

**MEETING MINUTES OF THE CITY OF  
COSTA MESA PLANNING COMMISSION**

**October 22, 2018**

*These meeting minutes represent an “action minute” format with a concise summary of the meeting. A video of the meeting may be viewed on the City’s website at [www.costamesaca.gov](http://www.costamesaca.gov) or purchased on DVD upon request.*

The Chair called the meeting to order (00:00:17).

Vice Chair de Arakal led the Pledge of Allegiance.

**ROLL CALL**

Present: Chair Stephan Andranian  
Vice Chair Byron de Arakal  
Commissioner Jeffrey Harlan  
Commissioner Carla Navarro Woods  
Commissioner Jon Zich

Staff: Barry Curtis, Director of Economic and Development Services  
Jennifer Le, Assistant Director of Development Services  
Tarquin Preziosi, Assistant City Attorney  
Jon Neal, Assistant Fire Marshall  
Mel Lee, Senior Planner  
Nancy Huynh, Associate Planner  
Julie Colgan, Recording Secretary

**ANNOUNCEMENTS AND PRESENTATIONS:**

None.

**PUBLIC COMMENTS:**

Kevin Coleman, Chair of the Government Affairs Council for the City of Costa Mesa Chamber of Commerce, spoke on a productive meeting that occurred with City officials and representatives of the cannabis association.

**PLANNING COMMISSIONER COMMENTS AND SUGGESTIONS:**

Commissioner Navarro Woods stated that she is having issues with her City email and it will be up and running soon.

**CONSENT CALENDAR:**

- 1. MINUTES FOR THE MEETING OF SEPTEMBER 24, 2018**
- 2. MINUTES FOR THE MEETING OF SEPTEMBER 10, 2018**

**MOTION: Move the item.**

**Moved by Commissioner Zich, seconded by Vice Chair de Arakal.**

The motion carried by the following roll call vote:

Ayes: Andranian, de Arakal, Harlan, Navarro Woods, Zich

Noes: None

Absent: None

Abstained: None

## **PUBLIC HEARINGS (00:05:51)**

### **1. PLANNING APPLICATION 18-20 FOR A MARIJUANA MANUFACTURING AND DISTRIBUTION FACILITY (AUREUS, LLC) AT 3505 CADILLAC AVENUE, BUILDING A**

**Project Description:** Planning Application 18-20 is a request for a Conditional Use Permit (CUP) for a marijuana manufacturing and distribution facility within an existing 5,556-square-foot industrial building. The facility will be operated by Aureus, LLC. The proposed facility would include preparation, extraction, manufacturing, processing, packaging, storage, and distribution of cannabis products as well as ancillary offices. The facility will have security systems (card readers, security cameras, etc.) throughout the facility. No cultivation of marijuana or marijuana dispensary is permitted.

**Environmental Determination:** The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1), Existing Facilities.

One ex-parte communications to report: Vice Chair de Arakal reported having a telephone call with the applicant's representative two days ago.

Nancy Huynh, Associate Planner, presented the staff report.

## **PUBLIC COMMENTS**

Dario Frisardi, applicant, stated he has read the conditions of approval and agrees to them including the modification to the hours of operation in Condition of Approval (COA) No. 1. He discussed the business operations and security.

Commissioners, Jennifer Le, Assistant Development Services Director and Mr. Frisardi discussed hours of operation; why there was noise consideration with the manufacturing equipment; what checks will be in place for the CO<sub>2</sub> machinery at night since no personnel will be present; and how the waste will be disposed of.

No public comments.

The Chair closed the public hearing.

**MOTION: Move that the Planning Commission find that the project is categorically exempt from the provisions of the California Environmental Quality Act under CEQA Guidelines Section 15301, Class 1, Existing Facilities; and approve Planning**

**Application 18-20, subject to conditions of approval and modify Condition of Approval No. 1 to strike the words “The hours of operation are proposed to be from 7 AM to 7 PM, Monday through Saturday” and “Personnel shall be permitted to operate at this facility during business hours only”.**

**Moved by Chair Andranian, seconded by Vice Chair de Arakal.**

**RESOLUTION PC-18-69 – A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA APPROVING CONDITIONAL USE PERMIT PA-18-20 TO ALLOW A MARIJUANA MANUFACTURING AND DISTRIBUTION FACILITY AT 3505 CADILLAC AVENUE, BUILDING A**

The motion carried by the following roll call vote:

Ayes: Andranian, de Arakal, Harlan, Navarro Woods, Zich  
Noes: None  
Absent: None  
Abstained: None

The Chair explained the appeal process.

**2. PLANNING APPLICATION 18-34 FOR A MARIJUANA MANUFACTURING AND DISTRIBUTION FACILITY (SW VENTURES, LLC) AT 3505 CADILLAC AVENUE, SUITE F5**

**Project Description:** Planning Application 18-34 is a request for a Conditional Use Permit for a marijuana manufacturing and distribution facility (SW Ventures, LLC) within a 7,178-square-foot tenant space of an existing industrial building. The proposed facility will include ethanol cannabis extraction, distillation, packaging and formulation, and distribution of the final product in vaping pens, tablets/capsules, and edibles. Rooms include extraction and distillation, storage and packaging, and ancillary offices. Vehicles used for the distribution of cannabis products will be pulled into a secured area inside the building. The facility will have security systems (card readers, security cameras, etc.) throughout the facility. No cultivation of marijuana, or marijuana dispensary, is permitted.

**Environmental Determination:** The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1), Existing Facilities.

Two ex-parte communications to report: Chair Andranian and Vice Chair de Arakal reported that they both had a conversation with applicant's agent today.

Mel Lee, Senior Planner, presented the staff report and the supplemental memo that included new project plans that reflected the new architect for the project.

Commissioners, staff, and Jon Neal, Assistant Fire Marshall, discussed whether the applicant will use DEA cages for storage; whether the City has requirements for how the waste is disposed; and whether the Fire Department reviewed the plans and operation for the chilled ethanol extraction process.

**PUBLIC COMMENTS**

Jim Fitzpatrick, applicant's representative, stated that he has reviewed the conditions of approval and agrees to them. He liked how the conditions allow for additional flexibility to change out equipment if need be to meet market conditions and presented a slideshow on the application.

Steve Hellings, applicant, spoke on the operational characteristics of the facility.

Commissioner Navarro Woods and Mr. Hellings discussed the different extraction process for medicinal cannabis use.

Commissioner Navarro Woods and Mr. Fitzpatrick discussed how St. Barnabas Church's concerns were addressed.

Mr. Fitzpatrick continued his presentation.

Commissioners Zich, Mr. Fitzpatrick, and Kevin Coleman, Net Development, discussed why the office area is outside of the limited access areas; how a visitor's visit is recorded when entering the limited access area; and whether an employee's movements are recorded when entering one area to another area.

No public comments.

Vice Chair de Arakal and staff discussed how the 500-foot radius from Moon Park was taken out of the Measure X Ordinance.

The Chair closed the public hearing.

**MOTION: Move that the Planning Commission find that the project is categorically exempt from the provisions of the California Environmental Quality Act under CEQA Guidelines Section 15301, Class 1, Existing Facilities; and approve Planning Application 18-34, subject to the conditions of approval.**

Mr. Lee asked Chair Andranian to add in the motion that the approval also pertains to the revised site plan and floor plans exhibits. Chair Andranian and Commissioner Navarro Woods agreed to add it to the motion.

**Moved by Chair Andranian, seconded by Commissioner Navarro Woods.**

**RESOLUTION PC-18-70 – A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA, APPROVING PLANNING APPLICATION 18-34 TO ALLOW A MARIJUANA MANUFACTURING AND DISTRIBUTION FACILITY AT 3505 CADILLAC AVENUE, SUITE F5**

The motion carried by the following roll call vote:

Ayes: Andranian, de Arakal, Harlan, Navarro Woods, Zich

Noes: None

Absent: None

Abstained: None

The Chair explained the appeal process.

### **3. PLANNING APPLICATION 18-35 FOR A MARIJUANA MANUFACTURING AND DISTRIBUTION FACILITY (TEVA LABS) AT 3595 CADILLAC AVENUE, UNIT 103**

**Project Description:** Planning Application 18-35 is a request for a Conditional Use Permit for a marijuana manufacturing and distribution facility (TEVA Labs) within a 7,543-square-foot tenant space in an existing industrial building. The proposed facility will include, but is not limited to, volatile butane/propane extraction and non-volatile ethanol extraction, distillation, packaging and formulation, and distribution of the final product (crude oil, wax, crumble, budder, shatter, taffy, live resin, and vape cartridges). Rooms include extraction and distillation, storage and packaging, and ancillary offices. Vehicles used for the distribution of cannabis products will be in a secured area inside the building. The facility will have security systems (card readers, security cameras, etc.) throughout the facility. No cultivation of marijuana, or marijuana dispensary, is permitted.

**Environmental Determination:** The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1), Existing Facilities.

Two ex-parte communications to report: Chair Andranian and Vice Chair de Arakal reported that they both had a discussion with the agent regarding this application.

Mel Lee, Senior Planner, presented the staff report.

Commissioners, staff, and Mr. Neal discussed how many other Measure X applications included volatile butane/propane extraction process; quantity of butane and propane material the applicant will have and where it will be stored; whether surprise inspections from the Fire Department will occur; a correspondence received that stated potential environmental effects from growing cannabis inside the facility and staff clarified that would not be happening; that Measure X specifically does not allow for cultivation or growing of marijuana plants anywhere in the City; and whether the Fire Department looks at a completed plan of the facility to make sure it is complying with all the City codes and the Fire Department requirements before it operates.

#### **PUBLIC COMMENTS**

Jim Fitzpatrick, applicant's representative, stated he has read the conditions of approval and agreed to them. He presented a slideshow on the application.

Daniel Abrahami, applicant, talked about how the facility will be cGMP certified and how the product will be secured.

Mr. Fitzpatrick continued his slideshow presentation.

Commissioners, Mr. Fitzpatrick, and Corey Crosser, Senior Extraction and Manufacturing Manager, discussed what type of oils will be produced; how the product would be transferred to another Measure X facility in Costa Mesa; whether the extraction methods change the nature of the oil; and whether the applicant has had a discussion with PIVOT to see if they would like to buy its oils.

No public comments.

Vice Chair de Arakal and Mr. Fitzpatrick discussed whether cannabis manufactured in California can leave the state.

The Chair closed the public hearing.

**MOTION: Move that the Planning Commission find that the project is categorically exempt from the provisions of the California Environmental Quality Act under CEQA Guidelines Section 15301, Class 1 for Existing Facilities; and approve Planning Application 18-35, subject to the conditions of approval.**

**Moved by Chair Andranian, seconded by Vice Chair de Arakal.**

**RESOLUTION PC-18-71 – A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA, APPROVING PLANNING APPLICATION 18-35 TO ALLOW A MARIJUANA MANUFACTURING AND DISTRIBUTION FACILITY AT 3595 CADILLAC AVENUE, UNIT 103**

The motion carried by the following roll call vote:

Ayes: Andranian, de Arakal, Harlan, Navarro Woods, Zich  
Noes: None  
Absent: None  
Abstained: None

The Chair explained the appeal process.

**4. PLANNING APPLICATION 18-37 FOR A MARIJUANA MANUFACTURING AND DISTRIBUTION FACILITY (DISTILLATE COMPANY, LLC) AT 3520 CADILLAC AVENUE, SUITE E**

**Project Description:** Planning Application 18-37 is a request for a Conditional Use Permit for a marijuana manufacturing and distribution facility (Distillate Company, LLC) within a 6,120-square-foot tenant space of an existing industrial building. The proposed facility will include non-volatile carbon dioxide (CO<sub>2</sub>) cannabis extraction, winterization, distillation, packaging and distribution of the final product (which includes distillate oil in mason jars to be used for vape cartridges, creams and topicals). Rooms include extraction and distillation, storage and packaging rooms, and ancillary offices. Vehicles used for the distribution of cannabis products will be pulled into a secured area inside the building. The facility will have security systems (card readers, security cameras, etc.) throughout the facility. No cultivation of marijuana, or marijuana dispensary, is permitted.

**Environmental Determination:** The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15301 (Class 1), Existing Facilities.

Two ex-parte communications to report: Chair Andranian and Vice Chair de Arakal reported that they both had a conversation with the agent for the applicant today regarding the application.

Mel Lee, Senior Planner, presented the staff report.

Commissioner Zich, Mr. Neal, and staff discussed whether there are any precautions that the Fire Department would recommend for adjacent tenants to take regarding a potential CO<sub>2</sub> leak from the applicant's facility and whether the adjacent occupant was noticed of the hearing.

## **PUBLIC COMMENTS**

Jim Fitzpatrick, applicant's representative, stated he has read the conditions of approval and agrees to them. He gave a brief slideshow presentation on the application.

Peter Ishak, applicant, addressed the Commissioners concerns from tonight's applications about machine safety; DEA cage; security and people moving through the facility; and the location of the extraction machine.

No public comments.

The Chair closed the public hearing.

**MOTION: Move that the Planning Commission find that the project is categorically exempt from the provisions of the California Environmental Quality Act under CEQA Guidelines Section 15301, Class 1, Existing Facilities; and approve Planning Application 18-37, subject to findings in Exhibit A and conditions of approval in Exhibit B.**

**Moved by Vice Chair de Arakal, seconded by Chair Andranian.**

### **RESOLUTION PC-18-72 – A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA, APPROVING PLANNING APPLICATION 18-37 TO ALLOW A MARIJUANA MANUFACTURING AND DISTRIBUTION FACILITY AT 3520 CADILLAC AVENUE, SUITE E**

The motion carried by the following roll call vote:

Ayes: Andranian, de Arakal, Harlan, Navarro Woods, Zich

Noes: None

Absent: None

Abstained: None

The Chair explained the appeal process.

#### **5. PLANNING APPLICATION 18-36 FOR A VARIANCE FROM MINIMUM LOT SIZE AND REAR YARD SETBACK STANDARDS AND ZONING APPLICATION 18-40 FOR A MINOR DESIGN REVIEW FOR A NEW TWO-STORY DETACHED ACCESSORY STRUCTURE TO ACCOMMODATE A GARAGE AND ACCESSORY DWELLING UNIT (ADU) WITHIN AN R1 ZONE AT 898 TOWNE STREET**

**Project Description:** Planning Application 18-36 and Zoning Application 18-40 are requests for a Variance and Minor Design Review to allow a new two-story detached accessory structure containing a 621-square-foot garage with a 400-square-foot accessory dwelling unit (ADU) located above. The Variance includes the following requests:

1. Construction of a new ADU on an R1-zoned lot that does not meet the minimum lot size requirements (7,900-square-foot minimum lot size required; 7,820 square feet proposed);

- and
2. Reduced rear yard setback for a new two-story accessory structure (20-foot minimum required; five feet proposed).

**Environmental Determination:** The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15303 (Class 3), New Construction or Conversion of Small Structures.

No ex-parte communications to report.

Nancy Huynh, Associate Planner, presented the staff report.

Commissioners and staff discussed what happens if the applicant does not process the plan check of his state approval by the expiration date; whether there is an exhibit that shows the rear yard setback not in compliance; and how many applications had been submitted since the City adopted its ordinance on accessory dwelling units.

## **PUBLIC COMMENTS**

Bill Mason, applicant, spoke on the proposed project and submitted documents from the neighbors in favor of the project.

Commissioner Zich, Mr. Mason, and Chris McEvoy, property owner, discussed whether the rear yard setback designs were looked at to see if they could accommodate the 20-foot minimum rear yard requirement; whether changing the rotation of the structure to increase the radius of the driveway was considered; whether staff's concerns about the roof structure and massing were considered; whether they looked at doing an attached structure instead of a detached structure to address the minimum setback requirements; and to what extent are the state-allowed plans ready to go.

Mr. McEvoy explained the reasons he brought this application forward even though he already has state-allowed plans ready to go and asked the Commission to take that into consideration.

Commissioner Zich and Mr. McEvoy discussed where the deck is located on the state-allowed plan.

Commissioner Zich and Ms. Le discussed whether relocating the deck to the front would still be in the scope of work of the plan check previously submitted.

Commissioner Zich and Mr. McEvoy continued to discuss the project.

Commissioners, Mr. Mason, and staff discussed what would replace the existing driveway apron and the dimensions of the curb cut for the drive apron in the state-allowed plans.

No public comments.

The Chair closed the public hearing.

Vice Chair de Arakal and Ms. Le discussed whether the City has any other ADU applications that have been submitted under the state standards that are coming back to the Commission with a revision.



**MOTION: Move that the Planning Commission approve staff recommendation's that the Planning Commission adopt a Resolution to deny Zoning Application 18-40 and Planning Application 18-36.**

**Moved by Commissioner Harlan, seconded by Commissioner Zich.**

Commissioner Harlan, Commissioner Zich, and Vice Chair de Arakal provided comments on the motion.

**RESOLUTION PC-18-73 – A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA, DENYING ZONING APPLICATION 18-40 FOR A MINOR DESIGN REVIEW AND PLANNING APPLICATION 18-36 FOR A VARIANCE FROM REAR YARD SETBACK AND MINIMUM LOT SIZE STANDARDS FOR A TWO-STORY ACCESSORY DWELLING UNIT WITHIN AN R1 ZONE FOR THE PROPERTY AT 898 TOWNE STREET**

The motion carried by the following roll call vote:

Ayes: Andranian, de Arakal, Harlan, Navarro Woods, Zich  
Noes: None  
Absent: None  
Abstained: None

The Chair explained the appeal process.

#### **DEPARTMENTAL REPORT(S)**

1. Public Services Report – none.
2. Development Services Report – Barry Curtis, Director of Economic and Development Services, reminded everyone that the next meeting will be on Thursday, November 15 and will be the first meeting at the Senior Center.

Chair Andranian asked if the pre-meeting will be at the Senior Center as well. Mr. Curtis responded yes.

#### **CITY ATTORNEY'S OFFICE REPORT(S)**

1. City Attorney – none.

#### **ADJOURNMENT (02:46:25)**

Submitted by:

  
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BARRY CURTIS, SECRETARY  
COSTA MESA PLANNING COMMISSION