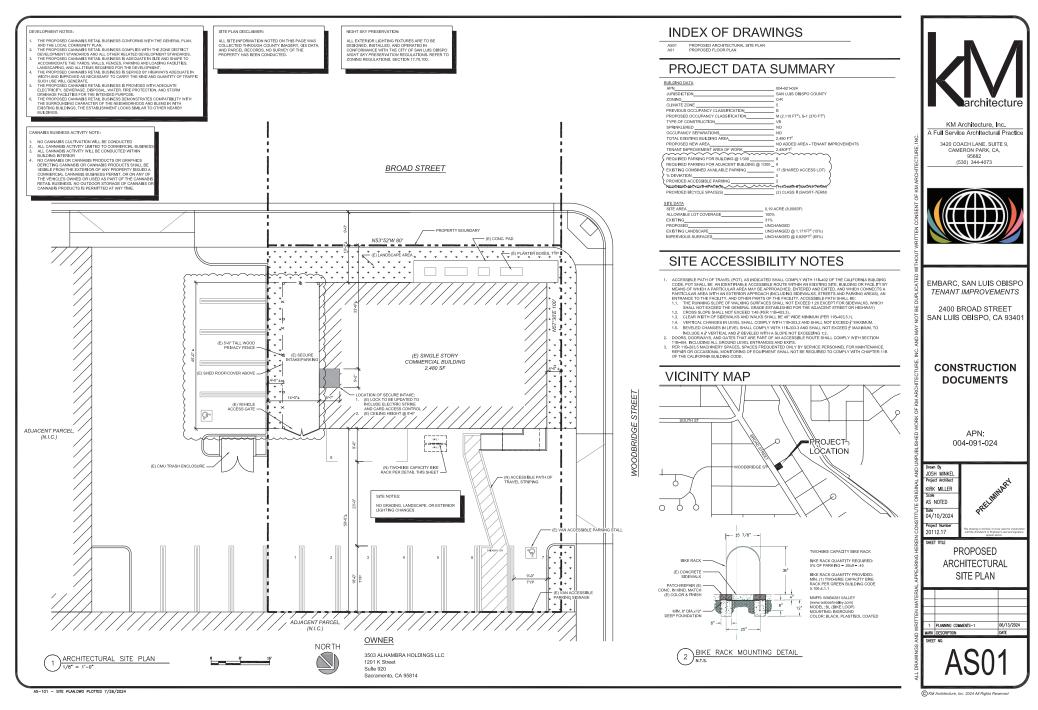
- 1. The proposed use shall operate consistent with the project description and other supporting documentation submitted with this application unless otherwise conditioned herein, including, but not limited to the Operations Plan; Chapter 9.10 of the Municipal Code; and Section § 17.86.080 of the Municipal Code. This Conditional Use Permit shall be reviewed by the Community Development Director if any reasonable written complaint is received from any citizen or from the Police Department or upon receipt of evidence that the use is not in compliance with conditions of approval or the Municipal Code. The Community Development Director may refer the complaint to the Planning Commission at his/her discretion and conditions of approval may be added, deleted, or modified or the Conditional Use Permit may be revoked to ensure on-going compatibility between uses on the project site and other nearby uses.
- 2. The applicant shall obtain and maintain a Commercial Cannabis Operator Permit from the City and any appropriate state licenses.
- 3. The applicant shall pay all applicable current and future state and local taxes and all applicable commercial cannabis fees and related penalties established by City Council, including but not limited to applications, administrative review, inspections, etc.
- 4. All owners, principals, property owners and employees must undergo background checks and be vetted in accordance with state law and local cannabis regulations. No employee with a disqualifying criminal record, as defined by state law, shall be employed at the cannabis retail storefront.

- 5. Minors under the age of 18 are prohibited from entering the cannabis retail storefront. Individuals aged 18 to 20 with a valid medical cannabis identification card, in compliance with California state law, may enter the premises, while all other persons under 21 without a valid medical ID are prohibited, even if accompanied by a parent or guardian.
 - 6. Outdoor storage of cannabis or cannabis products is prohibited.
- 7. The operator shall implement and maintain a ventilation and filtration system to prevent odors from escaping the premises. Odors must not be detectable outside the building or in adjacent properties.
- 8. Any parking lot lighting installed on the site by the applicant shall be night sky compliant. The Community Development Director may modify this requirement upon a determination that such lighting would not be conductive to the safety of the public or would not meet the requirements of the California Building Code, while maintaining consistency with the intent of the City's Lighting and Night Sky Ordinance.
- 9. All business operations, including deliveries and waste collection, shall adhere to the City's noise control regulations. Noise levels must be minimized to avoid disturbance to nearby residential and commercial areas.
- 10. The operator shall ensure full compliance with the most recent editions of the ADA Standards for Accessible Design and the California Building Code (CBC), implementing all required accessibility and safety measures in the design and operation of the cannabis retail storefront.
- 11. The operator shall obtain a building permit from the City prior to commencing any physical work on the premises, ensuring that all construction activities are reviewed and approved in accordance with City regulations.
- 12. Prior to the issuance of a building permit, the applicant shall record a Community Benefits Agreement, reflecting the community and environmental commitments from the Commercial Cannabis Operator Permit application, which were evaluated in the scoring process, in a form approved by the City Attorney.

Planning Commission Resolution No. PC-XXXX-2024 USE-0266-2024 (2400 Broad Street) Page 5

13. The applicant shall defend, indemnify, and hold harmless the City and/or its agents, officers, and employees from any claim, action, or proceeding against the City and/or its agents, officers, or employees to attack, set aside, void, or annul the approval by the City of this project, and all actions relating thereto, including but not limited to environmental review ("Indemnified Claims"). The City shall promptly notify the applicant of any Indemnified Claim upon being presented with the Indemnified Claim, and City shall fully cooperate in the defense against an Indemnified Claim.

Upon motion ofthe following roll call vote:	, seconded by _		and on
AYES: NOES: ABSENT:			
The foregoing resolution was passed	and adopted this	day of	2024.
		Brian Leveille Planning Co	



GENERAL NOTES

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- SALES AREA COUNTERS SHALL BE PROVIDED WITH AN ACCESSIBLE COUNTER WITH A 30"x45" CLEAR FLOOR AREA ARRANGED FOR PARALLEL APPROACH PER CBC 11B-305.5(B)
- MAXIMUM HEIGHT OF THE ACCESSIBLE COUNTER IS 34" AFF
- THE ACCESSIBLE COUNTER SHALL EXTEND THE FULL DEPTH OF THE SERVICE COUNTER AND SHALL BE A MINIMUM LENGTH OF 38° WITH 30° x48° CLEAR FLOOR AREA PER CBC 118-305.5(8)

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REFER TO NOTES 6-8 THIS SHEET FOR EGRESS DOOR REQUIREMENTS:

SECURE STORAGE AREAS

FINISH NOTES

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(530) 344-4073

EMBARC, SAN LUIS OBISPO TENANT IMPROVEMENTS

2400 BROAD STREET SAN LUIS OBISPO, CA 93401

CONSTRUCTION **DOCUMENTS**

> APN: 004-091-024

> > 06/13/2024

JOSH MINKEL KIRK MILLER AS NOTED 04/10/2024 Project Numbe 20112.17 PROPOSED FLOOR PLAN 1 PLANNING COMMENTS-1

102 RETAIL SALES AREA 103 STAFF SALES AREA 108 101 109 IT/JAN 106 OFFICE NOTE #4. THIS SHEET

PROPOSED FLOOR PLAN

A01 - FLOOR PLAN.DWG PLOTTED 6/21/202-



OPERATIONS PLAN

Applicant: Embarc San Luis Obispo

Project Address: 2400 Broad Street, San Luis Obispo, CA

Contact Name: Dustin Moore

Contact Email: Dustin@goembarc.com

Contact phone: 831.917.2533

SECURITY PLAN

Embarc San Luis Obispo has developed a comprehensive Security Plan and will implement and maintain strict procedures to ensure the health, safety, and security of employees, customers, and the San Luis Obispo community relative to Embarc's operations. The plan below has been prepared by professional security consultant Matt Carroll.

Transparency and communication with the San Luis Obispo Police Department are critical to successful operations. While we believe the following security measures demonstrate an unparalleled understanding of security and compliance based on our professional security consultant's significant relevant experience and our existing operations, we welcome the opportunity to partner with the San Luis Obispo Police Department to further detail and/or modify the Security Plan components to align with the Department's goals.

Foreword

Embarc acknowledges that there are risks in operating a cannabis-related business, including burglary, robbery, theft, diversion, minors accessing the premises or products, and risks to the safety of employees, visitors, and the general public. Embarc is committed to ensuring a safe environment that mitigates as much risk as reasonably possible. Risk mitigation strategies include, but are not limited to, implementing those security requirements mandated by the California Code of Regulations, Title 4, Division 19: Department of Cannabis Control (DCC) Medicinal and Adult-Use Commercial Cannabis Regulations and all applicable locally instituted commercial cannabis regulations.

This Plan will be implemented by Embarc's appointed Security Director and will be maintained to ensure its relevancy and efficacy throughout the life of the business. The plan will be audited at least annually thereafter, and immediately following any significant security breach or security incident to ensure that the plan remains effective and that areas needing improvement are addressed as they are discovered. The plan will remain available for review by regulatory agencies, and Embarc will work collaboratively with the Police Department and other agencies as necessary to ensure that the plan meets or exceeds those minimum requirements imposed by regulatory agencies and legislative changes.

The plan is intended to serve as a living document governing the business' security during its design and throughout operations. Embarc will maintain an Appendix containing current security policies and those records relating to security equipment, contracts, warranties, equipment specifications, maintenance schedules, access logs, training logs, and evidence of compliance with the routine security auditing aspects called for in this plan. The plan will be maintained in a manner that ensures sufficient detail is available to future managers who may be required to assume responsibilities as the Security Director. The plan will be held in confidence, stored securely, and accessible only to Managers and owners.

Security policies, procedures, and practices that are relevant to non-managerial employees, vendors, and visitors will be parsed from this plan and provided to such persons in a format appropriate for their training, testing, and accountability with respect to the plan.

Core Tenets

The following Security Plan is built on four critical program elements:

MANAGEMENT LEADERSHIP & EMPLOYEE INVOLVEMENT: Embarc will commit the necessary financial, human, and time resources to ensure that all persons on the premises are protected from the identified and typical safety hazards associated with our operations. Management leadership will be responsible for leading the design, implementation, and continuous improvement of the site's safety procedures, including avenues for employee involvement in safety decision making and problem solving. Activities will include designated safety observers, peer safety training, analyzing and protecting against safety hazards, and planning activities to heighten safety awareness. Our team will ensure that visitors to the site do not introduce preventable safety hazards and have knowledge of safety procedures applicable to the purpose and function of their visit.

WORKSITE SAFETY ANALYSIS: Embarc has and will continue to engage outside consultants as necessary to conduct baseline surveys that identify and develop preventative controls to address potential facility safety hazards. Management and employees will work together to organize and conduct site inspections to continually address safety hazards and ensure safety remains top of mind in every aspect of our operations.

HAZARD PREVENTION & CONTROL: Management and employees will work together to analyze safety hazards inherent to job functions and will find means to eliminate those hazards whenever possible.

COMPREHENSIVE ONGOING TRAINING: Employee involvement in our safety program is only successful when everyone receives sufficient training to understand how to fulfill their safety responsibilities and opportunities. All employees will be trained in an initial and ongoing capacity to recognize safety hazards and to report any hazard found to the appropriate team member so that it can be corrected as soon as possible. Safety procedures will be integrated into initial and ongoing employee training and will be provided to visitors on a case-by-case basis as it becomes relevant.

These core tenets have worked successfully across Embarc's existing operations to protect public and employee health and safety and will be similarly deployed here if selected to operate locally.

Plan Developer

This security plan was developed by Matt Carroll – the Security Chief of Embarc and the founder of Carroll Security Consulting, LLC (CSC). Unlike the masses who contract CSC for a limited engagement aimed at developing a security plan for application purposes, Embarc has retained CSC as a contract employee since inception. Beyond developing security plans for Embarc, CSC provides ongoing support, oversight and auditing of security services and strategies across Embarc's network of storefront retail locations in California.

Matt holds an A.A. in the Administration of Justice (Shasta College, 1997), is a graduate of a California Peace Officer Standards and Training Academy (Sacramento County Sheriff's Training Center, 1998), holds a B.S. in Criminal Justice (Sacramento State University, 2000), is a tactical communication instructor through the Verbal Judo Institute (2000), is a Crime Prevention Through Environmental Design practitioner (National Institute of Crime Prevention, 2009) and is an Emergency First Response Instructor (Emergency First Response).

Matt served in public law enforcement from 1997–2006 with the Sacramento County Sheriff's Department and the Sacramento-Yolo Port District Police Department. As port police officer, Matt was tasked with bringing the Port of Sacramento into compliance with post 9/11 maritime security requirements. This involved extensive security planning, development and implementation of access control, training and maintenance protocols, management of quarterly drills and semi-annual exercises in collaboration with the Federal, State, and local allied agencies. Matt's Facility Threat

Assessment and Facility Security Plans for the Port of Sacramento were deemed model plans and were later used by the US Coast Guard as templates to assist other western seaboard ports in the development of their own plans.

Matt served in the loss prevention and private patrol marketplaces from 1995–2020, serving in a range of capacities from covert surveillance to uniformed patrol & guard services to ownership of several security businesses based in the City of Sacramento. In 2003, Carroll co-founded Paladin Private Security in Sacramento (PPO 15029). Paladin was the largest mobile patrol service to operate from a single location anywhere in the United States; deploying upwards of eighty patrol cars daily at its peak and employing over two hundred, predominantly armed, security officers. Paladin served the security needs of commercial, residential, educational, entertainment, transportation, government, and cannabis entities. Matt co-founded the Sacramento Security Training Center (SSTC), a state licensed security and firearms training center (TFF1511, TFB1320) and Emissary Secure Transport (cannabis-exclusive armored carrier licensed by the California Highway Patrol).

As Matt's work in the security planning arena grew, Matt sold his interest in Paladin, SSTC and Emissary in order to focus his energies fulltime on consulting and planning services. Since 2015, Matt has been consistently engaged by the commercial cannabis industry on a national scale. To date, Matt has developed over 740 commercial cannabis security plans in 16 states – although predominantly in California. Matt's work in this regard has also attracted the public sector.

Since 2016, Matt has remained under contract with the Dixon Police Department and the Benicia Police Department as their cannabis security and compliance auditor. As a police consultant, Matt trains police and code enforcement personnel on cannabis regulations, assists in developing local regulations, reviews/scores cannabis business applications, interviews cannabis business applicants and conducts periodic security audits of cannabis businesses on behalf of those police departments contracting his services.

Matt has served as a subject matter expert in several civil litigation cases stemming from injury/death of cannabis retail workers. In developing security plans, Matt incorporates his far-reaching education and experience from nearly three decades of security and policing experience toward the creation of a premises that is an inherently unattractive target for external and internal threats alike—supported by detailed operating protocols.

Preventing Trespass

Embarc's proposed premises is a stand-alone business upon a single occupancy parcel. This affords Embarc both power and accountability as it relates to maintaining the premises free of trespassers, loiterers, or any other activities unrelated to the permitted business operations. Where a premises is collocated within a common interest development, an inherent lack of control and diminished ability to affect enforcement action results by virtue of California statutes limiting standing to those who are lawfully in charge of a premises. In the case of a multi-tenant environment (e.g. a "strip mall"), those persons unwanted by one business may be welcome guests of another – thus inhibiting the ability to lawfully control the conduct of all persons upon and about the premises.

Limited Access Areas

As outlined on the diagrams incorporated herein, all areas of the premises where cannabis goods will be stored, loaded, unloaded, or moved within the premises will be designated as limited access areas and restricted to specified employees based upon their role(s). All doors accessing a limited access area will be equipped with signage indicating the area beyond as a limited access area that is restricted to employees. Employee access to limited access areas will be role-based, with keys and credentials issued and collected daily during staff arrivals and departures.

Securing Cannabis and Cannabis Products

The customer-accessible retail areas of the premises will not contain live packaged cannabis goods. Displays accessible to customers will be empty packages and will be labeled as such (e.g. "Display Only – Does Not Contain Cannabis"). Cannabis will be stored and secured in three distinct manners within the premises:

Retail Delivery

Embarc is not engaged in Delivery at this time. Embarc will provide an addendum to this plan prior to initiating delivery operations.

Duty to Cooperate

Embarc will cooperate with the City of San Luis Obispo whenever the City Manager, or his or her designee, makes a request, upon reasonable notice, to inspect or audit the effectiveness of any Security Plan or any other requirement of State or Local regulations.

Crime Reporting

Within 24 hours of discovering a significant discrepancy in inventory, diversion, theft, loss, criminal activity by an employee or agent of the business, the loss or alternation or records or any other breach in security, Embarc will notify the San Luis Obispo Police Department. For the purposes of this section, a significant loss will be recognized by Embarc as a 5% discrepancy in its inventory as is the standard used by the State of California, or as is otherwise promulgated by the San Luis Obispo Police Department.

Restriction OF ACCESS BY MINORS

All patrons will be verified as 21 and over or 18 and over with a valid physician's recommendation prior to being allowed anywhere in the facility where commercial cannabis activity occurs.

EMPLOYEE SAFETY AND TRAINING PLAN

Embarc acknowledges that it bears the ultimate responsibility for security of the premises. The management team is responsible for all aspects of this security plan, including management of all security technology, transportation security, access control to facilities, training of employees, visitors and for the contracting and supervising of licensed security contractors. The Security Director or designated Manager on site will be responsible for theft prevention, plan auditing, systems testing and for ensuring that minors do not enter the premises.

The Security Director or designated Manager on site will ensure that all employees understand their respective security roles and responsibilities including the chain of command (in the event of any security breach). Employees at all levels will be trained to:

- Identify threats and vulnerabilities;
- Implement mitigating strategies;
- Understand when and why they could be targets; and
- How to respond accordingly.

Staff will be tested no less than annually regarding their knowledge of the premises' security strategies. Development of policies and procedures will be ongoing during and after the initial security planning process. The Security Director will continuously audit the Security Plan as the business evolves and will ensure appropriate training of employees as new procedures are implemented. To demonstrate that the employee understands the content of training delivered, all employees will be required to undergo an assessment. Assessments will include, at minimum, a hands-on demonstration by the employee as it relates to security policies or procedures included in the training.

Embarc will conduct regular drills at the premises to ensure that all employees understand how to respond to various emergencies or threats at the premises. Fire drills, armed robbery and burglary discovery drills are examples of drills that may be conducted on the premises as part of comprehensive security training.

Mandatory Security Training of Personnel

Employees working in the premises will complete introductory training relating to facility security prior to engaging in work on the premises. Training will include, at minimum, the following:

- Operation of security equipment within the scope of role(s);
- Inspecting and monitoring security equipment within the scope of role;
- Emergency notifications, response and reporting procedures;

- Effective patrolling of the premises;
- Identifying opportunities for diversion;
- Securing the premises and assigned work areas;
- Critical incidents, situational policies and procedures; and
- Proper method for securing cannabis and currency at the end of each work day.

Burglary/Theft Prevention Training

This facility maintains an array of security devices including contacts, motion sensors, cameras and related hardware. These devices are critical to the overall security of the premises and caution must be exercised by all occupants to ensure their continued effectiveness. Employees will be trained to:

- Report any damage to a security component immediately;
- Not tamper with any security component;
- Not block or cover any security component; and
- Not block access to security panels.
- Secure all doors when not in active use;
- Not prop any exterior door open for any reason at any time;
- Check the video monitor for unusual activity outside prior to exiting;
- Use the monitors to ensure no persons are lying in wait outside the door; and
- Not open any exterior door unnecessarily.
- Keep security procedures are confidential. Never discuss with third parties;
- Report any unusual behaviors or activities of others to the on-duty manager;

Managing Burglaries

- If evidence of a burglary is encountered (damaged door/window, evidence of ransacking), immediately notify the on-duty manager;
- Do not touch or move anything. Preserve the crime scene;
- Immediately secure all relevant areas and prevent anyone from entering; and
- Notify police via the non-emergency number.

In order to reduce take-over robbery attempts by way of employee ambush on departure, facility security policy requires that employees departing from work:

- Depart in pairs or groups;
- Depart only through the lobby doors, and only upon reviewing external camera views to ensure that no suspicious persons or activity are afoot nearby; and
- Immediately depart the premises and adhere to a strict prohibition of loitering on or about the premises.

CANNABIS INDUSTRY HEALTH AND SAFETY

All employers in the cannabis industry, including those who cultivate, manufacture, distribute, sell, and test marijuana products, must take steps to protect their employees from all health and safety hazards associated with their work.

Injury and Illness Prevention Program (IIPP)

Employers in California are required to take steps to protect workers from all workplace hazards that can cause injuries and illnesses. To protect workers, Embarc will establish, implement, and maintain an effective written Injury and Illness Prevention Program (IIPP). The IIPP includes many elements, such as procedures to identify and correct health and safety hazards in the workplace, provide effective training to all employees so they can perform their job safely and more.

Cal/OSHA 30-Hour General Industry Training Requirement

In accordance with the California Business and Professions Code, section 26051.5, employers with two or more employees must ensure one supervisor and one employee have successfully completed a Cal/OSHA 30-hour general

industry outreach training course offered by a training provider that is authorized by an OSHA Training Institute (OTI) Education Center.

ODOR CONTROL PLAN

As cannabis is legalized across the country, significant research is being undertaken to better understand odor intensity at each point in the cannabis supply chain. These findings are integral to ensuring air quality management best practices are in place specific to each use type.

One example of the research driving the development of best practices can be seen in the City of Denver's Public Health and Environment Guide to reducing the impact of cannabis operations on air quality. Per this Guide, odor generation is typically associated with the cultivation and manufacturing of cannabis, as both processes are odor intensive, and not with retail operations given all products arrive in their final form.

California law requires that all products arrive at a retail establishment fully processed, tested, packaged, and sealed in child resistant packaging. Because all products arrive at Embarc retail stores in their final packaged form, there are virtually no odors associated with this license type. Specifically, per State law, all packaging will protect the product from contamination; be tamper evident and sealed so the contents cannot be opened without destruction of the seal; and be child resistant as stipulated by the California Department of Public Health Code (40415).

Our proposed dispensary will receive, store, and sell packaged products in their final form. Consequently, it is highly improbable that any on-site product will emit a strong odor. Nevertheless, this section contains an overview of Embarc's comprehensive Odor Management Plan designed to ensure odors are undetectable.

Embarc is committed to mitigating any odors associated with our facility and will be responsive to the odor control requirements set forth in the applicable state and local regulations. Embarc's odor mitigation practices are intended to serve the following purposes:

- To ensure that air circulation resulting from Embarc retail operations does not impact our employees' health and welfare;
- To ensure that air circulation resulting from Embarc retail operations does not impact surrounding businesses and outdoor areas; and
- To ensure thoughtful operations that demonstrate a true commitment to the health and welfare of the City and its residents.

Embarc San Luis Obispo will employ industry-leading best practices to ensure regulatory compliance and nuisance mitigation regarding potential odor through a combination of high-tech air scrubbing and carbon filtration systems, negative air pressure, and other odor mitigating techniques to ensure cannabis odors are not detectable off-site. Appropriate air purification systems and air scrubbers will be utilized to prevent the odor of cannabis from emanating beyond the walls of the premises. Embarc's odor management plan contemplates the following critical components:

PHYSICAL INFRASTRUCTURE: Embarc's approach to retail design contemplates the importance of physical infrastructure necessary to mitigate odors, including those outlined above. It also includes a multi-room entrance area prior to accessing the Retail Sales Area to ensure no odor associated with displays are detectable beyond our doors.

BEST PRACTICES: Embarc will employ industry-leading best practices to prevent odors from being generated and/or detected inside or outside the facility. Embarc will provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the business that is distinctive to its operation is not detected anywhere outside of the facility and will utilize carbon and charcoal filtration as appropriate to cleanse the air.

COMMUNITY ENGAGEMENT & RESPONSIVENESS: In addition to physical infrastructure designed to mitigate odors, an important component of our odor control plan is community engagement and responsiveness. While our facility is designed to eliminate odors, we recognize that any new cannabis use, even if that use is not odor-generating, can result in questions and concerns from community leaders, residents, and businesses. Thus, a critical component of our

Odor Management Plan is a robust community responsiveness protocol designed to be proactive in addressing community questions and diligent in responding to concerns.

INTERNAL PROCESS OWNERSHIP: Embarc's retail management structure ensures that there is at least one manager on-site during working hours. All managers and staff are trained extensively on standard operating procedures, including the odor management protocols outlined in this proposal. Managers are responsible for ensuring any odor issues are resolved promptly and that the resolution is communicated effectively both internally and externally.

Many of Embarc's odor mitigation practices overlap with its hygiene protocols. Embarc will train all employees to maintain a sanitary facility reinforced by anti-contamination standard operating procedures. Per regulations, Embarc prohibits any employee or patron from consuming cannabis within or outside our licensed facility. To further minimize or eliminate odors emitted to the surrounding community, no cannabis will be stored or displayed in an area accessible to the general public or stored overnight outside of the building.

Through our leadership team's years of operating cannabis facilities and the lessons learned at our operational locations, we have developed protocols and procedures to mitigate and eliminate any potentially offensive odors that could be detectable by the surrounding community. Thus, our administrative controls have been field-tested and proven effective. They have been designed to ensure that no odors will be detectable outside of our facility.

The General Manager will ensure all odor-producing activities are isolated and mitigated and will perform routine audits to ensure that odor mitigation equipment, filters, and ventilation are working effectively and in good order.

Each employee will be trained to ensure that all doors remain closed and odor-emitting activities are isolated. If an employee notices any equipment malfunction, he or she is required to immediately report the situation to the General Manager, who will develop a plan of action to repair or replace the equipment.

Odor mitigation practices are only as good as their implementation. As a result, Embarc's Odor Management Plan seeks to be all-encompassing, focused not only on the mitigation of odors but also on the ongoing maintenance of best practices with clearly defined process ownership, community engagement, and communications protocols. It is this level of detail that ensures effective ongoing odor management is achieved.

As a component of our proposed Good Neighbor Policy, Embarc will be responsible for the development, implementation, and maintenance of a localized Odor Management Plan. This includes maintenance of all records relating to odor management, including system installation, maintenance, equipment malfunctions, and deviations from the plan.

The General Manager will verify the effectiveness of the air quality management system weekly by physically inspecting the system by listening for the sound of the system, visually ensuring the lights are on and the system is functioning and verifying there is no odor. The General Manager will log that the system has been checked weekly in an odor control maintenance log.

If Embarc receives an odor complaint, the General Manager will:

- 1. Log the date, time, source, contact information and description of the complaint.
- 2. Within 30 minutes, the General Manager will identify the source of the odor by physically inspecting the facility for any unpackaged cannabis product that may be emitting odor. This includes inspection of all areas of the retail premises including secure storage area and retail floor, or any other areas where cannabis products are featured or stored.
- 3. Upon identification of the source of odor, the General Manager will dispose of the cannabis product in a secure and air-tight waste disposal area and log the disposal in the track and trace system as well as the odor control log.
- 4. The General Manager will also physically inspect the odor control system, within 30 minutes of receiving an odor complaint, to ensure it is functioning properly.

5. If the General Manager identifies that the odor control system is malfunctioning, the General Manager will immediately contact the manufacturer.

The General Manager will determine if the issue can be addressed with the manufacturer over the telephone and, if not, will schedule the first available appointment with the manufacturer to visit the retail facility to physically inspect the odor control system. If the odor control system cannot be fixed, the General Manager will immediately place an order for the first available replacement part or new system.

The General Manager will immediately communicate the complaint and resolution to Embarc's executive management team via email within 2 hours. The General Manager will discuss the source of the odor complaint or issue and its resolution with the retail team at the next team meeting to develop and implement procedures to avoid a future odor complaint.

WATER EFFICIENCY PLAN

Embarc, as a responsible business operator, fully understands and appreciates the importance of efficient water usage, particularly in regions such as ours, where water is a precious resource. We are committed to ensuring that our proposed retail storefront maintains a minimal impact on the local water supply.

Our proposed operation, which primarily involves the retail sale of cannabis products, inherently demands significantly less water compared to many other commercial entities, including other commercial cannabis businesses, such as testing laboratories, cultivation facilities, and manufacturers. Water usage in our retail store will be limited to basic needs, such as sanitation purposes (handwashing), restroom facilities (toilet flushing), and drinking water—all of which represent minimal demand.

We have taken diligent steps to ensure the adequacy of the water supply for our intended use. The property owner and Embarc San Luis Obispo Local Owner, Bill Isaman, has confirmed the current water supply's capacity and reliability to support our low-impact operations. This affirmation corroborates our understanding and commitment to an efficient water use strategy.

Moreover, we also plan to employ water conservation practices within our storefront, such as utilizing low-flow fixtures and encouraging responsible water use among our staff. We will regularly monitor our water usage to ensure that we continue to minimize our impact on the local water supply.

RECYCLING OF WASTE WATER

Embarc's proposed retail storefront will not generate significant wastewater, nor will it involve any water-intensive processes typically associated with wastewater production and recycling.

PLAN TO REDUCE WATER WASTE

Embarc is committed to minimizing our water footprint by incorporating sustainable practices and advocating for responsible water usage among our staff. Our plan for water waste reduction comprises these measures:

ROUTINE MONITORING: We will implement regular checks to monitor our water usage, ensuring it remains at minimal levels and promptly addressing any unexpected spikes which may indicate leaks or overuse.

WATER-EFFICIENT INSTALLATIONS: We will utilize water-efficient equipment, including low-flow toilets and faucet restrictors, to reduce our water consumption. Our choice of hardware and installations prioritizes water and energy efficiency.

REGULAR PROPERTY MAINTENANCE: Embarc understands the importance of preventive maintenance to conserve resources. Regular plumbing inspections will be performed to identify and quickly address any issues, thus preventing leaks and unnecessary water wastage.

We view water as a precious resource, and our operations will reflect this. Embarc's approach aligns with the City's sustainable resource management objectives, and we assure you of our diligence in upholding these values in every facet of our operation.

ENERGY EFFICIENCY PLAN

Embarc's deep commitment to sustainability permeates all aspects of our business model. We place paramount importance not just on the wellness of our clients but also on our environmental footprint. Our President of Development, Terri Gilles, a Leadership in Energy and Environmental Design (LEED) accredited professional, ensures our robust sustainability plan, outlining measures to make our operations as energy efficient as possible, is properly executed.

Our pursuit of energy efficiency also extends to lighting solutions. We have planned to utilize energy-efficient lightemitting diodes (LEDs) for our exterior lighting. Interior lighting, other than in the Retail Sales Area, will operate on occupancy sensors to conserve energy when the building is not occupied.

Energy Star certified appliances will be used across our premises to optimize energy consumption. This includes equipment in the Staff Breakroom and the Product Storage Room. As previously discussed, we also plan to use energy-conserving equipment such as low-flow toilets and faucet restrictors in our plumbing systems.

For the building itself, we have taken the decision to use sustainable building materials. Companies like Blue Planet, which produces carbon neutral concrete products, are on our radar for construction material sourcing. Sustainable wood from responsible tree farms, low VOC architectural paints, and cool roof materials for infrastructure replacement all form part of our sustainable design vision.

Our business also considers transportation as a significant area of focus. Encouraging alternate modes of transport, providing bicycle racks, and incentivizing public transportation are part of our commitment to reducing the carbon footprint of our operations. Additionally, our plan includes using vehicles with reduced emissions for delivery purposes.

With this comprehensive plan, we believe we've identified the most reliable and efficient ways to conduct our business while minimizing our environmental impact. Our methods combine energy efficiency, renewable energy use, waste reduction, and resource conservation, forming a holistic approach toward sustainable operations.

ENERGY EFFICIENT LIGHTING

At Embarc, we recognize that energy-efficient lighting is one of the simplest and most effective ways to reduce our carbon footprint. With this in mind, we have committed to the use of energy-efficient LEDs for our exterior lighting, ensuring energy conservation and reducing greenhouse gas emissions. Additionally, our interior lighting systems (excluding the Retail Sales Area) will operate on occupancy sensors, automatically switching off when the building is unoccupied. This approach ensures optimal energy use without compromising on safety or functionality.

CANNABIS WASTE MANAGEMENT:

Embarc's commitment to sustainable waste management is reinforced by our partnership with Gaiaca, a licensed cannabis waste hauler. Gaiaca is recognized both as a Green Business and Small Business Enterprise (SBE) and is the first fully licensed cannabis waste management company in the nation. Their mission aligns seamlessly with our ethos, providing a compliant and sustainable solution for handling regulated cannabis waste. Gaiaca is dedicated to diverting waste from landfills by implementing innovative methods such as composting, recycling, fuel blending, and waste-to-energy efforts.

RECYCLING & COMPOSTING:

Embarc is committed to sustainable waste management practices, which includes composting and recycling programs. We will have waste receptacles with three compartments for landfill, recycling, and composting in both public and employee areas, with clear signage to educate individuals on proper disposal. The compost compartment will be

reserved for food scraps, food-soiled paper, yard trimmings, and BPI-certified compostable products. We will use BPI-certified compostable products whenever possible. Single-use plastics and styrofoam will not be provided in the employee breakroom. Embarc also encourages vendors to reduce the use of styrofoam and/or plastics and increase composting of materials. We are also working with our distributors to identify vendors with sustainable packaging and will use our purchasing power to encourage sustainable packaging among our vendors.

Display & Visibility

No cannabis products or cannabis accessories will be displayed in windows or be visible from the public right-of-way or from places accessible to the general public. Cannabis and cannabis products will only be stored in the Secure Storage room and the Staff Sales Area. The bulk of inventory will be stored in the Secure Storage room, which will not have any windows. Enough inventory to meet the average daily demand will be stored in the Staff Sales Area. Windows in this area are not located close to the point-of-sale counters where products will be stored. Additionally, these windows will be [tinted/frosted] to obscure the visibility of the cannabis products from the general public outside of the building while still allowing some natural light into the space.

Sensitive Use Map - Daycares



Sensitive Use Map - Parks & Playgrounds



Sensitive Use Map - Residential



Sensitive Use Map - Schools

