



**STAFF REPORT
HOLLISTER CITY COUNCIL
MEETING DATE: October 6, 2025
REPORT # Community Development-2025-63**

AGENDA ITEM: A RESOLUTION RENEWING A REGULATORY PERMIT FOR 3GM INC. AT 1891 AIRWAY DRIVE TO OPERATE A CANNABIS CULTIVATION FACILITY

DEPARTMENT: Community Development
DEPARTMENT HEAD: Rod Powell, Assistant City Manager
STAFF CONTACT: Maria C Mendez, Cannabis Program Manager

RECOMMENDED ACTION: Adopt a resolution approving the annual renewal of a cannabis cultivation regulatory permit held by 3GM Inc. located at 1891 Airway Drive for the 2025/2026 permit period.

DISCUSSION: On October 5, 2020, the City Council approved a Cannabis Use Permit and Development Agreement for 3GM Inc. to operate a cannabis cultivation facility located at 1891 Airway Drive (Resolution No. 2020-196). Subsequently, on November 2, 2020, the City Council approved the initial, annual Cannabis Regulatory Permit for the same facility (Resolution No. 2020-214). Most recently, at its regular meeting on October 15, 2024, the City Council approved an annual renewal of the regulatory permit for #GM Inc. for the 2024/2025 permit period.

3GM Inc. has submitted a required annual renewal application related to its Cannabis Cultivation Regulatory Permit for the 2025/2026 permit term. Pursuant to Section 5.42.050 of the Hollister Municipal Code, renewal of a regulatory permit for cannabis operations is subject to approval by the City Council. The Council may deny a renewal only upon making specific findings as outlined in HMC § 5.42.070(A). However, staff have reviewed the permit holder's renewal application, prior performance, and compliance history and have determined that none of the required findings for denial are present.

Approval of the annual renewal of this regulatory permit will allow 3GM Inc. to continue operations of its cannabis cultivation facility at 1891 Airway Drive for the 2025/2026 permit period.

FISCAL IMPACT: As a regulatory permittee, 3GM Inc. is required to pay quarterly taxes to the City. Non-approval of an applicable renewal of a previously issued regulatory permit for cannabis cultivation would cease operations and result in a loss of current tax revenue.

PREVIOUS COUNCIL OR COMMISSION ACTION: The City Council last considered and renewed the 3GM Inc. regulatory permit for the 2024/2025 permit period at its October 15, 2024, regular meeting (Resolution 2024-167).

CEQA: Categorical Exemption – Existing Facilities (Class 1)

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301, Class 1 – Existing Facilities. The project involves the renewal of a regulatory

permit for an existing business relocating to a previously developed commercial site with no expansion of use or significant alterations. The proposed activity does not involve any expansion of the existing or former use and will not result in any significant environmental impacts.

ATTACHMENTS:

1. Resolution
2. Regulatory Permit Application