



ATT. E

Time Set 9.**Planning Commission****Meeting Date:** 05/08/2025**Information****SUBJECT**

ZF #2022-0083: Consider recommendation of denial of a Cannabis Use Permit request to allow issuance of a cannabis cultivation license for up to one acre of canopy and a self-distribution license for Outdoor Properties LLC, and determine the project denial is exempt from the California Environmental Quality Act (CEQA). The project is located on a ±20-acre agriculturally-zoned parcel at 16520 County Road 56, approximately 1,000 feet southwest of the unincorporated community of Guinda (APN: 060-080-010). (Applicant: Tommy Christy/ Property Owner: Loma West, LLC) (Planner: Jeff Anderson)

SUMMARY

FILE # 2022-0083: Outdoor Properties Cannabis Use Permit	
APPLICANT: Tommy Christy PO Box 3008 Rocklin, CA 95677	OWNER: Loma West, LLC PO Box 3008 Rocklin, CA 95677
LOCATION: 16520 County Road 56, approximately 1,000 feet southwest of the unincorporated community of Guinda (APN: 060-080-010)	SOILS: Tehama loam, 0 to 2 percent slopes (Class II); Corning gravelly loam, 2 to 15 percent slopes, eroded (Class IV)
GENERAL PLAN: Agriculture (AG)	FMMP: Farmland of Local Importance; Other Land
ZONING: Agricultural Intensive (A-N)	WILLIAMSON ACT: No
SUPERVISORIAL DISTRICT: 5 (Barajas)	FLOOD ZONE: X
PUBLIC HEARING NOTICE: Neighbor notice sent on 04/25/25 (published in Davis Enterprise on 04/27/25)	FIRE SEVERITY ZONE: Moderate (State Responsibility Area)
ENVIRONMENTAL DETERMINATION: Exempt per CEQA Guidelines Section 15270 (No Project)	

RECOMMENDED ACTION

That the Planning Commission:

1. Receive a staff presentation, hold a public hearing, and receive comments on the Outdoor Properties Cannabis Use Permit;
2. Deny the request for a Cannabis Use Permit;
3. Adopt the Findings (Attachment C) in support of denial of the project; and
4. Find that the denial of the project is exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines 15270.

REASONS FOR RECOMMENDED ACTIONS/BACKGROUND

Outdoor Properties LLC ("Outdoor Properties") has applied for a Cannabis Use Permit to request the issuance of a cultivation license for up to one acre of cannabis canopy and issuance of a self-

distribution license. Staff recommends denial of the permit. Cannabis Land Use Ordinance (CLUO) Section 8-2.1406(L) mandates the consideration of the compliance history of all applicants, which extends to include all associated property owners. The subject property (APN: 060-080-010) is owned by Loma West, LLC. Outdoor Properties and Loma West, LLC, have not maintained a satisfactory compliance history during their previous licensure for cannabis cultivation, including non-payment of property taxes, cannabis taxes, and solid waste and recycling service fees. Additionally, Outdoor Properties and Loma West, LLC, have failed to pay PG&E utility bills and have installed a large generator without obtaining necessary permit approvals. Further, Outdoor Properties has been non-responsive to County requests throughout much of the Cannabis Use Permit application process and has largely ignored County requests to respond to community concerns. When reviewing the aggregate compliance history and overall lack of responsiveness by the property owner and Outdoor Properties business entity, there is significant concern that the project can be operated in compliance with the Cannabis Licensing Ordinance, Cannabis Land Use Ordinance, and state law.

SUMMARY

The project is located on a relatively flat ±20-acre Agricultural Intensive (A-N) zoned parcel, located approximately 1,000 feet southwest of the unincorporated community of Guinda. The project site was first licensed for cannabis cultivation in 2017 as KAM Gardens, Inc. In 2018, the entity transitioned from KAM Gardens to Outdoor Properties LLC. Outdoor Properties cultivated up to one acre of cannabis canopy on-site from 2018 to late 2024 under State and County licenses. The Outdoor Properties cultivation license expired on March 31, 2025. Section 8-2.1404(B) of the Cannabis Land Use Ordinance (CLUO) allows Existing Licensees who applied for a Cannabis Use Permit by December 16, 2022, to seek license renewal and continue to operate with a validly issued license through March 31, 2025, so long as their application is pending in the use permit process. Therefore, Outdoor Properties is prevented from seeking license renewal without an approved Cannabis Use Permit. No cultivation or other cannabis-related uses may occur on the property unless a Cannabis Use Permit is approved.

The properties immediately surrounding the project site are zoned A-N and range in size from 12 acres to 29 acres. Most of the surrounding properties contain pastureland and rural residences. The project site is accessed from County Road 56 via a private easement, approximately 1,000 feet west of County Road 49. In addition to the cannabis-related uses and structures, as described below, the property contains an on-site well and septic system, single-family residence (currently unoccupied), barn, shed and outbuildings, and an irrigation pond. Approximately five acres are developed for cannabis uses and the remaining 15 acres contain the home site and ancillary buildings, and open land. There are approximately 15 home sites located within 1,500 feet of the property boundary, with the closest off-site residence approximately 700 feet to the south of the existing greenhouses. The Cannabis Land Use Ordinance (CLUO) does not require a minimum buffer for existing licensees from existing indoor cannabis uses (i.e., greenhouses) to sensitive land uses (i.e., off-site legal residences in any non-residential zone). However, the CLUO does require a 100-foot buffer from new indoor cannabis structures to sensitive land uses (no new indoor cannabis structures are proposed).

The on-site cannabis operations consist of a total of eighteen greenhouses—eight greenhouses are 2,880 sf each and ten greenhouses are 5,040 sf each. The greenhouses have been used for cultivation activities and plant propagation. The greenhouses are equipped with internal blackout curtains to prevent nighttime light escape. Outdoor Properties has used trailers for cannabis processing (drying, trimming, etc.) in the past; however, the use of trailers would not be allowed to continue beyond one year following approval of a Cannabis Use Permit. When Outdoor Properties was cultivating at full capacity, it employed three full-time employees and approximately five part-time laborers during harvest periods to assist with trimming and other processing activities.

Outdoor Properties is seeking to obtain a Cannabis Use Permit that would allow for the issuance of a cannabis cultivation license for up to one acre of canopy and issuance of a self-distribution license. A self-distribution license would allow for the transport of only the goods Outdoor Properties cultivates

on-site to off-site manufacturing or distribution premises. Outdoor Properties does not propose the construction of any new structures. All cannabis activities would take place within existing greenhouses. Some of the greenhouses would be converted to processing and storage uses since processing within trailers would be required to cease. Outdoor Properties also proposes to install a new permanent restroom within one of the existing greenhouses for employee use.

Outdoor Properties does not anticipate needing to increase the number of employees from the three full-time and five part-time employees that were employed when cultivation activities were at full capacity. The applicant has stated that operational hours are generally 7am to 4pm, Monday through Friday, but work may occasionally occur outside of normal hours as needed. Pursuant to the CLUO, operating hours for cannabis cultivation activities are not restricted or limited. In addition to normal employee traffic, the applicant expects five additional vehicle trips per day, and approximately three large truck deliveries per quarter. The property is connected to PG&E utility; however, PG&E has suspended service to the site due to the applicant's failure to make payments over a significant period.

The CLUO identifies the Capay Valley as an area of over-concentration and is limited to no more than five Cannabis Use Permits. Only existing licensees in the Capay Valley were able to apply for a Cannabis Use Permit. The County received a total of five Cannabis Use Permit applications (which includes Outdoor Properties) from existing licensees in the Capay Valley. Three Cannabis Use Permits have been approved in the Capay Valley, and two are still pending (which includes Outdoor Properties).

ANALYSIS

The subject property is owned by Loma West, LLC. The most recent Statement of Information filed with the Secretary of State (05/27/2020) lists Tommy Christy, Barry Azarcon, and John Taylor as members of Loma West, LLC. The most recent Statement of Information filed with the Secretary of State (01/30/2025) for Outdoor Properties LLC lists Rhema Holdings LLC as the manager and/or members of Outdoor Properties LLC. Rhema Holdings LLC lists Tommy Christy, Barry Azarcon, and John Taylor as members on the most recent Secretary of State Statement of Information filing (06/10/2020). The below describes the compliance history of the property owner and applicant, which, when taken together, informed staff's decision to recommend denial of the Cannabis Use Permit.

- 1. Non-payment of property taxes.** Loma West, LLC has failed to pay property tax assessments for tax years 2023 and 2024, and failed to pay the 2022 supplemental tax bill. As of April 24, 2025, the total balance owed is in excess of \$83,000. The outstanding balance continues to increase as interest accrues at the rate of 1.5% at the beginning of each month.
- 2. Non-payment of cannabis taxes.** Outdoor Properties has failed to pay and/or report gross cannabis cultivation receipts to the Yolo County Department of Financial Services for the following quarters: Q3 and Q4 (FY 2022/2023); Q1, Q2, Q3, and Q4 (FY 2023/2024); and Q1, Q2, and Q3 (FY 2024/2025). The tax rate on commercial cannabis cultivation is set at four percent of gross receipts per fiscal year and quarterly installments are due on or before the last day of the month following the close of each quarter. If a cultivator has no sales during the quarter, they must still submit a report of no sales. Outdoor Properties has not submitted a tax return, paid cannabis cultivation taxes, or filed any report with the Department of Financial Services since Q2 of FY 2022/2023.

In their last filing (Q2 of FY 2022/2023), Outdoor Properties reported a significant amount of cultivation receipts for that period (October 1, 2022, to December 31, 2022). Outdoor Properties was licensed in 2023 and 2024, and the Cannabis Unit inspectors observed cultivation activities occurring on the property in those years. Upon review of inspection reports, track and trace spreadsheets, and the METRC database (an online compliance system to track

all cannabis plants and product), it is determined that Outdoor Properties actively cultivated and transferred both flower and trim in the 2023 cultivation season. In 2024, cultivation activities were scaled back, but it was confirmed there were transfers of product in April, June, September, and December. Therefore, it is evident that Outdoor Properties knowingly failed to report sales and tax returns and failed to pay required cultivation taxes.

3. **Physical property is in pre-foreclosure.** The property owner, Loma West, LLC, is in default under a deed of trust for an unpaid balance of \$2,189,443 (as of January 16, 2025) on the property. As indicated in the Notice of Trustee's Sale, recorded on January 16, 2025, the property was scheduled to be auctioned on February 13, 2025. The lender postponed the scheduled sale and has informed staff the sale will continue to be postponed while the Cannabis Use Permit application is still under review.
4. **Non-payment of solid waste and recycling service fees.** The property owner's account with Waste Management, Inc. is delinquent by more than 365 days. As of January 24, 2025, the balance owed was \$499.50. The Division of Integrated Waste Management has sent multiple notices to the Loma West, LLC, informing them that if the account is not paid in full by May 31, 2025, a lien may be placed on the property tax bill. Waste Management also provides customers with bi-monthly billing statements alerting customers with overdue accounts of the potential for lien. Additionally, a lien was placed on the property tax bill in 2024 for failure to pay Waste Management bills for the prior year.
5. **Installation of large generator without permits and non-payment of PG&E bills.** Pursuant to the CLUO, cannabis operations are required to be served by a permanent power source (e.g., electric utility, or solar/wind with battery back-up). Generators may be used in emergency situations, but cannot be the sole or permanent source of power for equipment and/or facilities. The applicant has informed the County that PG&E power has been cut-off due to the applicant's failure to pay PG&E utility bills. The applicant has also installed a large diesel generator (see Attachment G) to power buildings and infrastructure at the site without obtaining necessary permit approvals from the County and Yolo-Solano Air Quality Management District (YSAQMD). This poses a potential risk to the community because the electrical connections have not been inspected by the Building Division. Furthermore, without permit compliance, YSAQMD is unable to ensure that the generator complies with federal, state, and Air District rules, which are implemented to ensure that public health is protected from the harmful effects of air pollution.
6. **Several structures in disrepair.** Siding and plastic panels from several of the greenhouses were broken and/or severely damaged during winter storm events in late 2024 and have not been repaired (see Attachment G). By not promptly addressing this issue the applicant/property owner demonstrates a neglect for site maintenance and safety obligations. Large pieces of debris were observed scattered in various locations on the property by the Cannabis Unit inspector during an inspection on March 20, 2025.
7. **Notice of Violation.** The County's Cannabis Unit issued a Notice of Violation to Outdoor Properties on October 14, 2024, for failure to comply with track and trace requirements. The California Department of Cannabis Control requires all licensed cannabis businesses to use the track-and-trace system to record, track, and maintain information about cannabis and cannabis product inventories and activities. All cannabis plants and goods are required to be tagged with unique identifiers, which are used to track the movement of cannabis through the supply chain. Compliance with track-and-trace requirements is a crucial component of the enforcement process to keep cannabis from entering the illegal market. At the conclusion of a routine inspection on September 26, 2024, the Cannabis Unit inspector determined that no immature cannabis plants were physically located on the licensed premises, more than 2,600 flowering cannabis plants located in the canopy area were not tagged, and more than 100 cannabis

plants were observed hanging or drying in the processing area, which were not tagged and did not have a harvest batch label attached. More than 1,500 of the cannabis plants located in the canopy area without METRC tags were in flower and were being harvested. Further, the on-site personnel confirmed that none of the harvested cannabis plants had been entered into the METRC system as a harvest batch and no wet weights (weight of plant prior to drying) had been taken or recorded at the time of harvest.

According to the Cannabis Unit inspector, these violations are particularly egregious as it makes it impossible to track the product through the various stages. If information is not accurately uploaded to METRC and if wet weights are not taken, cannabis product can easily enter the illegal market. Note that the issuance of one Notice of Violation does not automatically result in a license suspension or revocation, but is considered as part of the entire record when evaluating a Cannabis Use Permit application. As stated above, this is an egregious violation that demonstrates that Outdoor Properties is either inept in its operational duties or is blatantly seeking ways to skirt the regulatory process.

- 8. Community concerns.** The applicant has been advised throughout the Cannabis Use Permit application process to make a concerted effort to communicate with neighbors and to respond to public comments that were submitted about the project. For the most part, the applicant ignored staff's request to reach out to the community to address concerns. On April 8, 2025, over two years after the County's first request, the applicant did provide responses to many of the public comments (Attachment E).

The compliance history of both the property owner, Loma West, LLC, and the licensee, Outdoor Properties LLC, demonstrate an inability to operate under the regulatory framework of the Cannabis Licensing Ordinance, Cannabis Land Use Ordinance, and state law. The above examples reveal an ineptitude to cultivate cannabis at a commercial scale on a long-term basis. More concerning is that these examples show clear attempts to circumvent the regulatory process.

The non-payment of property and cannabis taxes have detrimental effects to the public health, safety, and general welfare. By not paying property taxes, critical services, such as fire protection and schools do not receive assessments. The non-reporting of cannabis cultivation sales makes it much easier for product to enter the illegal market, which creates an uneven playing field for those that do follow the law and creates health risks for consumers as most product entering the illegal market is not tested. Staff does not have evidence that product grown by Outdoor Properties has entered the illegal market, but without the checks and balances of proper sales reporting, it is a legitimate concern. Non-payment of cannabis cultivation taxes also directly impacts communities in Yolo County. The Board of Supervisors direct and approve annual cannabis tax expenditures to programs and projects in identified priority categories, such as criminal enforcement of illegal cultivation, early childhood intervention and prevention, youth development, and rural community investments. Funding for these projects and programs come directly from cannabis tax payments. Therefore, by not reporting and not paying cannabis taxes, these projects and programs receive less funding.

The Department of Community Services, Cannabis Unit, maintains compliance and complaint history dating back to 2019 when the cannabis program moved from the Agriculture Department to the Department of Community Services. Between August 2019 and September 2024, fourteen formal complaints were lodged against Outdoor Properties with the Cannabis Unit. The majority of the complaints mentioned cannabis odors and noise from greenhouse fans and equipment as the primary issue. Greenhouse lighting during nighttime hours was also mentioned in several complaints.

The Cannabis Unit followed response protocols and performed odor measurement using an olfactometer for odor complaints where the complainant identified the odor as persistent. The Cannabis Unit never received an odor reading that reached or exceeded the dilution-to-threshold

ratio of seven parts clean or filtered air to one-part filtered odorous air at the property line of the site. Therefore, no enforcement actions were taken as the odor readings were not determined to be persistent (exist for three consecutive days within any two-week period at or exceeding the 7:1 dilution-to-threshold ratio). It is important to note that the potential for cannabis odors to occur is likely and was considered a significant and unavoidable impact in the CLUO EIR.

Many of the complaints regarding noise mentioned a high-pitched grinding sound from greenhouse fans and equipment. The CLUO requires compliance with the following noise restrictions:

- From 6:00 a.m. to 6:00 p.m., noise levels shall not exceed an average noise level equivalent (Leq) of eighty (80) decibels (dBA) measured at the property boundary of the site. However, noise levels shall not exceed an average Leq of sixty (60) dBA for any nearby off-site residences or other noise-sensitive land uses.
- From 6:00 p.m. to 6:00 a.m., noise levels shall not exceed an average noise Leq of sixty-five (65) dBA measured at the property boundaries of the site.
- At no time shall noise levels exceed a community noise equivalent (CNEL) of sixty (60) dBA for any existing residence or other noise-sensitive land use.

Given that many of the noise complaints against Outdoor Properties were received prior to submission of the Cannabis Use Permit application in December 2022, staff advised the applicant to submit a noise survey prepared by a qualified professional so the results could be analyzed in the application review process. In early 2023, Outdoor Properties contracted with Acoustics Group, Inc. (AGI), to conduct a noise survey (Attachment F). AGI conducted the noise survey on January 19 to 20, 2023. The daytime and nighttime energy-equivalent sound level (LAeq) ranged as high as 35.2 dBA to 50.9 dBA, respectively, at the Outdoor Properties property lines. At the south property line adjacent to the nearest off-site residence, the hourly LAeq noise level ranged from 43.0 to 58.4 dBA and a CNEL of 58.8. At the nearest residence to the north, the short-term LAeq was measured to be 47.1 and 35.2 dBA during the daytime and nighttime hours, respectively. The noise survey prepared by AGI concluded that the measured noise levels were in compliance with the County's noise standards.

Although the noise measurements were conducted on January 19 to 20, 2023, and the analysis was completed on February 17, 2023, the final survey was not transmitted to the County until December 23, 2024, despite multiple requests from staff. Staff was informed that the applicant had not paid the remaining balance owed to AGI, so the survey was withheld until final payment was made in December 2024. Despite the multiple requests from staff to submit the survey and the applicant's knowledge that the community had significant concerns and complaints about noise, the applicant failed to make payment to receive the final survey. Staff is not confident that the noise levels measured in the survey captured the full noise environment of the operations. The AGI noise survey stated that the emergency diesel generator was not operable at the time of the survey. Therefore, it is possible that noise levels could have been higher than what was measured. Staff would have been able to request a revised noise survey be prepared to capture noise levels while the generator was operable had the survey been submitted in a timely manner.

Several of the complaints mentioned that lighting from the greenhouses was not being controlled during the nighttime. Cannabis Unit staff was able to verify that Outdoor Properties had issues with automatic blackout curtains and reported the issue to the applicant for correction. Outdoor Properties has not cultivated on-site since late 2024, so there has been no need for lighting within the greenhouses since that time.

SUMMARY OF PUBLIC CORRESPONDENCE

A Request for Comments was distributed to reviewing agencies on May 12, 2023. A Courtesy Notice was also distributed on May 12, 2023, to the Planning Division's interested parties list and mailed to property owners within 1,000 feet of the property boundary of the subject parcel. The Courtesy Notice

summarized the existing and proposed operations as provided in the application materials. During the course of the application review process, staff received numerous comment letters and/or emails from Guinda area residents and interested parties. One commenter expressed support for all licensed cannabis operations in the Capay Valley seeking Cannabis Use Permit approval, but the bulk of the comments received expressed concerns and complaints about the Outdoor Properties operation. Below is a general summary of the concerns and complaints expressed in the various comment letters. All comment letters are included as Attachment D, and the applicant's response is included as Attachment E.

- Consistent loud noise from generator and/or greenhouse fans
- Compatibility issues with surrounding area
- Strong cannabis odors emitted from the property
- Lack of on-site presence to address community concerns
- Damage to roadways during construction of the greenhouses
- Presumed impact to water table
- Light pollution
- Lack of site maintenance (i.e., trash, debris, damaged structures)

The project site is located within the boundary of the Capay Valley Citizens Advisory Committee (CAC) comment area and was presented to the committee on April 16, 2025. The meeting was attended by staff, the applicant, affiliates of the applicant, and several members of the community. Many community members in attendance shared personal experiences of how they feel the Outdoor Properties cannabis operation has negatively impacted their quality of life, including strong cannabis odors, loud mechanical noise from fans/generator, and facility lighting during evening hours. Many also expressed displeasure that the applicant has not paid or reported cannabis taxes since 2022 and has not paid property taxes for the last two years. Several commenters also voiced frustration that the applicant has been seemingly neglectful and unresponsive to community concerns. Two members of the public in attendance stated that Outdoor Properties should be allowed another opportunity to correct their prior faults.

The applicant, Tommy Christy, was provided an opportunity to address the committee and the audience, and answer questions. Mr. Christy was apologetic for his lack of responsiveness to community concerns and lack of effort to reach out to community members. He expressed that he wanted to partake in community outreach and be a good neighbor, but did not know where to begin. He indicated many of the operational deficiencies were exacerbated because he did not intend to be the operator when he first took control of the business. Mr. Christy introduced Yarrow Kubrin, a cannabis industry professional from Sonoma County, who was recently hired by investors in an effort to help make Outdoor Properties successful. Mr. Yarrow shared that the Outdoor Properties business is essentially broken. He indicated that many mistakes have been made, including lack of public outreach, installing and operating a generator without permits, and allowing the property to fall into disrepair. Mr. Yarrow also stated that outstanding taxes would only be paid if there is a "clear path forward," meaning approval of the Cannabis Use Permit. The primary lender to Outdoor Properties, Erik Egger, also addressed the committee and explained that he started foreclosure proceedings on the property in order to use as leverage with Outdoor Properties.

Following the lively discussion between Outdoor Properties representatives and the audience members, the committee deliberated the matter before them. Committee members echoed many of the same concerns shared by the audience throughout the meeting and questioned the financial viability of the business. Committee members expressed frustration with how the property and business have been managed and that there has been no effort to correct the chronic issues. The committee voted unanimously (6-0-0) to recommend denial of the Outdoor Properties Cannabis Use Permit.

A public hearing notice was mailed to property owners within 1,000 feet of the project site and to

interested parties on April 25, 2025, and published in the Davis Enterprise on April 27, 2025.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) REVIEW

In accordance with CEQA Guidelines Section 15270, CEQA does not apply to a project which a public agency rejects or disapproves. Therefore, based on staff's recommendation to deny the Outdoor Properties Cannabis Use Permit, no environmental review under CEQA has been conducted. Should the Planning Commission decide not to support staff's recommendation for denial of the use permit, staff would conduct an environmental review pursuant to CEQA and bring forth the documentation at a later date along with consideration of the requested permit.

COLLABORATIONS

Staff consulted with the Agricultural Commissioner's Office, Department of Financial Services, Building Division, Public Works Division, Environmental Health Division-Cannabis Unit, various agencies and interested parties, and has received input from the Office of County Counsel.

APPEALS

Any person who is dissatisfied with the decisions of this Planning Commission may appeal to the Board of Supervisors by filing a notice of appeal with the Clerk of the Board within fifteen (15) days from the date of the action. A Planning Commission Appeal Form and appeal fee immediately payable to "County of Yolo" must be submitted at the time of filing. The Board of Supervisors may sustain, modify or overrule this decision. The Planning Commission Appeal Form can be accessed at the following link: <https://www.yolocounty.org/government/board-of-supervisors/clerk-of-the-board/planning-commission-appeal>

Attachments

- ATT. A. Project Location and Zoning Maps
- ATT. B. Site Plan
- ATT. C. Findings
- ATT. D. Public Comment Letters
- ATT. E. Applicant's Response to Comment Letters
- ATT. F. Noise Survey
- ATT. G. Site Photos

Form Review

Inbox	Reviewed By	Date
Eric May	Eric May	04/29/2025 03:39 PM
Stephanie Cormier	Stephanie Cormier	04/29/2025 05:09 PM
Form Started By: Jeff Anderson		Started On: 04/29/2025 10:59 AM
Final Approval Date: 04/30/2025		