



City of Clearlake

4050 Olympic Dr.

Clearlake, CA 95422

707-994-8201

www.clearlake.ca.us

CANNABIS BUSINESS APPLICATION
For Use Permit and Regulatory Permit
 (Please print clearly and fill in/provide all that apply)
 Type of Commercial Cannabis Use:
 Commercial Cannabis Cultivation
 Cannabis Manufacture
 Cannabis Distributor
 Cannabis Testing Laboratory
 Cannabis Nursery
 Cannabis Processor
Retail Delivery

REQUIRED FOR A COMPLETE APPLICATION

- ! Completed and signed Application Forms
- ! Additional Documentation
- ! Initial Application Fee Paid: (\$100)

Applicants Full Name: Ogulin Hills Holdings, LLC c/o Brian Pensack
Applicants Mailing Address: 637 Lindaro Street
 Suite 201
 San Rafael, CA 94901
Applicants Phone Number: 415-317-2345
Applicants Email: Brian@VanguardMarin.com
Applicants Physical Home Address: 405 Clearview Place - Petaluma, California 94952
Applicants Tax ID Number:
Management/Community Relations Contacts: Brian Pensack, Garrett Burdick, Kim Gardner, Richard Knoll Consulting
Applicants Height: 5'11",
Applicants Weight: 165 pounds,
Applicants Hair Color: black,
Applicants Eye color: Blue.
Address of Proposed Business: 2160 Ogulin Canyon Road, Clearlake, CA
Square Footage of the Proposed Buildings: New industrial style buildings totaling 38,600 ft.²

Describe the Site Plan and Floor Plan: The proposed project includes development of industrial style structures for cannabis related facilities including a 33,600 ft.² of cannabis processing, manufacturing, and distribution building and one (1) 5,000 ft.² office building that will also serve as the administrative center and the cannabis delivery and storage space. The property is on the south side of Ogulin Canyon Road and will be accessed by a new

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driveway cut into the 46-car parking lot. The new processing/storage and distribution facilities and retail delivery and office area will be situated about 150 south.

Preliminary floor plans indicate that the manufacturing and processing building will include: intake area; processing and manufacturing areas; packaging areas; restrooms and offices; employee break room; shipping and receiving area, numerous storage areas, intake and distribution areas , and related activities. Rollup doors will provide entry into secure parking areas for loading and unloading.

Number of Managers/Supervisors:	4 +/-
Number of Employees:	Up to 35
Names and Addresses of Anyone Who Will act as an Owner, Manager, or Supervisor of the Facility:	Brian Pensack, Garrett Burdick (see address information above).
Describe Proposed Business and Operations:	See business plan and Project Description. The proposed business will include a cannabis drying and cold storage operation for both on-site and off-site cannabis cultivation product. Also included in the business and operations plan will be a processing, manufacturing, and distribution component which will include various activities related to extraction of cannabis essential oils, processing and storage of cannabis extracts and plant materials including packaging of cannabis for sale, extraction and storage of cannabis oils, packaging and labeling of cannabis products, storage and distribution of cannabis products, and related activities
Anticipated Gross Annual Revenues:	To be determined

Documents to Submit

Please provide additional information as required in section 18 – 12.050, 18 – 12.060, and section 5 – 25 including but not limited to the following:

1. Two passport quality, current photographs of the applicant. X
2. Passport, or valid California driver's license (not to include an AB 60 federally restricted license). X
3. Sign off by the Lake County Fire Protection District permitting the use. _____
4. The applicant must complete a criminal history check for the state of California and FBI which is approved by the chief of police or his designee. X

- 5. A sketch or diagram depicting the interior configuration of the premises, including the total floor area drawn to scale. X
- 6. A site plan drawing depicting the facility and all properties within 600 feet. X
- 7. A lighting plan showing existing and proposed exterior and interior lighting placement and levels. X
- 8. A detailed security plan. X
- 9. An odor control plan. X
- 10. A detailed business plan. X
- 11. Previous addresses for the past five years. X
- 12. Property ownership and lease details. X

Agreement

Applicant signature (attach notarized documents)

I hereby certify that I will abide by the city of Clearlake’s commercial cannabis ordinance number 200 – 2017 and this agreement and that the information provided in this application is, to my knowledge, true and correct. I hereby authorize city staff, including the police department, authority to conduct a criminal background check pursuant to California Penal Code section 11105 subsection be subsection 11 and 13300 subsection be subsection 11 which authorizes city authorities to access state and local summary criminal information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the FBI every person listed as an owner manager or supervisor of the marijuana business must submit fingerprints and other information deemed necessary by the city manager or his designee for a background check by the Clearlake Police Department. I understand that any material misrepresentation may result in either denial or revocation of the dispensary permit.

Applicant Signature: 

Date: April 7, 2021

For Office Use Only

Approved by _____ Date _____

Credit Card

Debit Card

Money order

Cash

Check Number X

Ogulin Hills Holdings, LLC
637 Lindaro Street - Suite 201
San Rafael, CA 94901
415-317-2345

April 7, 2021

Mr. Mark Roberts - Senior Planner
City of Clearlake
14050 Olympic Drive
Clearlake, CA 95422

Re: 2160 Ogulin Canyon Road - Cannabis Business Use Permit Application and Development Agreement

Dear Mr. Roberts:

Enclosed are the Cannabis Business Use Permit application forms, documents, plans, project description, safety and security plans, and related documentation for the proposed cannabis processing, manufacturing, distribution, and indoor cultivation project planned for the 9.56-acre property located at 2160 Ogulin Canyon Road in Clearlake (APN 010-044-21).

Ogulin Hills Holdings, LLC is proposing the project involving construction of cannabis related facilities including one (1) 33,600 ft.² building for a proposed manufacturing, processing, distribution center; one (1) 5,000 ft.² building for an office, and several cultivation greenhouses. The processing, manufacturing, and retail delivery/office buildings are proposed metal structures and the proposed greenhouses will comply with City architectural design standards.

Included with this application package is:

- City of Clearlake Use Permit Application Form and \$2,000 fee deposit.
- Project Description and Findings
- Project Site Plan, Lighting Plan, Security Plan, Preliminary Grading Plan
- Project Floor Plans
- Project Building Elevations
- Employee Health and Safety Plans
- Business Plan

The Biological Report and the Cultural Resources Report are currently being developed by consultants and will be provided to the City when they have been completed.

We believe that this package of application documents and materials is sufficient for the City to initiate the project review phase. Please advise us if there is a need for additional documentation or clarification.

We look forward to working with the City Staff, the Planning Commission, and the City Council in moving this project forward.

Thank you.

Brian Pensack

Brian Pensack – Principle
Ogulin Hills Holdings, LLC

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Project Description and Information
Cannabis Processing and Cultivation Facilities
2160 Ogulin Canyon Road – APN 010-044-21
Clearlake, California
Updated – March 2022

Project Information

The subject property is a 9.56-acre parcel located at 2160 Ogulin Canyon Road in Clearlake and further described as APN 010-044-21. The property is also described as - Parcel B as shown on a map filed in the Office of the County Recorder of Lake County on July 17, 1987, in Book 29 of Parcel Maps at pages 30 and 31.

The proposed project includes development of industrial style structures to be used for cannabis related facilities including a 33,600 ft.² single story building and a 5,000 ft.² office building that will also serve as the administrative center/cannabis delivery and storage space. Five - 75' x 25' greenhouses for indoor cannabis cultivation will be developed.

Specific project uses are to include:

1. Cannabis cultivation
2. Cannabis manufacturing
3. Cannabis distribution
4. Cannabis nursery
5. Cannabis processing
6. Cannabis Retail - Delivery Only

The proposed cannabis business at 2160 Ogulin Canyon Road will include a cannabis drying and cold storage operation for both on-site and off-site cannabis cultivation product. Also included in the business and operations plan will be a processing, manufacturing, and distribution component which will include various activities related to extraction of cannabis essential oils, processing and storage of cannabis extracts and plant materials including packaging of cannabis for sale, extraction, and storage of cannabis oils, packaging and labeling of cannabis products, storage and distribution of cannabis products, and related activities.

Attached are documents which provide additional operational and technical details regarding:

- A. Manufacturing Activities
- B. Odor Control
- C. Energy
- D. Groundwater Hydrology

The project operational days/hours during the harvest season will be - Monday through Saturday from 6 am to 8 pm and during non-harvest seasons - Monday through Saturday from 7 am to 6 pm.

The amount of paved surface area will include 22,660 square feet of parking lot.

Vegetation removal will be minimal and existing dilapidated, and fire damaged facilities will be demolished.

The estimated number of vehicle trips during peak harvest is 107 ADT.

Design information regarding the greenhouse, processing, and office structures is included in the building floor plans and elevation plans submitted to the City - 3-3-21.

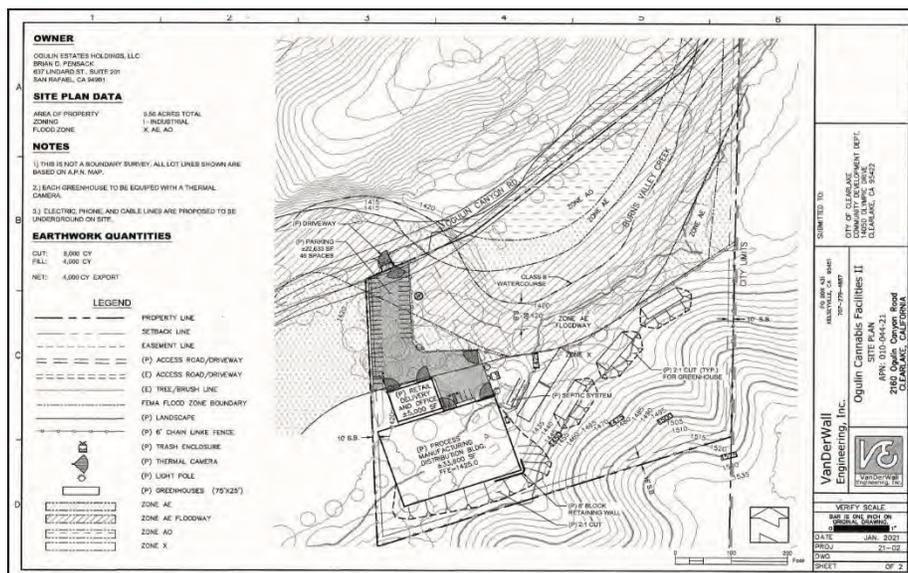
The property is located on the south side of Ogulin Canyon Road and will be accessed by a new driveway that will lead into the 46-car parking lot. The 22,600 square foot parking lot design will feature a center aisle and parking spaces developed at 90-degree angles. ADA accessible parking will be developed near the office. Security fencing and numerous digital security cameras will be placed around the perimeter and at strategic locations in the parking lot.

The new processing/storage and distribution building and retail delivery and office area will be situated about 150' south of the road, in the southeastern quarter of the parcel. Some grading, including both cut and fill, will be necessary to facilitate construction, with preliminary earthwork locations and quantities noted on the site plan.

The proposed greenhouses will be located east of the new structure and south of the creek. Access to the cultivation areas will be by a single lane driveway within the fenced area.

Preliminary floor plans indicate that the manufacturing and processing building will include: intake area; processing and manufacturing areas; packaging areas; restrooms and offices; employee break room; shipping and receiving area; numerous storage areas; intake and distribution areas; and related activities. Rollup doors will provide entry into secure parking areas for loading and unloading.

The project buildings are to be engineered metal structures and the proposed greenhouses will comply with City architectural design standards.



The subject property is currently developed with a couple of manufactured homes and several former animal shelter kennels, a garage and storage building, pieces of equipment, and related improvements/facilities. Some of the existing site improvements will be removed as they are in poor condition or fire damaged.

Access to the site is from an existing driveway located along the western property line on the south side of Ogulin Canyon Road about a ½ mile east of Hwy 53. The driveway extends into the property and loops around to provide access to the houses, and the remainder of the existing site improvements. This existing driveway is in moderate condition.

Burns Valley Creek, a seasonal creek extends through the north easterly quadrant of the parcel and flows through an open channel from east to north west where it runs through existing culverts under Ogulin Canyon Road. There is a flood zone designation associated with the Creek, as noted on the site plan.

The surrounding land is used mainly for light industrial activities, watershed and wildlife habitat, cannabis farming, and homesite development. The Project Area is located in Ogulin Canyon on the far east side of Burns Valley and is surrounded by the Ogulin Canyon Road to the north, Burns Valley to the south, Blackeye Canyon to the east, and storage facilities to the west.

The biology and vegetation of the site is described in a biological report prepared in 2021.

The Soil Survey Geographic Database (SSURGO) maintained by the United States Department of Agriculture (USDA) and National Resource Conservation Service (NRCS) indicates that the project site is underlain primarily by soils of the Manzanita Series. Manzanita Series soils consist of very deep, well drained loam formed in alluvium from mixed rock sources. They occur on terraces with slopes of 2 to 25 percent. Manzanita Series soils are used for a wide variety of purposes, mostly agricultural, including walnut orchards, wine grape vineyards, hay, and livestock grazing, but also homesite developments (USDA-NRCS 2003).

The Clearlake area climate is characterized by warm, dry summers and cool, moist winters. Mean annual precipitation is up to 50 inches. The wet season extends from October through May. Winter precipitation in this region falls as rain under 3,300 feet with snowfall at 4 inches. Average winter temperature is 40 degrees Fahrenheit, and summer temperature highs average 86 degrees Fahrenheit (NCEI 2019).

The subject parcel is within the Clearlake City Limits on the south side of Ogulin Canyon Road. The property is zoned I – Industrial District. Section 18-2.17 of the City of Clearlake Zoning Ordinance provides detailed zoning requirements and standards.

The City of Clearlake Zoning Ordinance has specific standards regarding minimum parking requirements, street improvements, parking design standards, driveway approach standards, landscaping development standards, environmental review procedures, storm drainage provisions, and a number of other sections

dealing with trash receptacles slopes and soils, outdoor lighting, addressing, protected trees, tree protection regulations, and other requirements, all of which will be adhered to.

The subject property is also zoned CB – Commercial Cannabis Combining Zoning District. Section 18-12 of the Clearlake Municipal Code provides standards and criteria addressing commercial cannabis permits and requires among other things issuance of permits for cultivation, processing, extraction, manufacturing, testing, and distribution activities with an approved use permit and regulatory permit within areas of the City that are zoned Cannabis Business District.

Information regarding project security and operational characteristics are set forth in attached documents.

The City requires use permit approval for the proposed development and operation of commercial cannabis businesses and also requires operators to enter into a Development Agreement.

Until 2020 the City of Clearlake limited the number of commercial cannabis licenses that could be approved/obtained. The City Council recently made a decision to eliminate the cap on commercial cannabis permits and revised its zoning regulations to allow the issuance of cannabis permits pursuant to zoning and development agreement approvals.

Clearlake Zoning Ordinance Section 18-1.4.445 - Use Permits.

a. Purpose. These provisions establish the procedures for accommodating uses with special site or design requirements, operating characteristics, or which may have the potential to cause adverse effects on surrounding properties. The procedures in this section shall apply to all proposals for which a conditional use permit is required.

b. Criteria for Granting. A use permit shall be approved or approved with conditions by the Planning Commission, if, based upon information provided by the applicant, all of the following findings are made:

1. That the proposed use at the size and intensity contemplated, and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community.

Applicants Response and Findings:

- **The development at the 2160 Ogulin Canyon Road site is proposed at a size and intensity that is considered reasonable for a 9.56-acre parcel. The site plan details a proposed layout size that fits the site and provides the required improvements consistent with the City Zoning Ordinance.**
- **The City of Clearlake has recently updated its Zoning Ordinance with respect to the permit requirements and locations for cannabis businesses and as such has confirmed and verified public policy in support of cannabis processing, manufacturing, distribution, and indoor cultivation at this location.**

- In keeping with this adopted public policy, the proposed project will provide a development that is necessary, desirable, and compatible with the community wide sentiments.
- The proposed project will provide a development that is compatible with the neighborhood, as there are existing cannabis operations and/or businesses in the near vicinity, including at the La Rosa Plaza site just to the west, and several existing and proposed cannabis cultivation projects to the east and north. The proposed project is actually in response to the need for cannabis processing and storage facilities in a well-planned and secure location, which in and of itself, creates a compatible land use situation.

2. That such use as proposed will not be detrimental to the health, safety, convenience, or general welfare of persons residing or working in the vicinity, or injurious to the property, improvements, or potential development in the vicinity with respect to aspects including, but not limited to, the following:

- (a) The nature of the proposed site, including its size and shape, and the proposed size, shape, and arrangement of structures,
- (b) The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading,
- (c) The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust, and odor,
- (d) Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking areas, loading areas, service areas, lighting, and signs.

Applicants Response and Findings:

- The proposed uses at the 2160 Ogulin Canyon Road Site will not be detrimental to the health, safety, convenience, or general welfare of persons residing or working in the vicinity, or injurious to the property, improvements, or potential development in the vicinity. The proposed site improvements have been well planned to minimize detrimental impacts and conflicts with people residing and working in the area, property and improvements in the neighborhood or the general welfare of the City.
- The project will be built to California Building Code standards and will provide for a high level of security and safety consistent with the City regulations.
- The site improvements will be situated in the west center of the parcel and will comply with property line setbacks from adjoining properties and structures in order to minimize perceived detrimental health, safety, morals, comfort, and general welfare impacts to people in the neighborhood and the region.
- The cannabis cultivation laws of the State of California and the City of Clearlake have been approved by the voters/elected officials and thus reflects the current attitudes of residents. The intent with regard to development of the cannabis project is to be sensitive to the comfort and general welfare of the Ogulin Canyon Road area by installing and operating state-of-the-art cannabis facilities and equipment in order to minimize detrimental impacts.
- The subject property is an existing developed area that has seen better days. The proposed project involves a moderately sized building footprint which is proportionate in size and scale with other land use activities on other properties in the vicinity.

- The nature of the proposed site, including the 9.56-acre size and its wide shape are conducive with the proposed size, shape, and arrangement of structures. The proposed site improvements are designed in areas that are level to moderately sloped and situated in the generalized west center of the site.
- The accessibility of the property is good, a new entry and driveway approach will be developed on Ogulin Canyon Road.
- Traffic patterns for persons and vehicles that will be using the site are good. The type and volume of traffic on Ogulin Canyon Road is relatively low when compared to other streets and roads in Clearlake. The pattern of land development to the east, north and south is rural in nature and as such the areas generate a small amount of traffic that passes by the 2160 Ogulin Canyon Road site.
- The proposed off-street parking and loading areas have been incorporated into the project design with 46 standard spaces shown in front of the proposed building. According to the site plan there will be a 22,600 square foot parking and loading area in the west center of the site.
- Although, not specifically called out on the site plan, there are many options for implementing safeguards to prevent noxious or offensive emissions such as noise, glare, dust and odor. The placement of the processing building in the west center of the site, with adequate setback distances from property lines and nearby structures is a key safeguard for reducing noise, odor, dust, and lighting concerns. There are many other conditions or mitigation measures that can be implemented including: the use of shielded and downlit lighting; A.C. Paving of the parking lot and driveways; installation of building mounted air filtration exhaust systems; and installation of landscaping or fencing to minimize noise. The project Odor Control Plan provides details regarding air filtration and odor complaint protocol.
- The project will provide landscaping as mandated by the City of Clearlake. Screening of site improvements or facilities such as the trash enclosures will be done to City standard.
- There will be open space preservation particularly around the east and northeast sides of the site and the preservation of as many trees as possible will help minimize visibility of the improvements,
- Proposed parking, loading, and service areas are depicted on the site plan and are adequate to serve the intended uses. Proposed lighting and signage will be commensurate with other industrial projects in the City of Clearlake.

3. That such use or feature as proposed will comply with the applicable provisions of this Chapter and will be consistent with the policies and standards of the Clearlake General Plan. (Ord. #2010-146, S2).

Applicants Response and Findings:

- The proposed uses at the 2160 Ogulin Canyon Road seem to be consistent with the applicable provisions of the City of Clearlake Zoning Ordinance and will be consistent with the policies and standards of the Clearlake General Plan.
- East of Hwy 53, the initial portion of Ogulin Canyon Road (1/2 mile) is within the City of Clearlake. The City of Clearlake General Plan Circulation Element Figure 4.1. Circulation Map

identifies Ogulin Canyon Road as a basic street. The Clearlake General Plan Circulation Element contains a number of Goals and Policies regarding the City street system, however, there does not appear to be any policy applying specifically to Ogulin Canyon Road.

- **The Ogulin Canyon Road surface is in moderate condition, it is paved for about 2/3 miles east of Hwy 53 and transitions to gravel beyond the City limits.**

Conclusion:

This Project Description provides support for approval of the Use Permit application to allow various cannabis processing, distribution, retail delivery, cultivation, and manufacturing activities at 2160 Ogulin Canyon Road.

The 2160 Ogulin Canyon Road development concept is fairly straight forward and provides a well-planned and designed site that will encourage good site circulation, efficient operations, and economic performance.

The City of Clearlake is supportive of cannabis related land-use projects that conform to City regulations.

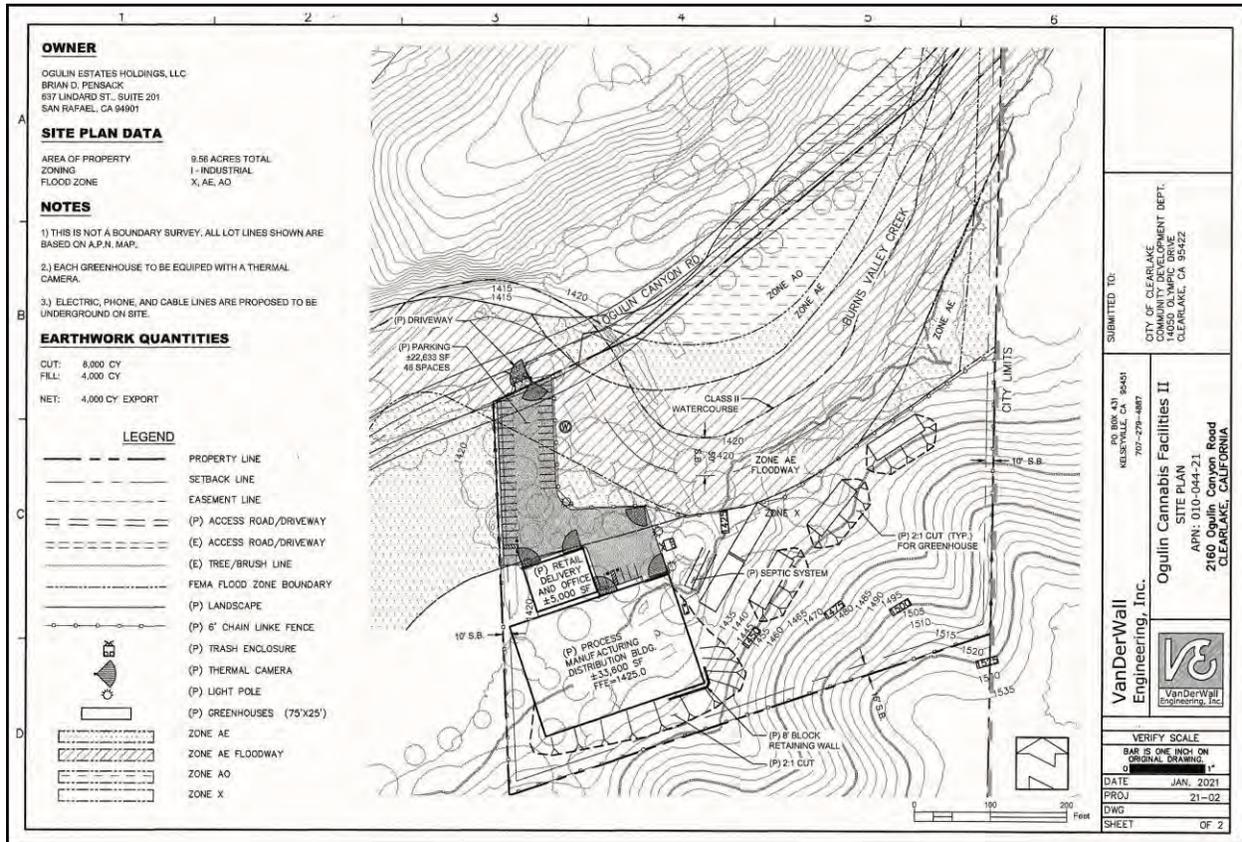
This application sets forth a project that complies with City standards, has the potential to enhance job opportunities, and generate economic development benefits.

Approval of this project will provide for numerous public benefits, enhance the Ogulin Canyon Road area, provide for the cleanup and redevelopment of the subject property, and comply with the City Zoning standards.

It is respectfully requested that the City of Clearlake Planning Commission and City Council approve the Use Permit application and the associated Development Agreement.

2160 Ogulin Canyon Road – Description of Cannabis Manufacturing Activities

Cannabis manufacturing facilities will be constructed within the Processing-Manufacturing-Distribution Building and will incorporate security measures including personnel screening and the installation of secure entries and video cameras that will be strategically placed in various locations. The facilities will also be surrounded by security fencing.



The cannabis manufacturing operation will involve cannabis extraction and/or infusion processes.

California Law provides for the licensing of both volatile and nonvolatile cannabis manufacturing facilities.

Nonvolatile manufacturing involves a solvent used in the extraction process that is not a volatile solvent, including carbon dioxide. Volatile manufacturing involves any solvent that is or produces a gas or vapor that, when present in the air in sufficient quantities, could create explosive or ignitable mixtures. The State’s examples of volatile solvents include butane, hexane, propane, and ethanol.

Cannabis manufacturing may also include mechanical extraction using screens or presses; chemical extraction using a nonvolatile solvent such as a nonhydrocarbon-based or other solvent such as water, vegetable glycerin, vegetable oils, animal fats, or food-grade glycerin; chemical extraction using a professional closed loop CO2 gas extraction system; chemical extraction using a volatile solvent; and any other method authorized by the State.

Because the proposed manufacturing processes may include both volatile and nonvolatile solvents, a State of California Type 7 cannabis manufacturing license will be required, as this license allows the use of use both nonvolatile and volatile solvents to produce extractions and infusions.

Chemical extractions must take place within a professional, closed-loop system, and must comply with local building and fire codes and State law. California law establish sound manufacturing practices, assures cannabis product safety, and sets chemical extraction requirements. Cannabis manufacturers must meet local fire code, follow all local requirements for a certified closed loop system and utilize solvents that are 99% pure.

Nature of the Activity – Cannabis Manufacturing

The cannabis manufacturing operations will be established in a portion of Building 2 which is in the center of the site

The Processing-Manufacturing-Distribution Building will be a 33,000square foot single story steel I-beam truss construction on a concrete slab type with a metal clad exterior and a metal roof.

Metal rollup doors and standard access doors will be utilized to access the cannabis manufacturing areas.

The facility operator will construct all manufacturing facilities to City of Clearlake and industry certification standards, in addition to ensuring that the site is in full compliance with all applicable local, state, and federal building code laws.

As required by the California Building Code, the operator will construct Class 1 Division 1 (C1D1) and Class 1 Division 2 (C1D2) rated facilities to contain the volatile extraction programs.

The definition of hazardous locations includes buildings or parts thereof where fire or explosion hazards may exist due to the presence of flammable gases or vapors, flammable liquids, combustible dusts or easily ignitable fibers. Class 1 locations are those in which flammable "gases or vapors" are, or may be, present in the air in quantities sufficient to produce explosive or ignitable mixtures.

The Manufacturing facilities will be designed and constructed to the highest standards to comply with California and Federal C1D1 (spark-less) construction standards. Construction activities will be overseen by qualified and trained professionals with extensive understanding in standard operating procedures, safety protocols, and maintenance schedules.

Architectural floorplans and construction details will be finalized for the manufacturing facilities and architectural/engineered construction plans and equipment details will be submitted to, plan checked by, and certified for safe operation by the City of Clearlake Community Development Department and the Lake County Fire Protection District #1 (Fire Marshal).

C1D1 facilities use outside fresh air to provide the required air flow rate over equipment. The system provides a slightly negative pressure within the lab area to prevent hazardous gasses from leaking into surrounding areas.

Gas detection alarms are used and will initiate when hazardous gas is detected. The system will activate an audible alarm and shut down power to the equipment inside the room well before dangerous gas levels are reached.

The proposed cannabis manufacturing process will involve a closed loop system.

In general, the proposed operations will involve processed cannabis material delivered to the intake area where it will be store in freezer units or on shelves. Track and Trace of cannabis materials is required. From the intake area the cannabis material moves into the extraction facilities areas. The

specific routing of the process cannabis materials depends upon operational requirements and market demand orders.

There may be a nonvolatile CO2 extraction room near or adjacent to the intake area. This area may also include CO2 extraction machines, decarboxylation ovens, and storage facilities.

Volatile extraction facilities may also be developed. Butane (BHO) and Ethanol (ETOH) are examples of the volatile materials that may be used. The butane and ethanol will be stored within a hydrocarbon solution tank and chilled to a low temperature. From the solvent tank, chilled butane and ethanol is passed through a pressurized/packed cannabis material vessel/column where the butane and ethanol dissolve the cannabis trichomes. This process results in a chemical reaction where the cannabis terpenes and trichomes are stripped off and picked up. The butane/ethanol and cannabis trichomes move to the dewaxing or cryogenic vessel where the purification process continues, and fats and lipids are purged and removed. The solvent at this stage will be purified and will contain only the active ingredient. The solution will then pass into a tank where water is added, the butane and ethanol solvents distilled and evaporated back into the closed loop system, leaving behind the concentrated cannabis oil.

Key points associated with the cannabis extraction process include:

- The cannabis extraction manufacturing process is conducted in a clean room environment under the strictest operational and safety guidelines.
- Intake materials are examined for visible contaminants, freshness, overall quality, separated into batch sizes, and tagged.
- Extraction times vary by material and the design of the extractor equipment.
- A closed loop system is utilized, and solvents are drained to storage containers and placed in the queue for recovery.
- Pesticide tests are taken regularly.
- Cannabis extraction and manufacturing is performed within C1D1 or C1D2 rooms, subject to strict Building and Fire Code standards.
- Distillation takes place within a vacuum and the finished product is a clean distillate, tested, and ready for use.
- Volatile and nonvolatile gases are to be delivered by a local vendor when needed and are held within a properly designed and operated storage tank area.

A dry goods storage area for glassware, tools, and supply storage will be constructed, and an area for final packaging and labeling of all products will be set up. Final packaging, labeling of all products, secured storage of finished goods and the outtake room will be located on the north side of the building and serves as the location of transfer of products to Building #1.

A QC - quality control area is planned for post refinement review and approval by quality control staff utilizing various protocols for all products prior to transfer into the packaging area.

All employees involved in the manufacturing process and gas handling procedures will be required to receive operational and OSHA gas handling training. A licensed supplier will deliver the small tanks of gases as needed, to a secure drop off location in accordance with safe handling protocols. The determination as to the allowable gas storage area location will be part of the city plan check process (compliance determination pursuant to the California Building Code) which will include consultation with the Lake County Fire Protection District #1.

Energy Information 2160 Ogulin Canyon Road Cannabis Project March 2022

The subject property is a 9.56-acre parcel located at 2160 Ogulin Canyon Road in Clearlake and further described as APN 010-044-21.

The proposed project includes development of industrial structures to be used for cannabis related facilities including a 33,600 ft.² single story building and a 5,000 ft.² office building that will also serve as the administrative center/retail cannabis delivery and storage space. Five 25' x 75' greenhouses for mixed light cannabis cultivation are also proposed.

Specific uses proposed for the project include:

1. Cannabis cultivation and nursery
2. Cannabis manufacturing
3. Cannabis distribution
4. Cannabis processing
5. Cannabis Retail - Delivery Only

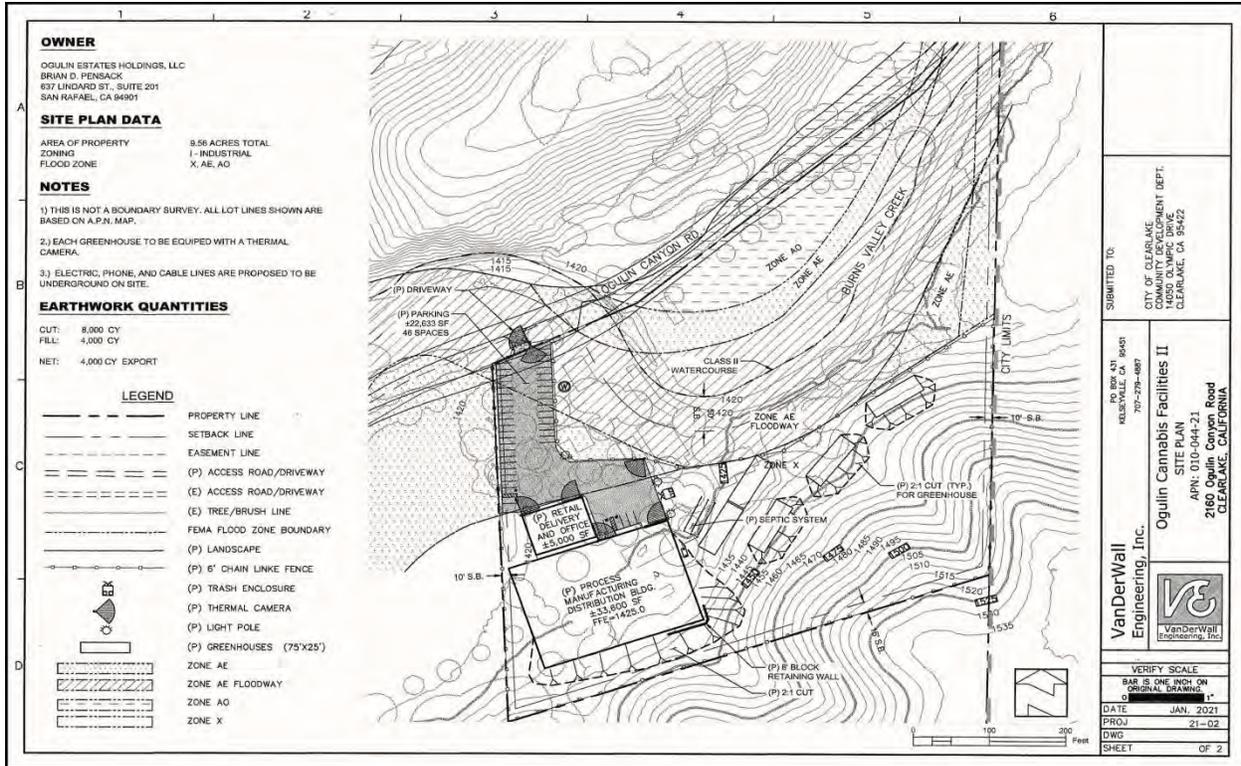
The property is located on the south side of Ogulin Canyon Road. A new 24' wide driveway will provide access to the 46-car parking lot. The 22,600 square foot parking lot design will feature a center aisle and parking spaces developed at 90-degree angles. ADA accessible parking will be developed near the office. Security fencing and numerous digital security cameras will be placed around the perimeter and at strategic locations in the parking lot.

The new processing and distribution building and the retail delivery and office area will be situated about 150' south of the Road, in the southeastern quarter of the parcel. Some grading, including both cut and fill, will be necessary to facilitate construction, with preliminary earthwork locations and quantities noted on the site plan.

The proposed greenhouses will be located east of the new structure and south of the creek. Access to the cultivation areas will be by a single lane driveway within the fenced areas.

Preliminary floor plans indicate that the manufacturing and processing building will include: intake area; processing and manufacturing areas; packaging areas; restrooms and offices; employee break room; shipping and receiving area; numerous storage areas; intake and distribution areas; and related activities. Rollup doors will provide entry into secure parking areas for loading and unloading.

The project buildings are to be engineered metal structures and the proposed greenhouses will comply with the City architectural design standards.



Local Utilities and Renewable Energy Resources

Pacific Gas & Electric Company (PG&E) is the electricity utility provider for Clearlake and Lake County. Approximately 39% of electricity provided by PG&E is sourced from renewable resources and 47% is sourced from non-renewable GHG-free resources (PG&E 2019). PG&E may offer programs through which consumers may purchase electricity from renewable sources. There is no natural gas available for communities within Lake County,

State Building Code Requirements

The California Building Code (CBC) contains standards that regulate the method of use, properties, performance, or types of materials used in the construction, alteration, improvement, repair, or rehabilitation of a building or other improvement to real property. The CBC includes mandatory green building standards for residential and nonresidential structures, the most recent version of which are referred to as the 2019 Building Energy Efficiency Standards. These standards focus on four key areas: smart residential photovoltaic systems, updated thermal envelope standards (preventing heat transfer from the interior to the exterior and vice versa), residential and nonresidential ventilation requirements, and non-residential lighting requirements. While the CBC has strict energy and green-building standards, U-occupancy structures (such as greenhouses used for cultivation activities) are typically not regulated by these standards.

Vehicle Fuel Economy Standards

In 2012, the U.S. Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA), on behalf of the Department of Transportation, issued final rules to reduce GHG emissions and improve corporate average fuel economy (CAFE) standards for light duty vehicles for model years 2017 and beyond. NHTSA's CAFE standards were enacted under the Energy Policy and Conservation Act since 1978. This national program requires automobile manufacturers to build a light-duty national fleet that meets all requirements under both federal programs and the standards of California and other states. This program would increase fuel economy for the fleet of cars and light-duty trucks by the model year 2025.

The California Air Resources Board (CARB) has established standards for clean gasoline and diesel fuels and fuel economies of new vehicles. CARB has also put in place innovative programs to drive the development of low-carbon, renewable, and alternative fuels such as their Low Carbon Fuel Standard (LCFS) Program pursuant to California Assembly Bill (AB) 32 and the Governor's Executive Order S-01-07.

In January 2012, CARB approved the Advanced Clean Cars Program which combines the control of GHG emissions and criteria air pollutants, as well as requirements for greater numbers of zero-emission vehicles, into a single package of standards for vehicle model years 2017 through 2025. The new rules strengthen the GHG standard for 2017 models and beyond. This will be achieved through existing technologies, the use of stronger and lighter materials, and more efficient drivetrains and engines. The program's zero-emission vehicle regulation requires a battery, fuel cell, and/or plug-in hybrid electric vehicles to account for up to 15 percent of California's new vehicle sales by 2025. The program also includes a clean fuels outlet regulation designed to support the commercialization of zero-emission hydrogen fuel cell vehicles planned by vehicle manufacturers by 2015 by requiring increased numbers of hydrogen fueling stations throughout the state. The number of stations will grow as vehicle manufacturers sell more fuel cell vehicles. By 2025, when the rules will be fully implemented, the statewide fleet of new cars and light trucks will emit 34 percent fewer global warming gases and 75 percent fewer smog-forming emissions than the statewide fleet in 2016 (CARB 2016).

All self-propelled off-road diesel vehicles 25 horsepower (hp) or greater used in California and most two-engine vehicles (except on-road two-engine sweepers) are subject to the CARB's Regulation for In-Use Off-Road Diesel Fueled Fleets (Off-Road regulation). This includes vehicles that are rented or leased (rental or leased fleets). The overall purpose of the Off-Road regulation is to reduce emissions of oxides of nitrogen (NOx) and particulate matter (PM) from off-road diesel vehicles operating within California through the implementation of standards including, but not limited to, limits on idling, reporting and labeling of off-road vehicles, limitations on use of old engines, and performance requirements.

Energy Use in Cannabis Operations.

The California Department of Food and Agriculture (CDFA) Code of Regulations includes renewable energy standards for indoor mixed-light cannabis cultivation operations. Beginning in 2023 all indoor mixed-light licensees must provide evidence of carbon offsets if the licensee's average weighted GHG emission intensity is greater than the local utility provider's GHG emission intensity. If a cultivator's

mixed-light energy use is supplied by resources with a lesser GHG-emission intensity than PG&E's GHG-emission intensity (currently approximately 85%), they would be required to acquire carbon offsets to account for the difference (California Code of Regulations [CCR] Section 8305).

Projected Energy Demand

The total energy demand of a cannabis operation depends on the type of cultivation, manufacturing, location of the project, and the types of equipment required. Outdoor cultivation involves minimal equipment and has relatively low energy demands, while indoor cultivation involves more equipment that tends to have much higher energy demands (e.g., high-intensity light fixtures, climate control systems). Specific energy uses in indoor grow operations include high-intensity lighting, dehumidification to remove water vapor and avoid mold formation, space heating or cooling during non-illuminated periods and drying processes, preheating of irrigation water, generation of carbon dioxide (CO₂) from fossil fuel combustion, and ventilation and air conditioning to remove waste heat. Reliance on equipment can vary widely as a result of factors such as plant spacing, layout, and the surrounding climate of a given facility (CDFA 2017).

Comparatively, non-cultivation cannabis operations, such as storage, processing, distribution, or retail sales, tend to involve typical commercial equipment and processes that may require minor to moderate amounts of power. These non-cultivation activities are subject to the CBC and 2019 Building Energy Efficiency Standards, and do not typically result in wasteful or inefficient energy use. Activities and processes related to commercial cannabis do not typically require the demand for propane gas supplies, and it is assumed that such activities would represent a nominal portion of the county's total annual propane gas demand.

Depending on the site and type of activities, cannabis operations can include measures that promote the conservation of energy resources. Some cannabis operators are known to engage in practices that promote energy conservation and reduce overall energy demands using high-efficiency lighting or through generation and use of solar energy. However, other operations in the State engage in activities that are highly inefficient and may result in the wasteful use of energy resources. Such operations may include the use of old equipment, highly inefficient light systems (e.g., incandescent bulbs), reliance on multiple diesel generators, and other similar inefficiencies (County of Santa Barbara 2017).

During the construction and implementation of proposed projects, fossil fuels, electricity, and natural gas would be used by construction vehicles and equipment. The energy consumed during construction would be temporary and would be typical of other similar construction activities in the City. Based on the size and scope of proposed earthwork and building construction, the project would have the potential to result in minimal environmental impacts through its use of diesel fuel for construction equipment.

Mitigation measures can be applied to reduce potentially significant air quality impacts associated with use of diesel fuel equipment and would require the project contractor to avoid wasteful, inefficient, or unnecessary consumption of energy resources, such as idling

In Lake County, cannabis cultivation projects do not use natural gas. Propane gas use is typically associated with cooking appliances and space heating. Cooking appliances are not proposed as a part of the project, and all proposed space heating units would run on electricity.

The project's operational electricity needs would be met by a connection to PG&E infrastructure. The CBC 2019 Building Energy Efficiency Standards include mandatory energy efficiency standards.

The project's proposed 33,600-square-foot processing and manufacturing building, and the proposed 5,000-square-foot structure for use as a non-storefront retail dispensary and office would be subject to the CBC 2019 Building Energy Efficiency Standards; therefore, the energy demand of these uses would not be wasteful, inefficient, or unnecessary.

Unclassified occupancy structures, such as greenhouses used for cultivation activities, are exempt from CBC standards and therefore would not be subject to state-mandated energy efficiency design requirements or practices.

In order to estimate energy demand, the applicant utilized sample energy consumption rates from the County of Santa Barbara Cannabis Energy Conservation Plan Electricity Use Calculation Form (County of Santa Barbara 2018). This calculation form contains formulas for estimating electricity use of cannabis operations. The form assumes that mixed-light (greenhouse) cultivation uses 110 kWh/sf annually.

The proposed project includes 5 – 25' x 75' greenhouses containing a total of 9,375 square feet of indoor mixed-light cannabis cultivation area. Based on the energy consumption rates from the Santa Barbara County Form, the project's expected energy consumption for the mixed-light cultivation activities would be approximately 1,031,250 kWh per year. This estimate is likely on the high side, due to the climate differential in the two regions. It is much sunnier in Lake County than in Santa Barbara County which translates into a lower power demand for lighting here.

Based on the California Energy Commission Report, a generic non-cannabis commercial building uses approximately 21.25 kWh/year/sf, which would be equivalent to 199,218 kWh/year for a 9,375 square foot building.

Preparation of an Energy Conservation Plan and implementation of a combination of measures that reduces project energy use is suggested.

Upon implementation of an energy conservation plan, the project's impacts associated with energy use would be less than significant and would not be cumulatively considerable.

Fuel Use

Ongoing operation of the project would result in fuel use associated with employee motor vehicle trips and deliveries. The project would employ up to 35 full-time and seasonal employees. Vehicles used by

employees and deliveries during operation would be subject to applicable state and federal fuel economy standards and State-mandated smog inspections. Based on adherence to applicable state and federal vehicle fuel regulations and the size and scope of proposed activities, project fuel use would not result in a potentially significant environmental impact and would not be wasteful, inefficient, or unnecessary.

Therefore, potential environmental impacts due to wasteful, inefficient, or unnecessary consumption of energy resources and potential conflict with state or local plans regarding renewable energy or energy efficiency would be less than significant.

Conclusion

The 2160 Ogulin Canyon Road project would not result in a potentially significant energy demand and inefficient energy use during long-term operations.

2160 Ogulin Canyon Road

Odor Control Plan

If and when an odor complaint is received, it will be forwarded to the facilities manager responsible for odor control. The odor complaint incident will be logged, including the time and type of complaint, the location of the odor receptor, and contact information of the person making the complaint. The incident will be investigated by the manager, and the problem identified. The manager will visit the facility in question and determine if there are any deficiencies in the odor control system or other issues or problems, and then identify possible remedies. These remedies if possible should be implemented immediately. The manager will prepare a written response and communicate via email and by phone with the complainant, if possible.

The communications should acknowledge the complaint, describe the incident, and identify what remedial actions have been or will be taken.

Managers responsible for responding to odor complaints at 2160 Ogulin Canyon Road in Clearlake are:

- Brian Pensack
- Garrett Burdick

Ogulin Hills Holdings, LLC Odor Complaint Protocol

1. Each odor complaint will be logged in a master odor complaint logbook indicating:

A. Time and date of complaint.

B. Name of employee who has received complaint.

C. Weather conditions at time of complaint, including wind direction.

D. Specific nature of the complaint i.e. what does the complaint involve, strong odor, weak odor, intermittent odor, continuous odor, and other details.

E. Name, address, phone number, of complainant location and distance from the 2160 Ogulin Canyon Road facilities.

F. Action taken at the time of complaint including indicating who the complaint has been referred to and any the results of any initial investigation that may have been conducted.

G. Investigation of complaint – manager will investigate the complaint and determine the validity of it, including a determination as to equipment or mechanical failures or issues, operational issues, and or any other causes for the odor complaint.

H. Report on odor complaint – The managers will issue a report on the complaint, file it in the complaint logbook, and call the complainant within five working days to report findings and resolution actions.

Odor Mitigation

Cannabis odors are considered by some people to be objectional. The 2160 Ogulin Canyon Road site cultivation greenhouse and processing operations will use state-of-the-art air filtration systems, the most effective odor neutralizer for indoor and mixed light cultivation operations. Charcoal filters may be installed in the end or sidewall areas of the processing/manufacturing/greenhouse structures. And will also be installed within the mechanical air movers on the roof of the processing building.

Air from the cultivation areas will be mechanically vented through the structures using filters thus preventing nuisance odors from escaping the structures.

No significant odor impacts are anticipated from the cultivation and processing operations, due to the use of the filtration system, limited residential population in the area, the size of the cultivation operation, and the extensive setbacks from roads, property lines, and nearby parcels. The project may be provided with a back-up odor mitigation system – an ozone generator – which may be installed on the outside of the exhaust fans, if needed and recommended. Should additional odor mitigation be necessary, a high-pressure atomizing system could be installed outside of the exhaust fans. This type of system generates an aerosol water vapor that binds with the cannabis terpene compounds to reduce odors.