



September 7, 2023

MEMO TO: Stanislaus County Planning Commission

FROM: Department of Planning and Community Development

**SUBJECT: CANCELLATION OF DEVELOPMENT AGREEMENTS FOR NON-OPERATING COMMERCIAL CANNABIS PROJECTS**

**PROJECT DESCRIPTION**

This is a request to cancel the adopted Development Agreements (DA) for eight commercial cannabis operations of various types located throughout the unincorporated area of Stanislaus County. The following previously approved commercial cannabis operations have informed the County of their closure and have requested to mutually cancel their respective adopted DA's:

1. General Plan Amendment (GPA), Rezone (REZ), Use Permit (UP) & DA Number (No.) PLN2018-0093 – The Genezen Project (Assessor's Parcel Number (APN) 004-094-017, located at 485 Bitritto Way, in the Modesto area) (Ordinance No. Code Supplement {C.S}. 1279), permitted for cultivation, manufacturing (volatile), distribution, and potential future retail activities.
2. UP & DA No. PLN2018-0129 – Mission Nurseries (APN 048-014-009, located at 2036 Almond Avenue, in the Patterson area) (Ordinance No. C.S. 1252), permitted for mixed light cultivation and nursery activities.
3. UP & DA No. PLN2018-0151 – Prem Gen Corp – Nathan Avenue (APN 036-008-052, located at 2841 Nathan Avenue, in the Modesto area) (Ordinance No. C.S. 1248), permitted for indoor cultivation activities.
4. UP & DA No. PLN2018-0159 – Stockton Business Strategies (APN 016-004-028, located at 1837 Welty Road, in the Vernalis area) (Ordinance No. C.S. 1234), permitted for mixed light cultivation activities.
5. UP & DA No. PLN2018-0163 – Blue Oak Naturals (APN 009-014-025, located at 778 Albers Road, in the Modesto area) (Ordinance No. C.S. 1267), permitted for mixed light cultivation activities.
6. UP & DA No. PLN2019-0092 – Pacific Botanicals, LLC (APN 135-043-031, located at 4100 Bangs Avenue, in the Community of Salida) (Ordinance No. C.S. 1277), permitted for testing activities.
7. UP & DA No. PLN2019-0095 – Central Valley Growers – Howard Road III (APN 016-037-039, located at 3735 Howard Road, in the Westley area) (Ordinance No. C.S. 1287), permitted for mixed light cultivation, nursery, and distribution activities.
8. UP & DA No. PLN2019-0133 – Legacy Nursery – S. Daubenberger Road (APN 044-036-006, located at 2201 S. Daubenberger Road, in the Turlock area) (Ordinance No. C.S. 1283), permitted for nursery activities.

All of the operations listed above are reflected on Exhibit 1 – Map of Development Agreement Cancellation Locations.

Notification of these businesses closing were received by the County at different times over the past three years. Upon notification by the operators, the County's Department of Environmental Resources – Code Enforcement Division inspected each operation to verify commercial cannabis activities had ceased. Additionally, the County verified that any licensure from the State of California, issued through the Department of Cannabis Control (DCC), had been surrendered or expired for each business. Due to their abandonment or non-commencement of activities, each use permit that had been previously approved, has since expired. Additionally, none of the above operations ever received a Commercial Cannabis Activities (CCA) Permit from the County's Treasure Tax Collector, as required by County Code. Although closure of each operation has been verified at different times, the County has since determined that mutual cancellation of the DA associated with each of the operations should be completed and recorded on each property. Once the cancellation is approved, all entitlements allowing for commercial cannabis activities will have been terminated.

## **DISCUSSION**

As required by Section 6.78.060(A)(2) of the Stanislaus County Code, prior to operating in the County, permittees of each commercial cannabis activity are required to enter into a DA with the County, as specified in Title 22 of the Stanislaus County Code, with the County setting forth the terms and conditions under which the commercial cannabis activity will operate. Title 22 specifies that the Planning Commission shall consider adoption, amendment, or cancellation of a DA and provide a recommendation to the Board of Supervisors. As each of the commercial cannabis operations were approved by the Board of Supervisors, an affirmative determination was made that each operation:

- a. Is consistent with the General Plan and any applicable specific plan.
- b. Is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is or will be located.
- c. Is in conformity with and will promote public convenience, general welfare, and good land use practice.
- d. Will not be detrimental to health, safety, and general welfare.
- e. Will not adversely affect the orderly development of property or the preservation of property values.
- f. Will promote and encourage the orderly development of the proposed project by providing a greater degree of requisite certainty.

In accordance with Chapter 22.08.010 of the Stanislaus County Code, and Government Code Section 65868, a DA may be cancelled in whole or in part by mutual consent provided a public hearing is noticed and held by both the Planning Commission and the jurisdiction's Legislative Body (Board of Supervisors) in conformance with Government Code Sections 65090 and 65091. As the cancellation of each of the DA's under consideration has been mutually agreed to, by both the operator and County, the request meets the findings necessary for cancellation.

## **ENVIRONMENTAL REVIEW**

Under California law, each of the above projects was subject to review under the California Environmental Quality Act (CEQA) and individual CEQA determinations were adopted at the time of project approval. The CEQA Guidelines provide that, where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the

environment, the activity is not subject to CEQA. As the mutual DA cancellations will remove authority for development from each parcel, no impacts are anticipated, thus the action of cancellation is not subject to CEQA.

### **RECOMMENDATION**

Staff recommends the Planning Commission recommend approval to the Board of Supervisors to authorize cancellation of each Development Agreement, subject to following actions:

1. Find that the Cancellation of the following Development Agreements are in conformance with Government Code Section 65868 and County Code Section 22.08.010:
  - a. GPA REZ UP & DA No. PLN2018-0093 – The Genezen Project (APN: 004-094-017);
  - b. UP & DA No. PLN2018-0129 – Mission Nurseries (APN: 048-014-009);
  - c. UP & DA No. PLN2018-0151– Prem Gen Corp – Nathan Avenue (APN: 036-008-052);
  - d. UP & DA No. PLN2018-0159 – Stockton Business Strategies (APN: 016-004-028);
  - e. UP & DA No. PLN2018-0163 – Blue Oak Naturals (APN 009-014-025);
  - f. UP & DA No. PLN2019-0092 – Pacific Botanicals, LLC (APN 135-043-031);
  - g. UP & DA No. PLN2019-0095 – Central Valley Growers – Howard Road III (APN 016-037-039); and
  - h. UP & DA No. PLN2019-0133 – Legacy Nursery – S. Daubenberger Road (APN 044-036-006)
2. Approve the cancellation of the following Development Agreements:
  - a. GPA REZ UP & DA No. PLN2018-0093 – The Genezen Project (APN: 004-094-017);
  - b. UP & DA No. PLN2018-0129 – Mission Nurseries (APN: 048-014-009);
  - c. UP & DA No. PLN2018-0151– Prem Gen Corp – Nathan Avenue (APN: 036-008-052);
  - d. UP & DA No. PLN2018-0159 – Stockton Business Strategies (APN: 016-004-028);
  - e. UP & DA No. PLN2018-0163 – Blue Oak Naturals (APN 009-014-025);
  - f. UP & DA No. PLN2019-0092 – Pacific Botanicals, LLC (APN 135-043-031);
  - g. UP & DA No. PLN2019-0095 – Central Valley Growers – Howard Road III (APN 016-037-039); and
  - h. UP & DA No. PLN2019-0133 – Legacy Nursery – S. Daubenberger Road (APN 044-036-006)
3. Order the filing of a notice of Development Agreement Cancellation with the Stanislaus County Clerk Records Office.

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Contact Person: Jeremy Ballard, Senior Planner, (209) 525-6330

Attachments:

Exhibit 1 - Map of Development Agreement Cancellations



# CANCELLATION OF DA'S FOR NON-OPERATING COMMERCIAL CANNABIS PROJECTS

Planning Commission  
September 7, 2023



# Overview

- Mutually cancel the adopted Development Agreement (DA) of eight (8) commercial cannabis operations
  - Various locations and types throughout unincorporated Stanislaus County
  - No longer in business





# Development Agreements

- Required for all commercial cannabis by Chapter 6.78 of County Code
  - Chapter 22 of the County Code regulates agreements
    - Requires Planning Commission recommend action to the Board of Supervisors
- Cancellation of Development Agreements
  - Chapter 22.08.010 of County Code allows for cancellation by mutual cancellation
    - Provided it meets Government Code 65868
      - Public hearing by legislative body

# Correspondence

- Correspondence received too late for the Agenda
  - Received September 1, 2023
  - Brad Johnson

# Environmental Review

- Original Use Permit & Development Agreement adopted individual CEQA determinations
  - Cancellation would remove authority for development
    - No impacts anticipated
  - Action of cancellation not subject to CEQA

# Recommendation

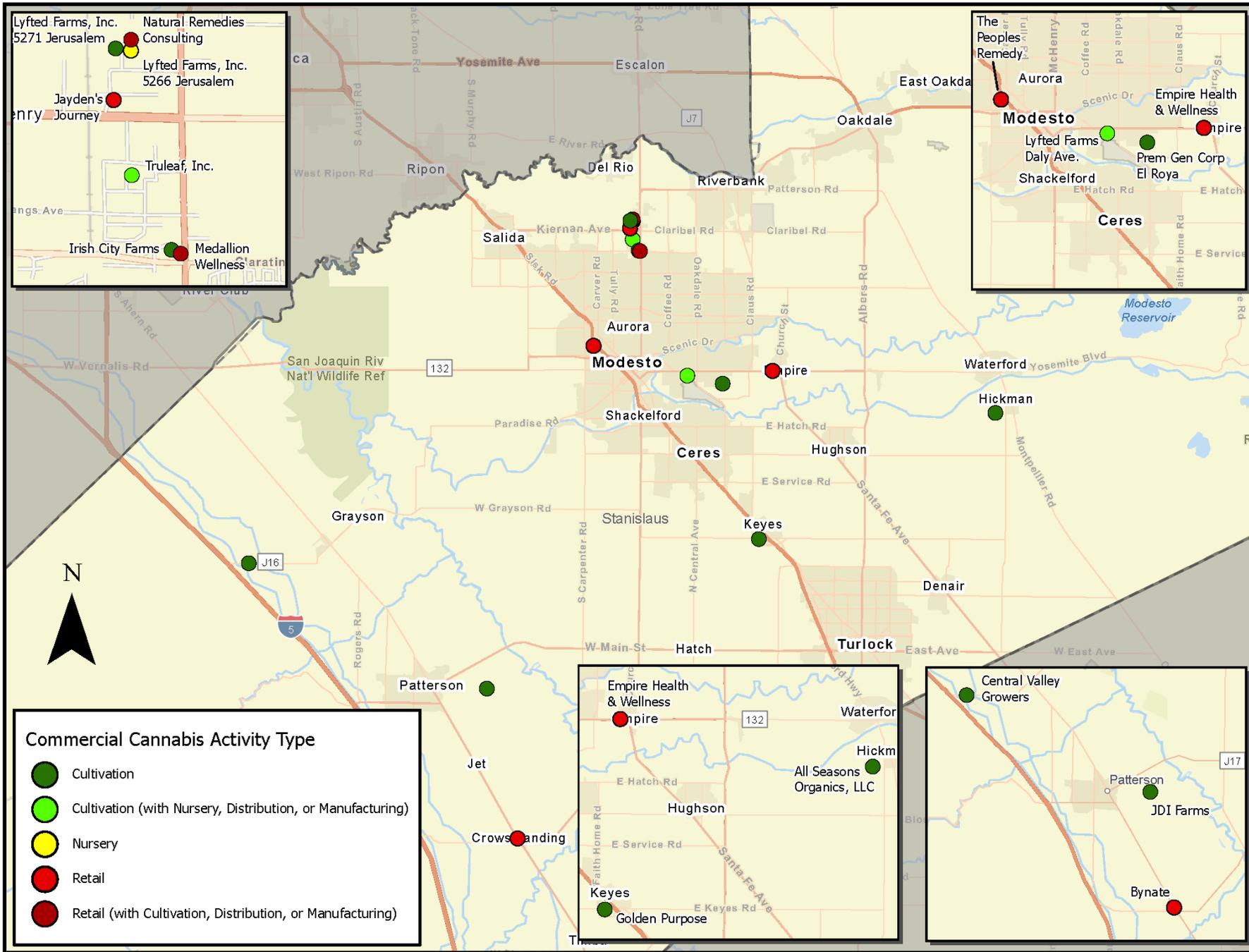
- Staff Recommends that the Planning Commission Recommend Approval to the Board of Supervisors
  - Find the Cancellation of each operation is consistent with Chapter 22.08 of County Code and Government Code
  - File of a notice Development Agreement Cancellation

# Questions

# Phase I – Current Conditions

Operation Type	Activity Permits Occupied
Retail	7
Mixed Light Cultivation	3
Indoor Cultivation	7
Nursery	4
Distribution	7
Manufacturing	3
Total Activity Permits Allowed	61
Total Activity Permits Occupied	<u>31</u>
Activity Permits Remaining	30





Lyfted Farms, Inc. 5271 Jerusalem

Natural Remedies Consulting

Lyfted Farms, Inc. 5266 Jerusalem

Jayden's Journey

Truleaf, Inc.

Irish City Farms

Medallion Wellness

The Peoples Remedy

Aurora

Modesto

Lyfted Farms Daly Ave.

Shackelford

Empire Health & Wellness

Prem Gen Corp El Roya

Ceres

Empire Health & Wellness

Jet

Waterford

Hickman

All Seasons Organics, LLC

Hughson

Keyes

Golden Purpose

Central Valley Growers

Patterson

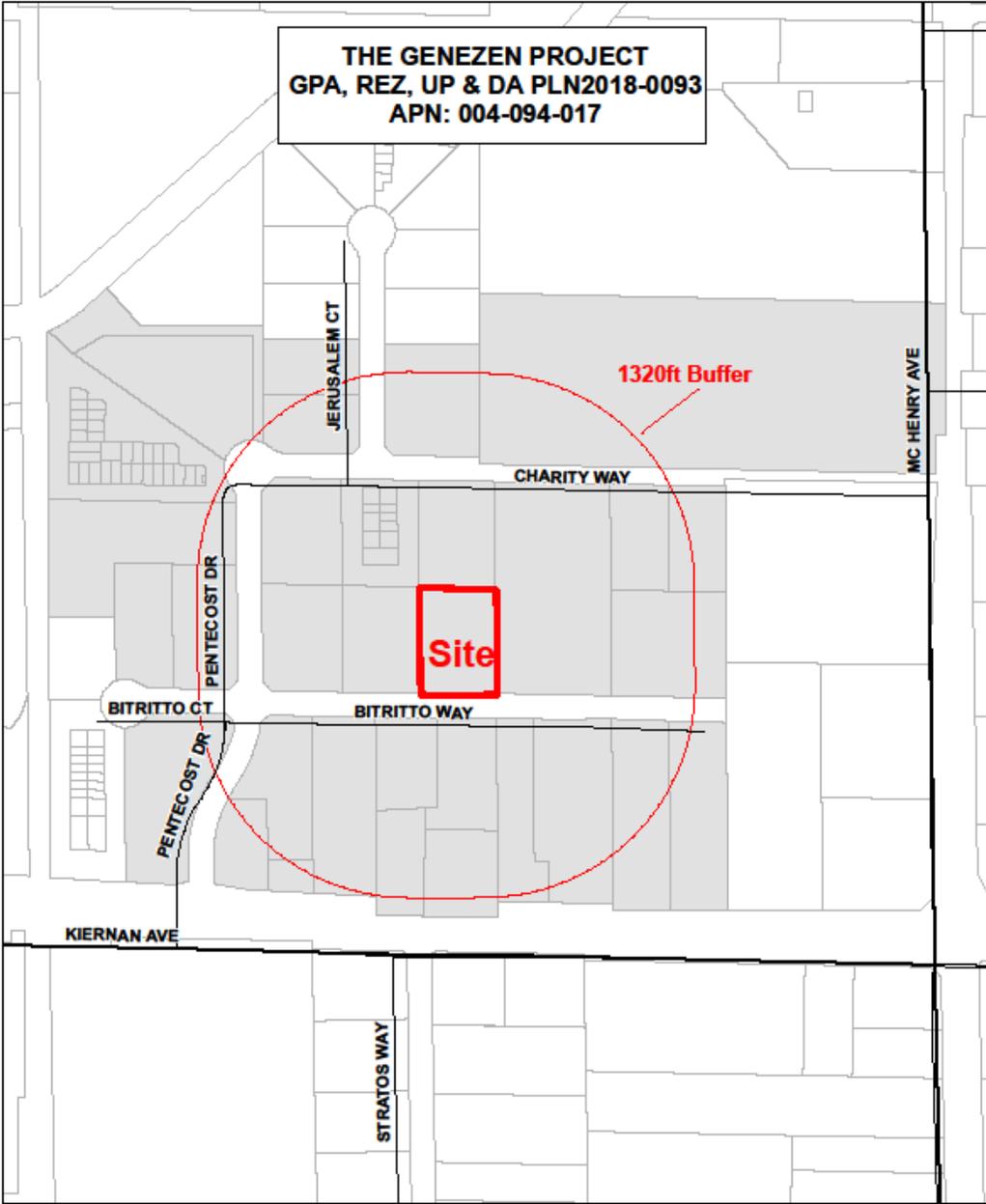
JDI Farms

Bynate

**Commercial Cannabis Activity Type**

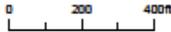
- Cultivation
- Cultivation (with Nursery, Distribution, or Manufacturing)
- Nursery
- Retail
- Retail (with Cultivation, Distribution, or Manufacturing)

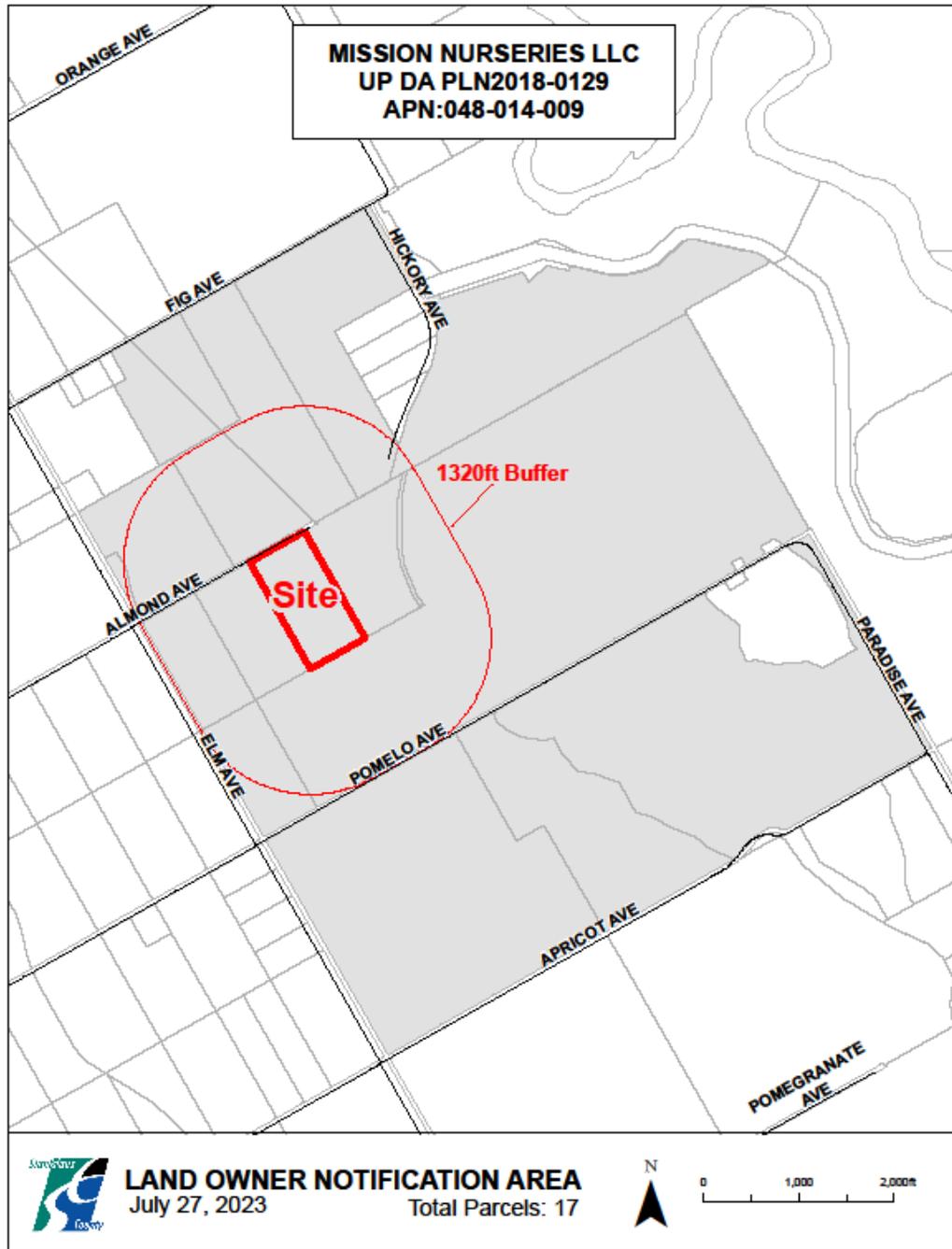
**THE GENEZEN PROJECT**  
GPA, REZ, UP & DA PLN2018-0093  
APN: 004-094-017

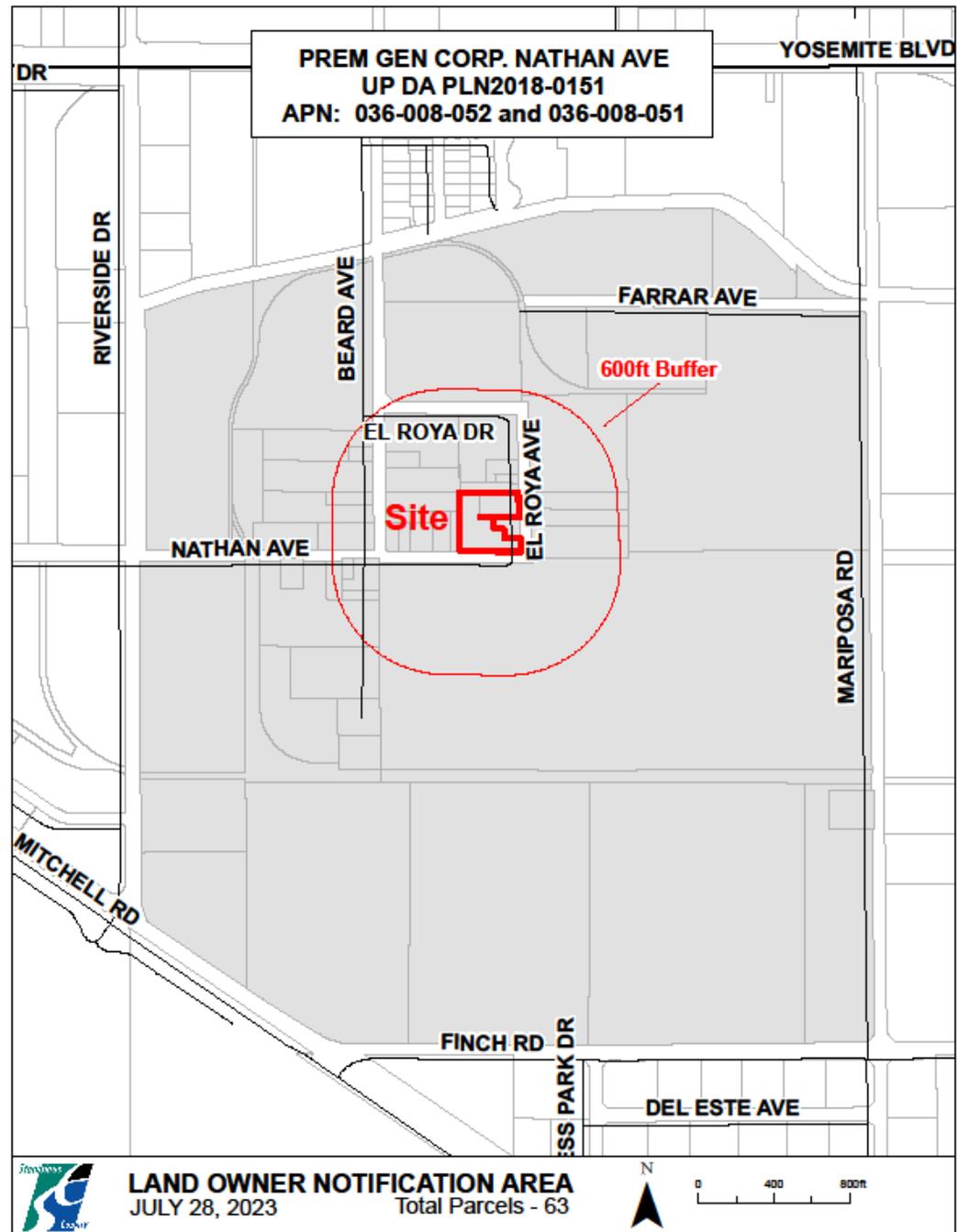


**LAND OWNER NOTIFICATION AREA**  
JULY 27, 2023

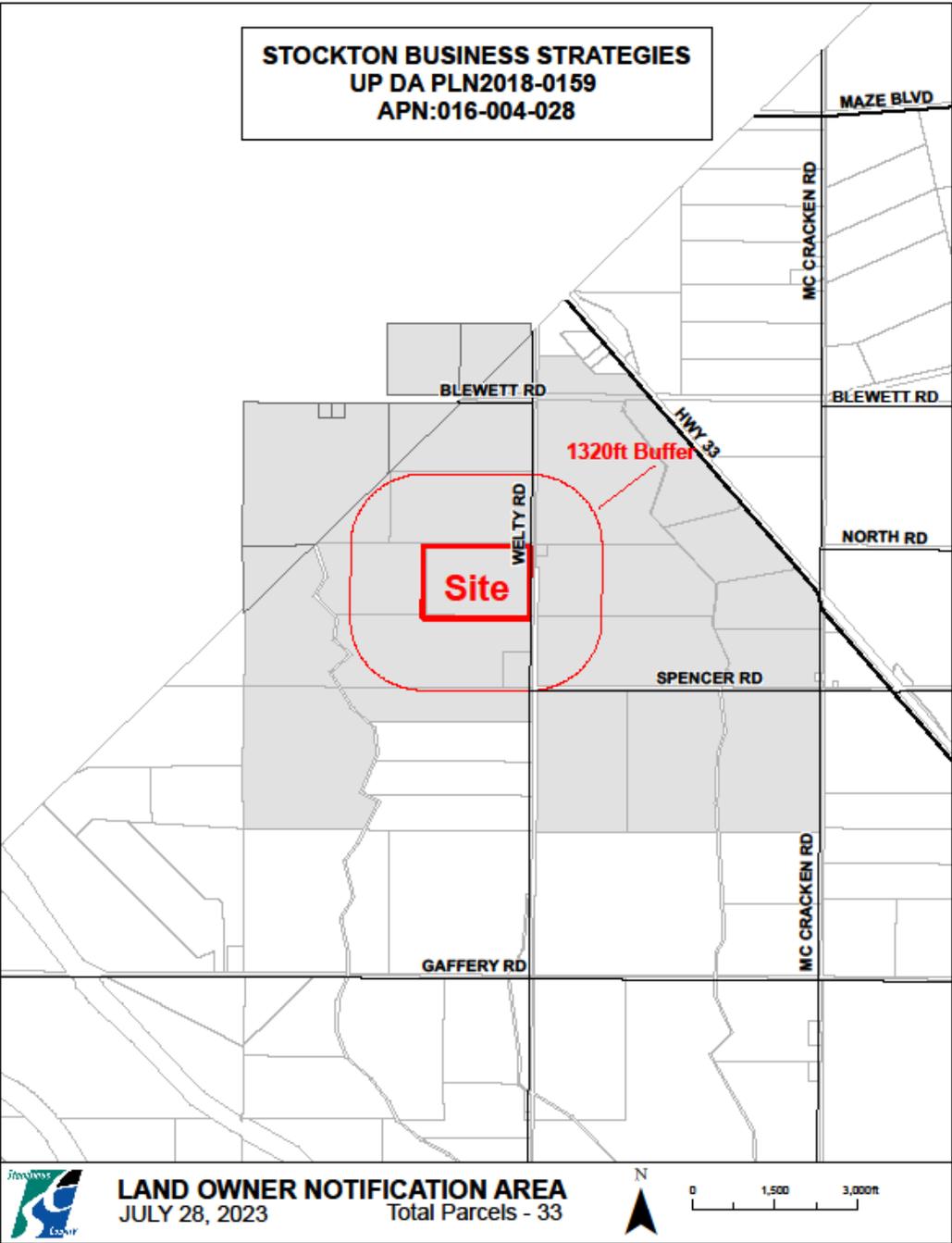
Total Parcels - 74







**STOCKTON BUSINESS STRATEGIES  
UP DA PLN2018-0159  
APN:016-004-028**

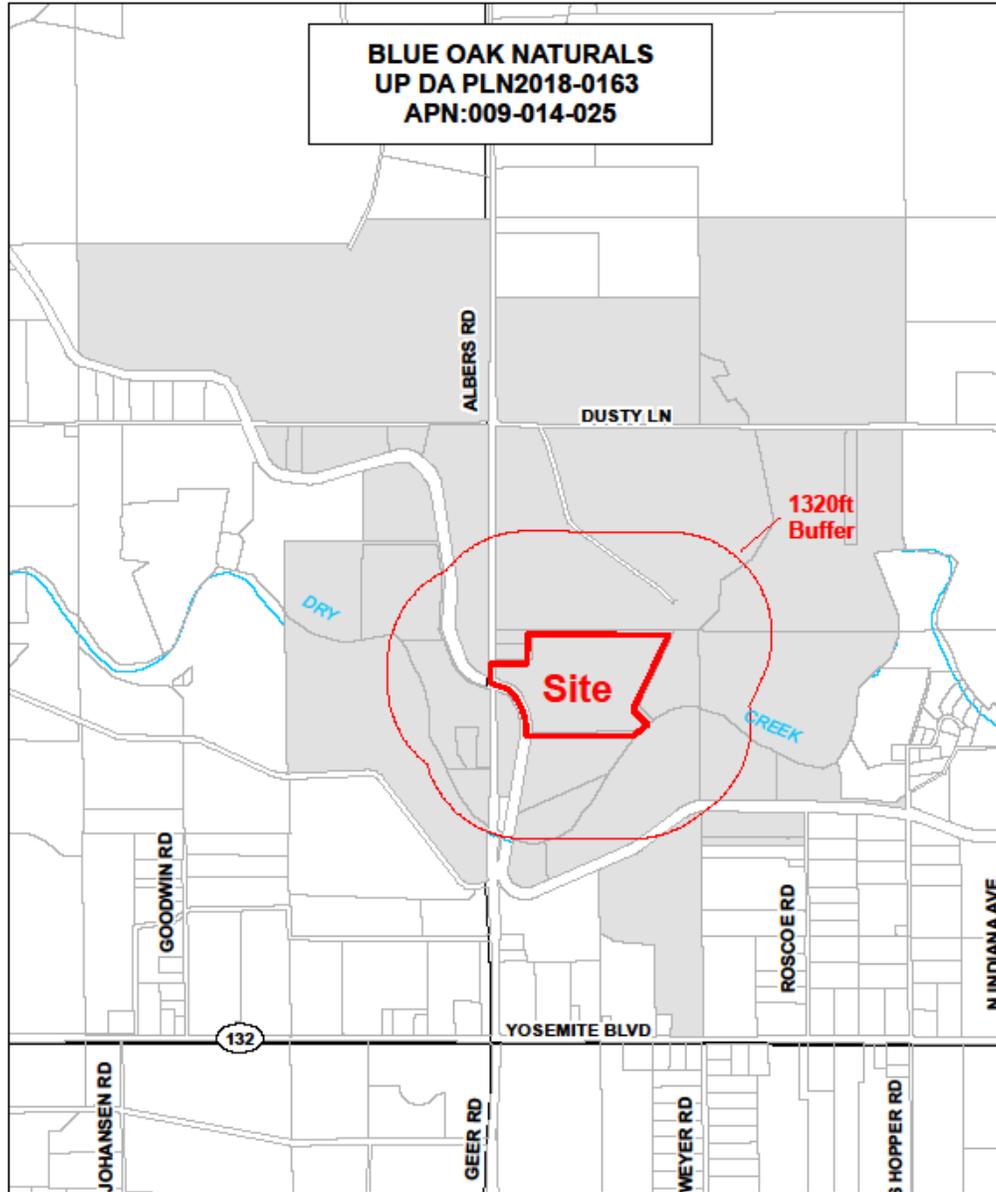


**LAND OWNER NOTIFICATION AREA**  
JULY 28, 2023      Total Parcels - 33

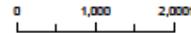


0      1,500      3,000ft

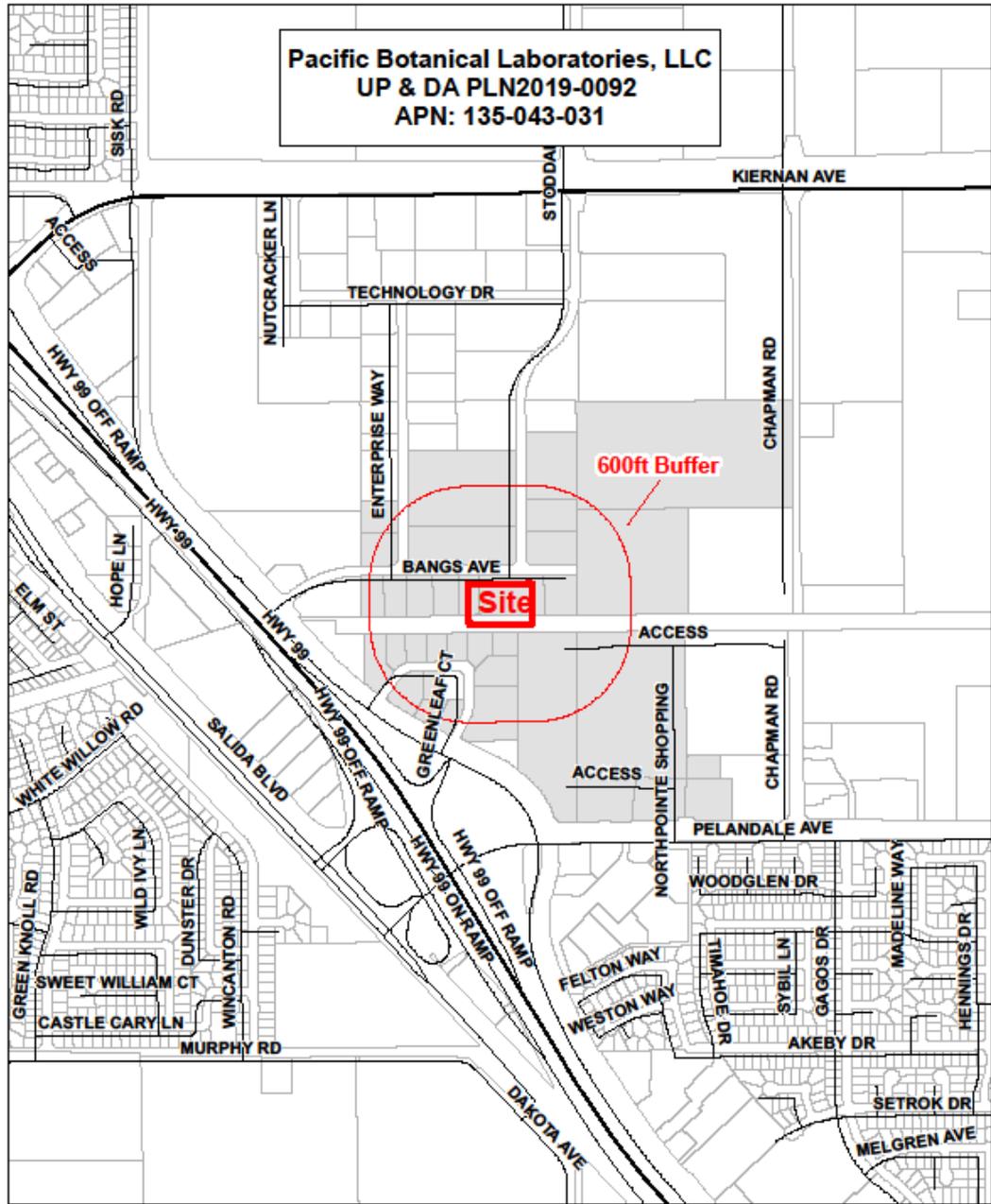
**BLUE OAK NATURALS  
UP DA PLN2018-0163  
APN:009-014-025**



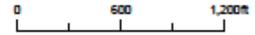
**LAND OWNER NOTIFICATION AREA**  
JULY 27, 2023  
Total Parcels: 34



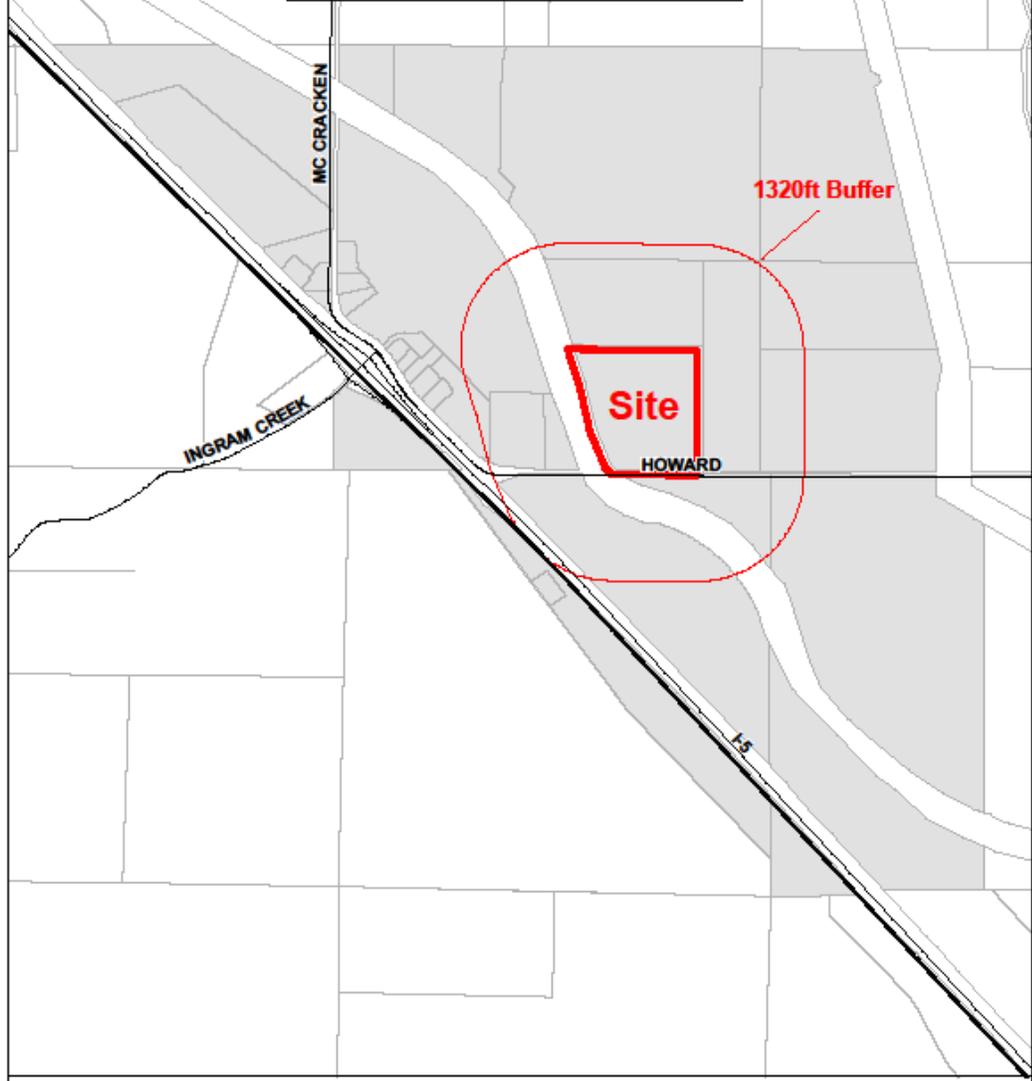
Pacific Botanical Laboratories, LLC  
UP & DA PLN2019-0092  
APN: 135-043-031



**LAND OWNER NOTIFICATION AREA**  
JULY 28, 2023  
Total Parcels - 36



CENTRAL VALLEY GROWERS LLC  
UP & DA PLN2019-0095  
APN 016-037-039



**LAND OWNER NOTIFICATION AREA**  
AUGUST 2, 2023 Total Parcels - 36

