



Memorandum

3/27/2025

Item#:

Memorandum

Date: March 27, 2025

To: The Honorable Lake County Planning Commission

From: Mireya G. Turner, Community Development Director

Subject: Consideration of Director's Recommendation of Revocation of Major Use Permit (UP 20-50); for commercial outdoor cannabis cultivation of up to 110,000 sf; located at 26102 19N16 Road, Lake Pillsbury (APN 001-030-36); Permittee: John Evans/Pillsbury Family Farms

Executive Summary: The Community Development Director recommends the Planning Commission revoke Major Use Permit (UP 20-50), based on cultivation without a state license and Permittee's inability to pass a background check by the Lake County Sheriff Department.

Major Use Permit (Up 20-50) Timeline

5/20/2020 Articles of Incorporation of a General Stock Corporation filed with California Secretary of State, listing Justin Quayle as Additional Incorporator (Attachment 1)

5/26/2020 Application for Major Use Permit (UP 20-50) received; Applicant: Pillsbury Farm, John Evans - Property Owner and Manager (Attachment 2)

1/27/2022 UP 20-50 approved by Planning Commission with Conditions of Approval (Attachment 3)

7/26/2022 Statement of Information Corporation filed with California Secretary of State, listing Justin Quayle as Chief Financial Officer and Director (Attachment 4)

8/16/2022 State license application submitted to the Department of Cannabis Control (DCC) (Attachment 5)

10/12/2022 Annual Compliance Monitoring Site Visit - Active Cultivation observed on-site (Attachment 6)

10/13/2022 Snow storm destroys cannabis crop

7/24/2023 State license issued (Attachment 7)

9/1/2023 Annual Compliance Monitoring Site Visit (Attachment 8) - cultivation observed

4/9/2024 Notice of Intent to Recommend Revocation of Major Use Permit issued for 2022 cultivation without a state license, and no record of completion of background check for Justin Quayle (Attachment 9)

4/12/2024 Mr. Quayle submitted a Request for Live Scan Service to the Lake County Sheriff

	Department (Attachment 10)
5/10/2024	Statement of Information Corporation filed with California Secretary of State, listing Justin Quayle as Chief Financial Officer and Director (Attachment 11)
7/10/2024	Notice of Disqualification for Justin Anthony Quayle received from Sheriff Department (Attachment 12)
10/28/2024	Annual Compliance Monitoring Site Visit (Attachment 13) - cultivation observed

Basis For Recommendation Of Revocation

The Major Use Permit (UP 20-50) for Pillsbury Family Farms for commercial outdoor cultivation of up to 110,000 sf of cannabis was approved by the Planning Commission on May 20, 2020, based on the findings and subject to the conditions in the staff report of that same date. Conditions relative to the revocation recommendation are listed below.

- Condition A.2: "This permit does not abridge or supersede the regulatory powers or permit requirements of any federal, state, local agency, special district or department which may retain a regulatory or advisory function as specified by statute or ordinance. The applicant shall obtain permits as may be required from each agency."
- Condition A. 6: "All necessary permits shall be obtained from applicable Federal, State and County agencies having jurisdiction over this project prior to this use permit being of any force or effect, including but not limited to, Department of Cannabis Control, Department of Food and Agriculture, Department of Pesticide Regulation, Department of Fish and Wildlife, The State Water Resources Control Board, Board of Forestry and Fire Protection, Central Valley or North Coast Regional Water Quality Control Board, Department of Public Health, and Department of Consumer Affairs."
- Condition A.10: "All applicants and/or employees shall undergo and pass a "live scan" background check by the Lake County Sheriff Department."

Community Development Department (CDD) Staff performed an annual site monitoring visit on October 12, 2022. As noted in the Inspection Report, cannabis cultivation was taking place. According to Lake County Code, Chapter 21, Article 27.13(ii)(a), the County permit is not considered active until a state license is also obtained. When the Permittees were unable to supply proof of a state license during the site visit, Staff noted that on the report and returned to the office. Staff sent an inquiry to the State and received three declarations that no state license had been issued to the site address. On October 13, 2022, there was a snowstorm in Lake County. The Permittees contacted the office to declare the snow had destroyed their crop. Staff verified the destruction and proper disposal of the cannabis crop. No further action was taken by CDD.

The next Annual Site Monitoring visit took place on September 1, 2023. Verification of a state license was completed on that date.

During a later review of the project file, completions of background checks for John Evans and Skeila Laiwa were found. No record of a background check for Justin Quayle was found in CDD records or Sheriff Department records. The permittees and their attorney were notified of this lack of satisfaction of a required condition. Mr. Quayle submitted his Live Scan Background Check application to the Sheriff Department on April 12, 2024. On July 10, 2024, the Sheriff Department notified CDD Staff that Mr. Quayle was disqualified from operating a cannabis-related business permit, a violation of

Condition A.10 and Lake County Code, Chapter 21, Article 27.11(f).

Lake County Code, Chapter 21, Article 27.11.(at).1.ii.(f) states,
“All applicants and employees shall undergo a background check by the Lake County Sheriff Department. An individual may fail the background check if employee has been convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, except that if the sheriff determines that the applicant or permittee is otherwise suitable to be issued a license and granting the license would not compromise public safety, the sheriff shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant, and shall evaluate the suitability of the applicant or permittee be issued a license based on the evidence found through the review. In determining which offenses are substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, the sheriff shall include but not be limited to, the conditions described in Section 26057 of the California Business and Professions Code.”

The Sheriff Department Staff is not at liberty to discuss the details of disqualifying criminal convictions. It is only able to notify CDD Staff as to whether the Applicant/Permittee is qualified or disqualified from ownership of a cannabis-related business use permit. The criteria considered are listed on the application for Live Scan, included as Attachment 14.

CDD Staff communicated this disqualification to Mr. Quayle. When he asked for additional information, he was directed to contact the Sheriff Department. He was also notified multiple times via email that cultivation in 2025 was not possible unless the Sheriff Department sent CDD notification that Mr. Quayle was qualified.

Commercial cannabis cultivation without a state license violates Conditions of Approval A.2 and A.6. Failure to pass a background check is a violation of Condition of Approval A.10. Since Mr. Quayle is an integral part of the Pillsbury Family Farms, LLC, the Community Development Director requests revocation of Major Use Permit UP 20-50.

Recommended Action: Revoke Major Use Permit (UP 20-50); for outdoor cannabis cultivation of up to 110,000 sf; located at 26102 19N16 Road, Lake Pillsbury (APN 001-030-36), due to cultivation without a state license in 2022 and background check disqualification of Permittee Justin Quayle