



**COUNTY OF SAN LUIS OBISPO**  
**DEPARTMENT OF PLANNING & BUILDING**  
**TREVOR KEITH, DIRECTOR**

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July 23, 2021

The Source Central Coast Inc.  
Attn: Shawn Bean  
660 South Frontage Rd  
Nipomo, CA 93444

**SUBJECT: Notice of Final County Action, Conditional Use Permit**  
**THE SOURCE CENTRAL COAST, INC**  
**COUNTY FILE NUMBER(s): DRC2020-00223**

On, July 22, 2021 the County Planning Commission approved your application based on the approved Findings and subject to the approved Conditions, attached as exhibits and enclosed for your records.

If you disagree with this action, pursuant to County Land Use Ordinance Section 22.70.050, and in the manner described therein, you have the right to appeal this decision, or a portion of this decision, to the Board of Supervisors within 14 calendar days after the date of the action.

The appeal must be submitted to the Department of Planning and Building on the proper Department appeal form, as provided on the County website. The appeal form must be submitted with an original signature; a facsimile will not be accepted. The appeal fee is set by the current fee schedule and must accompany your appeal form for your appeal to be accepted for processing.

If you have any questions regarding your project, please contact Cassidy McSurdy at [CMcsurdy@co.slo.ca.us](mailto:CMcsurdy@co.slo.ca.us)

Ramona Hedges, Secretary

*R. Hedges*

County of San Luis Obispo  
Department of Planning & Building

**FINDINGS – EXHIBIT A**  
**CONDITIONAL USE PERMIT DRC2020-00223 / THE SOURCE CENTRAL COAST, INC**

*Environmental Determination*

- A. The project is categorically exempt under CEQA, pursuant to CEQA Guidelines Section 15061(b)(2). A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section 15061. The project qualifies for a Categorical Exemption for Class 1 as set forth in the CEQA Guidelines because it involves the operation and permitting of a cannabis non-storefront, cannabis manufacturing and cannabis distribution facility within an existing 17,000 square foot building and negligible expansion of use beyond that which was existing. In accordance with *Berkeley Hillside Preservation v. the City of Berkeley* (2015) 60 Cal.4th 1086, the project does not present unusual circumstances, such as size or location. The project includes minimal site disturbance and is not located in a sensitive environment, will not have a cumulative impact, will not have a significant effect due to unusual circumstances, will not damage scenic resources, is not located on a hazardous waste site, and will not affect any historical resources.

*Conditional Use Permit*

- B. The proposed project or use is consistent with the San Luis Obispo County General Plan because cannabis distribution, cannabis manufacturing, and cannabis non-storefront retail, as Cannabis Activities, are allowed land uses and, and are, as conditioned, consistent with all relevant policies of the General Plan.
- C. As conditioned, the proposed project or use satisfies all applicable provisions of Title 22 of the County Code.
- D. The establishment and subsequent operation or conduct of the use will not, because of the circumstances and conditions applied in the particular case, be detrimental to the health, safety, or welfare of the general public or persons residing or working in the neighborhood of the use, or be detrimental or injurious to property or improvements in the vicinity of the use because the proposed cannabis dispensary, manufacturing and distribution businesses do not generate activities that present a potential threat to the surrounding property or buildings, water use would be minimized and actual usage shall be monitored, energy usage shall be monitored, security fencing shall be installed, State water quality regulations shall be met, solid waste shall be properly disposed of, and nuisance odor shall be controlled. This project is subject to Land Use Ordinance and Building Code requirements designed to address health, safety, and welfare concerns.
- E. The proposed project or use will not be inconsistent with the character of the immediate neighborhood or contrary to its orderly development because the proposed cannabis activities would occur within an existing building, cannabis would not be visible from offsite, and nuisance odors would not be detectable from offsite.
- F. The proposed project or use will not generate a volume of traffic beyond the safe capacity of all roads providing access to the project. The project is accessed from Frontage Road off of Tefft St. in the community of Nipomo.

*Cannabis Manufacturing Facilities*

- G. The cannabis manufacturing facility, as proposed, will comply with all the requirements of State and County for the manufacturing of cannabis, including dual licensure and participation in an authorized track and trace program.
- H. The cannabis manufacturing facility does not pose a significant threat to the public or to neighboring uses from explosion or from release of harmful gases, liquids, or substances.

- I. The cannabis manufacturing facility includes adequate quality control measures to ensure cannabis manufactured at the site meets industry standards and includes a documented employee safety training program, a Materials Data Safety Sheet (MSDS), and meets all requirements in the Health and Safety Code Section 11362.775, and as it may be amended.
- J. The cannabis manufacturing facility includes adequate measures that address enforcement priorities for cannabis activities including restricting access to minors, and ensuring that cannabis and cannabis products are obtained from and supplied only to other permitted licensed sources within the State and not distributed out of State.
- K. The cannabis manufacturing facility will not be located within six hundred (600) feet from any pre-school, elementary school, junior high school, high school, library, park, playground, recreation or youth center, licensed drug or alcohol recovery facility, or licensed sober living facility.

**Cannabis Non-Storefront Retail**

- L. The cannabis non-storefront retail business, as proposed, will comply with all the requirements of the State and County for the retail sale of cannabis, including all dual licensure and participation in an authorized track-and-trace program.
- M. The cannabis non-storefront retail business includes adequate measures that address enforcement priorities for cannabis activities, including restricting access to minors and ensuring that cannabis and cannabis products are obtained from and supplied only to other permitted licensed sources within the State and not distributed out of state.
- N. The cannabis non-storefront retail business will not be open to the public and will not be located within 600 feet from any pre-school, elementary school, junior high school, high school, library, park, playground, recreation or youth center, licensed drug or alcohol recovery facility, or licensed sober living facility.

**Cannabis Distribution**

- O. The cannabis distribution business, as proposed, will comply with all the requirements of the State and County for the distribution of cannabis, including all dual licensure and participation in an authorized track-and-trace program.
- P. The cannabis distribution business includes adequate measures that address enforcement priorities for cannabis activities, including restricting access to minors and ensuring that cannabis and cannabis products are obtained from and supplied only to other permitted licensed sources within the State and not distributed out of state.
- Q. The cannabis distribution business will not be open to the public and will not be located within 600 feet from any pre-school, elementary school, junior high school, high school, library, park, playground, recreation or youth center, licensed drug or alcohol recovery facility, or licensed sober living facility.

**EXHIBIT B - CONDITIONS OF APPROVAL**  
**The Source Central Coast, Inc DRC2020-00223**

**Approved Development**

1. This approval authorizes use of an existing 17,000 square foot building located at 660 South Frontage Road for the following:
  - a. The development of cannabis activities as follows: Cannabis Manufacturing, Distribution, Non-Storefront Retail
  - b. A maximum of 38 employees, including owners and managers, to serve all on-site operations per shift and on site at any one given time.
  - c. A maximum of 22 fleet vehicles for distribution and delivery activities.
  - d. Distribution and manufacturing hours of operation are limited to 6 A.M. to 10 P.M., 7 days week.
  - e. Non-storefront retail delivery hours of operation are limited are limited to 7 A.M. to 9 P.M., and all retail deliveries of cannabis goods are limited to the hours of 8 A.M. to 8 P.M., 7 days week.
  - f. Any incoming or outgoing delivery transport vehicles be limited to the hours of 7 A.M. to 9 P.M., 7 days week.
  - g. Excepting the items listed above, no other onsite uses are permitted, including, but not limited to, additional full time or seasonal employees, cultivation, nursery, greenhouse, retail sales, tours, or events.
2. The dispensary shall not be open to the public. Retail sales from the dispensary shall be by delivery only. The products sold shall be in accordance with applicable State regulations and licenses.
3. The manufacturing of cannabis edible products that are in the shape of animals, people, insects, or fruit is prohibited.
4. This approval authorizes a cannabis distribution business which shall be operated in compliance with the following restrictions:
  - a. Cannabis goods for distribution shall only travel in an enclosed motor vehicle operated by a distribution employee of the permittee.
  - b. While carrying cannabis goods for distribution, a distribution employee shall ensure the cannabis goods are not visible to the public.

**Conditions required to be completed prior to commencing permitted activities**

5. **Prior to commencing permitted activities**, the applicant shall obtain a business license through the County of San Luis Obispo Tax Collector's Office. Business license renewals shall be obtained by the applicant annually as required by Title 6 of the County Code.
6. **Prior to commencing permitted activities**, the applicant shall complete all State licensing requirements for cultivation at the approved location. A copy of all pertinent State licenses shall be submitted to the County of San Luis Obispo Planning and Building Department prior to commencing permitted activities.
7. **Prior to commencing permitted activities**, the applicant shall provide evidence to the Planning and Building Department that onsite circulation and pavement structural sections

have been designed and shall be constructed in conformance with Cal Fire standards and specifications back to the nearest public maintained roadway.

8. **Prior to commencing permitted activities**, the applicant shall demonstrate to the Planning and Building Department how cannabis activities will be physically and adequately separated from vacant areas or other non-cannabis uses onsite. The applicant shall obtain any necessary building permits to create the separation between uses.
9. **Prior to commencing permitted activities**, the applicant shall complete and submit the Hazardous Materials Declaration Flowchart to the Environmental Health Services office.
10. **Prior to the commencement of permitted activities**, the applicant shall demonstrate that an APCD Cannabis Manufacturing/Processing Authority to Construct permit has been issued by the Air Pollution Control District.
11. **Prior to commencing permitted activities**, and in accordance with Title 13.01 of the County Code, the applicant must pay to the Department of Public Works the South County Area 1 Road Improvement Fee based on the latest adopted area fee schedule and 7.66 peak hour trips (PHT) as estimated based on the project description. The estimated fee is \$40,200 (\$5,248/PHT x 7.66 PHT).

The fee schedule is subject to change by resolution of the Board of Supervisors. The applicant shall be responsible for paying the fee in effect at the time of issuance of building permits, or within 30 days of Land Use Permit approval if no building permits are required. The fee increased on March 1, 2021 from \$5,133 per PHT to \$5,248 per PHT.

#### **Conditions required to be completed prior to issuance of a County Business License.**

12. **Prior to issuance of County Business License**, the applicant shall submit evidence that solid waste and recycling collection will be consistent with Title 22 Land Use Ordinance.
13. **Prior to issuance of County Business License**, the applicant shall submit evidence that the project security plan has been reviewed and approved by the County Sheriff as in accordance with the Land Use Ordinance.
14. **Prior to issuance of a County Business License**, the applicant shall enter the County of San Luis Obispo Cannabis Monitoring Program. Any associated fees shall be paid to the County of San Luis Obispo Planning and Building Department.

#### ***Fees***

15. At the time of application for building permits, the applicant shall pay all applicable public utility and housing impact fees.

#### ***Lighting***

16. **Prior to issuance of a County Business License**, the applicant shall provide a lighting plan showing all exterior security lighting with shielding that confines light sources to the project site and shields neighboring properties. Any lighting shall be the minimum necessary and shall be shielded, angled and operated so that it is not visible from public roads.

#### ***Fire Safety***

17. **Prior to issuance of a County Business License**, the applicant shall obtain a Fire Safety Plan from Cal Fire. All plans submitted to the Planning and Building Department shall meet the fire and life safety requirements of the California Fire Code and the requirements described in the letter of April 14, 2021 from CalFire.

18. **Prior to issuance of a County Business License**, the applicant shall have a registered professional engineer or a Certified Industrial Hygienist provide a statement to certify that the proposed manufacturing facility complies with the referenced codes and standards

**Conditions required to be completed at the time of application for construction permits**

***Site Development***

19. **At the time of application for construction permits**, plans submitted shall show all development consistent with the approved site plan, floor plan, and architectural elevations.
20. **At the time of application for construction permits**, all project conditions shall be clearly printed on the plans and construction documents shall be consistent with the currently-adopted California Codes.
21. **At the time of application for construction permits**, all plans and engineering shall be prepared by a California Licensed Architect of Record or Engineer for all design portions of the project that do not meet “conventional construction” as defined by the current building code.
22. **At the time of application for construction permits**, the submitted building plan set shall demonstrate consistency with California State Title 24 energy laws.
23. **At the time of application for construction permits**, if the project disturbs more than 1.0 acre or is part of a common plan of development, the applicant must enroll for coverage under California’s Construction General Permit. Sites that disturb less than 1.0 acre must implement all required elements within the site’s erosion and sediment control plan as required by San Luis Obispo County Codes.
24. **At the time of application for construction permits**, the applicant shall demonstrate whether the project is subject to post-construction stormwater requirements by submitting a Stormwater Control Plan application or Stormwater Post Construction Requirements (PCRs) Waiver Request Form.
- a. The applicant must submit a SWCP for all regulated projects subject to Performance Requirement #25 and above. The SWCP must be prepared by an appropriately licensed professional and submitted to the County for review and approval. Applicants must utilize the County’s latest SWCP template.
  - b. If post-construction stormwater control measures (SCMs) are proposed, the applicant must submit a draft Stormwater Operations and Maintenance Plan for review by the County. The plan must consist of the following Planning & Building Department forms;
    - i. Structural Control Measure Description
    - ii. Stormwater System Contact Information
    - iii. Stormwater System Plans and Manuals
  - c. If applicable, following approval by the County, the applicant shall record with the County Clerk-Recorder the Stormwater Operation and Maintenance Plan and an agreement or provisions in the CCRs for the purpose of documenting on-going and permanent storm drainage control, management, treatment, inspection and reporting.
25. **Prior to acceptance of the improvements (if applicable)**, the Stormwater Operations and Maintenance plan and General Notice must be updated to reflect as-built changes, approved

by the County, and re-recorded with the County Clerk-Recorder as amendments to the original document.

### **Water**

26. **At the time of application for construction permits**, the applicant shall offset the net increase of water to meet the 1:1 cannabis-related water use offset for the total proposed water use of the proposed operation as required by Title 19 Section 19.07.042 (Nipomo Mesa Water Conservation Area water offset requirements).
27. **At the time of application for construction permits**, the applicant shall submit a Will Serve Application and a set of plans for the complete project, including water demand and wastewater discharge calculations for the proposed business to the Nipomo Community Services District. Review of the project may generate additional conditions of service and payment of fees is required prior to issuance of a will serve letter.

### **Conditions to be completed prior to occupancy or final building inspection /establishment of the use**

28. **Prior to occupancy or final inspection**, whichever occurs first, the applicant shall obtain final inspection and approval from Cal Fire for all required fire/life safety measures.
29. **Prior to occupancy of any structure associated with this approval**, the applicant shall contact the Department of Planning and Building to have the site inspected for compliance with the conditions of this approval.
30. **Prior to acceptance of the improvements (if applicable)**, the Stormwater Operations and Maintenance plan and General Notice must be updated to reflect as-built changes, approved by the County, and re-recorded with the County Clerk-Recorder as amendments to the original document.

### **Ongoing conditions of approval (valid for life of the project)**

31. This land use permit is valid for a period of 24 months from its effective date unless time extensions are granted pursuant to County Land Use Ordinance Section 22.64.070 or the land use permit is considered vested. This land use permit is considered to be vested once a construction permit has been issued and substantial site work has been completed, or pursuant to Land Use Ordinance Section 22.64.090.B, the Director verifies that the use or activity not involving a building or grading permit is occurring on the subject site in compliance with all applicable provisions of the Land Use Ordinance and these conditions of approval. Substantial site work is defined by County Land Use Ordinance Section 22.64.080 as site work progressed beyond grading and completion of structural foundations; and construction is occurring above grade.
32. All conditions of this approval shall be strictly adhered to, within the time frames specified, and in an on-going manner for the life of the project. Failure to comply with these conditions of approval may result in an immediate enforcement action by the Department of Planning and Building. If it is determined that violation(s) of these conditions of approval have occurred, or are occurring, this approval may be revoked pursuant to relevant provisions of the County Land Use Ordinance. Revocation may require restoration to pre-existing conditions of areas of disturbance for cannabis-related activities authorized by this permit.

33. **Throughout the life of the project**, solid waste and recycling shall be conducted in accordance with LUO Sections Sections 22.10.150 B. and C.
34. **Throughout the life of the project**, and in accordance with the parking standards set forth in Section 22.18.050.C.1, the applicant shall maintain no less than 42 parking spaces, inclusive of two ADA compliant spaces, onsite for the life of the project.
35. **Throughout the life of the project**, and in accordance with the parking standards set forth in Section 22.18.050.B.3. the applicant shall maintain one bicycle rack space for each 10 parking spaces. Bicycle racks shall be designed to enable a bicycle to be locked to the rack.
36. **Throughout the life of the project**, the applicant shall maintain business licensing for all jurisdictions where non-storefront delivery will take place. Proof of all licensure must be available to county staff for verification.
37. **Throughout the life of the project**, the applicant shall post onsite all required land use permit approvals and all required State and County permits and licenses required to operate. Such posting shall be in a central location, visible to the visitors, at the operating site, and in all vehicles that deliver or transport cannabis.
38. **Throughout the life of the project**, the applicant shall maintain clear and adequate records and documentation demonstrating that all cannabis or cannabis products have been obtained from, and are provided to, other permitted and licensed cannabis operations. The County shall have the right to examine, monitor, and audit such records and documentation, which shall be made available to the County upon request.
39. **Throughout the life of the project**, the applicant shall conduct all cannabis activities in compliance with the approved Operations Plan, as well as all required County permits, State licenses, County ordinance, and State law and regulation. The applicant shall be responsible for the payment of all required fees and taxes.
40. **Throughout the life of the project**, the applicant shall submit to the Department of Planning and Building any proposed changes to the approved Site Plans, Operations Plan, Security Plan, or other plan approved through this Use Permit prior to the proposed change. Changes shall be submitted in writing and must be approved by the Department of Planning and Building prior to the implementation of the proposed changes. Any changes to the approved project, including features identified in the Conditions of Approval stated herein, may require additional environmental analysis and/or revisions to the approved Use Permit that requires review and approval by the appropriate Review Authority.
41. **Throughout the life of the project**, the applicant shall submit to the Department of Planning and Building any changes to the applicant name, business name, business owners, State license status, landowner, or changes in ownership requiring approval from the County Tax Collector's Office or County Sheriff's Department prior to the proposed change. Changes shall be submitted in writing and must be approved by the Department of Planning and Building prior to the implementation of the proposed changes.
42. **Throughout the life of the project**, the applicant and property owner(s) shall grant access to the County of San Luis Obispo, its officers, agents, employees, and any other governmental entities and their respective officers, agents, and employees to enter onto the subject property to conduct site inspections for the purposes of compliance with this Development Plan approval. Inspections may occur any day of the week, without prior notice, between the hours of 8 A.M. – 6 P.M.
43. **Throughout the life of the project**, the cannabis activities shall be sited and/or operated in a manner that prevents cannabis nuisance odors from being detected offsite. All structures



utilized for indoor cannabis activities shall be equipped and/or maintained with sufficient ventilation controls (e.g., carbon scrubbers) to eliminate nuisance odor emissions from being detected offsite.

44. **Throughout the life of the project**, the applicant shall maintain and manage odor controls so that odors will be contained within the property boundaries so as to not invoke a verified nuisance complaint by surrounding property owners and neighbors.
45. **Throughout the life of the project**, no minors or unauthorized personnel shall be permitted inside any restricted access areas, under any circumstance.
46. **Throughout the life of the project**, the applicant shall meter water used for cannabis activities and provide the Planning and Building Department with quarterly water usage monitoring reports based on meter readings.
47. **Throughout the life of the project**, the applicant shall meter electricity used for cannabis activities and provide the Planning and Building Department with quarterly energy usage monitoring reports based on meter readings.
48. **Throughout the life of the project**, the applicant shall prohibit any activity that requires the opening and/or closing of the bay doors in the rear of the building outside of the hours of 7 A.M. – 9 P.M.

#### **Defense and Indemnity of the County**

49. The applicant shall, as a condition of approval of this land use permit application, defend, hold harmless and indemnify, at his or her sole expense (including attorney's fees, with Counsel approved by the County), any action brought against the County of San Luis Obispo, its present or former officers, agents, or employees, by a third party challenging either its decision to approve this land use permit or the manner in which the County is interpreting or enforcing the conditions of this land use permit, or any other action by a third party relating to approval or implementation of this land use permit. The applicant shall reimburse the County for any court costs and attorney fees that the County may be required by a court to pay as a result of such action, but such participation shall not relieve the applicant of his obligation under this condition. Upon request of the County, the applicant shall also enter into a separate agreement with the County (the "Indemnity Agreement"), in a form approved by County Counsel, agreeing to defend, indemnify, save and hold harmless the County, its present or former officers, agents, or employees, against actions by a third party challenging either its decision to approve this land use permit or the manner in which the County is interpreting or enforcing the conditions of this land use permit, or any other action by a third party relating to or arising out of the approval or implementation of this land use permit. The agreement shall provide that the applicant will indemnify the County and reimburse it for any costs and/or attorney's fees which the County incurs as a result of such action, and that the County's participation or non-participation in any such litigation shall not relieve the applicant of his or her obligations under this condition or the agreement. The applicant shall also provide sufficient guarantees for the obligations hereunder as determined by County Counsel. Any violation of this condition, including the applicant's failure to execute the Indemnity Agreement or breach thereof, or failure to provide sufficient guarantees, is grounds for the County to rescind and/or revoke its approval of this land use permit. These defense and indemnity obligations shall survive any rescission, revocation and/or set aside of this land use permit.