

STAFF REPORT FOR THE PLANNING COMMISSION MEETING OF JANUARY 28, 2015

FILE NO.: SUP-14-160

AGENDA ITEM: F-2(B)

STAFF AUTHOR: Susan Dorr Pansky, AICP
Planning Manager

REQUEST: To consider a request from Nevada Organix, LLC (property owner: Dandini Wallach, LLC) to allow a Medical Marijuana Production Facility on property zoned General Industrial (GI), located at 3130 N. Deer Run Road, APN 008-541-76.

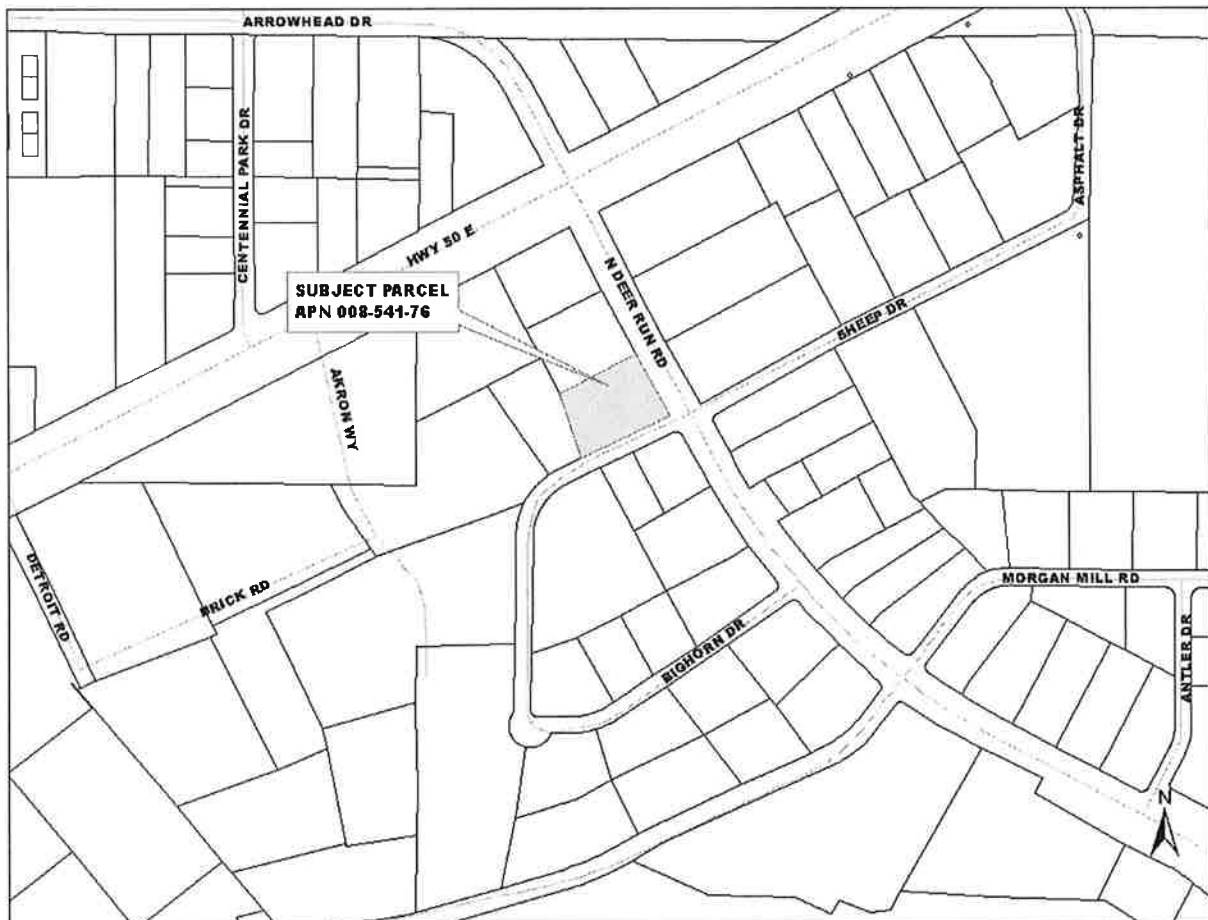
APPLICANT: Nevada Organix, LLC

OWNER: Dandini Wallach, LLC

LOCATION: 3130 N. Deer Run Road

APN: 008-541-76

RECOMMENDED MOTION: "I move to approve SUP-14-160, a Special Use Permit request from Nevada Organix, LLC (property owner: Dandini Wallach, LLC) to allow a Medical Marijuana Production Facility on property zoned General Industrial, located at 3130 N. Deer Run Road, APN 008-541-76, based on the findings and subject to the conditions of approval contained in the staff report."



RECOMMENDED CONDITIONS OF APPROVAL:

The following shall be completed prior to commencement of the use:

1. The applicant must sign and return the Notice of Decision for conditions for approval within 10 days of receipt of notification. If the Notice of Decision is not signed and returned within 10 days, then the item may be rescheduled for the next Planning Commission meeting for further consideration.
2. All development shall be substantially in accordance with the development plans approved with this application, except as otherwise modified by these conditions of approval.
3. All on- and off-site improvements shall conform to City standards and requirements.
4. All on- and off-site improvements shall conform to NRS and NAC 453A and the Adopted Regulations of the Division of Public and Behavioral Health of the Department of Health and Human Services, LCB File No. R004-14, as applicable at the time of development.
5. The use for which this permit is approved shall commence within 12 months of the date of final approval. A single, one year extension of time may be requested in writing to the Planning Division thirty days prior to the one year expiration date. Should this permit not be initiated (obtain a Building Permit) within one year and no extension granted, the permit shall become null and void.
6. The applicant shall maintain a State certificate to operate a Medical Marijuana Establishment, specifically a production facility, at the subject location prior to commencement of operation. Failure to maintain this certificate will render this Special Use Permit null and void.
7. The applicant shall obtain and maintain a valid Carson City Business License for the operation of a Medical Marijuana production facility.
8. The project requires application for a Building Permit, issued through the Carson City Building Division. This will necessitate a complete review of the project to verify compliance with all adopted construction codes and municipal ordinances applicable to the scope of the project.
9. Should the applicant desire signage, the applicant shall submit proposed signage to the Planning Division for review and approval prior to installation. A Sign Permit may be required depending on the nature of the proposed signage. All signage shall conform to Division 1.20 and Division 4 of the Carson City Development Standards, as applicable.
10. The applicant shall re-stripe all existing parking spaces in the parking lot including an area designated for loading and unloading.

The following conditions shall be completed with any Building Permit application:

11. The applicant shall submit a copy of the Notice of Decision and conditions of approval, signed by the applicant and owner, with any Building Permit application.

12. All projects and improvements must be performed in accordance with Nevada Revised Statutes (NRS) 624 and Carson City Municipal Code Section 15.05.020.
13. Repairs, replacements and alterations must comply with 2012 International Building Codes, 2012 Uniform Plumbing Code or 2012 International Plumbing Code, Uniform Mechanical Code or 2012 International Mechanical Code, 2012 Fuel Gas Code, 2011 Electrical Code, and 2012 Northern Nevada Amendments.
14. This facility will need to meet all applicable codes found in Title 12.06 and Appendix 18 Division 15.5 of the Carson City Municipal Code (CCMC) and all applicable codes found in Chapters 7 and 10 of the 2012 Uniform Plumbing Code (UPC).
15. All contractors are required to carry State and local licenses.
16. The project must conform to the 2012 International Fire Code with Northern Nevada amendments.
17. A Knox key box must be provided. Final mounting location shall be approved by the Carson City Fire Department.
18. Extraction equipment, non-recovered waste, CO2 and relief venting must be vented to the outside and meet International Mechanical Code Requirements.
19. Local CO2 monitoring and alarm shall be provided in the area using CO2 super critical extraction.
20. A pre-building permit submittal Project Design Meeting with the Building and Fire Departments shall be required due to the nature of the project and equipment being used.
21. The applicant shall provide fire flow information with the construction permit submittal.
22. The applicant may be required to install a reduced pressure backflow preventer on the domestic line as a part of this project.

The following conditions shall be applicable throughout the life of the use:

23. The Special Use Permit for this Medical Marijuana production facility is only valid at the location specified in this application for the operator who obtains the Nevada State certificate for this facility. The Special Use Permit approval shall expire and become null and void if the operator loses or otherwise forfeits his or her State certificate to operate this facility. Special Use Permits for Medical Marijuana Establishments are non-transferable between operators and locations within Carson City.
24. All production facility operations shall conform to NRS and NAC 453A and the Adopted Regulations of the Division of Public and Behavioral Health of the Department of Health and Human Services, LCB File No. R004-14, as may be modified from time to time.
25. Medical marijuana or medical marijuana-infused products intended for disposal shall be rendered unusable and disposed of off-site at the Carson City Landfill as medical material for immediate burial. Temporary exterior on-site storage of product for disposal shall be

prohibited. This method of disposal is subject to change and may be modified by Carson City at any time.

26. No consumption of medical marijuana or medical marijuana-infused products shall occur on the premises of this production facility, including the parking lot and surrounding area.
27. The sale of medical marijuana products to the general public from this facility is prohibited.
28. Outdoor display and sales of medical marijuana merchandise is prohibited.
29. Medical marijuana products shall not be visible from outside the production facility at any time.
30. The applicant shall maintain a ventilation and filtration system at all times to prevent offensive odor discharge from the building that could impact the surrounding properties. Failure to maintain this system, as well as the detection of medical marijuana odors in the vicinity may result in citation and possible revocation of this Special Use Permit.

LEGAL REQUIREMENTS: CCMC 18.02.080 (Special Use Permits), CCMC 18.04.150 General Industrial (GI), CCMC DS 1.20 Development Standards for Medical Marijuana Establishments

MASTER PLAN DESIGNATION: Community/Regional Commercial (C/RC)

PRESENT ZONING: General Industrial (GI)

KEY ISSUES: Will the proposed Medical Marijuana Production Facility be compatible with the surrounding neighborhood and be in keeping with the standards of the Carson City Municipal Code?

SURROUNDING ZONING AND LAND USE INFORMATION

- EAST: General Industrial/Industrial Warehouse and Office Uses
- WEST: General Industrial/Outside Storage on Vacant Parcel
- NORTH: General Industrial/Industrial Warehouse and Office Uses
- SOUTH: General Industrial/Auto Repair Garage and Single Family Residential Dwelling

ENVIRONMENTAL INFORMATION

- FLOOD ZONE: Zone X (areas of minimal flooding)
- EARTHQUAKE FAULT: Zone II
- SLOPE/DRAINAGE: Site has been previously developed but slopes from south to north

SITE DEVELOPMENT INFORMATION

- LOT SIZE: 1.24 acres
- EXISTING STRUCTURE SIZE: 14,000 square feet
- EXISTING PARKING: Estimated at 28 spaces
- SETBACKS: N/A – Existing Building
- VARIANCES REQUESTED: None

PREVIOUS REVIEWS:

None

HISTORY:

Senate Bill (SB) 374, commonly referred to as the “Medical Marijuana Act,” was adopted by the Nevada Legislature and signed into law in 2013, authorizing Medical Marijuana Establishments in Nevada. In July 2014, the Carson City Board of Supervisors adopted zoning regulations to allow Medical Marijuana Establishments in the General Commercial and General Industrial zoning districts in certain locations in Carson City with the approval of a Special Use Permit and subject to specific development standards.

In addition to the Special Use Permit requirements set forth by Carson City, any Medical Marijuana Establishment applicants are also required to apply to the State of Nevada for a certificate to operate a Medical Marijuana Establishment in Nevada. All applications for Medical Marijuana Establishments for 2014 were submitted and provisional certificates were issued by the State on November 3, 2014. A provisional certificate is a preliminary certificate issued by the State that is contingent on applicants receiving all local zoning and business license approvals. Once those approvals have been verified, the State will issue an official certificate to successful Medical Marijuana Establishment operators.

The applicant for this Special Use Permit to operate a Medical Marijuana Establishment, in this case a production facility, has received a provisional certificate from the State. As a result, a condition of approval has been recommended as a part of this staff report that the applicant must maintain their certificate to operate a Medical Marijuana Establishment in Carson City in order for this Special Use Permit to remain valid. The failure to maintain a certificate to operate from the State would result in the Special Use Permit becoming null and void.

DISCUSSION:

The applicant is proposing to operate a medical marijuana production facility in an existing 14,000 square foot building on N. Deer Run Road, 1,666 square feet of which will be used solely for the production functions. The remaining 12,334 square feet is proposed to be used for a medical marijuana cultivation facility, which is the subject of a separate Special Use Permit on the same agenda as this item. The production facility will extract cannabinoids from the finished marijuana flower and convert the cannabinoids into concentrated form which can then be infused into edibles, oils and other similar products. The extraction, concentration and infusion processes are proposed to occur at the production facility. The finished products will be provided to the applicant’s medical marijuana dispensary, which is also subject to a separate Special Use Permit. The Special Use Permit for the dispensary is tentatively scheduled to be heard by the Planning Commission on February 25, 2015.

The production facility will consist of a loading area, packaging area, extraction area, break area, dish area, an office and a restroom. The facility will employ five employees not including management staff.

Water usage for the facility is anticipated to be minimal in comparison to the cultivation operation that will occur in the remainder of the building. As a result, staff does not anticipate that the production facility would be subject to Growth Management review. The Engineering Division has reviewed the anticipated water and sewer usage for the facility and does not have objections to

the proposed operation. Engineering has recommended a condition of approval that the applicant may be required to install a reduced pressure backflow preventer on the domestic water line as a part of this project. Whether or not this is necessary will be determined through the Building Permit process.

Traffic volumes are estimated to be relatively low, with daily trips limited to five employees working at the facility, plus three to five trips per week for deliveries. This is in line with anticipated general industrial traffic that would typically occur for the existing building. Staff notes that the parking area has several parking spaces, but that the striping has worn away over the years. Staff has recommended a condition that the parking be restriped as a part of the approval for this facility.

The applicant proposes a security plan that will include the following measures:

- Third party alarm system to be monitored by an alarm company continuously, including motion detectors and key-pad deactivation
- High-quality infrared security cameras to cover all interior spaces, building exteriors and the parking lot, and positioned so as to capture facial identification
- Security camera video monitoring from inside the building with video printer, 30-day digital video storage and battery back-up and failure notification systems
- Restricted employee access to security systems
- Internal doors with locking handles and dead bolts, to be locked each night
- Steel door frames
- Solid core doors (30 minute fire rated)
- Self-closing door mechanisms
- Commercial grade fingerprint entry and dead bolt locks
- Security grade wall construction with internal security mesh and reinforced cross sections
- Panic buttons
- Bank-style safes with locking systems meeting the standards of Underwriters Laboratories
- One front door to be used for all entering and exiting, with additional doors to only allow exit upon emergency and deliveries, as appropriate
- Comprehensive employee security training with annual reviews and evaluations

The applicant's proposed hours of operation are 10am to 7pm seven days per week. The applicant does not anticipate activity occurring past 7pm. Staff notes, however, that the limitation on hours of operation set forth the Carson City Development Standards is for dispensaries only and that the applicant could operate outside of their proposed hours if they choose to do so.

To mitigate concerns of medical marijuana odor from the facility, the applicant proposes a custom-made air filtration system that minimizes the smell created by the flowering marijuana plants. This system includes air filtration boxes, a ducting system and roof exhausting. HEPA and charcoal air filters will be used to recirculate the air and filter out any odor. The application indicates that this system is currently used in the applicant's facilities in Arizona, and the applicant states that the system has resulted in zero odor outside the facility. This air filtration method is proposed for both the cultivation and production facilities. Staff has recommended a condition of approval to address odor concerns as a part of this report.

A Special Use Permit is required for the proposed project for the following reason:

- Pursuant to Carson City Municipal Code, Section 18.04.150, General Industrial Conditional Uses, a Medical Marijuana Establishment requires the approval of a Special Use Permit subject to Carson City Development Standards, Section 1.20, Medical Marijuana Establishments.

As stated above, Medical Marijuana Establishments are subject to specific criteria outlined in the Carson City Development Standards, Section 1.20 – Medical Marijuana Establishments. These development standards and how the proposed production facility meets them are addressed below:

1.20 Medical Marijuana Establishments.

The following standards are intended to establish minimum standards and Special Use Permit review criteria for Medical Marijuana Establishments, including Cultivation Facilities, Dispensaries, Production Facilities, and Testing Laboratories, as defined in Title 18 and NRS, in addition to other standards for commercial and industrial development.

1. The following standards apply to all Medical Marijuana Establishments.

- a. All Medical Marijuana Establishments (MMEs) require approval of a Special Use Permit. Special Use Permits for MMEs are only valid at a given location for the operator who obtains the Nevada State certificate for that facility. The Special Use Permit approval shall expire and become null and void if the MME operator loses or otherwise forfeits his or her State certificate to operate that facility. Special Use Permits are non-transferable between operators and locations within Carson City.

Staff has recommended a condition of approval outlining these requirements.

- b. No consumption of Medical Marijuana products shall occur on the premises of any MME.

Consumption on the premises of the production facility is not proposed. Staff has recommended a condition of approval to address this requirement.

- c. All business activities related to MMEs, including cultivation, shall be conducted indoors, within a permanent building. The use of office trailers or other temporary structures is prohibited. All MMEs shall have an appearance, both as to the interior and exterior, which is professional, orderly, dignified, and consistent with the traditional style of pharmacies and medical offices.

The business activities for the production facility are proposed to be conducted inside an existing permanent building. Production activities are in line with industrial-type activities, in buildings that are not accessible by the public. Therefore, a building such as the one proposed is appropriate for this use, rather than a building that is consistent with the traditional style of pharmacies and medical offices. The building is required to be professional, orderly and dignified nonetheless.

- d. Outside display or sales of MME merchandise shall be prohibited.

Outside display and sales is not proposed with the production facility. Staff has recommended a condition of approval to address this requirement.

- e. Accessory outside storage for MMEs shall comply with Title 18.16 Development Standards, Division 1.12 Outside Storage.

Outside storage is not proposed with this production facility.

- f. Access to the MME shall be restricted in compliance with State regulations.

A condition of approval has been recommended that the production facility maintain compliance with all State regulations.

- g. No MME-related products shall be visible from outside the building.

Based on the nature of this production operation, MME-related products are not anticipated to be visible from outside the building. Staff has recommended a condition of approval to address this requirement.

- h. Sign Requirements. All MME signage shall be discreet, professional, and consistent with the traditional style of signage for pharmacies and medical offices. All MMEs shall follow the sign regulations for Office Uses in the Development Standards, Division 4, except that freestanding sign height for Cultivation Facilities, Production Facilities, and Testing Laboratories shall be limited to 10 feet consistent with sign height requirements for industrial uses.

The applicant is not proposing signage with this application. Staff has recommended a condition of approval that will require that signage be reviewed and approved by the Planning Division prior to installation, should the applicant decide to pursue signage.

- i. Parking Requirements. Parking shall be provided for MMEs as follows:

- (1) Production Facilities. One space per 500 square feet of gross floor area.

The proposed building will house co-located medical marijuana cultivation and production facilities. The production facility portion of the building is expected to be approximately 1,666 square feet, which would require four parking spaces based on the requirement of one space per 500 square feet of gross floor area. The required parking for the cultivation facility is 13 parking spaces based on one space per 1,000 square feet of gross floor area. Together, the total parking requirement is 17 parking spaces.

The existing parking lot contains somewhere between 26 and 28 parking spaces total, which is well in excess of the parking requirements. The amount of parking provided is adequate for the production and cultivation use based on the development standard requirements.

Staff has observed that the parking spaces are not clearly visible due to general wear over time and has recommended a condition of approval as a part of this Special Use Permit that the parking spaces for the building be re-stripped for better visibility.

- j. No more than two Dispensaries shall be permitted in Carson City.

This item is not applicable to medical marijuana production facilities.

- k. A MME shall not be located within 1,000 feet of a public or private school that provides formal education traditionally associated with preschool or kindergarten through grade 12 or within 300 feet of a facility that provides day care to children, a public park, a playground, a public swimming pool, a center or facility, the primary purpose of which is to provide recreational opportunities or services to children or adolescents, that existed on the date on which the application for the proposed MME was submitted to the State Health Division, measured on a straight line from the nearest school or community facility property line to the front door or primary entrance of the MME.

Staff has verified that the proposed production facility meets the minimum distance requirements outlined in this standard. This is further substantiated with the zoning letter provided by staff to the applicant on August 6, 2014 for submission with their State application. The zoning letter is included in the application for reference.

2. The following standards apply to all Medical Marijuana Dispensaries.

- a. A single point of secure public entry shall be provided and identified.

Not applicable to medical marijuana production facilities.

- b. Hours of operation shall be limited to 7:00 a.m. to 8:00 p.m., seven days per week.

Not applicable to medical marijuana production facilities.

- c. Drive-through service is prohibited.

Not applicable to medical marijuana production facilities.

- d. A Dispensary shall not be located on property or within a shopping center with frontage on the same street on which a residentially-zoned property is located unless the Dispensary is located more than 300 feet from the residential property, measured on a straight line from the nearest residential property line abutting the street right-of-way to the front door of the Dispensary.

Not applicable to medical marijuana production facilities.

3. Special Use Permit review standards. The following shall be considered in the review of any Dispensary located within the General Industrial zoning district in addition to the required Special Use Permit findings:

- a. That the proposed Dispensary is located where sufficient, convenient and safe access is provided to the public.

Not applicable to medical marijuana production facilities.

- b. That the proposed location has adequate lighting and street improvements for a use providing public access.

Not applicable to medical marijuana production facilities.

Staff finds that the proposed production facility meets the applicable development standards required. With the recommended conditions of approval, the applicant has made the findings to grant approval. The Planning Division staff is in support of this Special Use Permit application. Therefore, staff recommends, that the Planning Commission approve SUP-14-160 based on the required findings as noted on the following pages.

PUBLIC COMMENTS: Public notices were mailed to 32 adjacent property owners within 300 feet of the subject site on January 9, 2015. As of the writing of this report, no comments in support or in opposition of the proposed project have been received. Any comments that are received after this report is completed will be submitted to the Planning Commission prior to or at the meeting on January 28, 2015, depending on the date of submission of the comments to the Planning Division.

OTHER CITY DEPARTMENTS OR OUTSIDE AGENCY COMMENTS: The following comments were received by various city departments. Recommendations have been incorporated into the recommended conditions of approval, where applicable.

Building Division:

1. All projects and improvements must be performed in accordance with Nevada Revised Statutes (NRS) 624 and Carson City Municipal Code Section 15.05.020.
2. Repairs, replacements and alterations must comply with 2012 International Building Codes, 2012 Uniform Plumbing Code or 2012 International Plumbing Code, Uniform Mechanical Code or 2012 International Mechanical Code, 2012 Fuel Gas Code, 2011 Electrical Code, and 2012 Northern Nevada Amendments.
3. All contractors are required to carry State and local licenses.

Fire Department:

1. The project must conform to the 2012 International Fire Code with Northern Nevada amendments.
2. A Knox key box must be provided. Final mounting location shall be approved by the Carson City Fire Department.
3. Extraction equipment, non-recovered waste, CO2 and relief venting must be vented to the outside and meet International Mechanical Code Requirements.
4. Local CO2 monitoring and alarm shall be provided in the area using CO2 super critical extraction.
5. A pre-building permit submittal Project Design Meeting with the Building and Fire Departments shall be required due to the nature of the project and equipment being used.

Engineering Division:

1. The applicant will be required to provide fire flow information with the construction permit submittal.
2. The applicant may be required to install a reduced pressure backflow preventer on the domestic line as a part of this project.

Health and Human Services:

Carson City Health and Human Services has no concerns with the application as submitted. Applicant has provided documentation that they have been approved by the Division of Public and Behavioral Health, Medical Marijuana Establishment Program.

Environmental Control Authority:

This facility will need to meet all applicable codes found in Title 12.06 and Appendix 18 Division 15.5 of the Carson City Municipal Code (CCMC) and all applicable codes found in Chapters 7 and 10 of the 2012 Uniform Plumbing Code (UPC).

FINDINGS: Staff's recommendation is based upon the findings as required by CCMC Section 18.02.080 (Special Use Permits) enumerated below and substantiated in the public record for the project.

1. **Will be consistent with the master plan elements.**

Chapter 5: Economic Vitality, Goal 5.1d – Industrial Specializations

The addition of a medical marijuana production facility meets the Master Plan goal of promoting a variety of industrial specializations. The proposed production facility will provide medical marijuana products to retail dispensary outlets in the region and will help to support the needs of current and future medical marijuana patients.

2. **Will not be detrimental to the use, peaceful enjoyment, economic value, or development of surrounding properties or the general neighborhood; and will cause no objectionable noise, vibrations, fumes, odors, dust, glare or physical activity.**

The proposed production facility will be located in an existing building. The nature of the business is in line with general industrial uses and is not expected to cause objectionable noise, vibrations, fumes, dust, glare or physical activity. The production facility does have the potential to produce medical marijuana plant and product odors that may be detected from outside the facility. To address this concern, the applicant proposes a custom made air filtration system to control odors that includes the use of HEPA and charcoal air filters. Staff has also recommended a condition of approval to address potential odor concerns.

3. **Will have little or no detrimental effect on vehicular or pedestrian traffic.**

The proposed production facility is anticipated to generate very low levels of vehicular traffic and essentially no additional pedestrian traffic. The applicant indicates that the facility will employ up to five employees and will generate three to five weekly trips for delivery of product. The proposed traffic level is lower than what is generally anticipated

for general industrial uses and is not expected to have a detrimental impact.

- 4. Will not overburden existing public services and facilities, including schools, police and fire protection, water, sanitary sewer, public roads, storm drainage, and other public improvements.**

The proposed production facility is located in an existing building and should not have impact on existing public services such as water, sanitary sewer, storm drainage or other public improvements. The water usage for the operation is expected to be minimal and the Engineering Division has indicated that the city has adequate capacity to accommodate this demand. The sewage disposal is also anticipated to be minimal and the Engineering Division also has no concern. The storm drainage should be unaffected.

There is no anticipated impact on schools and the impacts on police and fire protection are unknown at this time as this is a new use in Nevada. The applicant has proposed security measures that are intended to supplement police services so that impacts to such services would be minimal.

- 5. Meets the definition and specific standards set forth elsewhere in this title for such particular use and meets the purpose statement of that district.**

Medical Marijuana Establishments are a conditional use in accordance with Title 18.04.150 General Industrial Conditional Uses and require a Special Use Permit. With the approval of this Special Use Permit and recommended conditions of approval, the project will meet the definition and specific standards required to support this use in the General Industrial zoning district.

- 6. Will not be detrimental to the public health, safety, convenience and welfare.**

The proposed production facility will be located in an inconspicuous, secure space with limited access by only those employed by the facility or authorized to enter it. This facility will not be open to the public and is not anticipated to be detrimental to the public health, safety, convenience and welfare.

- 7. Will not result in material damage or prejudice to other property in the vicinity.**

The production facility is proposed in an existing building within the General Industrial zoning district. The operation will not be accessible by the public and is intended to be inconspicuous and unobtrusive as all operations will be conducted inside. It is not anticipated to result in material damage or prejudice to other property in the vicinity.

Attachments:

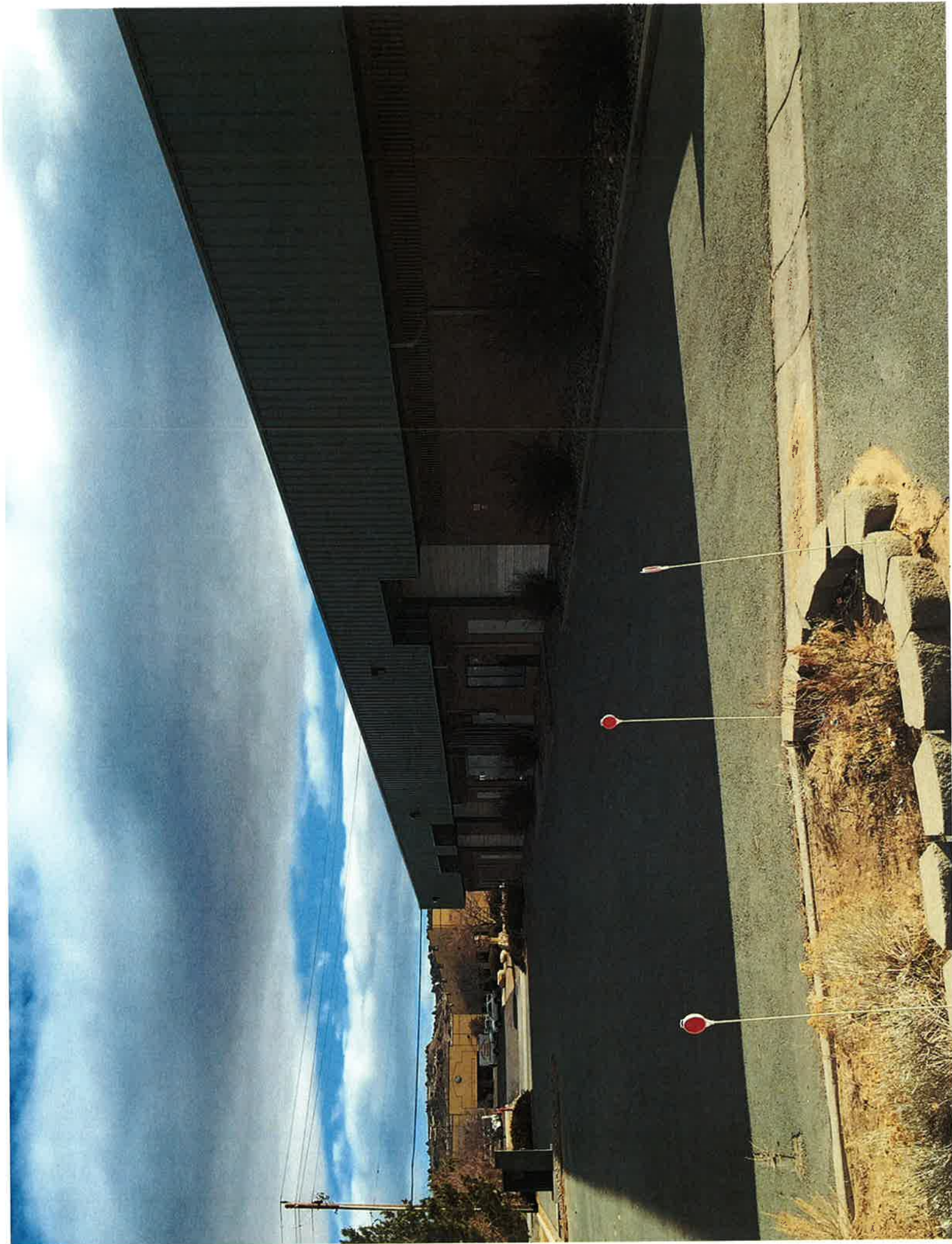
Site Photos
Building Division Comments
Fire Department Comments
Engineering Division Comments
Health and Human Services Comments
Environmental Control Division Comments
Revised Floor Plans
Application (SUP-14-160)





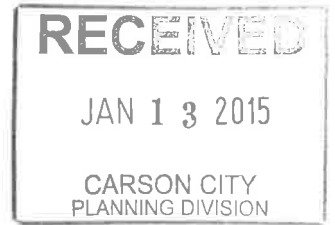






January 13, 2015

Comments on SUP 14-159 and SUP 14-160:



1. All projects and improvements must be performed in accordance with Nevada State Revised Statutes 624 and Carson City Ordinance 15.05.020.
2. Repairs, Replacement, and Alterations must comply with 2012 International Building Codes, 2012 Uniform Plumbing Code or 2012 International Plumbing Code, Uniform Mechanical Code or 2012 International Mechanical code, 2012 Fuel Gas Code, 2011 Electrical Code, and 2012 Northern Nevada Amendments.
3. All Contractors are required to carry State and local license.

Shawn Keating

Chief Building Official

Carson City Community Development

108 E. Proctor Street

Susan Dorr Pansky

From: Dave Ruben
Sent: Wednesday, January 07, 2015 9:37 AM
To: Susan Dorr Pansky
Cc: Ray Proffitt; Shawn Keating
Subject: SUP 14-160 Marijauna processing facility

Susan, see below for comments on SUP 14-160:

1. Project must comply with 2012 International Fire Code and Northern Nevada Amendments.
2. Knox key box must be provided. Final mounting location to be approved by Fire Department.
3. Extraction equipment non recovered waste CO2 and relief venting must be vented to the outside and meet International Mechanical Code requirements
4. Local CO2 monitoring and alarm to be provided in area using CO2 super critical extraction.
5. Pre building permit submittal Project Design Meeting with Building and Fire Departments required due to nature of project and equipment being used.

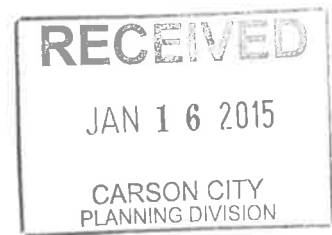
I put in number 5 because of the nature of this equipment and process being new to all of us so we can avoid complications down the road. If you can't make it a condition, can you make it a comment? It's not really an MPR because at that point we will need specific info from them.

Thanks.

Dave Ruben

Captain – Fire Prevention
Carson City Fire Department
777 S. Stewart Street
Carson City, NV 89701

Direct 775-283-7153
Main 775-887-2210
FAX 775-887-2209



**Engineering Division
Planning Commission Report
File Number SUP 14-160**

TO: Planning Commission

FROM: Rory Hogen, E.I.

DATE: January 9, 2015

MEETING DATE: January 28, 2015

SUBJECT TITLE:

Action to consider an application for a Special Use Permit from Nevada Organics, LLC for a Medical Marijuana Production Facility at 3130 N Deer Run Rd, apn 08-541-76.

RECOMMENDATION:

The Engineering Division has no preference or objection to the special use request. Applicant will be required to provide fire flow information with the construction permit submittal. Applicant may be required to install a reduced pressure backflow preventer on the domestic line for this use.

DISCUSSION:

The Engineering Division has reviewed the conditions of approval within our areas of purview relative to adopted standards and practices and to the provisions of CCMC 18.02.080, Conditional Uses. All construction and improvements must meet the requirements of Carson City and State of Nevada Codes and Development Standards.

CCMC 18.02.080 (2a) - Adequate Plans

The information submitted by the applicant is adequate for this analysis.

CCMC 18.02.080 (5a) - Master Plan

The request is not in conflict with any Engineering Master Plans for streets or storm drainage.

CCMC 18.02.080 (5c) - Traffic/Pedestrians

The proposal will not affect traffic or pedestrian facilities.

CCMC 18.02.080 (5d) - Public Services

Existing facilities appear to be adequate for this project.

Susan Dorr Pansky

From: Dustin Boothe
Sent: Saturday, January 10, 2015 4:01 AM
To: Susan Dorr Pansky
Subject: Planning Commission

Susan:

SUP 14-158

Carson City Health and Human Services has no concerns with the application as submitted
Applicant has provided documentation that they have been approved by Division of Public and Behavioral Health Medical Marijuana Establishment Program.

SUP 14-159

Carson City Health and Human Services has no concerns with the application as submitted
Applicant has provided documentation that they have been approved by Division of Public and Behavioral Health Medical Marijuana Establishment Program.

SUP 14-160

Carson City Health and Human Services has no concerns with the application as submitted
Applicant has provided documentation that they have been approved by Division of Public and Behavioral Health Medical Marijuana Establishment Program.

ZMA 14-161

Carson City Health and Human Services has no concerns with the application as submitted

SUP 14-162

Carson City Health and Human Services has no concerns with the application as submitted. Applicant needs to contact the State Agency who regulates this type of operation, for any specific requirements for construction and licensing.

Department of Health and Human Services
Nevada Division of Public and Behavioral Health
Health Care Quality and Compliance
727 Fairview Dr, Suite E
Carson City, NV 89701
(775) 684-1030

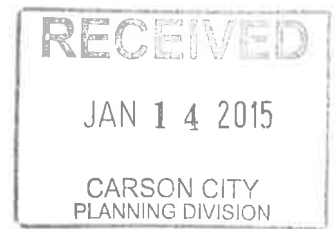
GM 14-163

Carson City Health and Human Services has no concerns with the application as submitted

Dustin Boothe, MPH, REHS
Carson City Health and Human Services
900 E. Long St.
Carson City, NV 89706
(775) 887-2190 ext. 7220

dboothe@carson.org

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January 14, 2015

ECA has the following comments for SUP 14-160.

This facility will need to meet all applicable codes found in Title 12.06 and Appendix 18 Division 15.5 of the Carson City Municipal Code (CCMC) and all applicable codes found in Chapters 7 and 10 of the 2012 Uniform Plumbing Code (UPC).

Sincerely,

Mark Irwin

Environmental Control Officer III

Carson City Public Works

3305 Butti Way

Carson City, Nevada – 89701

Email - mirwin@carson.org

Phone Numbers

775-283-7380 (desk)

775-220-1417 (cell)

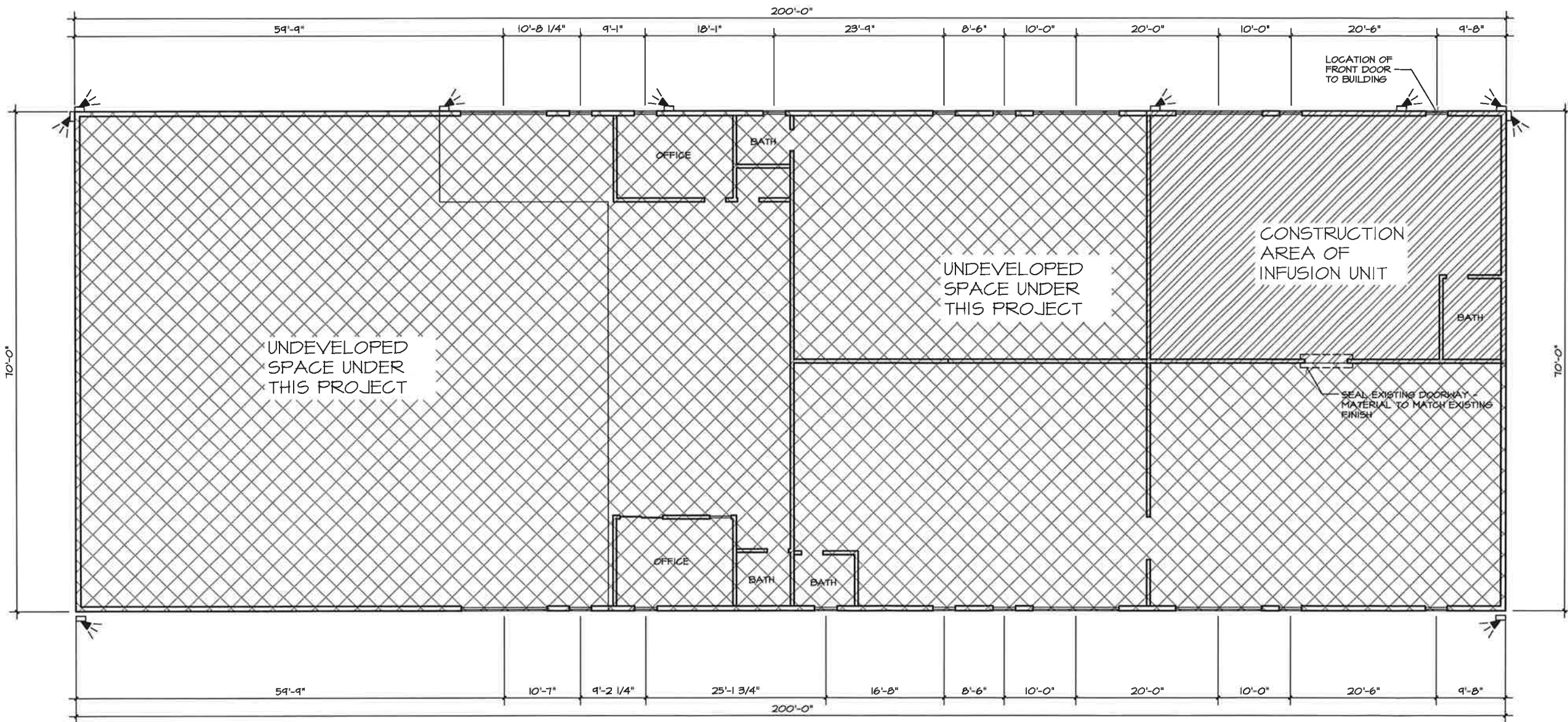
775-887-2164 (fax)

Please Note

Our current office hours are

Mon.-Thurs. 7:00 A.M. to 5:30 P.M.

"The best way to escape a problem is to solve it"



EXISTING BUILDING

GENERAL NOTES

- ALL UNUSED EXTERIOR DOORS AND WINDOWS SHALL BE SEALED TO MATCH EXTERIOR FINISH
- ALL EXTERIOR DOORS TO BE EQUIPPED WITH COMMERCIAL GRADE DEAD BOLT LOCKS
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LEGEND



SECURITY CAMERA (VIEW SHOWN) LOCATION

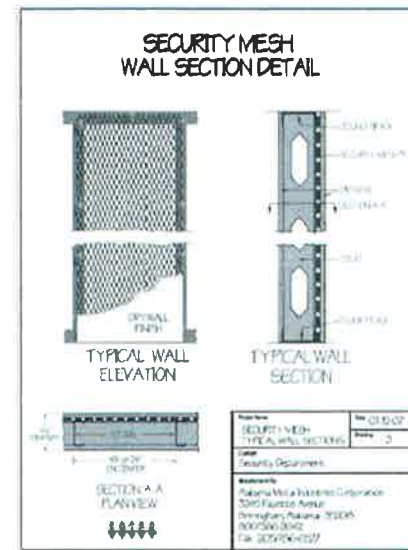
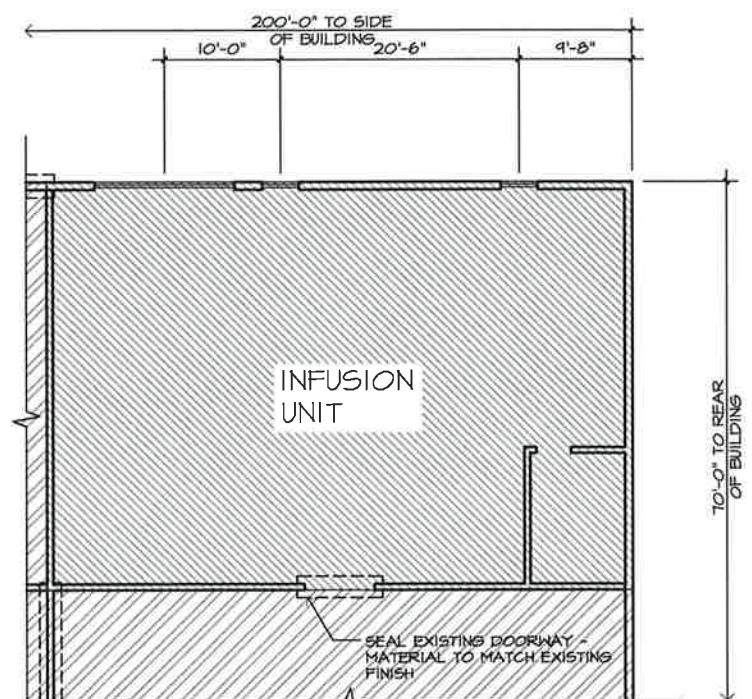
Stunted-Urban
projects

24204 NORTH 27th PLACE
PHOENIX, ARIZONA 85024

NEVADA ORGANIX, LLC
3130 NORTH DEER RUN ROAD
MEDICAL MARIJUANA FACILITIES
CONSTRUCTION NOTES

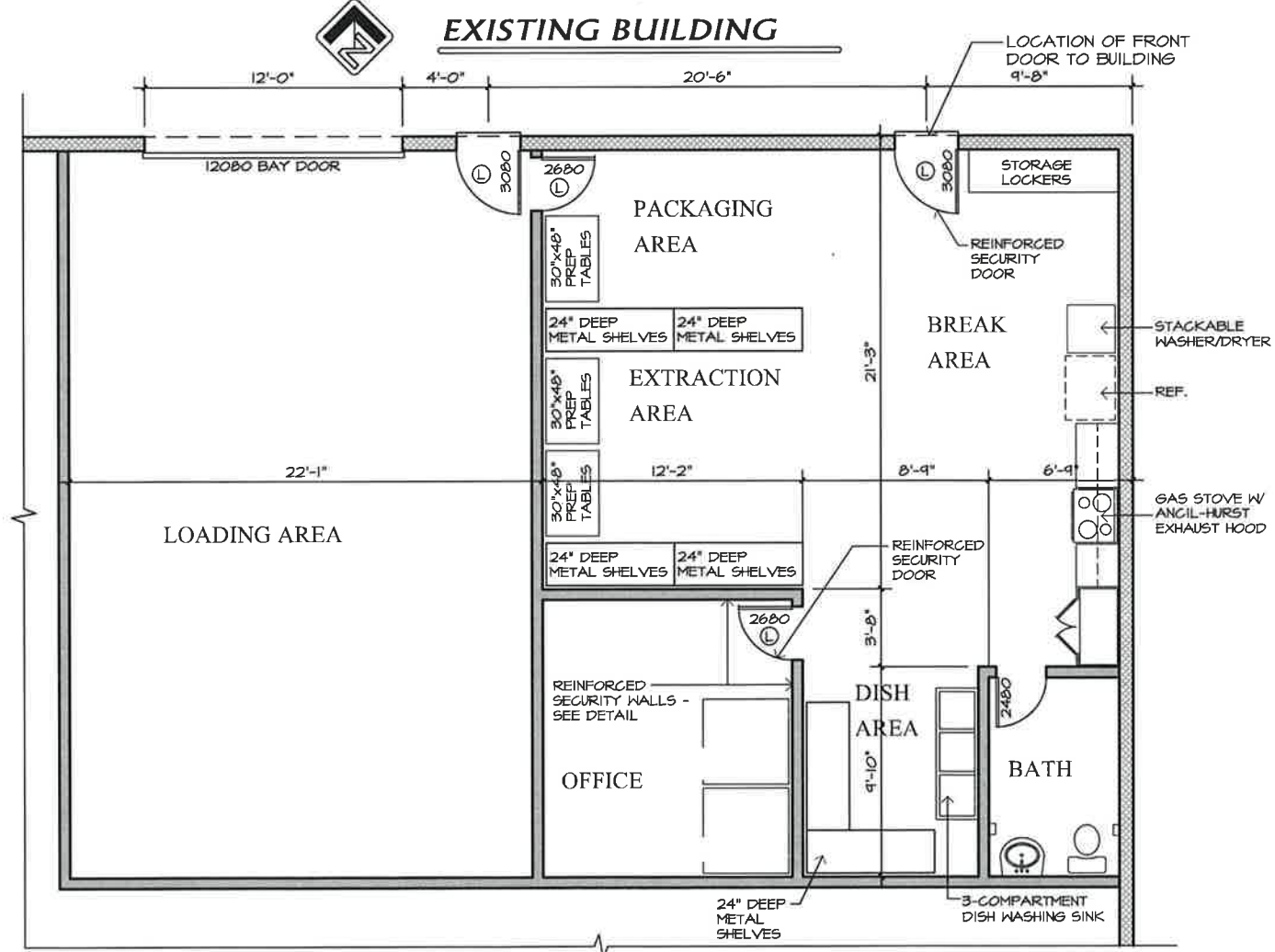
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04/08/14
DRAWN BY:
J.CRIDER

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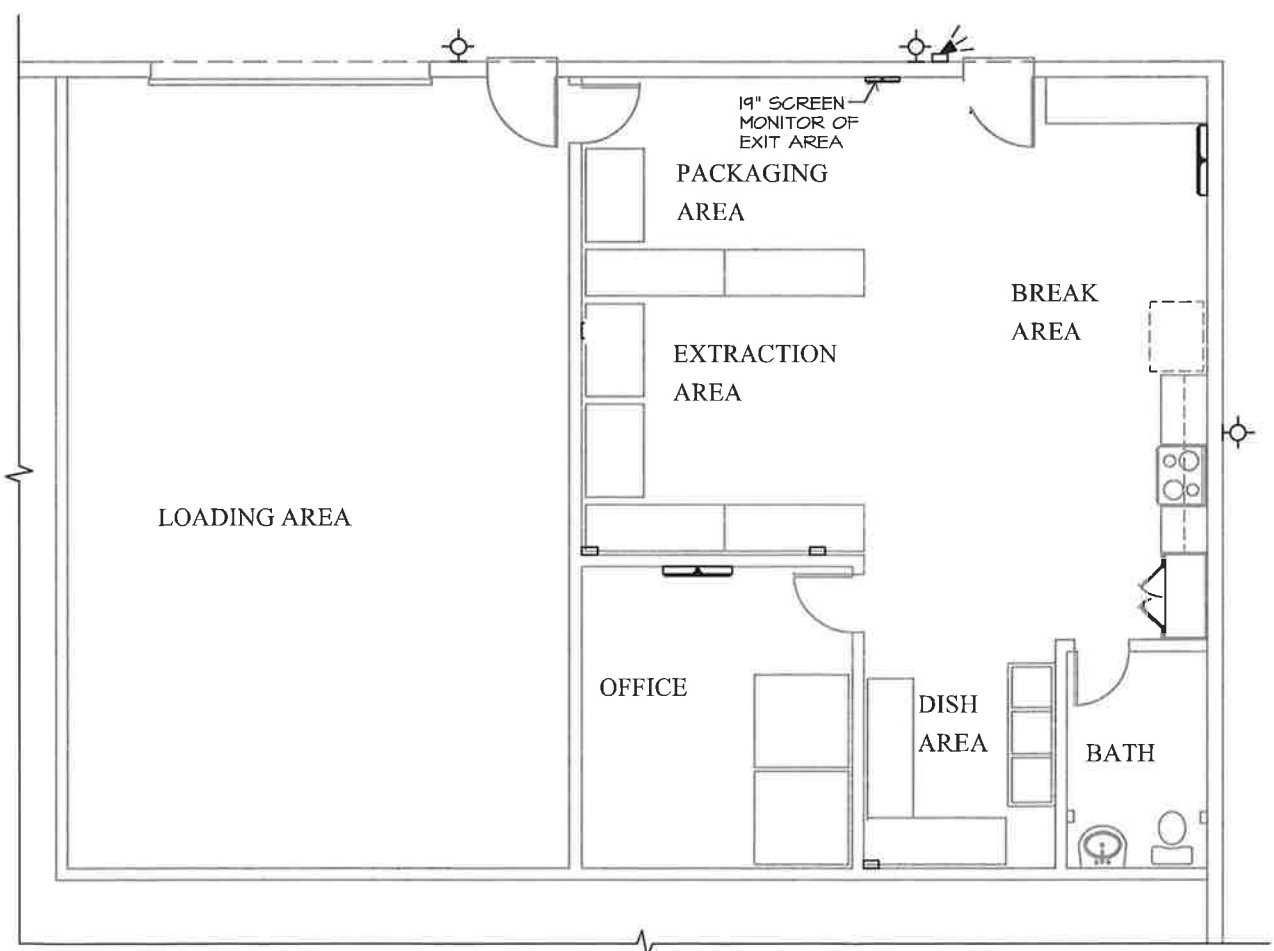
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- ### LEGEND
- ⊙ EXTERIOR SECURITY LIGHTS LOCATION
 - Ⓛ DEAD BOLT EQUIPPED DOOR
 - Ⓟ PANIC BUTTON LOCATION
 - SECURITY CAMERA MONITOR LOCATION
 - SECURITY CAMERA (VIEW SHOWN) LOCATION

Some information has been redacted in order to ensure building and product security.



DIMENSION PLAN

INFUSION UNIT



ELECTRICAL/SECURITY PLAN

INFUSION UNIT

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projects

4141 NORTH 34TH PLACE
PHOENIX, ARIZONA 85018

NEVADA ORGANIX, LLC
3130 NORTH DEER RUN ROAD
MEDICAL MARIJUANA FACILITIES
INFUSION UNIT

SCALE:
NTS

ORIGINAL ISSUE DATE:
04/08/14

DRAWN BY:
J.C.RIDER

Carson City Planning Division
108 E. Proctor Street • Carson City NV 89701
Phone: (775) 887-2180 • E-mail: planning@carson.org

FILE # SUP - 14 -

SUP - 14 - 160

Nevada Organix, LLC (Contact: Bill Myer) 602-828-1576

APPLICANT PHONE #
20 East Bethany Home Rd. Phoenix, AZ 85012

MAILING ADDRESS, CITY, STATE, ZIP
arizonaorganix@gmail.com

EMAIL ADDRESS

Dandini Wallach, LLC (Manager: Bob Elias)

PROPERTY OWNER PHONE #

If necessary, please contact through applicant or

MAILING ADDRESS, CITY, STATE, ZIP
applicant agent / representative.

EMAIL ADDRESS

Pistil and Stigma Inc. 775-815-4813

APPLICANT AGENT/REPRESENTATIVE PHONE #

250 Bell Street Reno, NV 89502

MAILING ADDRESS, CITY, STATE, ZIP
info@pistilandstigma.com

EMAIL ADDRESS

FOR OFFICE USE ONLY:

CCMC 18.02

SPECIAL USE PERMIT

FEE: \$2,450.00 MAJOR

\$2,200.00 MINOR (Residential zoning districts)

+ noticing fee and CD containing application digital data (to be submitted once the application is deemed complete by staff)

SUBMITTAL PACKET

- ☐ 8 Completed Application Packets (1 Original + 7 Copies) including:
 - ☐ Application Form
 - ☐ Written Project Description
 - ☐ Site Plan
 - ☐ Building Elevation Drawings and Floor Plans
 - ☐ Proposal Questionnaire With Both Questions and Answers Given
 - ☐ Applicant's Acknowledgment Statement
 - ☐ Documentation of Taxes Paid-to-Date (1 copy)
 - ☐ Project Impact Reports (Engineering) (4 copies)

Application Reviewed and Received By:

Submittal Deadline: See attached PC application submittal schedule.

Note: Submittals must be of sufficient clarity and detail such that all departments are able to determine if they can support the request. Additional information may be required.

Project's Assessor Parcel Number(s):

008-541-76

Street Address ZIP Code

3130 N. Deer Run Rd. 89701

Project's Master Plan Designation

Community / Regional Commercial

Project's Current Zoning

General Industrial

Nearest Major Cross Street(s)

Highway 50, Brick Rd

Briefly describe your proposed project (Use additional sheets or attachments if necessary). In addition to the brief description of your project and proposed use, provide additional page(s) to show a more detailed summary of your project and proposal. In accordance with Carson City Municipal Code (CCMC) Section: _____ or Development Standards, Division _____, Section _____, a request to allow as a conditional use is as follows:

See attached Written Description.

PROPERTY OWNER'S AFFIDAVIT

I, Dandini Wallach LLC, being duly deposed, do hereby affirm that I am the record owner of the subject property, and that I have knowledge of, and I agree to, the filing of this application.

Signature

Address

Date

Deer Run Rd

12/17/14

Use additional page(s) if necessary for other names.

STATE OF NEVADA)
COUNTY)

On _____, 2014, personally appeared before me, a notary public, _____, personally known (or proved) to me to be the person whose name is subscribed to the foregoing document and who acknowledged to me that he/she executed the foregoing document.

Notary Public

NOTE: If your project is located within the historic district, airport area, or downtown area, it may need to be scheduled before the Historic Resources Commission, the Airport Authority, and/or the Redevelopment Authority Citizens Committee prior to being scheduled for review by the Planning Commission. Planning personnel can help you make the above determination.



This application is for a Special Use Permit (SUP) for a medical marijuana production facility located at 3130 N. Deer Run Road in Carson City (APN 008-541-76). The applicant, Nevada Organix LLC, has received provisional certificates from the Division of Public and Behavioral Health in their response to applications to operate a medical marijuana dispensary, cultivation facility and production facility in Carson City and a medical marijuana dispensary in unincorporated Washoe County. As all medical marijuana establishments in Carson City must apply separately for an SUP, applications for a medical marijuana dispensary and cultivation facility in Carson City will be submitted separately from this application.

The Nevada Organix team currently runs a successful and well-respected medical marijuana dispensary and cultivation facility in Arizona. This experience translated into the top state application scores in each jurisdiction applied in. Now that the building-out process is approaching, the owners and operators will rely on their backgrounds in the construction industry. This includes management of LEED-certified projects using recycled and environmentally safe building materials. The owners have personally designed and will oversee the remodeling of the existing building.

The total square footage of the proposed facility is 12,334 square feet. All of this space is available to the applicant under the current lease agreement. The total square footage of the proposed production facility within the building is 1,664 square feet. The rest of the building will be dedicated to a separate cultivation facility to be built out over two phases in conjunction with rising patient demand. A separate SUP application has been submitted for this cultivation facility.

Areas designated to extraction processes include an extraction area featuring a professional grade CO2 extraction system and equipment for creating extracts using ice water; a packaging area that can be sanitized and will only be used for packaging edibles and infused marijuana products; an office / safe room with reinforced security walls, two safes for storing all marijuana products and other security measures as appropriate under state law and according to the applicant's confidential submission to the State; a break area; a kitchen area; a dish area; a bathroom; and an enclosed loading area with a roll-up door that will be used for all loading and unloading of medical marijuana and medical marijuana products.

The applicant may make floor plans available upon request, but wishes to maintain the same level of confidentiality with regard to floor plans that has been applied to State medical marijuana establishment certificate applications and Carson City medical marijuana establishment business license applications. Because detailed security measures are included in the floor plans, they must remain off the public record so as to ensure building and product security.



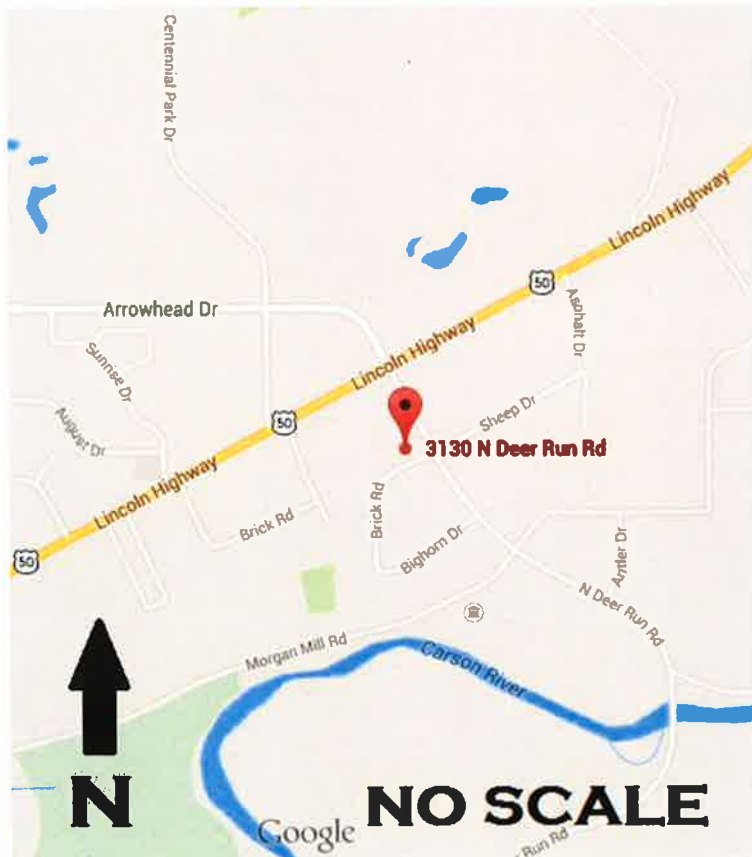
☆ **Proposed Medical Marijuana Cultivation and Production Facility (12,334 square ft)**

△ **Street Access Point**

◇ **Neighboring Property Access Point**

100 ft

— **Rough Property Line**
— **Available Parking**



APPLICANT:

Nevada Organix, LLC

(Contact: Bill Myer)

20 East Bethany Home Rd. Phoenix, AZ 85012

602-828-1576

PREPARER:

Pistil and Stigma

250 Bell Street Reno, NV 89501

775-815-4813

PROPERTY OWNER:

Dandini Wallach, LLC

(Manager: Bob Elias)

If necessary, please contact through applicant or preparer.

APN: 008-541-76

ADDRESS: 3130 N Deer Run Rd.

REQUEST: Special Use Permit for a Medical Marijuana Production Facility

GENERAL NOTES

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LEGEND

 SECURITY CAMERA (VIEW SHOWN) LOCATION

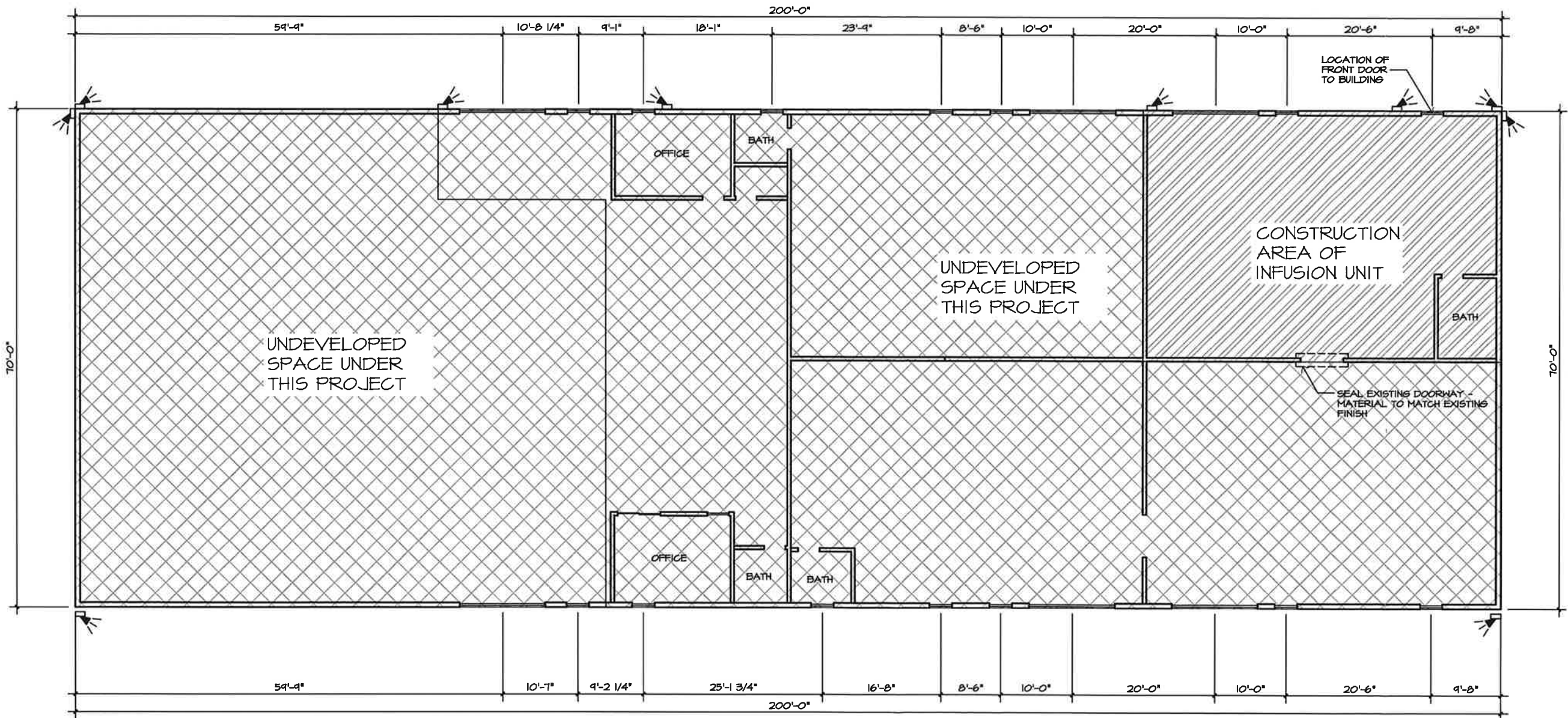
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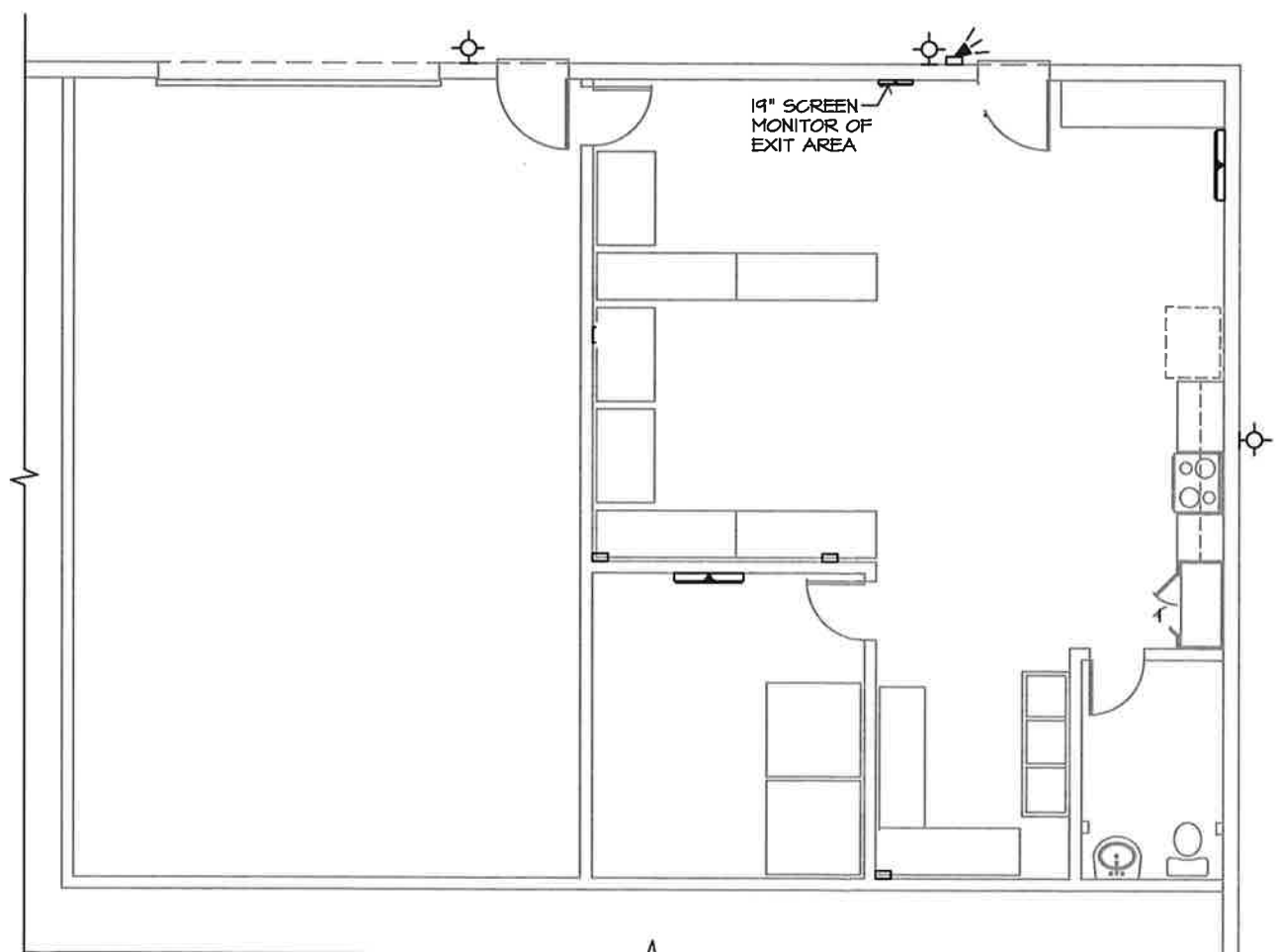
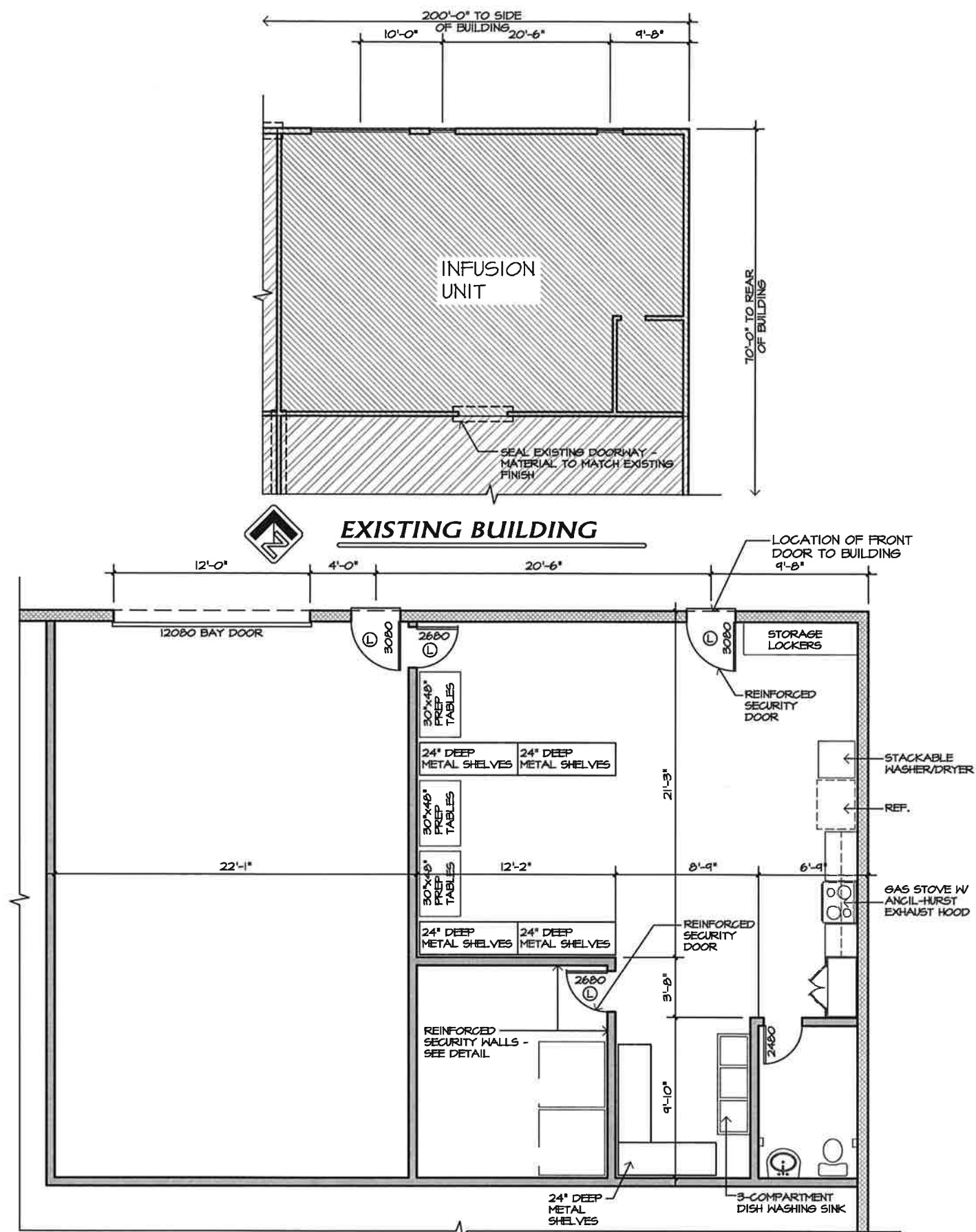
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MEDICAL MARIJUANA FACILITIES
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J.CRIDER

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EXISTING BUILDING

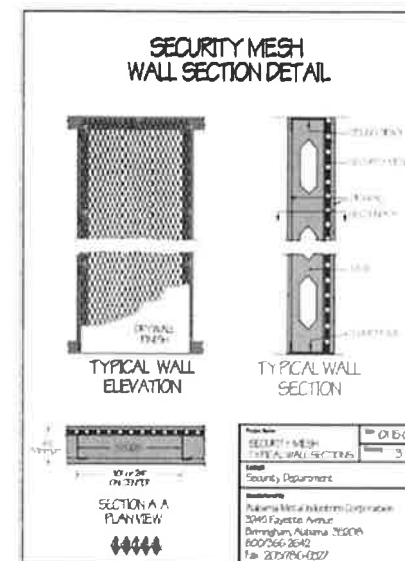


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LEGEND

- | | |
|---|---------------------------------------|
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|  | PANIC BUTTON LOCATION |
|  | SECURITY CAMERA MONITOR LOCATION |
|  | SECURITY CAMERA (VIEW SHOWN) LOCATION |



NEVADA ORGANIX, LLC
3130 NORTH DEER RUN ROAD
MEDICAL MARIJUANA FACILITIES
INFUSION UNIT

Stunted-Urban
Sketch

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J.CRIDER

A1













Carson City Planning Division

108 E. Proctor Street
Carson City, Nevada 89701
(775) 887-2180 – Hearing Impaired: 711
planning@carson.org
www.carson.org/planning

August 6, 2014

Mr. William Myer
Nevada Organix, LLC
4050 Pacific Harbors Drive, #116
Las Vegas, NV 89121

ZONING CERTIFICATE

**RE: Medical Marijuana Establishment – Production Facility
3130 N. Deer Run Road
APN 008-541-76**

Dear Mr. Myer:

In response to your request concerning the proposed placement of a Medical Marijuana Production Facility on property located at 3130 N. Deer Run Road in Carson City, please be advised of the following:

1. Pursuant to Carson City Municipal Code, Section 18.04.150, a Medical Marijuana Cultivation, Production or Laboratory Facility may be located in those areas zoned General Industrial (GI), east of the I-580 freeway and north of the north boundary of Sections 13 through 18 of Township 15 N, Range 20 E. All Medical Marijuana Cultivation, Production or Laboratory Facilities are subject to the approval of a Special Use Permit.

The subject property is located in a General Industrial (GI) zoning district approved for Medical Marijuana Cultivation, Production and Laboratory Facilities. Approval of a Special Use Permit is required.

2. Pursuant to Carson City Development Standards, Division 1.20, a Medical Marijuana Establishment shall not be located within 1,000 feet of a public or private school that provides formal education traditionally associated with preschool or kindergarten through grade 12 or within 300 feet of a facility that provides day care to children, a public park, a playground, a public swimming pool, a center or facility, the primary purpose of which is to provide recreational opportunities or services to children or adolescents, that existed on the date on which the application for the proposed Medical Marijuana Establishment was submitted to the State Health Division, measured on a straight line from the nearest school or community facility property line to the front door or primary entrance of the Medical Marijuana Establishment.

The Planning Division has verified by physical inspection that, as of the date of this letter, the subject property meets the minimum setback requirements set forth in the Carson City Development Standards.

3. Pursuant to NRS 453A.322, the location of a Medical Marijuana Establishment may not be within 1,000 feet of a public or private school that provides formal education traditionally associated with preschool or kindergarten through grade 12 and that existed on the date on which the application for the proposed Medical Marijuana Establishment was submitted to

the Division, or within 300 feet of a community facility that existed on the date on which the application for the proposed Medical Marijuana Establishment was submitted to the Division.

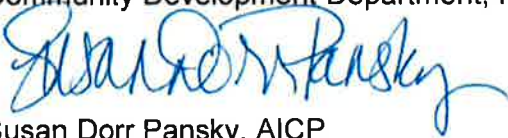
The Planning Division has verified by physical inspection that, as of the date of this letter, the subject property meets the minimum setback requirements set forth in NRS 453.322.

The Carson City Planning Division finds that the proposed Production Facility location meets all general state and local zoning and setback requirements, and the site will be considered acceptable for a Production Facility upon approval of a Special Use Permit by the Planning Commission.

A Business License will also be required prior to the commencement of operation for any Medical Marijuana Establishment in Carson City. The Business Licensing process will include review of any proposed Medical Marijuana Establishment building(s) for compliance with applicable code requirements including, but not limited to, building, engineering, fire, health, and environmental control.

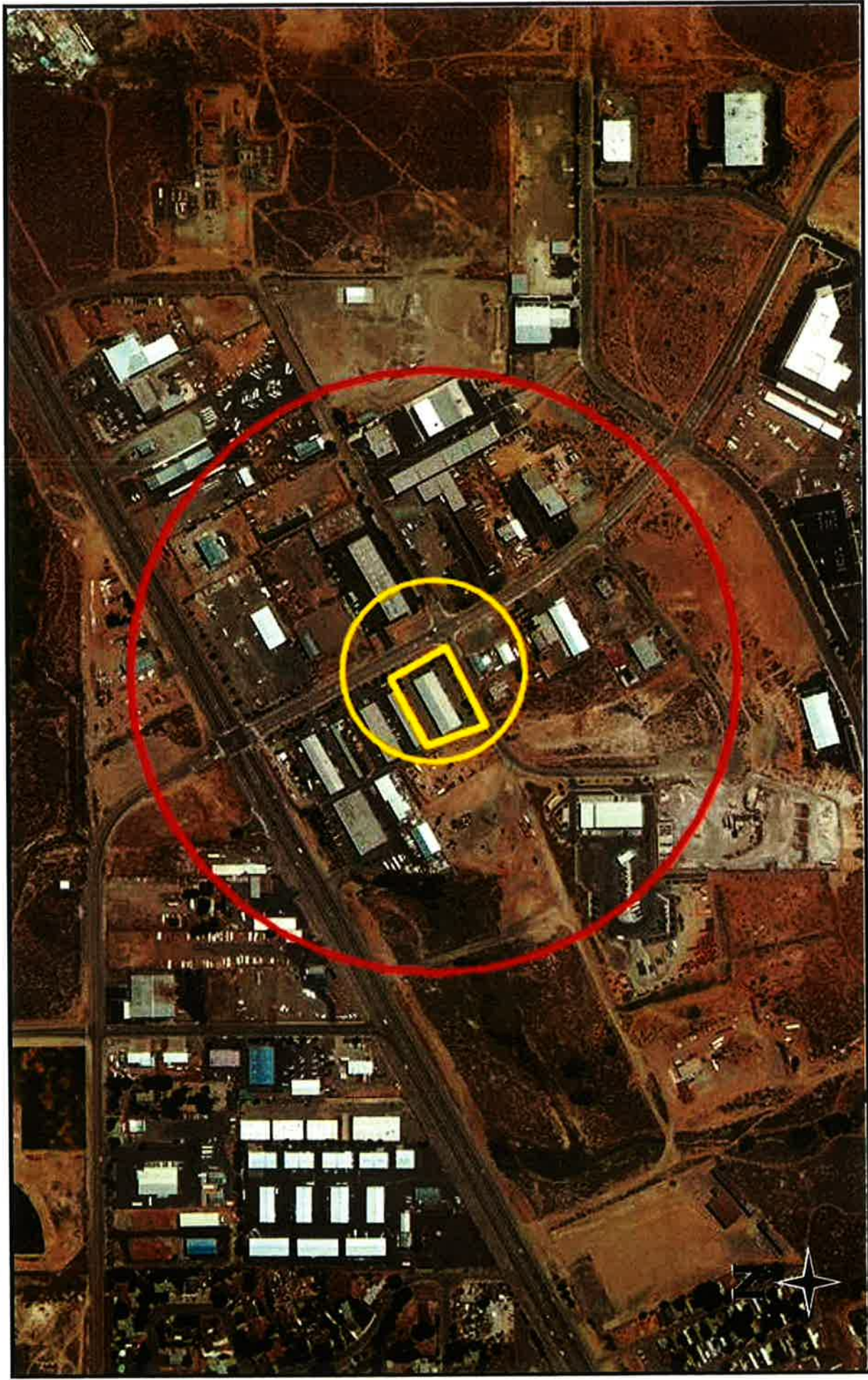
If you have any questions, please feel free to contact me at (775) 283-7076 or via email at spansky@carson.org. Thank you.

Sincerely,
Community Development Department, Planning Division



Susan Dorr Pansky, AICP
Planning Manager

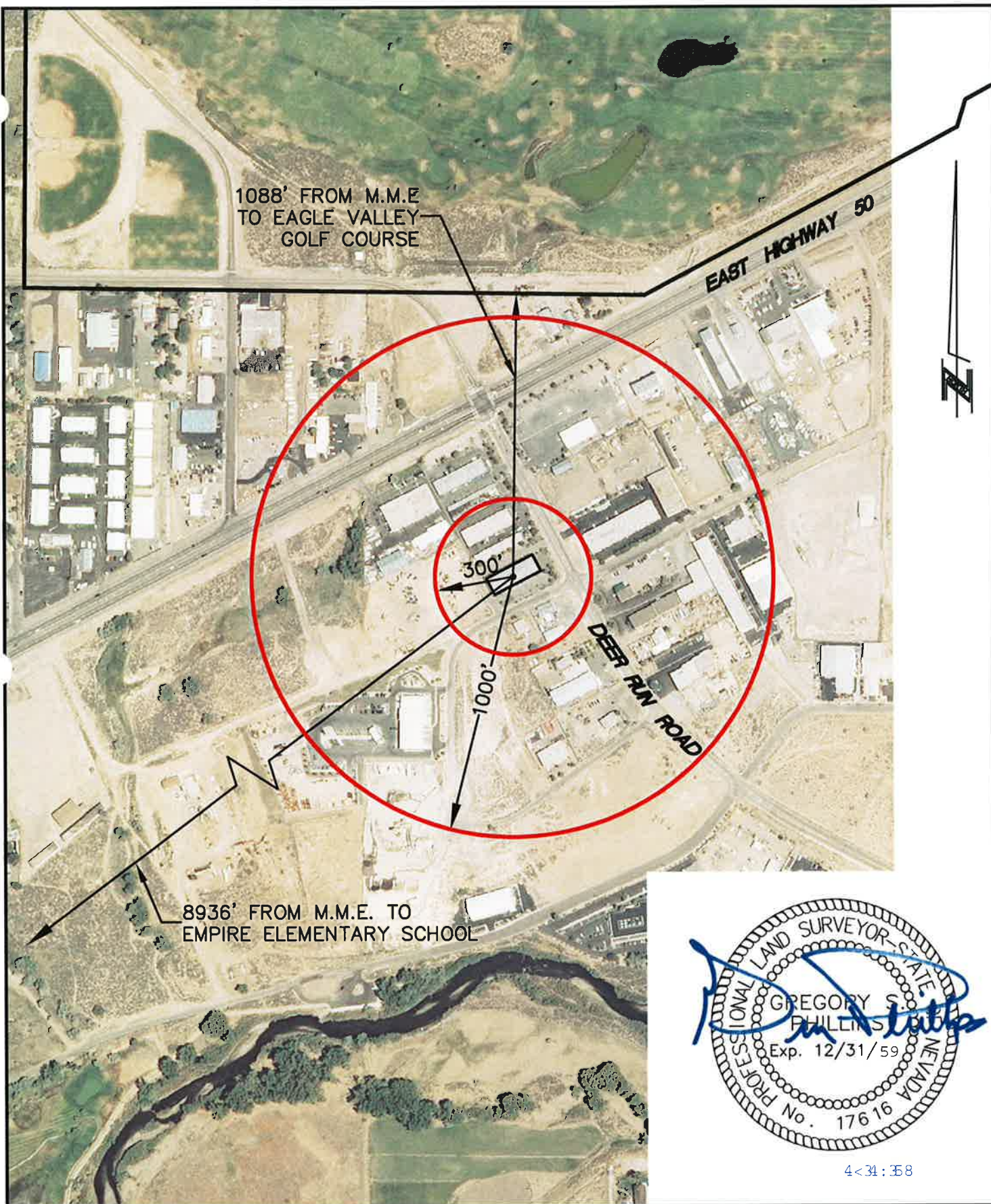
Attachment - Setback Map



3130 N. Deer Run Rd., APN 008-541-76

Red Circle = 1,000 foot Setback from Schools

Yellow Circle = 300 foot Setback from Community Facilities



LUMOS
& ASSOCIATES

800 E. COLLEGE PARKWAY
CARSON CITY, NEVADA 89706
PH. (775) 883-7077 FAX (775) 883-7114

NEVADA ORGANIX

3130 N. DEER RUN ROAD
MEDICAL MARIJUANA ESTABLISHMENT (M.M.E.)

CARSON CITY

NEVADA

Date: AUGUST 2014

Scale: 1" = 500'

Job No: 8616.000

EXHIBIT 2

1. How will the proposed development further and be in keeping with, and not contrary to, the goals of the Master Plan Elements?

A. Chapter 3: A Balanced Land Use Pattern (from the Master Plan Policy Checklist)

- i. The project is neutral on the provisions of the Growth Management Ordinance as it is not a residential development.
- ii. The project meets Goals 1.1e and 1.1f because building will be done with sustainable building materials and construction techniques to promote water and energy conservation. The owners and operators of the applicant business have backgrounds in the construction industry, including management of LEED – certified projects using recycled and environmentally safe building materials. They have personally designed and will oversee the remodeling of the existing building.
- iii. While not currently in an identified priority area, the location is along a major gateway corridor (Highway 50 and N. Deer Run Road) and may be considered a Moderate Priority Area after a future review of the Master Plan. While the location is already developed, it may encourage other development by significantly adding to the size of the immediate business community.
- iv. To the best of the applicant's knowledge there are adjacent public lands and no required pathways at the location. Should the City determine that a pathway is required, the applicant shall provide for such an appropriate pathway per Goal 1.4a.
- v. The project will maintain the current façade of the building and has no plans to alter current landscaping unless directed by the City.
- vi. The location is almost two miles from the nearest county border and should not cause land use conflicts with adjacent properties.
- vii. The location is not in a designated Mixed-Use area and so is not required to meet the intent of the Mixed-Use Evaluation Criteria.
- viii. The project meets all set-back requirements, as evidenced by the attached zoning letter and supporting documents. The location is in the middle of a neighborhood zoned General Industrial.
- ix. To the best of the applicant's knowledge, the location is not in an Environmentally Sensitive Area and as such is not required to meet related set-back requirements.
- x. The location is not within the 100-year floodplain or any other hazard areas, including identified earthquake faults.
- xi. The project provides for levels of services consistent with the Land Use designation and adequate for the proposed development. The location meets the criteria for its Land Use designation of Community / Regional Commercial. The location is on the border of an area with a Land Use

designation of Industrial, which is also compatible. Both areas are zoned General Industrial. The project is a warehouse to be used for the production of medical marijuana and may include light manufacturing, warehousing, distribution, indoor storage, and other uses typical of businesses located in areas designated Industrial. The applicant business, including separately applied for dispensaries and a production facility, is unique and serves as a regional draw in that it is only one of two state-licensed vertically integrated medical marijuana businesses in Carson City and will also serve patients from neighboring prohibition jurisdictions such as Douglas and Storey Counties.

- xii. The location is not within an identified Specific Plan Area and so the associated policies are not applicable.
- xiii. Additional Considerations: While not currently in an identified priority area, the proposed use will add to the variety of businesses in the area, which is zoned General Industrial. The applicant is one of two businesses who received a provisional certificate from the Division of Public and Behavioral Health to dispense medical marijuana in Carson City. While numerous provisional certificates were issued for medical marijuana production (the proposed use for this application), the applicant stands to have a better-than-average chance of staying in business compared to other proposed production facilities through the acquisition of a license to dispense the products of the proposed use. The applicant is in the semi-unique position of being one of only two potentially vertically integrated medical marijuana companies in Carson City. As such, only one other company may bring this type of “variety” to the city.

B. Chapter 4: Equitable Distribution of Recreational Opportunities

- i. The proposed use neither provides, nor takes away, opportunities to expand parks and recreation opportunities in accordance with Goal 4.1b. However, the applicant business places a high value on community service, and future volunteer efforts by owners and employees may create such opportunities.
- ii. The proposed use and location are consistent with the Open Space Master Plan and Carson River Master Plan as described in Goal 4.3a.

C. Chapter 5: Economic Vitality

- i. The proposed use and location will neither encourage, nor discourage, a citywide housing mix consistent with the labor force and non-labor force population. The location is not located in or near residential or mixed-use areas, and the proposed use does not pertain to housing.
- ii. The proposed use and location do not encourage the development of regional retail centers, and are not intended to. Due to the nature of the

proposed use (medical marijuana production), the location is not intended to be near such regional retail centers, as the applicant does not wish to attract the presence of unauthorized or non-licensed persons.

- iii. The proposed use does not encourage nor discourage the reuse or redevelopment of underused retail space because the proposed use is not retail and not located in retail space.
- iv. The proposed use is unrelated to heritage tourism activities, and in fact, is located so as to discourage the presence of unauthorized or non-licensed persons on the premises. However, the location is near the V&T Railroad Alignment, and as such, the applicant is open to adopting design standards in accordance with the Master Plan and at the direction of the City, as well as guidance at the direction of the State.
- v. The location is not in the Downtown core and thus does not promote revitalization of that area. However, the location was intentionally chosen away from areas such as the Downtown core in order to discourage the presence of unauthorized or non-licensed persons on the premises and to meet zoning requirements.
- vi. The location is not in the Downtown core and thus does not encourage the incorporation of additional housing in and around that area. However, the location was intentionally chosen away from areas such as the Downtown core in order to discourage the presence of unauthorized or non-licensed persons on the premises.
- vii. Additional Considerations: Issuing the SUP will help maintain and enhance the primary job base as described in Goal 5.1 because with the SUP the applicant will become operational. The applicant is a successful and well-respected member of the medical marijuana industry in Arizona; per Goal 5.1b, a “new, well-established company” will have been recruited to the community. Further, the applicant estimates the proposed use to create up to seven full-time jobs in the first year of operations, and the applicant intends to hire locally and use local resources, including labor, when completing the building out process. These permanent and temporary jobs will promote diverse employment opportunities as described in Goal 5.1c. The applicant’s proposed use, as part of an established, successful business model, will also promote both vertical diversity (5.1g) and diversity of industry (5.1h).

D. Chapter 6: Livable Neighborhoods and Activity Centers

- i. The project consists of remodeling the interior of the existing structure and upgrading security features. The owners and operators of the applicant business have backgrounds in the construction industry, including management of LEED – certified projects using recycled and

environmentally safe building materials. They have personally designed and will oversee the remodeling of the existing building. Durable, long-lasting building materials will be used wherever possible.

- ii. Per state regulations the project does not encourage visual interest and variety in accordance with goals 6.1b and 6.1c. State regulations require a nondescript aesthetic that already exists at the location and that the applicant intends to maintain. Further, state medical marijuana regulations require a design that is “discreet,” mandating that any signs to be displayed are first approved by the Division of Public and Behavioral Health. The applicant intends to embrace this discretion.
- iii. The proposed use is compatible with surrounding development. The neighborhood is industrial and consists of numerous warehouses. Any changes made to existing structures will be designed to be compatible with existing design considerations per Goal 6.2a. The location does not border any residential areas and should not impact the character of any established or existing neighborhoods per Goals 9.3b and 9.4a.
- iv. The location is not in an identified Mixed-Use Activity Center.
- v. The project is not located downtown.
- vi. The proposed use and location will neither encourage, nor discourage, an appropriate mix of housing models and densities based upon the location, size and surrounding neighborhood context. The location is not located in or near residential or mixed-use areas, and the proposed use does not pertain to housing.

E. Chapter 7: A Connected City

- i. The location is on a major corridor (Highway 50), but the use should have little to no impact on existing transit, as the only travel to and from the location will consist of employees and the occasional delivery.
- ii. The location and use are neutral on promoting enhanced roadway connections and networks consistent with the Transportation Master plan as described in Goal 11.2c. The applicant does not expect significant increases in traffic over the location’s previous occupant.
- iii. To the best of the applicant’s knowledge there are no required pathways at the location. Should the City determine that a pathway is required, the applicant shall provide for such an appropriate pathway per Goals 12.1a and 12.1c.

2. Will the effect of the proposed development be detrimental to the immediate vicinity? To the general neighborhood?

- A. The parcel and all neighboring parcels are zoned General Industrial. About 1,200’ from the location to the north and about 4,500’ to the east there is Public Regional, and there is various Single Family Housing, Agriculture and Public

Community scattered to the west and south at distances of at least 1,500' from the location. While there is a small area of Light Industrial located about 600' to the northwest, this General Industrial parcel is insulated from every other type of zoning by at least 1,000 feet in all directions.

- B. The project is similar to existing development in the neighborhood, which is entirely General Industrial. It will not hurt property values, but may increase them by reducing blight via the increased security presence of the applicant's 24-hr video surveillance of parking areas and exteriors. The one potential nuisance neighboring property owners may fear is odor, and any odor that is detectable outside of the facility is expressly prohibited by state regulations (LCB File No R004-14 Sec. 72(3)(b)). As such, in order to remain in good standing with the Division of Public and Behavioral Health, the applicant must prevent such a nuisance from occurring in the first place. Nuisances resulting from the building out process, such as construction-related dust, will be prevented by keeping all construction projects located inside the existing building. Construction-related dust within the building will be mitigated with the use of dust shrooms that will circulate and capture dust as necessary. The project will not involve any uses that are not contained within a building. The only time a use may come close to taking place outside of a building is during the disposal of marijuana waste, as defined and permitted by state law. The applicant's waste disposal plan requires all waste to be stored within the facility until such time waste may be removed as permitted by law. The project itself will not differ in appearance from any neighbors. The neighborhood is composed of non-descript warehouses, and the applicant does not plan to change this aesthetic. Further, state medical marijuana regulations require a design that is "discreet," mandating that any signs to be displayed are first approved by the Division of Public and Behavioral Health. The applicant intends to embrace this discretion.
- C. The project will not be detrimental to the use, peaceful enjoyment or development of surrounding properties and the general neighborhood, as both the surrounding properties and the general neighborhood are similarly zoned General Industrial. Operating hours are 10am – 7pm, seven days a week, and the applicant does not anticipate activity at the location occurring past 7pm. The applicant expects limited noise created by the project, but any noise, such as from the building-out process, will occur during operating hours. The applicant is already required by the State to minimize odor, and intends to minimize other potential nuisances.
- D. There is limited pedestrian traffic near the location due to its General Industrial zoning. The location is about 700' from a heavily trafficked corridor (Highway 50), but the project will not significantly affect existing traffic due to the small size of the workforce (up to seven full-time positions in the first year of operations). Periodic deliveries will likely meet a similar threshold as set by the

previous occupant, but no more than may be expected for an applicant doing business in a warehouse zoned General Industrial. No additional walkways, traffic lights or other traffic related improvements are needed. Nothing about the project will cause emergency vehicle response times to existing businesses in the immediate area to change.

- E. The applicant expects to benefit the community in the following ways, both in the short- and long-term: economic impact (creation of up to seven permanent jobs and multiple temporary jobs, projected generation of \$8,160.00 in excise tax revenue in the first 12 months of operations and redirection of income from neighboring prohibition jurisdictions into Carson City); patient accessibility impact (access to affordable, high-quality, lab-tested medicine, removal of the burden of home-grow, and access to a variety of proprietary medicines); educational impact (provision of accurate marijuana awareness education for community members, operational transparency with local government and law enforcement officials, and foundational support for existing prevention and anti-diversion efforts); and charitable impact (in-house donation drives, foundational support for community organizations and staff volunteer service).

3. Has sufficient consideration been exercised by the applicant in adapting the project to existing improvements in the vicinity?

- A. The project will likely not affect the school district at all, as the applicant does not cater to minors, nor are minors (with the very rare exception of a licensed patient in the presence of his or her caregiver, as permitted by state law) allowed on the premises. The applicant intends to hire locally, and thus does not plan to cause an influx of new families to the community. The only foreseeable impact on the school is the future foundational support by the applicant of community organizations that provide services to local students. Nor does the applicant foresee any negative impact on the Sheriff's Office. Over several years of operations in the medical marijuana industry in Arizona, the applicant has had zero instances of crime resulting in the need for law enforcement. A multitude of law enforcement officials from around the country have toured the applicant's facilities in Arizona gaining valuable insight and education. This is a tradition the applicant hopes to maintain while doing business in Nevada. Even if there were a negative impact, Carson City has already accounted for additional burdens to the Sheriff's Office with the assessment of a new and substantial business license fee for medical marijuana establishments. There may be a long-term benefit to the Sheriff's Office via the applicant's record of transparency with law enforcement officials.
- B. The project will not result in the covering of land area.

- C. The water supplies serving the project are adequate to meet our needs without degrading supply and quality to others in the area, including adequate water pressure. No updates to the water system are necessary for this project.
- D. There is adequate capacity in the sewage disposal trunk line that will be connected in order to serve the project. No updates to the sewer system are necessary for this project.
- E. No road improvements are needed to accommodate the project. Increased use to existing roads will be nominal and was likely anticipated by the location's General Industrial zoning.
- F. The source of the information used in this application is the construction expertise of the applicant in consultation with private engineers. The owners and operators of the applicant business have backgrounds in the construction industry, including management of LEED – certified projects using recycled and environmentally safe building materials. They have personally designed and will oversee the remodeling of the existing building.
- G. This project does not include outdoor lighting.
- H. The location is currently home to a handful of trees and shrubs that comply with City ordinance requirements. See attached Building Photos for reference. The applicant has no plans to change the landscaping except at the direction of the City. Expansion requirements do not apply as the applicant has no plans to expand the building, but rather remodel the interior.
- I. There is available parking for at least 13 vehicles, or the minimum required for the size of the facility. Dimensions and location are shown on the Site Plan.

Provide information on the general production process including what types of products will be produced at this facility. This does not need to include information that may be deemed as proprietary, but we would like to know, in general terms, how the production process will work at this facility and what will be produced.

The Nevada Organix production facility will use the following basic steps in production:

1. Extracting cannabinoids from the finished marijuana flower
2. Concentrating the cannabinoids
3. Infusing the concentrated cannabinoids into edibles, oils, or other types of products

There are two methods of extraction the applicants plans to employ in production:

1. Ice-water agitation extraction, in which the mixing of cold water and motions of the agitator force cannabinoids off the marijuana and through screens of various sizes, producing a moist, malleable substance that can be shaped and formed as needed. This substance is then dried and hand-pressed into blocks for weighing and packaging.
2. CO2 extraction, in which CO2 gas is used to freeze the plant's trichomes, making them easier to break off. Frozen trichomes are collected in a catch basin and formed into either oil or a wax-like substance as they are brought back to room temperature. When the CO2 extract is fully processed the end result is a hard, breakable substance, called "Shatter" when sold as is, that can be melted using a heating element into a wax-like substance called "Wax." The decision to create either Shatter or Wax will be made as the patients' needs are made known to the applicant. Until then, the end product from CO2 extraction will be kept "as is."

Because start-up costs are much higher for CO2 extraction than ice-water agitation, the applicant has chosen a phased approach. The production facility will use ice-water agitation as its primary and initial extraction method and will graduate to using CO2 during the first year(s) of operations, as appropriate. CO2 extraction is becoming an ever more popular method because it has a reduced toxicity element, produces a broad and customizable extraction process and has a low environmental impact.

The applicant believes that the medicine it produces should be as beneficial to the patient as possible, and as such, all Nevada Organix products are intended to be healthy and wholesome. The company does not plan to focus on the traditional candies and baked goods that have caused panic in other states, but instead plans to offer sugarless and

gluten free options in addition to generally healthy foods. Nevada Organix will also offer edible and infused products with options for those with allergies and dietary restrictions and intolerances in mind. In addition to edibles, topical and infused products will also be offered. Nevada Organix firmly believes that patients have the right to choose a delivery method that does not have the potential to make them sicker. All marijuana products produced at the production facility will be packaged and labeled in a way that is unappealing to children per state regulations.

If the production facility will include a commercial kitchen, please provide information about the kitchen facility and equipment.

The production facility will not include a commercial kitchen at this time. The applicant may add one in the future, but as yet does not have plans to install one during the first year of operations. If the applicant does decide to install a commercial kitchen in the future, all applicable approvals will be sought.

Floor plans are required as a part of the Special Use Permit process and are subject to public review. Please provide floor plans to complete the submission. If there is a concern about security measure that could be shown, you may eliminate these details from the floor plans, but floor plans showing the proposed interior usage of the building and phases of construction are required. The Special Use Permit application will not be deemed complete without them.

Floor plans have been included with this application. Information regarding panic buttons, location of internal security cameras, and placement of safes have been redacted to ensure building and product security. The proposed interior usage has been described in the preceding response. Extraction, infusion and packaging will all occur in the same room with clearly designated areas for each process. Additional rooms include an office, bathroom and loading area.

Provide general information on methods of security that will be used for the building. Details security information is not required, but information on the types of security measure that will be employed is required.

Each area of the production facility will have redundant security features that will ensure the constant monitoring of all activity that occurs. Our priority is to ensure that production agents are safe in their workplace and that product diversion is impossible under all circumstances. Security measures to be employed include the following, without limitation:

- Third-party alarm system to be monitored by the alarm company 24/7, including motion detectors and key-pad deactivation.
- High-quality infrared security cameras to cover all interior spaces, building exteriors and the parking lot, and positioned so as to capture facial identification.
- Security camera video monitoring from inside the building with video printer, 30-day digital video storage and battery back-up and failure notification systems.
- Restricted employee access to security systems.
- Internal doors with locking handles and dead bolts, to be locked each night.
- Steel door frames.
- Solid core doors (30 min. fire rated)
- Self-closing door mechanisms
- Commercial grade fingerprint entry and dead bolt locks
- Security grade wall construction with internal security mesh and reinforced cross sections.
- Panic buttons.
- Bank-style safes with locking systems meeting the standards of Underwriters Laboratories.
- One front door to be used for all entering and exiting, with additional doors to only allow exit upon emergency and deliveries, as appropriate.
- Comprehensive employee security training with annual reviews and evaluations.

Provide information and specifications for CO2 extraction system and equipment.

Nevada Organix has elected to use the Apeks Sub and Supercritical Fluid Extraction System. This system is fully automated with an easy to use touch screen computer, but is also equipped with manual valves. The Apeks system re-circulates CO2 during extraction and allows for the recovery of CO2 after extraction is complete, making it a very environmentally friendly system. All tanks of the Apeks system are made in accordance with ASME guidelines and pressure ratings. Tubing connections are made with the same technology that is used for fittings on aircraft. Safety features of the Apeks system will prevent accidental over-pressurization. These features include pressure gauges on each pressurized tank for visual verification of depressurization prior to opening.

If you have any information on proposed signage for the project, please provide it with this application.

Required postings that are to be displayed at the production facility include, but are not limited to: operating hours, city certificate of occupancy, State of Nevada Medical Marijuana Establishment registration certificate (to be displayed prominently), “No Loitering” sign on the front door, “Surveillance Cameras In Use” sign, “Restricted Access” signs, and any other postings required by law, such as “Exit” and “Fire Extinguisher” signs.

At this time, no company or brand-specific signage is being proposed. In order to meet state regulations and to ensure building and product security, the applicant must embrace a design style that is “discreet.” If the applicant wishes to install signage in the future, it must first be approved by the Division of Public and Behavioral Health per state regulations, in addition to any approvals that must be secured with the City. At no time will the applicant utilize any signs or postings that are not approved by the Division and City.

Provide information on daily water and sewer usage.

The production facility will use a nominal to moderate amount of water a day, depending on the work schedule. Potential uses include making ice for ice-water agitation extraction, hand washing, equipment sanitization and uniform laundering. Sewer usage may be nominal to moderate and will include the use of one employee restroom. The applicant’s plan to conserve water includes the following measures, without limitation:

- All faucets within the facility will be equipped with products that have the EPA’s “WasteSense” approval.
- Toilets will be 1.6 gallon flushes.
- A quarterly check will be performed to ensure all sources of water within the facility are not leaking.

Provide information on ventilation measures that will be taken to ensure that odor will not be detected from outside the building.

The applicant designs their cultivation and production facilities with a custom-made air filtration system that minimizes the smell created from flowering marijuana plants. As part of their proprietary system, air filtration boxes, a ducting system and roof exhausting will be installed during the building-out process. HEPA and charcoal air filters will be used to recirculate the air and filter out any odor. The applicant currently uses this system at its cultivation facility in Arizona and the result is zero odor outside the facility and minimal odor inside.

The new facility will also be equipped with an air quality control system that monitors and controls temperature, humidity and air supply using a high-efficiency particulate positive pressure filter. The air quality control system will also control for air pressure, microorganisms and dust at all locations where marijuana is being held.

Provide information on daily traffic volumes. Clarify what “periodic deliveries” means.

The applicant intends to minimize traffic to and from the facility as an added security measure. Some pick-ups and deliveries are necessary, such as for sending product to and from a testing facility and to the applicant’s dispensary (for which an SUP application has not yet been submitted), or receiving orders from suppliers such as packaging and labeling materials. Since the applicant’s cultivation and production facilities are co-located, “deliveries” of wholesale medical marijuana flower from the cultivation facility to the production facility will take place entirely inside the building. Deliveries and pick-ups that must occur will be scheduled to necessitate the smallest number of trips possible.

Between employees, deliveries and pick-ups, the applicant does not estimate more traffic than the building’s previous tenant caused. A moderate estimate for the number of employees in the facility at any one time during the first year of operations is between one and three employees, not including management. Employees will typically not leave the facility during the day except for lunch. Because of the cloning process, the product itself can be produced and stored in the same facility, where other companies using warehouse storage solutions are likely receiving the products they store. There will also be no customers coming and going from the location, as there is no point of sale for registered patients, and all persons on the premises must be authorized by the Division of Public and Behavioral Health.

Provide the exact number of parking spaces that are currently on the site. The aerial photos available to staff show parking that is not striped, therefore an accurate count cannot be made. Why is the southeast corner of the property not available for parking?

The parking lot has previously been striped, but not recently enough to make an accurate count. The applicant anticipates re-striping the parking lot. Based on the size of the parking area and the remaining stripes, the applicant counts ten spots on the south side of the lot, and based on the size of the parking area, the applicant estimates at least 16 spots on the north side of the lot, for a total of at least 26 spots. The total square footage of the building is less than 13,000 square feet, so there are at least two spots for every 1,000 square feet, where only one is required. Based on projected patient demand, the revised maximum number of full-time positions the applicant projects to be created in the first

year of operations is twelve at the cultivation facility and five at the production facility. These facilities share the parking lot, but even if maximum hiring capacity is reached and every member of staff is in the building at the same time, there will be enough available parking to accommodate everyone, while still allowing room for deliveries.

The southeast corner of the property is available for parking and was not labeled correctly on the original site plan submitted. Objects shown in the southeast corner parking area on the site plan have since been removed and a revised site plan has been included with this application.

Will the seven full-time employees that this facility may employ in the first year be in addition to the 18 full-time employees planned for the cultivation facility? Will these employees be working during the same hours as the cultivation facility employees?

Based on revised patient demand projections, the applicant now projects five as the maximum number of projected full-time positions the applicant expects could be created in the first year of operations, should the facility reach its maximum output capacity. Even if the applicant reached this maximum, the entire staff would never be working at the same time, unless attending an all-staff meeting. The facility has operating hours seven days a week, so some employees will not work a traditional Monday – Friday schedule, while others may. A moderate estimate for the number of production employees working simultaneously in the facility at any one time during the first year of operations is between one and three employees, not including management.

Because marijuana flower must first be cultivated before any extracts can be produced, the production facility is not scheduled to be completed until Phase 2 of construction on the existing building, with Phase 1 including about two-thirds of the cultivation facility. Because these facilities will open in stages, it is possible that employees may start in the cultivation facility and move over to the production facility, but the two facilities will have separate staffs with separate job functions.

Provide the original signed owner's affidavit for this application.

The original signed and notarized owner's affidavit has been submitted to the Planning Division for arrival by Noon on Friday, December 26, 2014.

Provide 20 additional single-sided copies of the complete revised submission.

Twenty additional single-sided copies of the complete revised submission have been provided.

Provide a check in the amount of \$2,450.00 for the Special Use Permit application fee.

A money order in the amount of \$2,450.00 has been sent to the Carson City Planning Division separately from this application, to arrive by noon on Friday, December 26, 2014.

Provide a check for \$18.56 or 32 business-sized envelopes with \$.49 postage to notify the neighbors.

A money order in the amount of \$18.56 has been sent to the Carson City Planning Division separately from this application, to arrive by noon on Friday, December 26, 2014.

ACKNOWLEDGMENT OF APPLICANT

I certify that the forgoing statements are true and correct to the best of my knowledge and belief. I agree to fully comply with all conditions as established by the Planning Commission. I am aware that this permit becomes null and void if the use is not initiated within one-year of the date of the Planning Commission's approval; and I understand that this permit may be revoked for violation of any of the conditions of approval. I further understand that approval of this application does not exempt me from all City code requirements.

Applicant

William B. Myer

Date

12-18-14

TO: Carson City Planning Division
FROM: Nevada Organix, LLC
RE: Application for a Special Use Permit
SUBMITTED: December 22, 2014

PREPARED BY:

Pistil & Stigma, Inc.
250 Bell Street, Reno, NV 89502
775-815-4813
info@pistilandstigma.com

PROPOSED LOCATION: 3130 N. Deer Run Road
PROPOSED USE: Medical Marijuana Production Facility

CONTENTS

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- Floor Plans
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- Zoning Letter with Supporting Documents
- Questionnaire with Both Answers and Questions Given
- Completeness Letter
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- Applicant's Acknowledgment Statement