

City of Sebastopol Planning Commission Staff Report

Meeting Date: November 8, 2022

Agenda Item: 6A

<u>To</u>: Planning Commission

From: John Jay, Associate Planner Subject: Zoning Ordinance amendment

Recommendation: None

Applicant/Owner: 421 Group on behalf of Regen West Inc/Dan Davis

File Number: 2022-067

Address: 115 Morris Street

CEQA Status: Exempt

General Plan: Light Industrial (LI)

Zoning: Industrial (M)

Introduction:

This is a study session with the Planning Commission to get initial feedback on a proposed Zoning Amendment change to the Comprehensive Cannabis Regulations ordinance, Section 17.360 of the Sebastopol Municipal Code. The applicant has requested an ordinance amendment that would allow Cannabis Retailer Delivery (office-only) [i.e. 'delivery only retail sales'] as a permitted use within the Industrial (M) district of the City of Sebastopol. The applicant has also submitted for a Conditional Use Permit for the Cannabis Retail Delivery (office-only) in conjunction with the Zoning Amendment at 115 Morris Street, which currently has a permitted cannabis manufacturing use.

Project Description:

421 Group on the behalf of Regen West is requesting the City of Sebastopol amend the Cannabis Ordinance Section 17.360 of the Sebastopol Municipal Code. The applicant is requesting that in the Permitted and Conditionally Permitted Cannabis Uses in Commercial, Office and Industrial Zones, Table 17.360-2, be change from not allowing Cannabis Retail Delivery in the Industrial (M) district to allowing it with a building permit. This proposed change also includes a note at the end of that table to read as follows: "Cannabis Retailer Delivery (office-only) is only permitted in M District (Industrial Zone) as a supplemental use for an existing/proposed cannabis permit, and is not subject to the limit on delivery licenses set forth in this chapter under section 17.360.100 subsection D. 1."

Project Location and Surrounding Land Uses:

The intent of this agenda item is to allow for the Planning Commission to discuss the proposed Zoning Amendment and provide direction to staff. A proposed ordinance revisions and formal public hearing will be scheduled for a subsequent Commission meeting, as would any required Use Permit requested for the specific facility at 115 Morris Street.

The Use Permit would be for a project located within the Industrial district on Morris Street. Within this district there are a variety of businesses geared towards manufacturing and distribution. Currently the site is permitted to operate a Type 6 (non-volatile) cannabis manufacturing facility. The project was granted this use in 2019 under permit number 2019-060 and was approved by planning staff (as required for cannabis manufacturing facilities).

General Plan Consistency:

The project is consistent with the following policies within the General Plan.

Goal EV 4: Emphasize Sebastopol's Role as a Market, Service, and Tourism Hub for the West County and as a Gateway to the Coast. As a local business who would be offering the products they produce on site to local shops within and outside of Sebastopol.

Goal EV 5: Enhance the City's Existing Businesses, Encourage Startup Businesses, and Support Home-based Businesses. As a local business within Sebastopol this would allow Regen and other local cannabis businesses to add a delivery option to their facilities.

Zoning Ordinance Consistency:

Currently Cannabis Retail Delivery (office only) is not an allowed use within the Industrial (M) district. For this to be an allowed use, Section 17.360 Comprehensive Cannabis Regulations would need to be amended and approved by City Council. The process for this is outlined in Chapter 17.445 General Plan and Zoning Amendment Procedure. The applicant has provided a Zoning Amendment change to Table 17.360-2, which provides the permitted and conditionally permitted Cannabis uses in the Commercial, Office and Industrial Zones.

Background

Currently, the Cannabis Ordinance allows 'Type 3' - Cannabis retail facilities, office-only' (retail delivery only) in the following Zoning Districts: Office Commercial, General Commercial, Commercial manufacturing, and Light Industrial/Office zones, as noted in the table below. The applicant is proposing that the Use Table be modified to allow Cannabis Retailer Delivery (office-only) to have P (1) under the M Zone. (Note 1 states "For cannabis-related permitted uses, zoning clearance is still required." This is done through an Administrative Permit issued by the Planning Department).

Table 17.360-2. Permitted and Conditionally Permitted Cannabis Uses in the Commercial,
Office and Industrial Zones

Use	со	CG	CD	СМ	М	O/LM
Commercial Uses						
Cannabis Retailer Delivery (office-only)	С	С	-	С	-	С
Cannabis Retail Dispensary	С	С	С	С	С	С
Cannabis Cultivation (up to 5,000 sq. ft.) indoor only	-	-	-	P(1)	P(1)	P(1)
Cannabis Cultivation (5,001 – 10,000 sq. ft.) indoor only	-	-	-	P(1)	P(1)	P(1)
Cannabis Cultivation (10,001+ sq. ft.) indoor only	-	-	-	С	С	С
Cannabis Cultivation Nursery, indoor only	-	-	-	P(1)	P(1)	P(I)
Cannabis Microbusiness	-	С	-	С	С	С
Industrial Uses						
Cannabis Testing / Cannabis Laboratories	-	С	-	P(1)	P(1)	P(I)
Cannabis Manufacturer (nonvolatile and infused products)	-	-	-	P(1)	P(1)	С
Cannabis Distributor / Cannabis Warehouse	-	-	-	С	С	P(1)
Cannabis Processing, Packaging and Labeling	-	-	-	P(1)	P(1)	С

Analysis:

Staff is requesting a study session with the Planning Commission to provide feedback and comments to come back at a future meeting with a comprehensive amendment request. The applicant has proposed to allow Cannabis Retail delivery (office only) within the Industrial (M) district as a permitted use and to be supplemental to an existing or proposed cannabis permit.

Staff has reviewed the supplied documents and has requested the Commission consider the following questions:

- Should retail delivery-only cannabis uses be allowed in the Industrial (M) zone?
- Should co-location with a manufacturing use be required and, if so, what type of colocation aspect/criteria (SF/% of sales, what makes a 'bone fide manufacturing' business, etc.)
- What level of City approval should be required?
- Should there be a limited number of licenses, or unlimited?
- Should all of the criteria for location, operation, etc., for delivery-only licenses be applicable to delivery-only in the M zone?

Should retail delivery-only cannabis uses be allowed in the Industrial (M) zone?

The Planning Commission has reviewed a couple of delivery-only retail uses in the past, and one of the questions raised by commissioners was why this was not allowed in the M-zone, as it is essential a warehouse and logistics/shipping operation. Staff concurs with this assessment, as staff believes it is compatible with the purpose of the Manufacturing Zone, especially if colocated and supporting a cannabis manufacturing use.

Should co-location with a manufacturing use be required and, if so, what type of co-location aspect/criteria should be included?

The Planning Commission should also consider co-location criteria and how that can affect the level of review for Cannabis Retail Delivery for office only within the Industrial district. The Planning Commission could consider modeling this use like the Alcohol Use Permit requirements, which require a Conditional Use Permit for all alcohol uses within City limits. However, within Section 17.350.080 there is an exemption which allows the Planning Director/staff to approve the alcohol use permit for restaurants or "bona fide" public eating places which offer for sale or dispense for consideration alcoholic beverages including beer or wine incidental to meal service. There are several criteria that must be met to qualify for this, related to ensuring the use is a 'bone fide' restaurant, including:

- 1. The premises contain a kitchen or food-serving area in which a variety of food is prepared and cooked on the premises.
- 2. The primary use of the premises is for sit-down service to patrons, and the establishment is not a drive-up, drive-through, or fast-food restaurant.
- 3. The establishment serves food to patrons during all hours the establishment is open for customers.
- 4. The establishment only serves alcohol in a dining area and not in an alcohol serving area that is separate from the dining area.
- 5. Adequate seating arrangements for sit-down patrons are provided on the premises, not to exceed a seating capacity of 50 persons.
- 6. Any take-out service is only incidental to the primary sit-down use and does not include the sale or dispensing for consideration of alcoholic beverage or beer or wine.
- 7. No alcoholic beverages or beer or wine are sold or dispensed for consumption beyond the premises.
- 8. No dancing or live entertainment is permitted on the premises except with approval by the Chief of Police and Planning Director, who may impose conditions controlling such activities.
- 9. An employee alcohol awareness training program and security plan is approved by the Chief of Police

These criteria can be categorized as follows:

- Ensure the "primary use' is legitimately the primary use, and not a 'front' for the use permit licensing, and that the primary use is maintained at all times;
- Limits on overall size of operation (without a full use permit);
- Restrictions on other ancillary uses;
- Health and Safety requirements from the City (many of which are already included in the Cannabis Ordinance as requirements for retail cannabis licensing)

Staff recommends the Commission set parameters to define 'co-location with a bone fide cannabis manufacturing use' using these measures. Staff further recommends the Commission provide guidance on if the level of approval should vary based on these factors. Staff would recommend criteria based on the following:

- 1. Square footage of 20% of the overall manufacturing facility dedicated to delivery only, with a maximum area of 500 square feet for an administrative permit review, to exceed this would require a conditional use permit.
- 2. Limit the number of deliveries on a weekly basis to 10 to 20 for an administrative permit review, to exceed that amount would require a full use permit approved by the Planning Commission.
- 3. Delivery only is only incidental to the primary use of manufacturing for the site.
- 4. The facility shall clearly designate the a "delivery only" section within the supplied application documents.
- 5. Delivery only is subject to regular business hours or a last delivery out by.
- 6. Conditions of approval shall be posted within the Delivery only section of the facility.
- 7. Change of ownership of the business shall require the new owner to apply for a transfer of delivery license.

What type (level) of approval should be required?

The applicant is requesting staff-level use permit approval of this use if co-located with a bone-fide cannabis manufacturing use (i.e. to approve this use with a building permit only). Staff feels that there should be discretion from the City and acting bodies to be able to take site by site submittals and condition them appropriately. With that, staff is requesting that the Planning Commission provide feedback on the appropriate review level of a Conditional Use Permit, Planning Director Use Permit; Staff level review/approval (such as with restaurants); or, a permitted by right (building-permit only).

Should there be a limited number of licenses, or unlimited?

The current Comprehensive Cannabis Ordinance limits the number of retail delivery-only licenses within the City to three licenses. Two of these have been issued (to the two retail dispensaries, Solful and SPARC), the third has been available since cannabis was legalized (the City has processed one additional delivery license application, which was denied by the Planning Commission due to issues with the location / proximity to residential uses),

The applicant purposes that the number of delivery-only retail licenses issued in conjunction with manufacturing uses (co-location discussed above) be unlimited. While staff believes there is capacity for additional delivery-only licenses within the City

Should all of the criteria for location, operation, etc., for delivery-only licenses be applicable to delivery-only in the M zone?

These include the 600 foot distance to any schools, based on the boundary to boundary distance (so, an interior boundary) rather than walking distance. There are several establishments in the M Zone along the north part of Morris Street that are less than 600 feet from the High School fields, which would be excluded from being able to qualify for a permit

unless that threshold were changed for delivery-only retail. The proposed use at 115 Morris currently requesting a Permit is beyond the threshold.

While not a part of the applicant's request, the Commission may wish to provide input on this criteria.

Environmental Review:

The Zoning Amendment (the "Project") would be exempt with the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15183, because it is consistent with the General Plan for which an Environment Impact Report (EIR) was certified by Council in 2016, a Zoning Code Amendment consistent with the General Plan shall not require additional environmental review except as might be necessary to examine whether there are project specific significant effects which are peculiar to the project or its site.

City Departmental Comments:

• The Planning Department routed this to the various city departments and no comments were received on the Zoning Amendment proposal.

Public Comment:

No public comments have been received as of the writing of this staff report.

Recommendation:

Staff believes that the following topics should be discussed amongst the commission and to provide staff with direction to return with an appropriate recommendation.

- Should retail delivery-only cannabis uses be allowed in the Industrial (M) zone?
- Should co-location with a manufacturing use be required and, if so, what type of co-location aspect/criteria (SF/% of sales, what makes a 'bone fide manufacturing' business, etc.)
- What level of City approval should be required (Permitted 'by right';
 Administrative use Permit, Planning Director, Planning Commission)
- Should there be a limited number of licenses, or unlimited?
- Should all of the criteria for location, operation, etc., for delivery-only licenses be applicable to delivery-only in the M zone?

Attachments:

Application
Current Cannabis Ordinance

ZONING CODE TEXT AMENDMENT APPLICATION



Submitted by: 421 Group on behalf of Regen West, Inc.

Address: 115 Morris St., Sebastopol, CA 95472

APN: 004-011-030

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Statement of Need

From the City's ZCTA application: Why do you want the General Plan or Zoning Ordinance text changed?

We are requesting a change to the zoning ordinance in order to keep our business solvent and assist other local manufacturers and distributors do the same. With inflation across the supply chain, deflation of cannabis prices, compounding taxes for cannabis producers, and supply chain delays, diversifying local cannabis businesses is a viable way to survive.

Our request is to allow for cannabis retail delivery in Industrial Zones, and <u>only as a supplemental</u> <u>use</u> to other permitted/proposed cultivation, manufacturing, or distribution facilities. We propose that this use be a Permitted Use allowing for a streamlined Administrative Review versus a CUP. We propose that this supplemental use not be counted towards the limit of three delivery licenses. This will allow for other local cannabis businesses facing similar hurdles the opportunity to quickly diversify and make it through this most difficult time.

 Please see PROPOSED CHANGES, Redlined chapter of 17.360.010 for proposed edits to allow this use.

Statement of Need That Warrants Change

From the City's ZCTA application: What changes or events have occurred or what new evidence has arisen since the General Plan or Zoning Ordinance was adopted which now warrant a change?

The regulated cannabis industry is taking a major hit. The price of outdoor flowers has dropped precipitously year over year. This has ramification up the supply chain. As but one example, oil manufacturers such as ourselves are witnessing a significant drop in the price of oil as new low-cost flowers hit the market. There is a race to the bottom. Margins are shrinking and near disappearing. The cannabis industry is in tumultuous times.

Considering the impacts of compounding state taxes up the supply chain, and sales tax at the end of the chain in retail dispensaries, the price of regulated cannabis far exceeds traditional market prices. There is a state-wide effort to reduce state taxes as the race to the bottom continues. The whole state is reeling.

The compounding taxes are a deadly burden on an industry poised for success but dying from a thousand cuts. Fortunately, Sebastopol cannabis businesses have an advantage without the local special use tax imposed by so many other local jurisdictions. This forward thinking policy in Sebastopol, coupled with state tax reform, is a life raft on a sinking shop. It is understandable that

jurisdictions want to raise taxes. But far from the golden goose once imagined, cannabis businesses still offer local jurisdictions significant sales taxes, career development with good paying jobs, and health care.

How do we build the boat that will keep our local cannabis economy strong? One clear way is to allow for diversified revenue through permitting direct to consumer sales, delivery licenses, for the handful of local cannabis businesses that have been able to open here locally post legalization.

No Impact On Surrounding Area

From the City's ZCTA application: Describe the effect the proposed change will have on the surrounding uses.

There will be no impact on surrounding uses as it is delivery only. This is only a supplemental use to existing businesses. For example, we already operate a distribution and manufacturing center and this addition will be imperceptible. The space needed to fulfill delivery orders is literally a small office, enough for a phone line, computer, desk, and one employee.

Proposed Change Achieves Objectives of Zoning Ordinance

From the City's ZCTA application: Describe how the proposed change will affect achievement of the General Plan goals or the objectives of the Zoning Ordinance in this and the surrounding area.

Please accept this petition (Proposed Zoning Code Text Amendment) as the official required statement per 17.445.020 (Application - Initiation) as a supplement to our existing local permits and state licenses for manufacturing and distribution of commercial cannabis to add delivery permissions. It is our intent to demonstrate that our proposed zoning code text amendment meets all requirements of consideration per 17.445.030 (Procedure for consideration), and, therefore, should be recommended for approval by the Planning Commission and the City Council thereafter.

- A. The project is compatible with the general objectives of the General Plan and any applicable specific plan.
- B. The project is in conformity with public convenience, general welfare and good land use practice.
- C. The project will not be detrimental to the public health, safety and general welfare.
- D. The project will not adversely affect the orderly development of property.

Our proposed change to the Zoning Code fulfills the achievement of the General Plan in numerous ways and from multiple sections. Below are some of the specific General Plan citations demonstrating this finding:

From the Land Use Section

Goal LU 8: Increase Job Opportunities in the Office and Professional Sectors of the Economy

Delivery would increase job opportunities in Sebastopol.

Policy LU 8-1: Encourage a vibrant mixture of office, retail, and service uses in the Downtown and along major arterials at the north and south ends of town.

As a local employer in an industrial building we are contributing to the vibrant mixture the General Plan calls for. This is true for other similar local cannabis businesses.

Policy LU 8-4: Support the continued development and intensification of office and professional employment centers throughout all non-residential areas.

Adding delivery helps build local businesses as viable employment center.

Policy LU 8-5: Maintain and implement Zoning Code provisions that accommodate and facilitate home-based and locally-owned businesses throughout the City.

Multiple owners of our business are local.

Goal LU 9: Increase Industrial Employment in Sebastopol While Maintaining the Quality of the Environment

Our request increases employment in an environmentally conscious manner. We are herbalists using organic local ingredients. We utilize organic ethanol to extract our oil. We help local cannabis farmers get to market. Other local producers have similar environmental ethics.

Policy LU 9-1: Designate sufficient land for a broad range of industrial uses, with an emphasis on uses that support the regional economy or are sustainable, green industries.

Allowing delivery is a supplemental use to our industrial manufacturing without any increase in building footprint. Most industrial facilities can ship directly to consumers. Once cannabis is legal federally we will be able to do the same. Until then we must deliver directly to consumers, and only within state boundaries.

From the Economic Vitality Section:

Goal EV 1: Encourage Economic Development that Broadens the City's Employment Base, Attracts High-Quality Jobs, Provides Services and Goods that Reflect the City's Values, and Increases the City's Tax Base

Adding delivery to our existing business offerings increases high-quality jobs, provides goods and services that reflect the City's values, and raises sales taxes for the City of Sebastopol.

Policy EV 1-2: Strengthen the City's business-related operations to provide a business-friendly and service-oriented environment through efficient processing of applications and permits related to economic development and ensuring that no unnecessary obstacles are created.

Our request will strengthen local businesses and remove obstacles towards getting local products to a wider market.

Policy EV 1-3: Attract and retain environmentally and socially conscious businesses that contribute to Sebastopol's long-term economic and environmental sustainability.

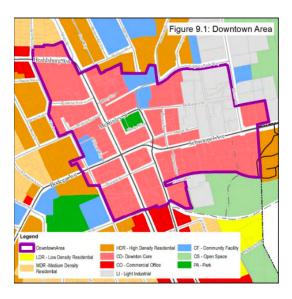
Our request will allow us to continue as a viable business that honors environmental and socially conscious business practices.

Goal EV 4: Emphasize Sebastopol's Role as a Market, Service, and Tourism Hub for the West County and as a Gateway to the Coast

Delivering the local products one creates directly to consumers allows local businesses to be part of this market and service hub for the West County as envisioned in the General Plan.

Policy EV 4-1: Encourage businesses in Sebastopol which respond to and meet the needs of West County residents.

The medicinal and recreational products we create are in direct response to the needs of local consumers and numerous West County residents. In fact, many of the herbal sources, cannabis and non cannabis alike, are sourced from 95472/West County. Allowing us to sell these value added products back to the community from which the parts were grown is sustainable.



Goal EV 5: Enhance the City's Existing Businesses, Encourage Startup Businesses, and Support Home-based Businesses

As an existing start-up business the requested change would enhance our operations. Other local cannabis businesses would similarly benefit.

Policy EV 5-1: Ensure that the application and permitting process for expansion or improvements to existing businesses is user-friendly.

Our proposed addition of delivery helps improve existing businesses in a way that is complementary to the needs of this emerging industry. Our proposed changes would make the process more user friendly for future applicants requesting to add delivery to existing cannabis manufacturing and/or distribution.

Policy EV 5-2: Encourage the rehabilitation and retrofit of existing commercial, office, and industrial buildings to meet current market needs and code requirements.

We have retrofitted and upgraded an existing Industry business with updated power connections, solar installation, and full renovation and buildout of the interior. It is up to code. Our proposed addition of delivery helps to maintain this improved facility as a viable business. The addition of delivery makes the existing uses more sustainable helping meet the policy and goal in the General Plan

Thank you for your consideration to permit this Zoning Code Text Amendment.

ATTACHMENT A:

Proposed Ordinance Changes



Proposed Ordinance Changes

Chapter 17.360: COMPREHENSIVE CANNABIS REGULATIONS



17.360.010 Purpose

This chapter provides the location and operating standards for personal <u>cannabis cultivation</u> and for <u>cannabis businesses</u> to ensure neighborhood compatibility, minimize potential environmental impacts, provide safe access to medicine and provide opportunities for economic development. (Ord. 1111, 2018)

17.360.020 Application of regulations

The provisions of this chapter shall become effective 30 days after its adoption. (Ord. 1111, 2018)

17.360.030 Additional definitions

"Adult use" means a person over the age of 21 with a valid State ID, who is qualified to purchase cannabis from an established cannabis business.

"Ancillary" means a use that is related but subordinate to the primary or dominant use on the site.

"Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, or any other strain or varietal of the genus Cannabis that may exist or hereafter be discovered or developed that has psychoactive or medicinal properties, whether growing or not, including the seeds thereof. "Cannabis" also means marijuana as defined by Health and Safety Code Section 11018, and amended by the California Control, Regulate and Tax Adult Use of Marijuana Initiative, and as defined by other applicable State law. "Cannabis" does not mean "industrial hemp" as defined by Health and Safety Code Section 11018.5. Cannabis is classified as an agricultural product separately from other agricultural crops.

"Cannabis" or "cannabis product" means <u>cannabis</u> or a cannabis product, respectfully, intended to be sold for either medical or <u>adult use</u>.

"Cannabis business" means an entity engaged in the cultivation, possession, manufacture, <u>distribution</u>, processing, storing, <u>laboratory</u> testing, packaging, labeling, transportation, delivery or sale of medical or <u>adult use cannabis</u>, and medical or <u>adult use cannabis</u> for commercial purposes.

"Cannabis cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of either medical or <u>adult use cannabis</u>.

"Cannabis cultivation area" means the maximum dimensions allowed for the growing of <u>cannabis</u>. For purposes of this chapter, the allowable cultivation area shall apply to the outward edge of the vegetative <u>canopy</u>.

"Cannabis delivery" means the commercial transfer of medical <u>cannabis</u> or medical <u>cannabis</u> products to a <u>primary caregiver</u> or <u>qualified patient</u>; or the commercial transfer of <u>adult use cannabis</u> or <u>adult use cannabis</u> or <u>adult use cannabis</u> or <u>adult use cannabis</u> or <u>adult use of any technology platform</u> owned and controlled by a <u>cannabis business operator</u> that enables <u>qualified patients</u>, <u>primary caregivers</u>, or <u>adult use</u> customers to arrange for or facilitate the commercial transfer by a <u>permitted cannabis</u> retailer of which the <u>City</u> has three classifications: medical dispensary retail, <u>adult use</u> dispensary retail, or <u>office</u>-only <u>cannabis retail</u>.

"Cannabis distribution/warehouse" means the procurement, sale, and transport of medical <u>cannabis</u> or <u>adult use cannabis</u>, and medical <u>cannabis products</u> or <u>adult use cannabis products</u>, between legally established <u>cannabis businesses</u>. This does not include patient delivery or <u>adult use</u> delivery.

"Cannabis manufacturing means the production, preparation, propagation, or compounding of medical cannabis or adult use cannabis, or medical cannabis products or adult use cannabis products, using nonvolatile solvents, or no solvents, either directly or indirectly or by extraction methods, or independently by mean of chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container. This does not include the manufacturing of either medical or adult use cannabis products using volatile solvents, which is not permitted in the City.

"Cannabis microbusiness" means a <u>cannabis cultivation</u> business of less than 10,000 square feet in combination with medical <u>cannabis distribution</u>, medical <u>cannabis manufacturing</u> – level 1, and/or medical <u>cannabis retail</u> (dispensary) and delivery, combined within one State license.

"Cannabis operator" or "operator" means the person or entity that is engaged in the conduct of any commercial medical cannabis, or adult cannabis use.

Cannabis Retail. There are three levels of cannabis retail permitted in the City:

- 1. Type 1: "Medical dispensary, cannabis retail" means a facility where medical <u>cannabis</u> or medical <u>cannabi</u>
- 2. Type 2: "Adult use dispensary, cannabis retail" means a facility where <u>cannabis</u> or <u>cannabis</u> products are offered, either individually or in any combination, for <u>retail sale</u>, including an establishment that delivers <u>cannabis</u> or <u>cannabis</u> products as part of a <u>retail sale</u> for <u>adult use</u>.
- 3. Type 3: "Office only, cannabis retail" means the sale and delivery of either medical <u>cannabis</u> or <u>adult</u> <u>use cannabis</u>, and/or medical <u>cannabis products</u> or <u>adult use cannabis products</u>, to qualified customers via online, the phone or by mail. No sales of <u>cannabis</u> are made on site. Except as <u>permitted</u> by State law, all <u>cannabis products</u> shall be stored in a secured fashion. Such use shall have a licensed <u>premises</u> which is a physical location from which commercial <u>cannabis</u> activities are conducted. Such

use's <u>premises</u> are closed to the public. The intent of this use-type is to serve as an <u>office</u> to coordinate the transport of <u>cannabis</u> obtained from other licensees to <u>qualified patients</u> or qualified adult customers with valid identification. Such use-type may conduct sales exclusively by delivery.

"Cannabis processing" means a licensee that conducts only trimming, drying, curing, grading or packaging of <u>cannabis</u> and nonmanufactured <u>cannabis</u> products. Processing does not involve any cultivation or manufacturing.

"Cannabis packaging and labeling" means entities that only package or repackage <u>cannabis products</u> or label or relabel the <u>cannabis product</u> container. Can package and label for other licensees.

"Cannabis testing laboratory" means a <u>laboratory</u>, facility, or entity in the State that offers or performs tests of medical <u>cannabis</u> or <u>adult use cannabis</u> and/or medical <u>cannabis products</u> or <u>adult use cannabis products</u>, and that is both of the following:

- 1. Accredited by an accrediting body that is independent from all other persons involved in commercial <u>cannabis</u> activity in the State.
- 2. Licensed by the Bureau of Cannabis Control.

"Edible cannabis product" means a <u>cannabis product</u> that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section <u>32501</u>) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section <u>109935</u> of the Health and Safety Code, or a drug, as defined by Section <u>109925</u> of the Health and Safety Code.

"Greenhouse" means a permanent enclosed <u>structure</u> for the propagation and growing of plants, constructed with a translucent roof and/or walls.

Marijuana. See "Cannabis."

"Person with an identification card" shall have the same definition as set forth in Health and Safety Code Section 11362.5 et seq., and as they may be amended from time to time.

"Physician" shall include licensed medical doctors (M.D.) and doctors of osteopathic medicine (D.O.) as defined in the <u>Business and Professions Code</u>.

"Primary caregiver" shall have the same definition as set forth in Health and Safety Code Section <u>11362.5</u> et seq., and as may be amended.

"Qualified patient" shall have the same definition as set forth in Health and Safety Code Section 11362.5 et seq., and as they may be amended from time to time. (Ord. 1111, 2018)

17.360.040 Limitations on use

A. Compliance with SMC. Personal <u>cannabis cultivation</u> and <u>cannabis businesses</u> shall only be allowed in compliance with this chapter and all applicable regulations set forth in the SMC, including but not

limited to all regulations governing <u>building</u>, grading, plumbing, septic, electrical, fire, hazardous materials, nuisance, and public health and safety.

- B. Compliance with State Laws and Regulations. All cannabis businesses shall comply with all applicable State laws and regulations, as may be amended, including all permit, approval, inspection, reporting and operational requirements, imposed by the State and its regulatory agencies having jurisdiction over cannabis and/or cannabis businesses. All cannabis businesses shall comply with the rules and regulations for cannabis as may be adopted and as amended by any State agency or department including, but not limited to, the Bureau of Cannabis Control, the Department of Food and Agriculture, the Department of Public Health, the Department of Pesticide Regulation, and the Board of Equalization.
- C. Compliance with Local and Regional Laws and Regulations. All <u>cannabis businesses</u> shall comply with all applicable Sonoma County and other local and regional agency regulations, including, but not limited to, regulations issued by the Regional Water Quality Control Board, the Sonoma County Agricultural Commission, and the Sonoma County Department of Public Health.
- D. <u>Cannabis businesses</u> shall provide copies of State, regional and local agency permits, approvals or certificates upon request by the <u>City</u> to serve as verification for such compliance. (Ord. 1111, 2018)

17.360.050 Personal cannabis cultivation

Personal <u>cannabis cultivation</u> for medical or <u>adult use</u> shall be <u>permitted</u> only in compliance with the provisions of zoning <u>districts</u> and allowable uses (Chapter <u>17.25</u> SMC) and shall be subject to the following standards and limitations.

- A. Medical Cannabis Maximum Limitation.
- 1. *Personal Cultivation*. The personal cultivation of medical <u>cannabis</u> is limited to no more than 100 square feet per residence regardless of the number of residents.
- 2. *Primary Caregiver Cultivation*. A <u>primary caregiver</u>, as defined in State law, may cultivate medical <u>cannabis</u> exclusively for the personal medical use of no more than five specified <u>qualified patients</u>, with the area of cultivation not to exceed 100 square feet per patient, up to a total of 500 square feet per residence.
- i. Of the maximum 500 square feet of cultivation <u>permitted</u>, up to 200 square feet may be outdoors, with cultivation area in excess of 200 square feet to be located indoors, and complying with the operational requirements set forth below in subsection $\underline{\mathbb{E}}$ of this section.
- B. Adult Use Cannabis Maximum Limitation. The personal cultivation of <u>adult use cannabis</u> is limited to no more than six mature plants per residence, regardless of the number of residents, and may be grown outdoors or indoors. Any such cultivation shall meet the operational requirements set forth in subsection $\underline{\mathbb{E}}$ of this section.

- C. Residency Requirement. Cultivation of <u>cannabis</u> for personal use may occur only by a full-time resident responsible for the cultivation.
- D. Outdoor Cultivation. <u>Cannabis</u> plants shall not be located in a <u>front yard</u>, and shall not be located in a <u>street side yard</u>, unless fully screened from <u>public view</u> by a wall or fence complying with height and other requirements of the SMC.
- E. The following operating requirements are applicable to personal <u>cannabis cultivation</u>:
- 1. *Visibility.* No visible markers or evidence indicating that <u>cannabis</u> is being cultivated on the site shall be visible from the public right-of-way at <u>street</u> level, or from <u>school</u> property.
- 2. Security. Cannabis cultivation areas and structures used for cultivation shall have security measures sufficient to prevent access by children or other unauthorized persons.
- 3. *Prohibition of Volatile Solvents*. The manufacture of <u>cannabis products</u> for personal noncommercial consumption shall be limited to processes that are solvent-free or that employ only nonflammable, nontoxic solvents that are recognized as safe pursuant to the Federal Food, Drug and Cosmetic Act. The use of volatile solvents to manufacture <u>cannabis products</u> for personal consumption is prohibited.
- 4. All <u>structures</u> used for personal <u>cannabis cultivation</u> (including <u>accessory structures</u>, <u>greenhouses</u>, and garages) must be legally constructed with all applicable <u>building</u> and fire permits (including grading, <u>building</u>, electrical, mechanical and plumbing) and shall adhere to the development standards within the base zone.
- 5. *Odor Control.* All <u>structures</u> used for cultivation shall be equipped with odor control filtration and ventilation systems as may be necessary to ensure that odors do not constitute a nuisance.
- 6. *Lighting.* Interior and exterior lighting shall utilize best management practices and technologies for reducing glare, light pollution, and light trespass onto adjacent properties and the following standards:
- i. Exterior lighting systems shall be provided for security purposes in a manner sufficient to provide illumination and clear visibility to all outdoor areas of the <u>premises</u>, including all points of ingress and egress. Exterior lighting shall be stationary, fully shielded, directed away from adjacent properties and public rights-of-way, and of an intensity compatible with the neighborhood. All exterior lighting shall be <u>Building</u> Code compliant.
- ii. Interior light systems shall be fully shielded, including adequate coverings on windows, to confine light and glare to the interior of the structure.
- 7. *Noise*. Use of air conditioning and ventilation equipment shall comply with Chapter <u>8.25</u> SMC (Noise Control Ordinance). The use of generators is prohibited, except as short-term temporary emergency back-up systems.

- 8. All personal <u>cannabis cultivation</u> shall comply with the Best Management Practices for <u>Cannabis</u> <u>Cultivation</u> issued by the Sonoma County Agricultural Commission for management of waste, water, erosion control and management of fertilizers and pesticides.
- 9. If the cultivation occurs in a <u>dwelling unit</u>, the <u>dwelling unit</u> shall be occupied as a residence and retain at all times legal and functioning cooking, sleeping and sanitation facilities.
- 10. If the cultivation occurs in a <u>dwelling unit</u> or other enclosed <u>structure</u>, a portable fire extinguisher that complies with regulations and standards adopted by the State Fire Marshal shall be kept in the area of cultivation. (Ord. 1111, 2018)

17.360.060 Cannabis businesses

<u>Cannabis businesses</u> shall be <u>permitted</u> only in compliance with the provisions of zoning <u>districts</u> and allowable uses (Chapter <u>17.25</u> SMC) and shall be subject to the following standards and limitations:

- A. *Land Use*. For purposes of this chapter, <u>cannabis businesses</u> shall include the following land use classifications, which are further defined in SMC <u>17.360.030</u>, Additional definitions:
- 1. <u>Cannabis</u> cultivation.
- 2. <u>Cannabis</u> testing/lab.
- 3. <u>Cannabis</u> manufacturer (nonvolatile, includes infusions).
- i. Processing.
- ii. Packaging and labeling.
- 4. Cannabis cannabis retail (dispensary) and cannabis retail (office-only).
- 5. Cannabis cannabis distributor/warehouse.
- 6. Cannabis microbusiness.
- B. Where Allowed. <u>Cannabis businesses</u> shall be located in compliance with the requirements of zoning <u>districts</u> and allowable uses (Chapter <u>17.25</u> SMC) and as designated on Tables 17.360-1 and 17.360-2. With regard to required setbacks of a <u>cannabis business</u> to another land use, the <u>City</u> asserts its right to establish different radius requirements than what is provided by Business and Professions Code Section <u>26054(b)</u>.
- C. Land Use Permit Requirements. The uses that are subject to the standards in this chapter shall not be established or maintained except as authorized by the land use permit required by this chapter. For those business uses not subject to a <u>conditional use permit</u> requirement, an administrative permit is required.

D. *Development Standards*. The standards for specific uses in this chapter supplement and are required in addition to those in the SMC. In the event of any conflict between the requirements of this chapter and those of other provisions of the SMC, the requirements of this chapter shall control.

Table 17.360-1. Permitted and Conditionally Permitted Cannabis Uses in the Residential Districts

Use	R1	R2	R3	R4	R5	R6	R7	МНР
Cannabis Cultivation – Personal (Adult): No more than 6 mature plants	Р	P	P	P	P	P	Р	P
Cannabis Cultivation – Personal (Medical): No more than 100 sq. ft.	P	Р	Р	Р	P	P	Р	Р
<u>Cannabis Cultivation</u> – <u>Primary</u> <u>Caregiver</u> (Medical Only) ⁽¹⁾	Р	Р	Р	Р	Р	Р	Р	Р

P = Permitted Use

Table 17.360-2. Permitted and Conditionally Permitted Cannabis Uses in the Commercial, Office and Industrial Zones

Use	со	CG	CD	СМ	М	O/LM
Commercial Uses						
<u>Cannabis</u> Retailer Delivery (office-only)	С	С	-	С	P ⁽⁴⁾	С
Cannabis Retail Dispensary	С	С	С	С	С	С
Cannabis Cultivation (up to 5,000 sq. ft.) indoor only	-	-	-	P ⁽¹⁾	P ⁽¹⁾	P ⁽¹⁾
Cannabis Cultivation (5,001 – 10,000 sq. ft.) indoor only	-	-	-	P ⁽¹⁾	P ⁽¹⁾	P ⁽¹⁾

C = Conditionally Permitted Use

^{- =} Use Not Allowed

⁽¹⁾ No more than 100 sq. ft. per patient, up to 500 sq. ft. Maximum of 200 sq. ft. permitted for outdoor.

Cannabis Cultivation (10,001+ sq. ft.) indoor only	-	-	-	С	С	С
<u>Cannabis Cultivation</u> Nursery, indoor only	-	-	-	P ⁽¹⁾	P ⁽¹⁾	P ⁽¹⁾
Cannabis Microbusiness	-	С	_	С	С	С
Industrial Uses			•	•	•	•
<u>Cannabis</u> Testing / <u>Cannabis</u> <u>Laboratories</u>	-	С	-	P ⁽¹⁾	P ⁽¹⁾	P ⁽¹⁾
Cannabis Manufacturer (nonvolatile and infused products)	-	-	-	P ⁽¹⁾	P ⁽¹⁾	С
<u>Cannabis</u> Distributor / <u>Cannabis</u> <u>Warehouse</u>	-	-	-	С	С	P ⁽¹⁾
Cannabis Processing, Packaging and Labeling	-	-	-	P ⁽¹⁾	P ⁽¹⁾	С
Residential Uses						
<u>Cannabis Cultivation</u> – Personal (Adult): No more than 6 mature plants	P ⁽²⁾					
<u>Cannabis Cultivation</u> – Personal (Medical): No more than 100 sq. ft.	P ⁽²⁾					
<u>Cannabis Cultivation</u> – <u>Primary</u> <u>Caregiver</u> (Medical Only) ⁽³⁾	P ⁽²⁾					

P = <u>Permitted</u> Use

C = Conditionally Permitted Use

^{- =} Use Not Allowed

 $^{^{(1)}}$ For <u>cannabis</u>-related <u>permitted</u> uses, zoning clearance is still required.

⁽²⁾ Only applicable at residences.

⁽³⁾ No more than 100 sq. ft. per patient, up to 500 sq. ft. Maximum of 200 sq. ft. permitted for outdoor.

(4) Cannabis Retailer Delivery (office-only) is only permitted in M District (Industrial Zone) as a supplemental use for an existing/proposed cannabis permit, and is not subject to the limit on delivery licenses set forth in this chapter under section 17.360.100 subsection D. 1.

17.360.070 General operating requirements

The following general operating requirements are applicable to all <u>cannabis businesses</u>. In addition, requirements specific to each <u>cannabis business</u> subtype are separately set forth in this chapter.

- A. *Dual Licensing*. The <u>City</u> recognizes that State law requires dual licensing at the State and local level for all <u>cannabis businesses</u>. <u>Cannabis operators</u> shall therefore be required to diligently pursue and obtain a State medical <u>cannabis</u> or <u>cannabis</u> license at such time as the State begins issuing such licenses, and shall comply at all times with all applicable State licensing requirements and conditions, including, but not limited to, operational standards such as, by way of illustration but not limitation, background checks, prior felony convictions, restrictions on multiple licenses and license types, and locational criteria.
- 1. New Operators. <u>Cannabis businesses</u> which have received land use permit approval pursuant to this chapter after the State begins issuing State licenses and after the 10-month transition period noted in this subsection A shall not be allowed to commence operations until the <u>cannabis business</u> can demonstrate that all necessary State licenses and agency permits have been obtained in compliance with any deadlines established by the State.
- 2. Existing Permitted Operators. <u>Cannabis businesses</u> which have received land use permit approval prior to the adoption of this chapter shall be required to comply with all operational requirements set forth in this chapter.
- 3. Grounds for Revocation. Once State licenses and agency permits become available, failure to demonstrate dual licensing in accordance with this chapter and within any deadlines established by State law shall be grounds for revocation of <u>City</u> approval. Revocation of a local permit and/or a State license shall terminate the ability of the <u>cannabis business</u> to operate until a new permit and/or State license is obtained.

B. Minors.

- 1. It is unlawful for any <u>cannabis operator</u> to employ any person who is not at least 21 years of age, unless otherwise allowed for through State law.
- 2. <u>Cannabis businesses</u> (medical) shall only allow on the <u>premises</u> a person who is 21 years of age or older, unless they are a <u>qualified patient</u> or <u>primary caregiver</u>, and they are in the presence of their parent or guardian for the first visit, or are of age to legally consent to medical treatment.

- a. The entrance to a <u>cannabis business</u> (medical) shall be clearly and legibly posted with a notice indicating that persons under the age of 21 are precluded from entering the <u>premises</u> unless they are a <u>qualified patient</u> or <u>primary caregiver</u>, and they are in the presence of their parent or guardian for the first visit or are of age to legally consent to medical treatment.
- 3. <u>Cannabis businesses</u> (<u>adult use</u>) shall only allow on the <u>premises</u> a person who is 21 years of age or older and who possesses a valid government-issued photo identification card.
- a. The entrance to a <u>cannabis business</u> (<u>adult use</u>) shall be clearly and legibly posted with a notice indicating that persons under the age of 21 are precluded from entering the <u>premises</u>.
- C. *Inventory and Tracking*. <u>Cannabis operators</u> shall at all times operate in a manner to prevent diversion of <u>cannabis</u> and shall promptly comply with any track and trace program established by the State.
- D. *Multiple Permits per Site*. Multiple <u>cannabis businesses</u> proposed on any one site or parcel shall be granted permit approval only if all of the proposed <u>cannabis businesses</u> and their co-location are authorized by both local and State law. <u>Cannabis operators</u> issued permits for multiple license types at the same physical address shall maintain clear separation between license types unless otherwise authorized by local and State law.
- E. *Building and Fire Permits*. <u>Cannabis operators</u> shall meet the following requirements prior to commencing operations:
- 1. The <u>cannabis operator</u> shall obtain a <u>building</u> permit to confirm with the appropriate occupancy classification and compliance with SMC Title 15.
- 2. The <u>cannabis operator</u> shall obtain all annual operating fire permits with inspections prior to operation.
- 3. The <u>cannabis operator</u> shall comply with all applicable health and social care and fire code requirements related to the <u>storage</u>, use and handling of hazardous materials and the generation of hazardous waste. <u>Cannabis operators</u> shall also obtain all required Certified Unified Program Agency (CUPA) permits including completing a California Environmental Reporting System (CERS) submission for hazardous materials inventory that meet or exceed State thresholds and any waste generation for accountability.
- 4. Access with a Fire Department lock box for keys to gates and doors shall be provided.
- F. *Transfer of Ownership or Operator*. A permittee shall not transfer ownership or operational control of a <u>cannabis business</u> or transfer a permit for a <u>cannabis business</u> to another person unless and until the transferee obtains an administrative permit from the Planning Department verifying compliance with requirements of this chapter and stating that the transferee is now the permittee. The administrative approval clearance shall commit the transferee to compliance with all conditions of the original permit.

- G. Security. <u>Cannabis businesses</u> shall provide adequate security on the <u>premises</u>, including lighting and alarms, to ensure the public safety and the safety of persons within the facility and to protect the <u>premises</u> from theft. Applications for a <u>cannabis business</u> shall include a security plan that includes the following minimum security plan requirements:
- 1. Security Cameras. Security surveillance video cameras shall be installed and maintained in good working order to provide coverage on a 24-hour basis of all internal and exterior areas where <u>cannabis</u> is cultivated, weighed, manufactured, packaged, stored, transferred, and dispensed. The security surveillance cameras shall be oriented in a manner that provides clear and certain identification of all individuals within those areas. Cameras shall remain active at all times and shall be capable of operating under any lighting condition. Security video must use standard industry format to support criminal investigations and shall be maintained for a minimum of 60 days.
- 2. Alarm System. A professionally monitored robbery alarm system shall be installed and maintained in good working condition. The alarm system shall include sensors to detect entry and exit from all secure areas and all windows. Cannabis operators shall keep the name and contact information of the alarm system installation and monitoring company as part of the cannabis business's on-site books and records. Cannabis operators shall identify a local site contact person who will be responsible for the use and shall provide and keep current full contact information to the Sebastopol Police Department as part of the permitting process.
- 3. Secure Storage and Waste. Cannabis products and associated product waste shall be stored and secured in a manner that prevents diversion, theft, loss, hazards and nuisance.
- 4. *Transportation*. <u>Cannabis businesses</u> shall implement procedures for safe and secure transportation and delivery of <u>cannabis</u>, or <u>cannabis products</u> and currency in accordance with State law.
- 5. *Locks.* All points of ingress and egress to a <u>cannabis business</u> shall be secured with <u>Building</u> Code compliant commercial-grade, nonresidential door locks or window locks.
- 6. *Emergency Access*. Security measures shall be designed to ensure emergency access in compliance with fire code and Sebastopol Fire Department standards.
- H. *Odor Control*. <u>Cannabis businesses</u> shall incorporate and maintain adequate odor control measures such that the odors of <u>cannabis</u> cannot be readily detected from outside of the <u>structure</u> in which the business operates. Applications for <u>cannabis businesses</u>, except for those which only deal with packaged <u>cannabis</u> and have no on-site consumption, shall include an odor mitigation plan certified by a licensed professional engineer or industrial hygienist that includes the following:
- 1. Operational processes and maintenance plan, including activities undertaken to ensure the odor mitigation system remains functional;
- 2. Staff training procedures; and
- 3. Engineering controls, which may include carbon filtration or other methods of air cleansing, and evidence that such controls are sufficient to effectively mitigate odors from all odor sources. All odor

mitigation systems and plans submitted pursuant to this subsection shall be consistent with accepted and best available industry-specific technologies designed to effectively mitigate <u>cannabis</u> odors.

- I. Lighting. Interior and exterior lighting shall utilize best management practices and technologies for reducing glare, light pollution, and light trespass onto adjacent properties and the following standards:
- 1. Exterior lighting systems shall be provided for security purposes in a manner sufficient to provide illumination and clear visibility to all outdoor areas of the <u>premises</u>, including all points of ingress and egress. Exterior lighting shall be stationary, shielded, directed away from adjacent properties and public rights-of-way, and of an intensity compatible with the neighborhood. All exterior lighting shall be <u>Building</u> Code compliant.
- 2. Interior light systems shall be shielded to appropriately limit exterior glare to surrounding properties.
- J. *Noise*. Use of air conditioning and ventilation equipment shall comply with Chapter <u>8.25</u> SMC (Noise Control Ordinance). The use of generators is prohibited, except as short-term temporary emergency back-up systems.

K. Staff Training.

- 1. All <u>cannabis businesses</u> shall implement a staff training program. Required training shall be provided to all new employees, and annual employee training shall also be conducted. Records of such training shall be maintained and provided to the Police Department upon request. Such program shall include the following minimum elements:
- a. Applicable State laws and regulations.
- b. Applicable <u>City</u> laws, regulations, and conditions of approval.
- c. Applicable Sonoma County Health Services laws and regulations.
- d. Information concerning civil, criminal and administrative liability.
- e. Procedures for preventing and refusing access, sales, and service to minors and obviously intoxicated patrons.
- f. Procedures for checking legally acceptable forms of identification.
- g. Safety and security procedures.
- h. Incident reporting, law enforcement liaison policies.
- i. Good neighbor policies.
- 2. At the time a Planning application is made for any new <u>cannabis businesses</u>, the <u>applicant</u> shall provide a proposed staff training program, complying with subsection (K)(1) of this section, for the review and approval of the Police Department. Police Department acceptance of the training program is

required prior to issuance of a Planning approval for a new business. If not previously provided, existing <u>cannabis businesses</u> shall provide such program for Police Department review within 30 days from any permit modification. (Ord. 1111, 2018)

17.360.080 Cannabis commercial cultivation

In addition to the general operating requirements set forth in this chapter, this section provides additional requirements for cannabis commercial cultivation.

- A. *Outdoor Commercial Cultivation Prohibited.* The cultivation of <u>cannabis</u> for <u>commercial use</u> may only be conducted within a fully enclosed space.
- B. *Type of Permit*. Depending on the size of the facility, and in accordance with the tables in SMC 17.360.060, administrative approval or a conditional use permit shall be required for cannabis commercial cultivation. For purposes of determining the facility size, square footage shall be defined by calculating the gross square footage of the structure or portion of the structure occupied by the cannabis business, not the plant canopy area. For purposes of these regulations, nursery means a use that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.
- C. *Microbusiness*. In addition to compliance with permit and operating requirements set forth in this chapter for <u>cannabis cultivation</u>, a <u>cannabis microbusiness</u> which includes cultivation, manufacturing, <u>distribution</u> and/or retail within one State license shall comply with all permit and operating requirements set forth in this chapter for <u>cannabis manufacturing</u>, <u>distribution</u>, and/or retail (dispensary) and delivery as applicable to the combination of uses within the license. Microbusinesses shall be subject to the <u>City</u>'s limits on the maximum number of <u>cannabis retail</u> facilities.
- D. *Pesticides*. The cultivation of <u>cannabis</u> must be conducted in accordance with all applicable Federal, State, and local laws and regulations governing the use of pesticides. Any fumigation or insecticidal fogging shall comply with the fire code. (Ord. 1111, 2018)

17.360.090 Cannabis manufacturing – includes regulations regarding processing, packaging and labeling

In addition to the general operating requirements set forth in this chapter, this section provides additional operational requirements for <u>cannabis manufacturing</u>.

A. Extraction Processes. Cannabis manufacturers shall utilize only extraction processes that are (1) solvent-free or that employ only nonflammable, nontoxic solvents that are recognized as safe pursuant to the Federal Food, Drug, and Cosmetic Act, and/or (2) use solvents exclusively within a closed loop system that meets the requirements of the Federal Food, Drug, and Cosmetic Act including use of authorized solvents only, the prevention of off-gassing, and certification by a State licensed engineer.

- B. Processing: entities that conduct only trimming, drying, curing, grading or packaging of <u>cannabis</u> and non manufactured <u>cannabis products</u>. Processing does not involve any cultivation or manufacturing.
- C. Packaging and labeling: entities that only package or repackage medical <u>cannabis products</u> or label or relabel the <u>cannabis product</u> container. Can package and label for other licensees.
- D. *Loop Systems*. No closed loop systems shall be utilized without prior inspection and approval of the <u>City</u>'s <u>Building</u> Official and Fire Chief.
- E. *Standard of Equipment*. Extraction equipment, manufacturing, processing and analytical testing devices used by the <u>cannabis</u> manufacturer must be UL (Underwriters <u>Laboratories</u>) listed or otherwise certified by an approved third-party testing agency or licensed professional engineer and approved for the intended use by the <u>City</u>'s <u>Building</u> Official and Fire Chief.
- F. Annual Recertification Required. Extraction equipment used by the <u>cannabis</u> manufacturer must be recertified annually and a report by a licensed professional engineer on the inspection shall be maintained on site.
- G. *Food Handler Certification*. All owners, employees, volunteers or other individuals that participate in the production of <u>edible cannabis products</u> must be State certified food handlers. The valid certificate number of each such owner, employee, volunteer or other individual must be on record at the <u>cannabis</u> manufacturer's facility where that individual participates in the production of <u>edible cannabis products</u>.
- H. Edible Product Manufacturing. Cannabis businesses that sell or manufacture edible cannabis or cannabis products shall obtain a Sonoma County Health permit. Permit holders shall comply with Health and Safety Code Section 113700 et seq. and Sonoma County Health permit requirements. These requirements provide a system of prevention and overlapping safeguards designed to minimize foodborne illness, ensure employee health, demonstrate industry manager knowledge, ensure safe food preparation practices and delineate acceptable levels of sanitation for preparation of edible products. (Ord. 1111, 2018)

17.360.100 Cannabis retail

- Type 1: Medical cannabis retail (dispensary).
- Type 2: Adult use cannabis retail (dispensary).
- Type 3: <u>Cannabis retail</u> delivery (<u>office</u>-only for medical or <u>adult use</u>).

In addition to the general operating requirements set forth in this chapter, this section provides location and operating requirements for medical <u>cannabis retail</u> (dispensary), <u>adult use <u>cannabis retail</u> (dispensary) and retail delivery (<u>office-only for medical or adult use</u>).</u>

A. Conditional Use. A <u>conditional use permit</u> shall be required to operate <u>cannabis retail</u> Types 1 and 2 above in accordance with the tables in SMC 17.360.060.

- B. *Delivery Services*. In addition to the requirements established in this chapter for <u>cannabis retail</u> Types 1, 2, and 3, the delivery of <u>cannabis</u> and <u>cannabis products</u> shall be subject to the following requirements:
- 1. Commercial delivery at locations outside a <u>permitted cannabis retail</u> facility may be specifically <u>permitted</u> in conjunction with a <u>permitted cannabis retail</u> facility that has a physical location in the <u>City</u>.
- 2. A <u>cannabis retail</u> facility, <u>office</u>-only (Type 3), that has a physical location in the <u>City</u> may also conduct sales exclusively by delivery, and shall have no on-site <u>retail sales</u> to customers.
- 3. Applications for any <u>cannabis retail</u> type shall include a statement as to whether the use will include delivery of <u>cannabis</u> and <u>cannabis products</u> located outside the <u>cannabis retail</u> facility.
- 4. If delivery services will be provided, the application shall describe the operational plan and specific extent of such service, security protocols, and how the delivery services will comply with the requirements set forth in this chapter and State law.
- C. *Drive-Through Services*. Drive-through or walk-up window services in conjunction with <u>cannabis</u> retail Types 1, 2, and 3 are prohibited.
- D. Location Requirements. Cannabis retail shall be subject to the following location requirements:
- 1. No more than two Type 1, two Type 2, and three Type 3 <u>cannabis retail</u> establishments are <u>permitted</u> in the <u>City</u>. Type 2 <u>cannabis retail</u> may only occur at an existing Type 1 medical <u>cannabis retail</u> establishment that has obtained and maintained a valid <u>conditional use permit</u>, provided such establishment meets the following requirements: comply with all requirements set forth in this chapter; and obtain State licenses for both medical and <u>adult use</u> commercial sales.
- a. Such existing establishments are not required to obtain a new <u>conditional use permit</u> for Type 2 <u>retail</u> <u>sales</u>.
- b. To the extent that such existing establishments have <u>conditional use permits</u> that have conditions in conflict with this chapter, the provisions of this chapter shall prevail.
- c. To the extent that such existing establishments have conditions limiting square footage, the Planning Director may approve up to a 10 percent increase in square footage; any greater increase, or a relocation of the facility, shall require <u>conditional use permit</u> approval.
- d. Subject to any State permitting, Types 1, 2, and 3 establishments may engage in both medical and nonmedical cannabis sales.
- 2. *Setback to Schools*. Cannabis retail, all types, shall be subject to a 600-foot minimum setback from any "school," as defined by the Health and Safety Code Section <u>11362.768</u>.

- 3. *Measurement of Distance*. The distance between <u>cannabis retail</u>, all types, and a <u>school</u> shall be made in a straight line from the boundary line of the property on which the <u>cannabis retail</u> is located to the closest boundary line of the property on which a <u>school</u> is located.
- 4. Location of a New School after Permit Issued. Establishment of a <u>school</u> within the required setback of a <u>cannabis retail</u>, all types, facility after such facility has obtained a <u>conditional use permit</u> for the site shall render the <u>cannabis retail</u> facility legal nonconforming and subject to the protections and provisions of Chapter <u>17.160</u> SMC (<u>Nonconforming Uses</u>).
- 5. *Visibility of Entrance*. The entrance of a <u>cannabis retail</u>, Types 1 and 2, shall be in a visible location that provides an unobstructed view from the public right-of-way.
- E. *Edible Products*. <u>Cannabis businesses</u> that sell or manufacture <u>edible cannabis products</u> shall obtain a Sonoma County Health permit. Permit holders shall comply with Health and Safety Code Section <u>13700</u> et seq. and Sonoma County Health permit requirements. These requirements provide a system of prevention and overlapping safeguards designed to minimize foodborne illness, ensure employee health, demonstrate industry manager knowledge, ensure safe food preparation practices and delineate acceptable levels of sanitation for preparation of edible products.
- F. *Operational Requirements*. In addition to project specific conditions of approval, <u>cannabis retail</u> shall comply with the following operational requirements:
- 1. *Employees*. The <u>cannabis retail operator</u>, all types, shall maintain a current register of the names of all employees employed by the <u>cannabis</u> retailer, and shall disclose such register for inspection by any <u>City</u> officer or official for purposes of determining compliance with the requirements of this section.
- 2. *Management*. Permit <u>applicants</u> shall be responsible for providing the names of the person or persons having management or supervision responsibility of the <u>applicant</u>'s business at the time of application.
- 3. *Recordkeeping.* The <u>cannabis retail</u> <u>operator</u>, all types, shall maintain patient and sales records in accordance with State law.
- 4. Protocols and Requirements for Patients and Persons Entering the Site. No person shall be permitted to enter a cannabis retail facility, all types, without government issued photo identification. Cannabis businesses shall not provide cannabis products to any person, whether by purchase, trade, gift or otherwise, who does not possess a valid government-issued photo identification card.
- 5. Hours of Operation. Cannabis retail, all types, may operate between the hours of 7:00 a.m. to 9:00 p.m. up to seven days per week unless the review authority imposes more restrictive hours due to the particular circumstances of the application. The basis for any restriction on hours shall be specified in the permit.

- 6. Secured Access. A <u>cannabis retail</u>, all types, facility shall be designed to prevent unauthorized entrance into areas containing medical <u>cannabis</u> or medical <u>cannabis</u> products. Limited access areas accessible to only authorized personnel shall be established.
- 7. Secured Products. Cannabis and cannabis products that are not used for display purposes or immediate sale shall be stored in a secured and locked room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss.
- 8. Sale and Display of Cannabis Paraphernalia. No dispensary shall sell or display any <u>cannabis</u>-related paraphernalia or any implement that may be used to administer <u>cannabis</u> or <u>cannabis</u> <u>products</u> unless specifically described and authorized in the <u>conditional use permit</u>. The sale of such products must comply with this title and any other applicable State regulations.
- 9. *On-Site Physician Restriction*. Establishments engaged in the sale of medical <u>cannabis</u> shall not have an on-site or on staff <u>physician</u> to evaluate patients and provide a recommendation for medical <u>cannabis</u>.
- 10. Site Management. The <u>cannabis retail</u> <u>operator</u>, all types, shall take reasonable steps to discourage and correct objectionable conditions that constitute a nuisance in parking areas, sidewalks, <u>alleys</u> and areas surrounding the <u>premises</u> and adjacent properties during business hours if directly related to the patrons of the subject retailer. For purposes of this subsection, "reasonable steps" shall include calling the police in a timely manner; and requesting those engaging in nuisance activities to cease those activities, unless personal safety would be threatened in making the request.
- 11. Advertising and Signs. Regardless of any sign allowances in the sign ordinance, a cannabis retail facility, all types, shall not advertise or market cannabis or cannabis products on an off-site advertising sign within 1,000 feet of a day care center, school providing instruction in kindergarten or any grades 1 through 12, playground, or youth center.
- 12. *Display of Permit*. Cannabis retail, all types, shall maintain a copy of its permit on display during business hours and in a conspicuous place so that the same may be readily seen by all persons entering the facility.
- G. *On-Site Consumption*. In addition to the requirements established in this chapter for <u>cannabis retail</u>, the consumption of <u>cannabis</u> and <u>cannabis products</u> shall be subject to the following requirements:
- 1. Patients and Customers. Patients of a Type 1 <u>cannabis retail</u> and customers of a Type 2 <u>cannabis retail</u> shall not be <u>permitted</u> to consume <u>cannabis</u> on the site of the facility, except as <u>permitted</u> in accordance with Chapter <u>8.04</u> SMC (Use of Tobacco in Public Places Smoking Control) and State law and as follows:
- a. <u>Conditional use permit</u> applications for Type 1 medical <u>cannabis retail</u> or Type 2 <u>adult use cannabis retail</u> shall include a statement as to whether the use is proposed to include on-site consumption by patients or customers of cannabis and cannabis products.

- b. If on-site consumption is proposed, the application shall describe the operational plan and specific extent of such provision, security protocols, and how the consumption will comply with the requirements set forth in this chapter and State law.
- c. The Planning Commission will determine if the request is appropriate and authorized, as part of acting on the conditional use permit application.
- 2. *Employees*. Employees of a <u>cannabis retail</u> facility, all types, who are <u>qualified patients</u> may consume medical <u>cannabis</u> or medical <u>cannabis products</u> on site within designated spaces not visible by members of the public; provided, that such consumption is in compliance with Chapter <u>8.04</u> SMC (Use of Tobacco in Public Places Smoking Control) and State law.
- 3. Signs Regarding Public Consumption. The entrance to a <u>cannabis retail</u> facility, all types, shall be clearly and legibly posted with a notice indicating that smoking and vaping of <u>cannabis</u> is prohibited on site or in the vicinity of the site except as <u>permitted</u> in accordance with Chapter <u>8.04</u> SMC (Use of Tobacco in Public Places Smoking Control) and State law.
- H. *Restriction on Ownership*. No company or parent company shall simultaneously own or operate more than one Type 1, one Type 2, and one Type 3 facility in the City. (Ord. 1111, 2018)

17.360.110 Cannabis special events

- A. *Dual Licensing*. The <u>City</u> recognizes that State law requires <u>cannabis businesses</u> to obtain dual licensing at the State and local level for temporary special events that involve on-site <u>cannabis</u> sales to, and consumption by, patients or qualifying adults with valid identification. Such events shall not be allowed to commence until the <u>cannabis business</u> can demonstrate that all necessary local permits, State temporary event licenses, agency permits, and as necessary, a temporary use permit or a special events permit, as applicable, have been obtained in compliance with any regulations and deadlines established by the <u>City</u> and the State.
- B. *Temporary Use Permit, Special Events Permit.* Applications for a <u>cannabis</u> special event shall be filed in a timely manner in accordance with Chapter <u>17.430</u> SMC (Temporary Use Permits includes special events), or a special events permit pursuant to Chapter <u>12.44</u> SMC (Special Events), depending on the nature and location of the event. <u>Applicants</u> are advised to confirm State allowance for such event prior to filing of a City application.

Not more than four such events shall be <u>permitted</u> in any calendar year, and no single <u>operator</u> shall be <u>permitted</u> to conduct more than two such events per year. (Ord. 1111, 2018)

17.360.120 Special findings

In addition to the <u>conditional use permit</u> findings specified in Chapter <u>17.415</u> SMC, applications subject to a <u>conditional use permit</u> requirement shall also be evaluated in regard to the following criteria, which may also be utilized by the approving authority to rank applications where there are multiple <u>applicants</u> for a limited number of allowances.

- A. Appropriateness of site and <u>building</u> for the use, including but not limited to adequacy of pedestrian and vehicle circulation, parking, and other aspects.
- B. Compatibility with surrounding uses.
- C. Experience and qualifications of the applicant.
- D. Operational, security, safety, noise, and odor control plans and improvements.
- E. Suitable site and building design and improvements.
- F. Whether the application will result in an overconcentration of such uses within the community.
- G. Energy conservation and other environmental aspects. (Ord. 1111, 2018)

17.360.130 Grounds for permit revocation or modification

In addition to the grounds in SMC <u>17.400.090</u> (Term, adherence to approved plans and conditions, and revocation of permits), the review authority may require modification, discontinuance or revocation of a <u>cannabis business</u> permit if the review authority finds that the use is operated or maintained in a manner that it:

- A. Adversely affects the health, peace or safety of persons living or working in the surrounding area; or
- B. Contributes to a public nuisance; or
- C. Has resulted in repeated nuisance activities including disturbances of the peace, illegal drug activity, diversion of <u>cannabis</u> or <u>cannabis products</u>, public intoxication, smoking in public, harassment of passerby, littering, or obstruction of any <u>street</u>, sidewalk or public way; or
- D. Violates any provision of the SMC or condition imposed by a <u>City</u>-issued permit, or violates any provision of any other local, State, regulation, or order, including those of State law or violates any condition imposed by permits or licenses issued in compliance with those laws. (Ord. 1111, 2018)

17.360.140 Planning commission interpretation

This chapter shall supersede and rescind the October 24, 2017, Zoning Ordinance Interpretation approved by the Planning Commission regarding <u>cannabis</u> uses. (Ord. 1111, 2018)

17.360.150 Recission of urgency ordinance

Upon its effective date, this chapter shall supersede and rescind Ordinance No. <u>1107</u>, which established temporary <u>cannabis</u> regulations. Permits that were granted under such ordinance and are not in conflict with this chapter shall remain effective. (Ord. 1111, 2018)

17.360.160 Severability

If any section, subsection, sentence, clause, phrase or word of this chapter is for any reason held to be invalid and/or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. (Ord. 1111, 2018)

Chapter 17.360

COMPREHENSIVE CANNABIS REGULATIONS

Sections:

17.360.010	Purpose.
17.360.020	Application of regulations.
17.360.030	Additional definitions.
17.360.040	Limitations on use.
17.360.050	Personal cannabis cultivation.
17.360.060	Cannabis businesses.
17.360.070	General operating requirements.
17.360.080	Cannabis commercial cultivation.
17.360.090	Cannabis manufacturing – Includes regulations regarding processing, packaging and labeling
17.360.100	Cannabis retail.
17.360.110	Cannabis special events.
17.360.120	Special findings.
17.360.130	Grounds for permit revocation or modification.
17.360.140	Planning Commission interpretation.
17.360.150	Rescission of urgency ordinance.
17.360.160	Severability.

17.360.010 Purpose.

This chapter provides the location and operating standards for personal cannabis cultivation and for cannabis businesses to ensure neighborhood compatibility, minimize potential environmental impacts, provide safe access to medicine and provide opportunities for economic development. (Ord. 1111, 2018)

17.360.020 Application of regulations.

The provisions of this chapter shall become effective 30 days after its adoption. (Ord. 1111, 2018)

17.360.030 Additional definitions.

"Adult use" means a person over the age of 21 with a valid State ID, who is qualified to purchase cannabis from an established cannabis business.

"Ancillary" means a use that is related but subordinate to the primary or dominant use on the site.

"Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, or any other strain or varietal of the genus Cannabis that may exist or hereafter be discovered or developed that has psychoactive or medicinal properties, whether growing or not, including the seeds thereof. "Cannabis" also means marijuana as defined by Health and Safety Code Section 11018, and amended by the California Control, Regulate and Tax Adult Use of Marijuana Initiative, and as defined by other applicable State law. "Cannabis" does not mean "industrial hemp" as defined by Health and Safety Code Section 11018.5. Cannabis is classified as an agricultural product separately from other agricultural crops.

"Cannabis" or "cannabis product" means cannabis or a cannabis product, respectfully, intended to be sold for either medical or adult use.

"Cannabis business" means an entity engaged in the cultivation, possession, manufacture, distribution, processing, storing, laboratory testing, packaging, labeling, transportation, delivery or sale of medical or adult use cannabis, and medical or adult use cannabis products for commercial purposes.

"Cannabis cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of either medical or adult use cannabis.

"Cannabis cultivation area" means the maximum dimensions allowed for the growing of cannabis. For purposes of this chapter, the allowable cultivation area shall apply to the outward edge of the vegetative canopy.

"Cannabis delivery" means the commercial transfer of medical cannabis or medical cannabis products to a primary caregiver or qualified patient; or the commercial transfer of adult use cannabis or adult use cannabis products to a person over the age of 21, with valid ID. "Delivery" also includes the use of any technology platform owned and controlled by a cannabis business operator that enables qualified patients, primary caregivers, or adult use customers to arrange for or facilitate the commercial transfer by a permitted cannabis retailer of which the City has three classifications: medical dispensary retail, adult use dispensary retail, or office-only cannabis retail.

"Cannabis distribution/warehouse" means the procurement, sale, and transport of medical cannabis or adult use cannabis, and medical cannabis products or adult use cannabis products, between legally established cannabis businesses. This does not include patient delivery or adult use delivery.

"Cannabis manufacturing" means the production, preparation, propagation, or compounding of medical cannabis or adult use cannabis, or medical cannabis products or adult use cannabis products, using nonvolatile solvents, or no solvents, either directly or indirectly or by extraction methods, or independently by mean of

chemical synthesis, or by a combination of extraction and chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container. This does not include the manufacturing of either medical or adult use cannabis products using volatile solvents, which is not permitted in the City.

"Cannabis microbusiness" means a cannabis cultivation business of less than 10,000 square feet in combination with medical cannabis distribution, medical cannabis manufacturing – level 1, and/or medical cannabis retail (dispensary) and delivery, combined within one State license.

"Cannabis operator" or "operator" means the person or entity that is engaged in the conduct of any commercial medical cannabis, or adult cannabis use.

Cannabis Retail. There are three levels of cannabis retail permitted in the City:

- 1. Type 1: "Medical dispensary, cannabis retail" means a facility where medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers medical cannabis or medical cannabis products as part of a retail sale.
- 2. Type 2: "Adult use dispensary, cannabis retail" means a facility where cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers cannabis or cannabis products as part of a retail sale for adult use.
- 3. Type 3: "Office only, cannabis retail" means the sale and delivery of either medical cannabis or adult use cannabis, and/or medical cannabis products or adult use cannabis products, to qualified customers via online, the phone or by mail. No sales of cannabis are made on site. Except as permitted by State law, all cannabis products shall be stored in a secured fashion. Such use shall have a licensed premises which is a physical location from which commercial cannabis activities are conducted. Such use's premises are closed to the public. The intent of this use-type is to serve as an office to coordinate the transport of cannabis obtained from other licensees to qualified patients or qualified adult customers with valid identification. Such use-type may conduct sales exclusively by delivery.

"Cannabis processing" means a licensee that conducts only trimming, drying, curing, grading or packaging of cannabis and nonmanufactured cannabis products. Processing does not involve any cultivation or manufacturing.

"Cannabis packaging and labeling" means entities that only package or repackage cannabis products or label or relabel the cannabis product container. Can package and label for other licensees.

"Cannabis testing laboratory" means a laboratory, facility, or entity in the State that offers or performs tests of medical cannabis or adult use cannabis and/or medical cannabis products or adult use cannabis products, and that is both of the following:

1. Accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the State.

2. Licensed by the Bureau of Cannabis Control.

"Edible cannabis product" means a cannabis product that is intended to be used, in whole or in part, for human consumption, including, but not limited to, chewing gum, but excluding products set forth in Division 15 (commencing with Section 32501) of the Food and Agricultural Code. An edible cannabis product is not considered food, as defined by Section 109935 of the Health and Safety Code, or a drug, as defined by Section 109925 of the Health and Safety Code.

"Greenhouse" means a permanent enclosed structure for the propagation and growing of plants, constructed with a translucent roof and/or walls.

Marijuana. See "Cannabis."

"Person with an identification card" shall have the same definition as set forth in Health and Safety Code Section 11362.5 et seq., and as they may be amended from time to time.

"Physician" shall include licensed medical doctors (M.D.) and doctors of osteopathic medicine (D.O.) as defined in the Business and Professions Code.

"Primary caregiver" shall have the same definition as set forth in Health and Safety Code Section <u>11362.5</u> et seq., and as may be amended.

"Qualified patient" shall have the same definition as set forth in Health and Safety Code Section <u>11362.5</u> et seq., and as they may be amended from time to time. (Ord. 1111, 2018)

17.360.040 Limitations on use.

- A. *Compliance with SMC*. Personal cannabis cultivation and cannabis businesses shall only be allowed in compliance with this chapter and all applicable regulations set forth in the SMC, including but not limited to all regulations governing building, grading, plumbing, septic, electrical, fire, hazardous materials, nuisance, and public health and safety.
- B. *Compliance with State Laws and Regulations*. All cannabis businesses shall comply with all applicable State laws and regulations, as may be amended, including all permit, approval, inspection, reporting and operational requirements, imposed by the State and its regulatory agencies having jurisdiction over cannabis and/or cannabis businesses. All cannabis businesses shall comply with the rules and regulations for cannabis as may be adopted and as amended by any State agency or department including, but not limited to, the Bureau of Cannabis Control, the Department of Food and Agriculture, the Department of Public Health, the Department of Pesticide Regulation, and the Board of Equalization.
- C. Compliance with Local and Regional Laws and Regulations. All cannabis businesses shall comply with all applicable Sonoma County and other local and regional agency regulations, including, but not limited to,

regulations issued by the Regional Water Quality Control Board, the Sonoma County Agricultural Commission, and the Sonoma County Department of Public Health.

D. Cannabis businesses shall provide copies of State, regional and local agency permits, approvals or certificates upon request by the City to serve as verification for such compliance. (Ord. 1111, 2018)

17.360.050 Personal cannabis cultivation.

Personal cannabis cultivation for medical or adult use shall be permitted only in compliance with the provisions of zoning districts and allowable uses (Chapter 17.25 SMC) and shall be subject to the following standards and limitations.

A. Medical Cannabis Maximum Limitation.

- 1. *Personal Cultivation*. The personal cultivation of medical cannabis is limited to no more than 100 square feet per residence regardless of the number of residents.
- 2. *Primary Caregiver Cultivation*. A primary caregiver, as defined in State law, may cultivate medical cannabis exclusively for the personal medical use of no more than five specified qualified patients, with the area of cultivation not to exceed 100 square feet per patient, up to a total of 500 square feet per residence.
 - i. Of the maximum 500 square feet of cultivation permitted, up to 200 square feet may be outdoors, with cultivation area in excess of 200 square feet to be located indoors, and complying with the operational requirements set forth below in subsection $\underline{\mathbf{E}}$ of this section.
- B. Adult Use Cannabis Maximum Limitation. The personal cultivation of adult use cannabis is limited to no more than six mature plants per residence, regardless of the number of residents, and may be grown outdoors or indoors. Any such cultivation shall meet the operational requirements set forth in subsection $\underline{\mathbf{E}}$ of this section.
- C. *Residency Requirement*. Cultivation of cannabis for personal use may occur only by a full-time resident responsible for the cultivation.
- D. *Outdoor Cultivation*. Cannabis plants shall not be located in a front yard, and shall not be located in a street side yard, unless fully screened from public view by a wall or fence complying with height and other requirements of the SMC.
- E. The following operating requirements are applicable to personal cannabis cultivation:
 - 1. *Visibility*. No visible markers or evidence indicating that cannabis is being cultivated on the site shall be visible from the public right-of-way at street level, or from school property.

- 2. *Security*. Cannabis cultivation areas and structures used for cultivation shall have security measures sufficient to prevent access by children or other unauthorized persons.
- 3. *Prohibition of Volatile Solvents*. The manufacture of cannabis products for personal noncommercial consumption shall be limited to processes that are solvent-free or that employ only nonflammable, nontoxic solvents that are recognized as safe pursuant to the Federal Food, Drug and Cosmetic Act. The use of volatile solvents to manufacture cannabis products for personal consumption is prohibited.
- 4. All structures used for personal cannabis cultivation (including accessory structures, greenhouses, and garages) must be legally constructed with all applicable building and fire permits (including grading, building, electrical, mechanical and plumbing) and shall adhere to the development standards within the base zone.
- 5. *Odor Control*. All structures used for cultivation shall be equipped with odor control filtration and ventilation systems as may be necessary to ensure that odors do not constitute a nuisance.
- 6. *Lighting*. Interior and exterior lighting shall utilize best management practices and technologies for reducing glare, light pollution, and light trespass onto adjacent properties and the following standards:
 - i. Exterior lighting systems shall be provided for security purposes in a manner sufficient to provide illumination and clear visibility to all outdoor areas of the premises, including all points of ingress and egress. Exterior lighting shall be stationary, fully shielded, directed away from adjacent properties and public rights-of-way, and of an intensity compatible with the neighborhood. All exterior lighting shall be Building Code compliant.
 - ii. Interior light systems shall be fully shielded, including adequate coverings on windows, to confine light and glare to the interior of the structure.
- 7. *Noise*. Use of air conditioning and ventilation equipment shall comply with Chapter <u>8.25</u> SMC (Noise Control Ordinance). The use of generators is prohibited, except as short-term temporary emergency backup systems.
- 8. All personal cannabis cultivation shall comply with the Best Management Practices for Cannabis Cultivation issued by the Sonoma County Agricultural Commission for management of waste, water, erosion control and management of fertilizers and pesticides.
- 9. If the cultivation occurs in a dwelling unit, the dwelling unit shall be occupied as a residence and retain at all times legal and functioning cooking, sleeping and sanitation facilities.
- 10. If the cultivation occurs in a dwelling unit or other enclosed structure, a portable fire extinguisher that complies with regulations and standards adopted by the State Fire Marshal shall be kept in the area of cultivation. (Ord. 1111, 2018)

17.360.060 Cannabis businesses.

Cannabis businesses shall be permitted only in compliance with the provisions of zoning districts and allowable uses (Chapter 17.25 SMC) and shall be subject to the following standards and limitations:

A. *Land Use*. For purposes of this chapter, cannabis businesses shall include the following land use classifications, which are further defined in SMC 17.360.030, Additional definitions:

- 1. Cannabis cultivation.
- 2. Cannabis testing/lab.
- 3. Cannabis manufacturer (nonvolatile, includes infusions).
 - i. Processing.
 - ii. Packaging and labeling.
- 4. Cannabis cannabis retail (dispensary) and cannabis retail (office-only).
- 5. Cannabis cannabis distributor/warehouse.
- 6. Cannabis microbusiness.
- B. *Where Allowed*. Cannabis businesses shall be located in compliance with the requirements of zoning districts and allowable uses (Chapter <u>17.25</u> SMC) and as designated on Tables 17.360-1 and 17.360-2. With regard to required setbacks of a cannabis business to another land use, the City asserts its right to establish different radius requirements than what is provided by Business and Professions Code Section <u>26054(b)</u>.
- C. Land Use Permit Requirements. The uses that are subject to the standards in this chapter shall not be established or maintained except as authorized by the land use permit required by this chapter. For those business uses not subject to a conditional use permit requirement, an administrative permit is required.
- D. *Development Standards*. The standards for specific uses in this chapter supplement and are required in addition to those in the SMC. In the event of any conflict between the requirements of this chapter and those of other provisions of the SMC, the requirements of this chapter shall control.

Table 17.360-1. Permitted and Conditionally Permitted Cannabis Uses in the Residential Districts

Use	R1	R2	R3	R4	R5	R6	R7	МНР
Cannabis Cultivation – Personal (Adult): No more than 6 mature plants	P	P	P	P	P	P	P	P
Cannabis Cultivation – Personal (Medical): No more than 100 sq. ft.	P	P	P	P	P	P	P	P
Cannabis Cultivation – Primary Caregiver (Medical Only) ⁽¹⁾	P	P	P	P	P	P	P	P

P = Permitted Use

C = Conditionally Permitted Use

- = Use Not Allowed
- (1) No more than 100 sq. ft. per patient, up to 500 sq. ft. Maximum of 200 sq. ft. permitted for outdoor.

Table 17.360-2.	Permitted a	nd Conditionall	y Permitted	Cannabis	Uses in th	ne Commercial,	Office and
		Ir	ndustrial Zo	nes			

Use	СО	CG	CD	СМ	M	O/LM
Commercial Uses	1	,	1	1	1	
Cannabis Retailer Delivery (office-only)		С	-	С	-	С
Cannabis Retail Dispensary	С	С	С	С	С	С
Cannabis Cultivation (up to 5,000 sq. ft.) indoor only	-	-	-	P ⁽¹⁾	P ⁽¹⁾	P ⁽¹⁾
Cannabis Cultivation (5,001 – 10,000 sq. ft.) indoor only	-	-	-	P ⁽¹⁾	P ⁽¹⁾	P ⁽¹⁾
Cannabis Cultivation (10,001+ sq. ft.) indoor only		-	-	С	С	С
Cannabis Cultivation Nursery, indoor only	-	-	-	P ⁽¹⁾	P ⁽¹⁾	P ⁽¹⁾
Cannabis Microbusiness	-	С	-	С	С	С
Industrial Uses		•	<u> </u>	,	- 1	-
Cannabis Testing / Cannabis Laboratories	-	С	-	P ⁽¹⁾	P ⁽¹⁾	P ⁽¹⁾
Cannabis Manufacturer (nonvolatile and infused products)		-	-	P ⁽¹⁾	P ⁽¹⁾	С
Cannabis Distributor / Cannabis Warehouse	-	-	-	С	С	P ⁽¹⁾
Cannabis Processing, Packaging and Labeling		-	-	P ⁽¹⁾	P ⁽¹⁾	С
Residential Uses	<u>.</u>				•	
Cannabis Cultivation – Personal (Adult): No more than 6 mature plants		P ⁽²⁾				
Cannabis Cultivation – Personal (Medical): No more than 100 sq. ft.	P ⁽²⁾					
Cannabis Cultivation – Primary Caregiver (Medical Only) ⁽³⁾		P ⁽²⁾				
P = Permitted Use	<u> </u>	1	l .	1		l

Use	co	CG	CD	CM	M	O/LM

C = Conditionally Permitted Use

- = Use Not Allowed
- (1) For cannabis-related permitted uses, zoning clearance is still required.
- (2) Only applicable at residences.
- $^{(3)}$ No more than 100 sq. ft. per patient, up to 500 sq. ft. Maximum of 200 sq. ft. permitted for outdoor.

(Ord. 1111, 2018)

17.360.070 General operating requirements.

The following general operating requirements are applicable to all cannabis businesses. In addition, requirements specific to each cannabis business subtype are separately set forth in this chapter.

- A. *Dual Licensing*. The City recognizes that State law requires dual licensing at the State and local level for all cannabis businesses. Cannabis operators shall therefore be required to diligently pursue and obtain a State medical cannabis or cannabis license at such time as the State begins issuing such licenses, and shall comply at all times with all applicable State licensing requirements and conditions, including, but not limited to, operational standards such as, by way of illustration but not limitation, background checks, prior felony convictions, restrictions on multiple licenses and license types, and locational criteria.
 - 1. New Operators. Cannabis businesses which have received land use permit approval pursuant to this chapter after the State begins issuing State licenses and after the 10-month transition period noted in this subsection A shall not be allowed to commence operations until the cannabis business can demonstrate that all necessary State licenses and agency permits have been obtained in compliance with any deadlines established by the State.
 - 2. Existing Permitted Operators. Cannabis businesses which have received land use permit approval prior to the adoption of this chapter shall be required to comply with all operational requirements set forth in this chapter.
 - 3. Grounds for Revocation. Once State licenses and agency permits become available, failure to demonstrate dual licensing in accordance with this chapter and within any deadlines established by State law shall be grounds for revocation of City approval. Revocation of a local permit and/or a State license shall terminate the ability of the cannabis business to operate until a new permit and/or State license is obtained.

B. Minors.

- 1. It is unlawful for any cannabis operator to employ any person who is not at least 21 years of age, unless otherwise allowed for through State law.
- 2. Cannabis businesses (medical) shall only allow on the premises a person who is 21 years of age or older, unless they are a qualified patient or primary caregiver, and they are in the presence of their parent or guardian for the first visit, or are of age to legally consent to medical treatment.
 - a. The entrance to a cannabis business (medical) shall be clearly and legibly posted with a notice indicating that persons under the age of 21 are precluded from entering the premises unless they are a

- qualified patient or primary caregiver, and they are in the presence of their parent or guardian for the first visit or are of age to legally consent to medical treatment.
- 3. Cannabis businesses (adult use) shall only allow on the premises a person who is 21 years of age or older and who possesses a valid government-issued photo identification card.
 - a. The entrance to a cannabis business (adult use) shall be clearly and legibly posted with a notice indicating that persons under the age of 21 are precluded from entering the premises.
- C. *Inventory and Tracking*. Cannabis operators shall at all times operate in a manner to prevent diversion of cannabis and shall promptly comply with any track and trace program established by the State.
- D. *Multiple Permits per Site*. Multiple cannabis businesses proposed on any one site or parcel shall be granted permit approval only if all of the proposed cannabis businesses and their co-location are authorized by both local and State law. Cannabis operators issued permits for multiple license types at the same physical address shall maintain clear separation between license types unless otherwise authorized by local and State law.
- E. *Building and Fire Permits*. Cannabis operators shall meet the following requirements prior to commencing operations:
 - 1. The cannabis operator shall obtain a building permit to confirm with the appropriate occupancy classification and compliance with SMC Title <u>15</u>.
 - 2. The cannabis operator shall obtain all annual operating fire permits with inspections prior to operation.
 - 3. The cannabis operator shall comply with all applicable health and social care and fire code requirements related to the storage, use and handling of hazardous materials and the generation of hazardous waste. Cannabis operators shall also obtain all required Certified Unified Program Agency (CUPA) permits including completing a California Environmental Reporting System (CERS) submission for hazardous materials inventory that meet or exceed State thresholds and any waste generation for accountability.
 - 4. Access with a Fire Department lock box for keys to gates and doors shall be provided.
- F. *Transfer of Ownership or Operator*. A permittee shall not transfer ownership or operational control of a cannabis business or transfer a permit for a cannabis business to another person unless and until the transferee obtains an administrative permit from the Planning Department verifying compliance with requirements of this chapter and stating that the transferee is now the permittee. The administrative approval clearance shall commit the transferee to compliance with all conditions of the original permit.
- G. Security. Cannabis businesses shall provide adequate security on the premises, including lighting and alarms, to ensure the public safety and the safety of persons within the facility and to protect the premises from

theft. Applications for a cannabis business shall include a security plan that includes the following minimum security plan requirements:

- 1. Security Cameras. Security surveillance video cameras shall be installed and maintained in good working order to provide coverage on a 24-hour basis of all internal and exterior areas where cannabis is cultivated, weighed, manufactured, packaged, stored, transferred, and dispensed. The security surveillance cameras shall be oriented in a manner that provides clear and certain identification of all individuals within those areas. Cameras shall remain active at all times and shall be capable of operating under any lighting condition. Security video must use standard industry format to support criminal investigations and shall be maintained for a minimum of 60 days.
- 2. *Alarm System*. A professionally monitored robbery alarm system shall be installed and maintained in good working condition. The alarm system shall include sensors to detect entry and exit from all secure areas and all windows. Cannabis operators shall keep the name and contact information of the alarm system installation and monitoring company as part of the cannabis business's on-site books and records. Cannabis operators shall identify a local site contact person who will be responsible for the use and shall provide and keep current full contact information to the Sebastopol Police Department as part of the permitting process.
- 3. Secure Storage and Waste. Cannabis products and associated product waste shall be stored and secured in a manner that prevents diversion, theft, loss, hazards and nuisance.
- 4. *Transportation*. Cannabis businesses shall implement procedures for safe and secure transportation and delivery of cannabis, or cannabis products and currency in accordance with State law.
- 5. *Locks*. All points of ingress and egress to a cannabis business shall be secured with Building Code compliant commercial-grade, nonresidential door locks or window locks.
- 6. *Emergency Access*. Security measures shall be designed to ensure emergency access in compliance with fire code and Sebastopol Fire Department standards.
- H. *Odor Control*. Cannabis businesses shall incorporate and maintain adequate odor control measures such that the odors of cannabis cannot be readily detected from outside of the structure in which the business operates. Applications for cannabis businesses, except for those which only deal with packaged cannabis and have no on-site consumption, shall include an odor mitigation plan certified by a licensed professional engineer or industrial hygienist that includes the following:
 - 1. Operational processes and maintenance plan, including activities undertaken to ensure the odor mitigation system remains functional;
 - 2. Staff training procedures; and
 - 3. Engineering controls, which may include carbon filtration or other methods of air cleansing, and evidence that such controls are sufficient to effectively mitigate odors from all odor sources. All odor

mitigation systems and plans submitted pursuant to this subsection shall be consistent with accepted and best available industry-specific technologies designed to effectively mitigate cannabis odors.

- I. *Lighting*. Interior and exterior lighting shall utilize best management practices and technologies for reducing glare, light pollution, and light trespass onto adjacent properties and the following standards:
 - 1. Exterior lighting systems shall be provided for security purposes in a manner sufficient to provide illumination and clear visibility to all outdoor areas of the premises, including all points of ingress and egress. Exterior lighting shall be stationary, shielded, directed away from adjacent properties and public rights-of-way, and of an intensity compatible with the neighborhood. All exterior lighting shall be Building Code compliant.
 - 2. Interior light systems shall be shielded to appropriately limit exterior glare to surrounding properties.
- J. *Noise*. Use of air conditioning and ventilation equipment shall comply with Chapter <u>8.25</u> SMC (Noise Control Ordinance). The use of generators is prohibited, except as short-term temporary emergency back-up systems.

K. Staff Training.

- 1. All cannabis businesses shall implement a staff training program. Required training shall be provided to all new employees, and annual employee training shall also be conducted. Records of such training shall be maintained and provided to the Police Department upon request. Such program shall include the following minimum elements:
 - a. Applicable State laws and regulations.
 - b. Applicable City laws, regulations, and conditions of approval.
 - c. Applicable Sonoma County Health Services laws and regulations.
 - d. Information concerning civil, criminal and administrative liability.
 - e. Procedures for preventing and refusing access, sales, and service to minors and obviously intoxicated patrons.
 - f. Procedures for checking legally acceptable forms of identification.
 - g. Safety and security procedures.
 - h. Incident reporting, law enforcement liaison policies.
 - i. Good neighbor policies.
- 2. At the time a Planning application is made for any new cannabis businesses, the applicant shall provide a proposed staff training program, complying with subsection (K)(1) of this section, for the

review and approval of the Police Department. Police Department acceptance of the training program is required prior to issuance of a Planning approval for a new business. If not previously provided, existing cannabis businesses shall provide such program for Police Department review within 30 days from any permit modification. (Ord. 1111, 2018)

17.360.080 Cannabis commercial cultivation.

In addition to the general operating requirements set forth in this chapter, this section provides additional requirements for cannabis commercial cultivation.

- A. *Outdoor Commercial Cultivation Prohibited*. The cultivation of cannabis for commercial use may only be conducted within a fully enclosed space.
- B. *Type of Permit*. Depending on the size of the facility, and in accordance with the tables in SMC 17.360.060, administrative approval or a conditional use permit shall be required for cannabis commercial cultivation. For purposes of determining the facility size, square footage shall be defined by calculating the gross square footage of the structure or portion of the structure occupied by the cannabis business, not the plant canopy area. For purposes of these regulations, nursery means a use that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.
- C. *Microbusiness*. In addition to compliance with permit and operating requirements set forth in this chapter for cannabis cultivation, a cannabis microbusiness which includes cultivation, manufacturing, distribution and/or retail within one State license shall comply with all permit and operating requirements set forth in this chapter for cannabis manufacturing, distribution, and/or retail (dispensary) and delivery as applicable to the combination of uses within the license. Microbusinesses shall be subject to the City's limits on the maximum number of cannabis retail facilities.
- D. *Pesticides*. The cultivation of cannabis must be conducted in accordance with all applicable Federal, State, and local laws and regulations governing the use of pesticides. Any fumigation or insecticidal fogging shall comply with the fire code. (Ord. 1111, 2018)

17.360.090 Cannabis manufacturing – Includes regulations regarding processing, packaging and labeling.

In addition to the general operating requirements set forth in this chapter, this section provides additional operational requirements for cannabis manufacturing.

- A. *Extraction Processes*. Cannabis manufacturers shall utilize only extraction processes that are (1) solvent-free or that employ only nonflammable, nontoxic solvents that are recognized as safe pursuant to the Federal Food, Drug, and Cosmetic Act, and/or (2) use solvents exclusively within a closed loop system that meets the requirements of the Federal Food, Drug, and Cosmetic Act including use of authorized solvents only, the prevention of off-gassing, and certification by a State licensed engineer.
- B. Processing: entities that conduct only trimming, drying, curing, grading or packaging of cannabis and nonmanufactured cannabis products. Processing does not involve any cultivation or manufacturing.
- C. Packaging and labeling: entities that only package or repackage medical cannabis products or label or relabel the cannabis product container. Can package and label for other licensees.
- D. *Loop Systems*. No closed loop systems shall be utilized without prior inspection and approval of the City's Building Official and Fire Chief.
- E. *Standard of Equipment*. Extraction equipment, manufacturing, processing and analytical testing devices used by the cannabis manufacturer must be UL (Underwriters Laboratories) listed or otherwise certified by an approved third-party testing agency or licensed professional engineer and approved for the intended use by the City's Building Official and Fire Chief.
- F. Annual Recertification Required. Extraction equipment used by the cannabis manufacturer must be recertified annually and a report by a licensed professional engineer on the inspection shall be maintained on site.
- G. Food Handler Certification. All owners, employees, volunteers or other individuals that participate in the production of edible cannabis products must be State certified food handlers. The valid certificate number of each such owner, employee, volunteer or other individual must be on record at the cannabis manufacturer's facility where that individual participates in the production of edible cannabis products.
- H. *Edible Product Manufacturing*. Cannabis businesses that sell or manufacture edible cannabis or cannabis products shall obtain a Sonoma County Health permit. Permit holders shall comply with Health and Safety Code Section 113700 et seq. and Sonoma County Health permit requirements. These requirements provide a system of prevention and overlapping safeguards designed to minimize foodborne illness, ensure employee health, demonstrate industry manager knowledge, ensure safe food preparation practices and delineate acceptable levels of sanitation for preparation of edible products. (Ord. 1111, 2018)

17.360.100 Cannabis retail.

- Type 1: Medical cannabis retail (dispensary).
- Type 2: Adult use cannabis retail (dispensary).

- Type 3: Cannabis retail delivery (office-only for medical or adult use).

In addition to the general operating requirements set forth in this chapter, this section provides location and operating requirements for medical cannabis retail (dispensary), adult use cannabis retail (dispensary) and retail delivery (office-only for medical or adult use).

- A. *Conditional Use.* A conditional use permit shall be required to operate cannabis retail Types 1 and 2 above in accordance with the tables in SMC <u>17.360.060</u>.
- B. *Delivery Services*. In addition to the requirements established in this chapter for cannabis retail Types 1, 2, and 3, the delivery of cannabis and cannabis products shall be subject to the following requirements:
 - 1. Commercial delivery at locations outside a permitted cannabis retail facility may be specifically permitted in conjunction with a permitted cannabis retail facility that has a physical location in the City.
 - 2. A cannabis retail facility, office-only (Type 3), that has a physical location in the City may also conduct sales exclusively by delivery, and shall have no on-site retail sales to customers.
 - 3. Applications for any cannabis retail type shall include a statement as to whether the use will include delivery of cannabis and cannabis products located outside the cannabis retail facility.
 - 4. If delivery services will be provided, the application shall describe the operational plan and specific extent of such service, security protocols, and how the delivery services will comply with the requirements set forth in this chapter and State law.
- C. *Drive-Through Services*. Drive-through or walk-up window services in conjunction with cannabis retail Types 1, 2, and 3 are prohibited.
- D. Location Requirements. Cannabis retail shall be subject to the following location requirements:
 - 1. No more than two Type 1, two Type 2, and three Type 3 cannabis retail establishments are permitted in the City. Type 2 cannabis retail may only occur at an existing Type 1 medical cannabis retail establishment that has obtained and maintained a valid conditional use permit, provided such establishment meets the following requirements: comply with all requirements set forth in this chapter; and obtain State licenses for both medical and adult use commercial sales.
 - a. Such existing establishments are not required to obtain a new conditional use permit for Type 2 retail sales.
 - b. To the extent that such existing establishments have conditional use permits that have conditions in conflict with this chapter, the provisions of this chapter shall prevail.
 - c. To the extent that such existing establishments have conditions limiting square footage, the Planning Director may approve up to a 10 percent increase in square footage; any greater increase, or a relocation of the facility, shall require conditional use permit approval.

- d. Subject to any State permitting, Types 1, 2, and 3 establishments may engage in both medical and nonmedical cannabis sales.
- 2. *Setback to Schools*. Cannabis retail, all types, shall be subject to a 600-foot minimum setback from any "school," as defined by the Health and Safety Code Section <u>11362.768</u>.
- 3. *Measurement of Distance*. The distance between cannabis retail, all types, and a school shall be made in a straight line from the boundary line of the property on which the cannabis retail is located to the closest boundary line of the property on which a school is located.
- 4. *Location of a New School after Permit Issued*. Establishment of a school within the required setback of a cannabis retail, all types, facility after such facility has obtained a conditional use permit for the site shall render the cannabis retail facility legal nonconforming and subject to the protections and provisions of Chapter 17.160 SMC (Nonconforming Uses).
- 5. *Visibility of Entrance*. The entrance of a cannabis retail, Types 1 and 2, shall be in a visible location that provides an unobstructed view from the public right-of-way.
- E. Edible Products. Cannabis businesses that sell or manufacture edible cannabis products shall obtain a Sonoma County Health permit. Permit holders shall comply with Health and Safety Code Section 13700 et seq. and Sonoma County Health permit requirements. These requirements provide a system of prevention and overlapping safeguards designed to minimize foodborne illness, ensure employee health, demonstrate industry manager knowledge, ensure safe food preparation practices and delineate acceptable levels of sanitation for preparation of edible products.
- F. *Operational Requirements*. In addition to project specific conditions of approval, cannabis retail shall comply with the following operational requirements:
 - 1. *Employees*. The cannabis retail operator, all types, shall maintain a current register of the names of all employees employed by the cannabis retailer, and shall disclose such register for inspection by any City officer or official for purposes of determining compliance with the requirements of this section.
 - 2. *Management*. Permit applicants shall be responsible for providing the names of the person or persons having management or supervision responsibility of the applicant's business at the time of application.
 - 3. *Recordkeeping*. The cannabis retail operator, all types, shall maintain patient and sales records in accordance with State law.
 - 4. *Protocols and Requirements for Patients and Persons Entering the Site*. No person shall be permitted to enter a cannabis retail facility, all types, without government issued photo identification. Cannabis businesses shall not provide cannabis or cannabis products to any person, whether by purchase, trade, gift or otherwise, who does not possess a valid government-issued photo identification card.

- 5. *Hours of Operation*. Cannabis retail, all types, may operate between the hours of 7:00 a.m. to 9:00 p.m. up to seven days per week unless the review authority imposes more restrictive hours due to the particular circumstances of the application. The basis for any restriction on hours shall be specified in the permit.
- 6. Secured Access. A cannabis retail, all types, facility shall be designed to prevent unauthorized entrance into areas containing medical cannabis or medical cannabis products. Limited access areas accessible to only authorized personnel shall be established.
- 7. Secured Products. Cannabis and cannabis products that are not used for display purposes or immediate sale shall be stored in a secured and locked room, safe, or vault, and in a manner reasonably designed to prevent diversion, theft, and loss.
- 8. *Sale and Display of Cannabis Paraphernalia*. No dispensary shall sell or display any cannabis-related paraphernalia or any implement that may be used to administer cannabis or cannabis products unless specifically described and authorized in the conditional use permit. The sale of such products must comply with this title and any other applicable State regulations.
- 9. *On-Site Physician Restriction*. Establishments engaged in the sale of medical cannabis shall not have an on-site or on staff physician to evaluate patients and provide a recommendation for medical cannabis.
- 10. *Site Management*. The cannabis retail operator, all types, shall take reasonable steps to discourage and correct objectionable conditions that constitute a nuisance in parking areas, sidewalks, alleys and areas surrounding the premises and adjacent properties during business hours if directly related to the patrons of the subject retailer. For purposes of this subsection, "reasonable steps" shall include calling the police in a timely manner; and requesting those engaging in nuisance activities to cease those activities, unless personal safety would be threatened in making the request.
- 11. Advertising and Signs. Regardless of any sign allowances in the sign ordinance, a cannabis retail facility, all types, shall not advertise or market cannabis or cannabis products on an off-site advertising sign within 1,000 feet of a day care center, school providing instruction in kindergarten or any grades 1 through 12, playground, or youth center.
- 12. *Display of Permit*. Cannabis retail, all types, shall maintain a copy of its permit on display during business hours and in a conspicuous place so that the same may be readily seen by all persons entering the facility.
- G. *On-Site Consumption*. In addition to the requirements established in this chapter for cannabis retail, the consumption of cannabis and cannabis products shall be subject to the following requirements:
 - 1. *Patients and Customers*. Patients of a Type 1 cannabis retail and customers of a Type 2 cannabis retail shall not be permitted to consume cannabis on the site of the facility, except as permitted in accordance with Chapter 8.04 SMC (Use of Tobacco in Public Places Smoking Control) and State law and as follows:

- a. Conditional use permit applications for Type 1 medical cannabis retail or Type 2 adult use cannabis retail shall include a statement as to whether the use is proposed to include on-site consumption by patients or customers of cannabis and cannabis products.
- b. If on-site consumption is proposed, the application shall describe the operational plan and specific extent of such provision, security protocols, and how the consumption will comply with the requirements set forth in this chapter and State law.
- c. The Planning Commission will determine if the request is appropriate and authorized, as part of acting on the conditional use permit application.
- 2. *Employees*. Employees of a cannabis retail facility, all types, who are qualified patients may consume medical cannabis or medical cannabis products on site within designated spaces not visible by members of the public; provided, that such consumption is in compliance with Chapter <u>8.04</u> SMC (Use of Tobacco in Public Places Smoking Control) and State law.
- 3. Signs Regarding Public Consumption. The entrance to a cannabis retail facility, all types, shall be clearly and legibly posted with a notice indicating that smoking and vaping of cannabis is prohibited on site or in the vicinity of the site except as permitted in accordance with Chapter 8.04 SMC (Use of Tobacco in Public Places Smoking Control) and State law.
- H. *Restriction on Ownership*. No company or parent company shall simultaneously own or operate more than one Type 1, one Type 2, and one Type 3 facility in the City. (Ord. 1111, 2018)

17.360.110 Cannabis special events.

- A. *Dual Licensing*. The City recognizes that State law requires cannabis businesses to obtain dual licensing at the State and local level for temporary special events that involve on-site cannabis sales to, and consumption by, patients or qualifying adults with valid identification. Such events shall not be allowed to commence until the cannabis business can demonstrate that all necessary local permits, State temporary event licenses, agency permits, and as necessary, a temporary use permit or a special events permit, as applicable, have been obtained in compliance with any regulations and deadlines established by the City and the State.
- B. *Temporary Use Permit, Special Events Permit.* Applications for a cannabis special event shall be filed in a timely manner in accordance with Chapter 17.430 SMC (Temporary Use Permits includes special events), or a special events permit pursuant to Chapter 12.44 SMC (Special Events), depending on the nature and location of the event. Applicants are advised to confirm State allowance for such event prior to filing of a City application.

Not more than four such events shall be permitted in any calendar year, and no single operator shall be permitted to conduct more than two such events per year. (Ord. 1111, 2018)

17.360.120 Special findings.

In addition to the conditional use permit findings specified in Chapter 17.415 SMC, applications subject to a conditional use permit requirement shall also be evaluated in regard to the following criteria, which may also be utilized by the approving authority to rank applications where there are multiple applicants for a limited number of allowances.

- A. Appropriateness of site and building for the use, including but not limited to adequacy of pedestrian and vehicle circulation, parking, and other aspects.
- B. Compatibility with surrounding uses.
- C. Experience and qualifications of the applicant.
- D. Operational, security, safety, noise, and odor control plans and improvements.
- E. Suitable site and building design and improvements.
- F. Whether the application will result in an overconcentration of such uses within the community.
- G. Energy conservation and other environmental aspects. (Ord. 1111, 2018)

17.360.130 Grounds for permit revocation or modification.

In addition to the grounds in SMC <u>17.400.090</u> (Term, adherence to approved plans and conditions, and revocation of permits), the review authority may require modification, discontinuance or revocation of a cannabis business permit if the review authority finds that the use is operated or maintained in a manner that it:

- A. Adversely affects the health, peace or safety of persons living or working in the surrounding area; or
- B. Contributes to a public nuisance; or
- C. Has resulted in repeated nuisance activities including disturbances of the peace, illegal drug activity, diversion of cannabis or cannabis products, public intoxication, smoking in public, harassment of passerby, littering, or obstruction of any street, sidewalk or public way; or
- D. Violates any provision of the SMC or condition imposed by a City-issued permit, or violates any provision of any other local, State, regulation, or order, including those of State law or violates any condition imposed by permits or licenses issued in compliance with those laws. (Ord. 1111, 2018)

17.360.140 Planning Commission interpretation.

This chapter shall supersede and rescind the October 24, 2017, Zoning Ordinance Interpretation approved by the Planning Commission regarding cannabis uses. (Ord. 1111, 2018)

17.360.150 Rescission of urgency ordinance.

Upon its effective date, this chapter shall supersede and rescind Ordinance No. <u>1107</u>, which established temporary cannabis regulations. Permits that were granted under such ordinance and are not in conflict with this chapter shall remain effective. (Ord. 1111, 2018)

17.360.160 Severability.

If any section, subsection, sentence, clause, phrase or word of this chapter is for any reason held to be invalid and/or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. (Ord. 1111, 2018)

The Sebastopol Municipal Code is current through Ordinance 1142, and legislation passed through May 17, 2022.

Disclaimer: The City Clerk's Office has the official version of the Sebastopol Municipal Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

<u>City Website: www.ci.sebastopol.ca.us</u> <u>Code Publishing Company</u>