



# COUNTY OF HUMBOLDT

For the meeting of: 10/28/2025

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File #: 25-1252

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**To:** Board of Supervisors

**From:** Planning and Building Department

**Agenda Section:** Public Hearing

**Vote Requirement:** Majority

**SUBJECT:**

Revocation of PLN-11281-CUP, Ghost Ship Investment, LLC, a Conditional Use Permit for 47,700 Square Feet of Commercial Cannabis Cultivation and Ancillary Propagation Area

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Adopt the resolution (Attachment 1) which does the following:
  - a. Finds that the permit has been exercised contrary to the terms or conditions of approval; and
  - b. Revokes the Conditional Use Permit pursuant to Section 312-14 of the Humboldt County Code.

**STRATEGIC PLAN:**

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Safe & Healthy Communities  
Strategic Plan Category: 9999 - Core Services/Other

**DISCUSSION:**

**Executive Summary**

This item requests the Board of Supervisors revoke an approved Conditional Use Permit for cultivation because the permit has been operated in violation of the conditions of approval, including cultivating cannabis while the permit was suspended. The Planning Department has conducted two annual inspections of this operation and documented cannabis ordinance violations, building code violations, and safety and environmental concerns. The permit was suspended on March 7, 2025, and the permit holder was found to be cultivating while in suspension in August of 2025.

**Project History**

The CUP was approved by the Humboldt County Planning Commission on January 18, 2024, with an effective date of Feb. 2, 2024. The CUP was issued for 47,700 square feet of pre-existing commercial cannabis cultivation including 25,758 square feet of outdoor and 21,942 square feet of mixed light, and an ancillary propagation area. Approval of the CUP was conditioned on terms and requirements which needed to be satisfied within prescribed timelines from project approval. As of September 2025, these requirements have not been completed.

The department completed an annual compliance inspection of the site on Oct. 9, 2024, as required by Humboldt County Code (HCC) §314-55.4.5.6. The resulting inspection report (IR) identified non-compliant issues with the project. The corrective actions to

remedy the issues to address these issues were given to the permit holder with Dec. 31, 2024, or prior to beginning the 2025 cultivation cycle as the deadline for addressing these violations. To date, the Department has not received any evidence these violations have been resolved. As a result, the project is out of compliance with the terms of the permit.

The items of non-compliance identified in the IR from the Oct. 9, 2024 inspection include:

- 1) within 60 days of the effective date of permit approval, (April 2, 2024), execute a Compliance Agreement with the department detailing all necessary permits and infrastructure improvements described under Conditions of Approval #6 - #17 (COA #5);
- 2) within 60 days of project approval, submit an energy use plan that describes the power demand for the project that includes a description of what power is required for (e.g., propagation, cultivation, and processing) and how much power is required on a monthly and annual basis. The plan was also to describe how the operation will transition to use of renewable energy (e.g., solar, wind, and/or hydropower) sources by Jan. 1, 2026 (COA #7).

On Feb. 6, 2025, the department sent the operator a letter stating that as of Jan. 1, 2025, the permit had unpaid department invoices over 30 days past due and was therefore in violation of the county cannabis ordinance and the conditions of the permit, and as a result the permit would be suspended on March 3, 2025 if the past due balance is not brought to current. A suspension means that no cannabis activities will be allowed until the permit is brought back into good standing by addressing the deficiencies.

On March 7, 2025, the department sent the operator a Notification of Cannabis Permit Suspension due to non-payment of department-invoiced costs in accordance with the provisions of HCC §312-14.1. The notification stated that no cannabis cultivation activities are allowed until the permit has been brought back into good standing by addressing the deficiencies within 90 days of the date of the letter, which was June 5, 2025. If, at the end of the 90-day period from the date of the letter the permit has not been restored to good standing by the department, the letter indicated that the permit would be scheduled for a revocation hearing with the Board of Supervisors.

On Aug. 6, 2025, the department conducted an annual compliance inspection of the site and confirmed that approximately 47,000 sf of cultivation was occurring. The cultivation was occurring with a suspended permit, and compliance items noted in the 2024 inspection had not yet been completed. The operator was notified that this cultivation is not permitted and needed to be removed and destroyed immediately.

On Aug. 14, 2025, the department sent the operator via USPS certified mail and email a Permit Revocation Notice stating due to the violations of regulations, the department will be scheduling a hearing with the Board of Supervisors with a recommendation of permit revocation. The operator was also notified that they could elect to withdraw the CUP, and that if the department did not receive a written request to withdraw the CUP and restore the site within 10 days from the date of the letter, which was Aug. 25, 2025, a hearing would be scheduled with the Board to consider revocation of the permit.

#### **Grounds for Revocation**

Section 312-14 of the Humboldt County code includes the findings that are required to be made in order for the Board to revoke a development permit. A permit may be revoked upon making any one of the four findings specified in this section of the ordinance. One of the four findings can be made, as follows:

1. The permit has been exercised contrary to the terms and conditions of such approval (312-14.1.2).

The issuance of the Conditional Use Permit was conditioned on terms and requirements which were required to be completed at specific times and/or followed during all operations. The permit was exercised contrary to the following terms and requirements:

- a. The property owner did not complete the Conditions of Approval (COA) required within sixty (60) days of project approval. COA #A.5 *Execute a Compliance Agreement with the Department regarding on-going violations of County Code* and, COA A.7 *Submit an energy use plan describing the power demand and a plan for transitioning to the use of renewable energy by January 1, 2026.*
- b. The property owner did not remedy the following items of non-compliance stated in the Inspection Report from the

compliance inspection of Oct. 9, 2024:

**Issue:** Monofilament netting was in use and is prohibited by COA #6.

**Remedy:** by Dec. 31, 2024, submit photo evidence the prohibited material has been removed from the site.

**Issue:** Executed Compliance Agreement not submitted (COA #5) and energy plan not submitted (COA #7).

**Remedy:** submit Compliance Agreement within thirty days, which was November 8, 2024.

**Issue:** permit allows drying and curing onsite with all other processing offsite and operator stated that all processing occurs onsite. Permit does not authorize processing on-site other than drying and curing.

**Remedy:** by end of 2024 submit to department receipts or other evidence that further processing occurred at a licensed facility for the 2024 season.

**Issue:** the permit requires 147,000 gallons of onsite water storage in tanks. Currently, there are 105,000 gallons of storage available.

**Remedy:** prior to the beginning of 2025 cultivation season, submit photo evidence that additional storage has been added to meet requirement of 147,000 gallons, OR prior to start of 2025 season, submit a temporary cultivation reduction form reducing the area of cultivation that can be supported by the amount of available storage onsite based on the approved water budget.

- c. On Feb. 6, 2025, the department sent a letter to the operator stating that as of Jan. 1, 2025, the permit had unpaid department invoices over 30 days past due and was therefore in violation of the county cannabis ordinance and the conditions of the permit, and as a result the permit would be suspended on March 3, 2025 if the past due balance is not brought to current. A suspension means that no cannabis activities will be allowed until the permit is brought back into good standing by addressing the deficiencies.
- d. On March 7, 2025, the department sent a Notification of Cannabis Permit Suspension due to non-payment of department-invoiced costs in accordance with the provisions of HCC §312-14.1 to the operator. The notification stated that no cannabis cultivation activities are allowed until the permit has been brought back into good standing by addressing the deficiencies within 90 days of the date of the letter, which was June 5, 2025. If, at the end of the 90-day period from the date of the letter the permit has not been restored to good standing by the department, the letter indicated that the permit would be scheduled for a revocation hearing at the Board of Supervisors.
- e. On Aug. 6, 2025, the department conducted an annual compliance inspection of the site and confirmed that approximately 47,000 sf of cultivation was occurring. The cultivation was occurring with a suspended permit, and compliance items noted in the 2024 inspection had not yet been completed. The permit holder was notified by letter on August 14, 2025 that the cultivation is not permitted and must be removed and destroyed immediately. This letter also identified that the project would be scheduled for a revocation hearing with the Board of Supervisors.
- f. Condition of Approval #A.2 requires the permittee to cover all costs associated with the processing of the application. As of October 2025, the permit has an outstanding balance of \$4,882.82 accrued while processing the permit application, which is owed to the Planning and Building Department.

**SOURCE OF FUNDING:**

General Fund (1100)

**FINANCIAL IMPACT:**

General Fund (1100). The staff work on this project is required to be reimbursed by the applicant. This has not been accomplished. The department will also bill for bringing this forward for revocation, but based on past actions, this cost may also not be reimbursed.

**STAFFING IMPACT:**

This action has been accomplished with existing staff resources.

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**OTHER AGENCY INVOLVEMENT:**

None

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

The Board could choose not to revoke the Conditional Use Permit. The Planning and Building Department does not recommend this because the applicant has failed to adhere to all terms and conditions and has been operating with a suspended permit.

**ATTACHMENTS:**

Attachment 1: Draft Board Revocation Resolution

Attachment 2: Approved Planning Commission Resolution

Attachment 3: Conditions of Approval

Attachment 4: Annual Compliance Inspection Report from inspection of October 9, 2024

Attachment 5: Notice of Permit Revocation letter, August 14, 2025

Attachment 6: Public Notice of Revocation Hearing

**PREVIOUS ACTION/REFERRAL:**

Meeting of: 1/18/2024 Planning Commission

File No.: 24-90