

**CITY OF HAYWARD PLANNING DIVISION  
PROPOSED CANNABIS MANUFACTURING USE (LEVEL 1)  
STONED AGE EDIBLES, 2363 TRIPALDI WAY  
CONDITIONAL USE PERMIT APPLICATION NO. 201803933**

**FINDINGS FOR APPROVAL**

Conditional Use Permit

Pursuant to Hayward Municipal Code Section 10-1.3200, The Planning Commission or other approving authority may approve or conditionally approve an application when all the following findings are made:

1. *The proposed use is desirable for the public convenience or welfare;*

The proposed cannabis manufacturing use is desirable for the public convenience and welfare in that it will allow for a creation of a new start-up business in Hayward that diversifies the City's manufacturing base to capture a new industry related to cannabis. The proposed cannabis operation will be the first company to market cannabis infused jerky products in the area and has the potential to attract an entirely new consumer demographic to the edible cannabis industry. In addition, the proposed location is ideal for the manufacturing use as the existing building contains a commercial kitchen and can easily accommodate the proposed use without significant modification to the site.

2. *The proposed use will not impair the character and integrity of the zoning district and surrounding area;*

The proposed cannabis manufacturing use will not impair the character or integrity of the Industrial zoning district or the surrounding area in that no new buildings or structures will be added to the project site and any proposed modifications related to site and security improvements will be done inside the building so there will be no changes to the surrounding area. The existing commercial kitchen located on the subject property can easily accommodate the proposed manufacturing/food processing use and as a result no new impacts are anticipated resulting from this use. As conditioned, the project will comply with all local and state cannabis regulations related to safety and security, track-and-trace measures and operational health standards.

3. *The proposed use will not be detrimental to the public health, safety, or general welfare; and*

The proposed cannabis manufacturing use will not be detrimental to the public health, safety or general welfare in that the facility, as conditioned, will operate within the permit requirements and regulations established by State, County and local laws. The applicant has provided a detailed safety and security plan which will include safety and security upgrades to the existing building to ensure the employees and any visitors will have a safe environment, including security cameras, additional lighting, security guards and track and trace protocols.

The proposed cannabis use is also subject to the City's Cannabis Ordinance, which contains operating and performance standards for establishments that handle cannabis and cannabis related products. The applicant has submitted a thorough business and security plan, which was reviewed and evaluated by an independent consultant and determined to include a significant number of procedures and protocols to ensure public safety and awareness is incorporated into the project. The applicant and all employees associated with the business are subject to an extensive background check by the City's Police Department.

The applicant also intends to incorporate a significant number of community benefits as part of the project to raise awareness of the potential benefits and abuses of cannabis use. The applicant will also work with community organizations to provide information and/or promote local substance abuse programs on education, prevention, and treatment.

4. *The proposed use is in harmony with applicable City policies and the intent and purpose of the zoning district involved.*

The proposed cannabis manufacturing use is in harmony with the applicable regulations of the City's Cannabis Ordinance, which contains operational measures to mitigate possible impacts related to the cannabis uses. The proposed use is also consistent with the applicable policies and intent of the Industrial (I) zoning district, which is to provide for and encourage the development of industrial uses within the industrial zoning district and promote a desirable and attractive working environment with a minimum of detriment to surrounding properties. The proposed cannabis manufacturing use is similar to the other business that currently operate on-site and is consistent with other light manufacturing uses in the project vicinity.

The project is also consistent with the Industrial Technology and Innovation Corridor (IC) land use designation of the *Hayward 2040 General Plan* in that the IC land use designation allows uses that includes professional office, research and development, warehousing and logistics and manufacturing (traditional, advanced, specialized, and food manufacturing). Additionally, the proposed manufacturing use is consistent with the following goals and policies of the *Hayward 2040 General Plan*:

- *Land Use Goal 6.* Enhance the Industrial Technology and Innovation Corridor to expand the economic and employment base of Hayward and to achieve a healthy balance between a manufacturing-based economy and an information- and technology-based economy.
- *Land Use Policy LU-6.2.* The City shall encourage the conversion of obsolete industrial and warehouse distribution space to a productive use, such as advanced manufacturing, professional office centers, corporate campuses, research and development parks, and flex space. The City shall maintain the Downtown as a center for shopping and commerce, social and cultural activities, and political and civic functions.
- *Economic Development Goal ED-1.* Diversify the economic base of Hayward to support a robust and stable economy with a diverse range of employment, shopping, and cultural opportunities for local residents.

- *Economic Development Policy ED-1.4.* The City shall establish business attraction efforts that focus on small and medium-sized businesses within emerging and growing business sectors.
- *Economic Development Policy ED-1.6.* The City shall encourage the establishment and expansion of advanced and specialized manufacturing businesses to counter declining employment trends in traditional industrial manufacturing.
- *Economic Development Goal ED-2.* Cultivate a culture of entrepreneurship to encourage and support local business start-ups.

### Cannabis Ordinance

In addition to the required findings contained in Section 10-1.3125 (Conditional Use Permit), every land use application requiring discretionary review for cannabis and cannabis products shall be required to make the following findings prior to issuance:

1. *The proposed cannabis use will not be detrimental to the public health, safety, or general welfare in that the cannabis operation is situated in an appropriate location where sensitive land uses will not be adversely impacted;*

The proposed manufacturing use will not be detrimental to the public health, safety or general welfare in that the facility, as conditioned, will operate within the permit requirements established by the City as well as be required to obtain the necessary State and local permits in order to operate a food processing business. In addition, the proposed use will operate in a location which currently contains a commercial kitchen facility and will meet all local land use requirements by maintaining a buffer from sensitive land uses, including schools, parks, and day care centers. The applicant will not have a dedicated store front and will share secured access with the other commercial kitchen use on-site. As conditioned, the project will also incorporate measures to mitigate any odor emissions, safety and security, and public nuisances.

2. *Appropriate measures have been taken to address nuisances related to odor, noise, exhaust, and waste related to the cannabis operation;*

The proposed business and operational plan submitted by the applicant indicates that the manufacturing process includes the use of an odorless form of cannabis called distillate or isolate. This substance has had all the odor creating molecules, and impurities removed, and as such, contains virtually no fragrance. These substances, along with the edible products, will be stored in the kitchen area during daily processing and locked away at the end of each day in a secure cold storage area. While the cooking process may result in some odors, they are not different from the current operations of the existing commercial kitchen. In addition, there are no windows within the applicant's tenant space and all food products will be held in sealed, odor proof containers. The applicant has completed preliminary research and development using these odorless concentrates and has determined that no cannabis odors are detected during the cooking process. The applicant will continue to test the product to ensure no odors are detected and has committed to install carbon filtration systems if odors are detected. Additionally, daily cleaning of the kitchen equipment and food preparation area

will also be required to ensure the manufacturing process meets County Health Department guidelines.

3. *The cannabis operation is designed to be safe, secure and aesthetically compatible with the surrounding area; and*

The proposed cannabis manufacturing is designed to be safe, secure and aesthetically compatible with the surrounding area. The applicant has provided a detailed safety and security plan which will include safety and security upgrades to the existing building to ensure the employees and any visitors will have a safe environment, including security cameras, additional lighting, security guards and track and trace protocols. No exterior modifications to the existing building are proposed and only minor interior modifications are necessary. As such, the proposed use will be aesthetically compatible with the existing commercial kitchen uses on site and similar to other light manufacturing, food processing uses in the surrounding area.

4. *The cannabis operation will not place a burden on the provision of public services disproportionate to other industrial or commercial uses.*

The applicant is proposing to lease 868 square feet of an existing commercial kitchen space for the proposed cannabis manufacturing use, which will result in minimal, if any, impacts to public serves. The applicant will be implementing a security, noise and odor mitigation plan to further reduce any potential impacts on the site. In addition, the applicant is subject to an annual review and inspection of the proposed manufacturing use by the City's Code Enforcement Division, Police Department and Fire Department as part of the cannabis permit renewal. As conditioned, any excessive calls for service, including nuisance and code violations, may result in the revocation of the commercial cannabis permit and/or the use permit.

#### Environmental Review

1. The proposed project is categorically exempt from environmental review in accordance with the California Environmental Quality Act (CEQA) Guidelines, Section 15301, Class 1 for existing facilities in that the project involves the leasing 868 square-foot of existing industrial tenant space on a site that currently contains a commercial kitchen uses. As conditioned and included as part of the project scope, the proposed use will not result in any significant effects related to traffic, noise, air quality and water quality.