

## PLANNING COMMISSION MINUTES

City Hall Council Chambers

April 27, 2017

7:00 p.m.

The regularly scheduled meeting of the Pendleton Planning Commission was held April 27, 2017, at 7:00 p.m. in the City Hall Council Chambers with Commissioners Brian Currin, Ryan DeGroff, Sunny Harmeson, Maureen McCormach, Terry Clarke, Wendy Largent, Vincent Papol and Ex-Officio Commissioner Lora Elliott present. Staff members present were City Planner George Clough, Planning Aide Julie Chase and Secretary Jutta Haliewicz.

**COMMUNITY DISCUSSION:** None

**CONSENT AGENDA:** Minutes of April 13, 2017, meeting were approved.

### **PUBLIC HEARINGS:**

- a. **CUP17-03(Ghost Town Organix):** Conditional use request to operate a recreational marijuana grow facility at 2515 NE Riverside Place, site of the old Prairie Market, within the M-1 zone identified as 2N32 01CD Tax Lot 00203, Umatilla County. The marijuana grow facility will operate 17,647 square feet of grow space and caretaker's living space. Recreational marijuana grow sites are a conditional use in the M-1 Light Industrial Use zone.

The public hearing procedure was read into the record.

**Conflicts of Interest/Exparte Contact:** None.

**Staff Report:** This request is to operate a recreational marijuana grow facility located within the M-1 Light Industrial zone. Staff recommends an approved replat be filed on the existing lot to remove interior lot lines because the building crosses over some of the existing lots of record. The applicant is also requesting caretaker's quarters be located within the same building. Staff is recommending that not more than 1,200 sq.ft. be allocated as caretaker's quarters which is approximately 30' x 40'. The caretaker's quarters should be occupied by the employees on the site and the capacity is primarily for security of the grow site. Upon the cessation of the primary use as a grow site, staff recommends the caretaker's quarters be removed. Caretaker's quarters are allowed only as an adjunct to the primary use with an active business license which must be renewed annually. The conditional use does not guarantee the renewal of the business license and shall not be construed to imply a business license must be approved or renewed. Alteration of the primary use as a grow facility, for example processing, laboratory or wholesaling, shall require a separate conditional use permit. Approval of this conditional use does not guarantee nor imply that this will be approved by OLCC or OHA. No marijuana retailer may be permitted on this site. The ordinance does not allow a production facility and a retail facility at the same location. Staff has presented summary findings and it is the staff's conclusion that this conditional use be approved with conditions as delineated by the Commission.

**Questions:** The Commission asked several questions. As growers, will they be permitted to take a live plant, dry it out, and trim it down to the actual product that will be sold to their customers? Will they be transporting whole plants out of the building? Clarification from the applicant is necessary. Is processing a defined term in City ordinance or State law? Is the building for sale? Yes. Is the owner okay with it? Yes. Can a family live in the caretaker's residence? Yes, as long as they are directly involved with the use. What's the definition of a community facility? Is it a facility owned/operated by the City? No. The only reason staff used this terminology was because fairly large members of the community as well as surrounding communities use the facility. It is a private business. When the ordinance was drafted, the Commission wanted clarity between what is and what is not a community facility. These types of businesses were not included in that definition. They didn't consider movie theaters or any of those types of businesses. It was parks, city recreational facility, schools, little league parks, etc.

**Applicant Testimony:** Sheri Ramirez, Ghost Town Organix, 3115 N 32<sup>nd</sup> Street, Boise, ID 83703. They will be just a grow facility. Processing is completely different. Processing is when they press the plants and make oils out of them. That's not what they will be doing. They are just growing the plants and trimming so they can put them in containers for shipment. They don't sell the plants, the leaves or any of the other stuff themselves. They sell just the buds. There are three different types of businesses. They will be producers that sell to wholesalers who distribute to the retailers. At this point, they are only looking to use 5,000 sq. ft. of the facility for grow. The caretaker's quarters is strictly for security. There will be no family there. OLCC guidelines say kids under 21 cannot be on the facility, although the caretaker's quarters will be completely locked away from the grow facility.

Per City staff's request, there will be a fire separation wall which will go all the way up to the ceiling and locked doors that go into the grow facility. It will be two separate areas under the same roof.

**Questions:** The Commission asked several more questions. How many people will be employed? Only three and they don't need large living quarters but they do need it for security. Also, if the power were to go out or something were to go wrong, they have to be there. Within every four hours those plants have to be looked after, checked on, and they make sure everything is running the way it should be. Are they purchasing the building and do they have plans for the remainder of the building? Yes. They are purchasing the building. Eventually they look to grow into a larger grow facility but not at this time. Are they comfortable with staff's recommended conditions of approval? Yes. Is there any onsite waste generated? No. The leaves and stems are separated from the bud that they can sell to the processors. The processors can then transfer those into the oils that go to the retailers. Other agricultural growing operations, not the same industry, are pretty heavy users of utilities such as power and water. How would this compare to another indoor growing operation, and what kind of waste products are generated such as wastewater? The tables they will be using use 98% of the water. They're a hydroponic farm so the plants themselves drink most of the water. They basically will just be refilling tanks. There would be very little wastewater. As far as the lights, they will be using LED's which are the lowest use available. Will all three employees be living there? They will be taking shifts and at least two will be onsite at all times. Will there be security guards? They didn't think they will need security guards but there will be surveillance, and they will have security when they harvest. Section 11.03.2 states "Occupants of the caretaker's business must demonstrate the dwelling is necessary for the security or operation of the primary use." Occupants of the caretaker dwelling are limited to an employee and immediate family hired as an operator or security guard. Are the employees operators? Everybody at the facility will be an operator and provide security. If they find that there is a security concern, they will increase security. They want to make sure everyone is safe. Staff recommendation Item 6 states upon cessation of the primary use, marijuana grow site, the caretaker's quarters must be removed, demolished, or otherwise made non-habitable, and there was mention of a bond. The Commission has an option of requiring a bond be placed to ensure the removal of such use within a specified period of time. The applicant will own the building, and if they wanted to sell the building, they would try to make sure that it was resalable. When do they plan to start operating? Will the current owner allow them to start operating now? Yes he will. If the CUP is approved, they will purchase the building next week. No one is allowed to live there unless they're operating full-time. Will anyone be dwelling before they start the business? They will be operating as soon as they get the okay and will need to be there to get the business started and for construction. It will take them some time to get the tables set up. As soon as they are able to get into the building, they hope to move a trailer in so they can have their employees stay there safely during construction.

**Testimony in Favor:** None

**Testimony in Opposition:** None

**Other Testimony:** Kami Walborn, DK Alignment, 2550 NE Riverside Place, Pendleton. Their business is across the street from the old Prairie Market and their main issue is security. They own a truck trailer alignment business so they have very large semi-trucks and trailers parked at their facility worth large amounts of money that are behind a locked gate. One of the items in the staff report was there wasn't going to be a huge amount of traffic, but since the EO ran this article with this business coming in, they have had 2 to 5 cars parked across the street at that lot looking at the building, surveying, taking pictures, on the phone. They work there all day and when there's a strange car there and you approach them thinking they're looking for you or your business they either ignore you or glare at you or don't want anything to do with you because they're there to see what's going on across the street. This road is a private easement. It is not a City road, and the business owners or property owners are required to take care of the roads. It's a very huge expense for them as a business owner. They're also worried about how they're going to ship their product out. Is it going to be in large trucks? Is it going to tear up the road more? They are across the street so their half of the road meets the applicant's half of the road. Also, with their caretaker building being inside the building, how are they going to monitor what's going on outside? How are they going to see if someone's crawling their fence or trying to get into their area? If they can't crawl the fence, what's to say they aren't going to come across the street to their business and climb their fence? Also, how long until they're a processing facility? Six months, three months, two weeks, a year? Why did they choose Pendleton? What was the reason for finding a facility in Pendleton? If they're only going to provide three jobs, what is the benefit to Pendleton having a grow facility in their neighborhood? As a business, they contribute a lot with the taxes and community involvement with the City. As far as security, what are they securing? Just the building, the parking lot, the easement along with the driveway? What is their plan for the building so they can decide their next steps

for their business? A lot of what they choose to do is going to require them to revamp how they bring trucks in. They repair large semi-trucks and double trailers where they have to figure out and work with neighbors to try and make sure they can still do their job.

**Rebuttal:** Chris Strawn, Ghost Town Organix, 415 15<sup>th</sup> Avenue S, Nampa, ID. Their plan is to completely seal off the entire 2.3 acres and are currently getting bids to add additional fence height which will be anywhere between 6'-8'. They are going to add a complete secure fence area around the entire facility a minimum of 8' minimum with a 2' barbed wire. They will have an automated gate to the front of the building that will only be operational from the inside so if they don't want someone in, they're not coming in. There will be minimal traffic. The only traffic they will have is when their product is ready. They will be taking responsibility for shipping it out. They don't use big trucks. They have a very high-tech unmarked delivery vehicle which has to be secure since they will be dealing with the potential of millions of dollars of product. The reason they chose Pendleton is they wanted something east in the state. Pendleton wasn't their first choice. They looked at a couple other places, and it just wasn't the right fit for them. They chose Pendleton because they like the facility, the building, the location, it's off the beaten path and there's nothing going on over there. It's a very secluded area, not in the middle of downtown. Time factor is dependent upon on what happens this evening. If they allow them the CUP, the next transaction is to finalize the sale and purchase of the building, finish up with the architect, and work with the City to get the permits to build the living quarters. What they want people to understand is a majority of the grows that are in Washington, Colorado, soon to be California, Nevada, Oregon are outdoor grows. They don't want an outdoor grow. There's a higher security issue with outdoor grows than indoor grows. They are not going to end up building a 20,000 sq. ft. indoor grow facility. They like the building for the security purposes. It's a large lot, it's already partially fenced, it's in a low use area and there's not a lot of traffic. There's only one-way in and one-way out. The security system is very high-tech equipment from their vendor that currently uses them on commercial construction job sites that you can see with your phone. You can see a half mile up or down the road, or if your neighbor across the street is doing something they shouldn't be. The resolution is really good. There are notifications it can send you. When they're inside and someone's turning on Riverside and coming down the road, there's usually a reason and it better be for some sort of business. They're not looking for tourists at all. Regarding traffic volume, the newspaper article didn't do anybody any good except bring to light something everybody knew was coming. Now everybody wants to see it. They chose Pendleton because they like Pendleton, want to contribute and want to be part of the community. They're looking at relocating their families here but not live inside the building. They do know there's a huge housing shortage here and would like to help develop some housing. They've talked to Planning staff before about some redevelopment around that area towards the river. They're not looking to just come in, make as much as they can and get out. They look at being in Pendleton permanently.

**Questions:** As clarification of the caretaker's facility, it compares to more along the lines of a firehouse where's there always somebody there. That is exactly right. All they're doing is adding some room space and living quarters. The main reason being OLCC requires onsite security. This is why they choose that big of a building. They're only going to use part of the building but it allows them for multiple layers of security. Do they operate other facilities similar to this one? Do they have an outdoor grow operation? No, this is their first indoor grow operation. They have consulted with outdoor grow operations and have chosen to do only indoor grow operations. Will there be signage? There will be no signage there whatsoever other than no trespassing and beware of the dog. What about the security cameras and how large the living quarters will be? They will have security cameras all over the place. The living quarters are about 900 total sq.ft. which includes the double-sided firewall. The building only has about four doors. This is the other reason they liked it. Security once again. What about the wastewater? What happens to the water? This is a hydroponic system so if they use 100 gallons of water the plants use 98 gallons of that water. They're not using a dirt system at all. They're just not as effective and efficient. There will be minimal wastewater. It will be just like flushing the toilet. What about insecticides, fungicides, sulfurs, chemicals? This is all organic based. What about the charcoal based filtration system and the fumes? They will have a dual layer of absorption of fumes. The grow operations are in a tented canvas. They're inside the building and inside that building will be a greenhouse space. Within that greenhouse space they have a charcoal filtration system to absorb fumes. They have 17,000+ sq.ft., and in that space, there will be two exterior filters that are about 4' x 4' and about 18" deep of charcoal filtration. They won't be able to smell anything. Nothing worse than the old nursery that had manure piles right next to the street. The living space will be completely vented separate. There will be a 6" thick double 5/8" firewall that's completely separate from that with only two accessible doors. What will they use as far as dumpsters? They may have one small dumpster but didn't anticipate throwing anything away other than trash. The product is 100% salable. Nothing is thrown away. The way the market and industry has completely changed, stems are used for oral processing, shaker leaves for edibles. There isn't any waste. For an operation that doesn't have any other growing facilities, is his knowledge entirely through his own research? Their

additional personnel have been in the grow business for the last five years in Colorado. They've toured facilities and talked to industry experts. It's a lot of money to put on the line so they better know what they're doing. There's no real legitimate playbook to go by because everything is different. Indoor grow is completely different from outdoor grow as far as the types and uses, etc. The final benefit is they will be paying 3% tax directly to the City in cash off the grow operation.

The public hearing was closed.

**Discussion/Deliberation:** Commissioner Clarke questioned how they ended up with a private easement to an industrial area with that many businesses? Mr. Clough replied staff didn't have any idea. They also don't know why Lindell Lane is a public way. Neither one of those are right-of-way, and neither one are to City standards. The City doesn't take care of them. There have been conversations with the property owners to get people on board to improve the street.

Commissioner Clarke questioned if this wasn't an opportunity for an irrevocable consent and suggested they add the irrevocable consent to an LID for a street improvement as a condition.

Mr. Clough replied they cannot ask for an irrevocable consent to participate if there isn't even a right-of-way. It's just an easement.

Commissioner Harmeson questioned the landscaping requirements in the findings which wasn't addressed by the applicant. Will this come up during site plan review?

Mr. Clough replied with security being a paramount concern, maybe they should leave it alone. With less change to the appearance, the less curiosity factor will be aroused for the public.

Commissioner McCormach mentioned they did express a concern about visibility and the cameras. They probably don't want a lot of trees and shrubbery out there that people could potentially hide behind. It is a light industrial area, and none of the other businesses have much landscaping.

Commissioner Clarke was concerned with the lack of right-of-way. Is the fire hydrant by the vet clinic within the 450' minimum for all those businesses?

Mr. Clough replied he thought it was, and there is another hydrant by the well drilling shop.

**Motions:**

Commissioner DeGrofft moved to replace any references to community facility in the findings with private business or some other more appropriate term; Commissioner Clarke seconded and the motion passed unanimously. Commissioner DeGrofft moved that the Commission adopt the findings and conclusions prepared by staff and as amended by the Commission, as set forth in action **CUP17-03** above; Commissioner Currin seconded and the motion passed unanimously.

Commissioner DeGrofft moved that the request for a conditional use to operate a recreational marijuana grow facility at 2515 NE Riverside Place, site of the old Prairie Market, within the M-1 zone, as set forth in action **CUP17-03** be **APPROVED**, based on the information, findings and conclusions set forth above, subject to the conditions of approval as recommended by staff. Commissioner Currin seconded and the motion passed 6-1 with Commissioner Clarke voting against.

**REPORT OF THE CITY PLANNER**

a. The River Quarter Overlay workshop regarding the history of the River Quarter will be May 11, 2017, if the presentation is ready.

The meeting adjourned at 8:08 p.m.

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Chairman Maureen McCormach

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Date Approved