

Exhibit B

RECOMMENDED CONDITIONS OF APPROVAL

Resolution 2019-004

PLN18-0101

2974 Teagarden St., APN 77B-1229-25

Iwen Chang (Property Owner)

Daeseob Cho, Shasta Labs, Inc. (Applicant)

I. COMPLIANCE WITH APPROVED PLANS

1. The project shall comply with the Project Description and Attachments A through C attached to the staff report. Attachments are on file at the City of San Leandro, Community Development Department, 835 East 14th Street, San Leandro, California, 94577.
 - Attachment A – Site Plan, dated February 23, 2019
 - Attachment B – Floor Plan, dated February 23, 2019
 - Attachment C – Project Description & Operational Plan, dated December 19, 2018
2. **Successor Notification.** The Applicant and/or Property Owner shall be responsible for assuring that any successor in interest who assumes responsibility for this zoning approval is informed of its terms and conditions.
3. **Change in Plans, Use, or Occupancy.** Any change or additional occupancy deemed minor in nature may be approved by the Zoning Enforcement Official. A change or additional occupancy deemed major shall be referred to the Board of Zoning Adjustments for its consideration as a modification to the Conditional Use Permit.
4. **Expiration.** Pursuant to [Zoning Code Section 5-2218](#), this approval shall lapse on May 3, 2020, unless a) a cannabis testing license or temporary license from the State of California has been issued; b) a building permit has been issued, coupled with diligent progress evidencing a good faith intent to commence the intended use; or c) a written request for a one-year extension of the use permit is approved by the Zoning Enforcement Official.
5. **Recorded Agreement to Conditions.** The approvals granted by the City as a result of this application, as well as the Conditions of Approval, shall be recorded in the office of the County Recorder of Alameda County.

II. PERMITTED USE

6. **Scope of Work.** The Conditional Use Permit is an approval to establish an approximate 5,330 square foot cannabis testing laboratory facility within in an existing industrial building at 2974 Teagarden Street, Assessor's Parcel Numbers 77B-1229-25. The Conditional Use Permit authorizes the cannabis testing laboratory to analyze and measure products derived from or infused with cannabis, including edibles, concentrates and extracts for wholesale or retail to cannabis dispensaries or other cannabis product distributors and manufacturers as allowed by State law. The Conditional Use Permit does not include the manufacturing, packaging, cloning, planting, or cultivation of cannabis plants or the direct sales, distribution, delivery, or dispensing of manufactured cannabis products to the public.
7. **Compliance with Permitted Use.** The use of the building and construction of the project shall remain in substantial compliance with the approved plans and exhibits. Any change to the project design shall be subject to the review and approval of the Zoning Enforcement Official who may administratively approve or require review by the Board of Zoning Adjustments as a modification to the Conditional Use Permit.
8. **Valid State Permit.** Upon issuance, failure to maintain a valid State license for a cannabis testing laboratory shall constitute discontinuance of the Conditional Use Permit.
9. **State Licensure.** The City shall be notified in writing within 10 days of any change in licensure status with the California Bureau of Cannabis Control.
10. **Operation Changes.** Any changes or additions to the licensed operation of the cannabis laboratory testing facility shall require application for a modified Conditional Use Permit as per Zoning Code [Section 5-2220](#).
11. **Hours of Operation.** The cannabis testing laboratory may operate from 7:00 a.m. to 7:00 p.m., Monday through Friday. Modification beyond these hours shall require prior written approval from the Zoning Enforcement Official.
12. **Cannabis Consumption.** Consumption, including smoking, inhaling, and ingesting, of cannabis is not be allowed on premises or in the public right of way in the immediate and surrounding neighborhood.
13. **Loading and Storage.** Property owner shall not allow businesses to store products, pallets, and containers in the shared parking lot and in the required off-street parking spaces. Deliveries and delivery vehicles shall be video monitored. All laboratory materials and equipment shall be stored securely indoors.
14. **Cannabis Business Tax.** The cannabis manufacturer shall fully comply with the terms of the San Leandro Cannabis Business Tax Ordinance in Chapter 2-21 of the Municipal Code. The cost of any required audits to determine the correctness of figures provided by the cannabis business shall be fully reimbursed by the business to the City. The City may require the cannabis business to submit their tax payments by an armored delivery service.

15. **Security Plan.** Applicant shall comply with the security measures identified in the Applicant's Operational Plan.
16. **Security Cameras.** A security camera and alarm system shall be installed, maintained, and operated 24 hours a day, 7 days a week to monitor the entire unit. The security camera system shall be capable of producing retrievable and identifiable images and storing them digitally, where the records are able to be enlarged and used to assist law enforcement. The security camera system must be capable of identifying adjacent vehicles as well as all individuals entering and leaving the laboratory facility.
17. **On-Site Lighting.** On-site lighting shall be LED or other energy-conserving lighting and shall be designed and located so as to not shine on adjacent properties or above a horizontal plane, subject to the approval of the Building Official and the Zoning Enforcement Official. After installation, the Zoning Enforcement Official reserves the right to require adjustment of light fixtures to comply with this requirement prior to approval of occupancy.

III. PUBLIC WORKS REQUIREMENTS

18. **SOLID WASTE & RECYCLING PLAN REVIEW.** Recycling Hotline (510) 577-6026 www.recyclesanleandro.org
19. Applicant is subject to Alameda County Mandatory Recycling Ordinance#2012-01. For more information, visit www.RecyclingRulesAC.org.
20. The planned development falls within the Alameda County Industries (ACI) service area. Applicant should note the City of San Leandro holds an exclusive franchise agreement for solid waste and recycling services with ACI.

IV. BUILDING DEPARTMENT REQUIREMENTS

21. **Building and Fire Code Compliance.** Plans to meet building and fire codes adopted at time of building plan submittal.
22. **Tenant Improvement Plans Required.** BLD2018-2041 was approved on 12/11/18 for TI of ADA bathrooms, new offices and warehouse space, replace HVAC. Plans are required for the T.I of the labs, location of equipment, hazardous materials etc.
23. Proof of HOA approval required for resubmittal of building plans and reissuance of Building Permit.

V. ENVIRONMENTAL SERVICES REQUIREMENTS

24. The storage of hazardous materials in quantities equal to or greater than 55 gallons, 200 cubic feet or 500 pounds requires submittal of a Hazardous Materials Business Plan (HMBP). HMBP submittal shall be completed via the California Environmental Reporting System (CERS) online database at <http://cers.calepa.ca.gov/>. An HMBP

shall be submitted prior to placement of the registerable materials onsite. The plan is subject to review and approval of Environmental Services.

25. Hazardous waste generated on site shall be handled and disposed pursuant to applicable local, state and federal law. Generators of hazardous waste must register with the City's Environmental Services, which is the Certified Unified Program Agency (CUPA), by submitting the Facility Information element in the California Environmental Reporting System (CERS) online database at <http://cers.calepa.ca.gov/>.
26. Discharge of anything other than rainwater to the storm water collection system, which includes area drains, sidewalks, parking areas, street curb and gutter, is prohibited.
27. The generation or discharge of wastewaters, other than domestic sewage, may require a pretreatment permit for discharge to the sanitary sewer. If a permit is required, submittal of an application to the City's Environmental Services office is required prior to finaling the building permit or commencing the discharge, whichever occurs first.

VI. MAINTENANCE

28. **Site Maintenance.** The site shall be well-maintained and shall be kept free of litter, debris and weeds.
29. **Landscape Maintenance.** All landscaping shall be maintained in a healthy, growing condition at all times. Any damaged or dead plant material shall be promptly replaced with a plant material similar in type and comparable in size to the plant(s) being removed. Any landscaping shall be maintained so as not to interfere or obstruct the public right-of-way for pedestrians and vehicles. The landscaping adjacent to the driveway shall be maintained so it does not exceed three feet in height above the top of the nearest adjacent curb and gutter to allow for adequate sight distance, or unless otherwise approved by the City's Transportation Engineer.
30. **Graffiti.** Any graffiti on the property occupied by the applicant shall be promptly removed.
31. **Noise.** All uses and activities shall comply with the provisions of the San Leandro Noise Regulations (Title IV, Chapter 1 of the Municipal Code).
32. **Address Sign.** The address sign(s) on the property shall be well maintained at all times. Any damage to the signs shall be promptly repaired or replaced.
33. **Temporary Sign.** Unauthorized and temporary signage shall not be permitted on the property, except as approved for a specified amount of time in a Temporary Sign Permit granted by the Community Development Department.

34. **Waste/Recycling/Compost.** Cannabis waste and unsold material shall be rendered unusable and unrecognizable prior to disposal. No on-site composting of cannabis waste shall be permitted. All waste material shall be disposed of in accord with State law.
35. **Waste Service.** The applicant shall maintain an adequate number of trash, recycling, and green/food waste containers. Garbage service shall be arranged through Alameda County Industries and shall include trash, recycling and green/food waste service. Rendered cannabis waste shall be removed in accord with State law. Bin storage shall be located indoors and away from public view. If bins cannot be stored indoors and away from public view, construction of a trash enclosure is required.
36. **Waste Overflow.** Waste, recycling, or green/food waste shall bins shall not be allowed to overflow. Upon any type of notification from any City Official, any type of overflow shall be cleaned up within 4 hours. The City reserves the right to have its Public Works Division or subcontractor clean up the condition and the applicant shall be responsible for all associated costs with the cleanup.

VII. GENERAL CONDITIONS

37. **Posted Conditions.** These conditions of approval shall be prominently posted at the business, shall be distributed to all employees and neighboring tenants, and made available to vendors upon request.
38. **Permits.** Applicant shall obtain the necessary permits to operate the cannabis testing laboratory in the City of San Leandro, including a San Leandro Business License and all permits required under State law or regulations.
39. **Staff Roster and Emergency Contact.** The cannabis testing laboratory shall be responsible for providing City law enforcement officials with the most up-to-date staff roster and emergency contact information, and shall notify the City within 15 days of when changes are made.
40. **No Outdoor Storage.** Property owner shall not allow businesses to store products, pallets, and containers in the shared parking lot and in the required off-street parking spaces.
41. **Parking.** Delivery vehicles and armored trucks shall use the secure indoor loading area whenever feasible. Outdoor vehicle storage is prohibited. The parking stall closest to the loading entrance shall be reserved for employee use only, and not by visitors.
42. **Fencing.** Any fencing and walls on the project site shall be structurally sound, graffiti-free, and well-maintained at all times. Fencing shall not reduce the number of off-street parking spaces and shall be subject to the standards in Zoning Code [Section 4-1682.B](#). No barbed or razor wire shall be installed on any fence or buildings on the project site.

43. **City Fees.** Applicant shall pay its City development, permitting, and plan check fees in accordance with the fee schedules in effect at the time.
44. **Review and Revocation.** The City shall maintain the ability to review or revoke this CUP and set a new public hearing date to correct problems that may arise such as property maintenance, parking, public safety, code violations, and nuisance issues.
45. **Amendments or Modifications.** No application for amendment or modification to this Conditional Use Permit or the Conditions of Approval may be accepted or submitted for processing by the City unless (i) there is full compliance with all terms of the application and Conditions of Approval; or (ii) the Zoning Enforcement Official waives compliance with minor terms of the application and Conditions of Approval pending application for amendment or modification.