CITY OF
CLOVERDALE

AGENDA
SPECIAL MEETING OF THE CITY COUNCIL AND
JOINT MEETING OF THE CLOVERDALE COMMUNITY DEVELOPMENT SUCCESSOR AGENCY BOARD OF DIRECTORS

MONDAY, NOVEMBER 28, 2016

PUBLIC BUSINESS SESSION: 6:30 p.m.
PUBLIC BUSINESS SESSION LOCATION: CLOVERDALE VETERANS MEMORIAL BUILDING
205 WEST FIRST STREET, CLOVERDALE, CA 95425

The Cloverdale City Council welcomes you to its meetings that are typically scheduled for the 2nd and 4th Tuesday of the month. Your interest and participation are encouraged and appreciated. ***Please silence all pagers, cellular telephones and other communications devices upon entering the meeting.***

ADDRESSING THE CITY COUNCIL:

When asked to do so by the Mayor, those wishing to address the City Council are asked to step up to the podium. Speak directly into the microphone so everyone in the audience can hear your comments and so they'll be recorded into the official record. State your name and City of Residence for the record. Per City Council Policy, three (3) minutes are typically allotted to each speaker. However, Council may at its discretion revise the amount of time allotted. Public comments will normally be received after staff presentations on an agenda item and before the City Council starts deliberations. A Talking Tips sheet is available for your use.

We may disagree, but we will be respectful of one another.
All comments will be directed to the issue at hand, and addressed to the City Council.
Personal attacks are unacceptable.

DISABLED OR SPECIAL NEEDS ACCOMMODATION: In compliance with the Americans with Disabilities Act, if you need assistance to attend or participate in a City Council meeting, please contact the City Clerk's office at 894-2521. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

WAIVER WARNING: If you challenge decisions/directions of the City Council in court, you may be limited to raising only those issues you or someone else raised at public hearings(s) described in this Agenda, or in written correspondence delivered to the City of Cloverdale at, or prior to, the public hearing(s).

CONVENE PUBLIC BUSINESS SESSION – 6:30 p.m.

OPENING:

- Call to Order
- Pledge of Allegiance
- Roll Call
- Conflict of Interest Declaration
- Agenda Review – Regular Session (Changes and/or Deletions)

PUBLIC COMMENTS:

Any person wishing to speak to the City Council on any item not listed on the agenda may do so at this time. Members of the public have the right to speak on any items on the Council Agenda during that item. Pursuant to the Brown Act, the City Council is not allowed to consider issues or take action on any item not listed on the agenda. Each person wishing to speak must go to the podium when advised by the Mayor and speak directly into the microphone.

CONSENT:

All items under Consent Calendar will be considered together by one action of the Council unless any Council Member or member of the public requests that an item be removed and considered separately.

1. **Motion Order to Approve the Mayor's Appointment of Shawn Bovee as Regular Members of the City of Cloverdale's Planning Commission to fill the regular position on the Commission vacated by Commissioner Lou Enge** – Kelley (*Pages 1-3)*

NEW BUSINESS:

2. **Discussion of Draft Ordinance Allowing and Regulating Commercial Medical Cannabis Uses and Regulating the Cultivation of Medical and Non-Medical Cannabis** – Cramer, Cayler, Sanchez (*Pages 5-26)*

3. **Resolution No, 088-2016, of the City Council of the City of Cloverdale opposing the approval of cannabis dispensaries by the County of Sonoma outside of Cloverdale's City Limits within the City of Cloverdale's LAFCO approved Sphere of Influence** – Kelley (*Pages 27-34)*

Recommendation: Staff recommends the Council adopt Resolution No. 088-2016, opposing the approval of cannabis dispensaries by the County of Sonoma outside of Cloverdale's City Limits within the City of Cloverdale's LAFCO approved Sphere of Influence.

ADJOURNMENT: Adjourn to a regular meeting of the City Council and Cloverdale Community Development Successor Agency, Tuesday, December 13, 2016, for Closed Session at 5:30 p.m. (at the City Hall Conference Room 124 N. Cloverdale Blvd., Cloverdale, CA 95425) and Public Business Session at 6:30 p.m. (at the Cloverdale Performing Arts Center 209 N. Cloverdale Blvd., Cloverdale, CA 95425).

The City does not transcribe its proceedings. Anyone who desires a verbatim record of this meeting should arrange for attendance by a court reporter or for other acceptable means of recordation. Such arrangements will be at the sole expense of the individual requesting the recordation. Questions about this agenda should be directed to City Hall at 707/894-2521. State of California, County of Sonoma, City of Cloverdale. CERTIFICATION I, Paul Cayler, do hereby declare under penalty of perjury that the foregoing agenda was posted on the outdoor bulletin board at the City Hall, 124 N. Cloverdale Blvd., Cloverdale, California, and made available for public review, prior to or on this 23rd day of November, 2016, at or before 5:00 p.m.

Paul Cayler

Paul Cayler, City Manager

AB343 Requirements: Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection in the City Hall offices located at 124 N. Cloverdale Blvd., Cloverdale CA 95425 during normal business hours.

CITY OF CLOVERDALE

City Council/Successor Agency Agenda Item Summary

Agenda Item:	1
Meeting Date:	November 28, 2016

Agenda Section	**Staff Contact**
Consent	David J. Kelley, Assistant City Manager/Comm. Dev. Director

Agenda Item Title

Motion Order to Approve the Mayor's Appointment of Shawn Bovee as Regular Members of the City of Cloverdale's Planning Commission to fill the regular position on the Commission vacated by Commissioner Lou Enge.

Background

According to Cloverdale Municipal Code (CMC) Section 2.36.10, the Planning Commission consists of five regular members, not officials of the city, to be appointed by the Mayor with the approval of the City Council. In addition to the five regular members, two resident alternate commissioners serve for a term of two (2) years. The current membership including appointment date and term expiration of the Planning Commission is identified in Table 1 below.

Table 1 – City of Cloverdale Planning Commission Membership

Name of Commissioner	Member	Date Appointed	Term Expires
Bob Bialon	Regular	March 22, 2016	March 22, 2020
Mike Shanahan	Regular	May 14, 2014	June 30, 2018
Roy Domke, Jr.	Regular	July 26, 2016	June 30, 2020
Lou Enge	Regular	July 26, 2016	June 30, 2020
Jimmy Halliday	Regular/non-resident	August 13, 2014	June 30, 2019
Shawn Bovee	Alternate	June 10, 2015	June 30, 2017
Jason Turner	Alternate	March 22, 2016	March 22, 2018

Summary

On November 11th, Commissioner Lou Enge submitted an e-mail (Attachment 1) indicating her intent to resign from the Planning Commission. Mayor Brigham requested the appointment of Alternative Commissioner Shawn Bovee to fill resigning Commissioner Enge's term. Vice Mayor Wolter confirmed his support for the appointment of Alternative Commissioner Shawn Bovee to a regular position. Appointment of Alternate Commissioner Bovee to a regular position on the Commission will ensure that five regular members of the Planning Commission are available for the next Planning Commission meeting scheduled on December 6, 2016. Upon appointment of Alternate Commissioner Bovee to a regular position, it will be necessary to fill the vacant alternate position. Staff will coordinate with the current Mayor on the proposed appointment of an additional alternate member and will subsequently seek the Council approval of the Mayor's proposed appointee at a future Council meeting.

Options

1.) Approve Mayor Brigham's appointment to the Planning Commission; 2.) Select another member of the community to fill the vacancy created by Loue Enge's resignation; or 3.) Provide additional direction to Staff.

Budget/Financial Impact

There is no budget or financial impact associated with the proposed Planning Commission Appointment.

Subcommittee Recommendation

N/A

Recommended Council Action

Approve the appointment of Alternate Commissioner Bovee to fill the regular position on the Commission vacated by Commissioner Lou Enge with a term ending June 30, 2020.

Attachments:

1. Letter (e-mail) of Resignation from Ms. Lou Enge

cc:

Attachment 1 - Lou Enge Resignation Letter

From: Lou Enge
Sent: Friday, November 11, 2016 11:22 AM
To: David Kelley; Mary Ann Brigham; Paul Cayler
Subject: From Lou Enge, Planning Commissioner

Greetings Maryann, Paul and David,
I hope you are each well.

It is with some ambivalence that I am now formally communicating my intention to leave the Planning Commission for the time being.

My daughter has two toddlers and is now pregnant with a third, due in March. Because of this, I am spending most of my time in Petaluma and the East Bay.

I do plan to engage in civic volunteer projects, maybe focused on affordable housing, in Cloverdale and still own a home and have many friends here.

Please do keep me on your e-mail lists for updates. I look forward to re-engaging more fully in the future.

Thank you for working with me!

Lou Enge
Realtor
Keller Williams

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CITY OF CLOVERDALE

City Council Agenda Item Summary

Agenda Item: 2
Meeting Date: November 28, 2016

Agenda Section	**Staff Contact**
New Business	Stephen Cramer, Chief of Police Paul Cayler, City Manager Jose M. Sanchez, City Attorney

Agenda Item Title

Discussion of Draft Ordinance Allowing and Regulating Commercial Medical Cannabis Uses and Regulating the Cultivation of Medical and Non-Medical Cannabis

Background

Per direction of the City Council, Staff has been working on an ordinance allowing and regulating commercial medical cannabis uses. This includes dispensaries, cultivation, manufacturing, testing, storage, distribution, and delivery uses. Earlier this year the City Council adopted an ordinance clarifying regulations for the cultivation of medical cannabis in a detached structure for personal use. That ordinance also allows for the cultivation of 3 plants outdoors or indoors for personal medical use without a permit. The ordinance however did not allow for commercial uses.

The State enacted the Medical Marijuana Regulation and Safety Act (MMRSA) on September 11, 2015 (SB 643, AB 266, and AB 243), instituting a comprehensive state-level licensure and regulatory scheme for cultivation, manufacturing, distribution, transportation, laboratory testing, and dispensing of medical cannabis through numerous changes and additions to the Business & Professions Code and the Health and Safety Code. MMRSA legalizes and regulates for-profit commercial activity related to medical marijuana in California. MMRSA provides that cities and counties retain local regulatory authority over medical cannabis. On June 27, 2016 the Governor signed SB 837, changing the term “marijuana” to “cannabis” and renaming MMRSA the Medical Cannabis Regulation and Safety Act (“MCRSA”).

MCRSA provides the regulations necessary for local agencies to regulate commercial medical cannabis businesses. The attached draft Ordinance would allow for certain commercial medical cannabis businesses in the City and require them to comply with regulations and licensing required under MCRSA and additional regulations imposed by the Ordinance.

In preparing the draft Ordinance, Staff took into consideration input from the City Council, the Council subcommittee on cannabis and individuals in the cannabis industry. One point that was made was that having some uniform standards, at least regionally, would helpful for businesses and people wanting to engage in medical cannabis businesses in Sonoma County. Given this feedback, Staff analyzed Sonoma County’s proposed ordinance and incorporated many of its requirements. The hope is to move towards as much of a regional approach as possible, however, making sure to tailor any ordinance to fit Cloverdale’s needs, expectations, and General Plan goals.

The attached draft Ordinance is only a draft and intended to continue the conversation. Many of the sections under the Ordinance simply contain a note for discussion. The Ordinance allows for applicants to obtain a City issued cannabis permit for medical cannabis-related businesses under State license Types 1, 1A, 1B, 2, 2A, 2B, 4, 6, 7 (possibly), 8, 10, 11, & 12. Staff is looking for Council to provide further direction so that Staff can continue finalizing the Ordinance.

Further, on November 8, 2016, California voters passed Proposition 64, the Control, Regulate, and Tax Adult Use of Marijuana Act (“AUMA”), legalizing recreational marijuana use for adults 21 and older with certain restrictions. City Staff will provide a brief overview of the new recreational marijuana laws as they relate to Cloverdale and the draft Ordinance.

Summary

The updated cannabis ordinance, if approved, would replace in its entirety the cannabis ordinance adopted in January, 2016. All cannabis regulations would be found under one Chapter in the Cloverdale Municipal Code (Zoning Code). The following is a summary of highlights of the updated draft cannabis Ordinance:

Standards for All Commercial Cannabis Uses – Medical:

The updated draft Ordinance sets forth the standards for all commercial medical cannabis uses. The draft Ordinance provides the development, operating, and permit standards for all commercial medical cannabis uses to ensure neighborhood compatibility, minimize potential environmental impacts, mitigate potential nuisances, provide safe access to medicine and provide opportunities for economic development. This section applies to commercial medical cannabis cultivation, dispensaries, manufacturing testing, storage, distribution, and delivery uses.

Priority for scoring of permit applications for medical cannabis operations shall be given to (a) applications that demonstrate that the person operating the cannabis use or owner(s) of the cannabis use has been an existing cannabis operator in Sonoma County prior to January 1, 2016 and has been doing so in full compliance with any and all state and local regulations; (b) applications that demonstrate that the person operating the cannabis use or owner(s) of the cannabis use have been a resident of Cloverdale prior to January 1, 2015; (c) applications that provide a local preference hiring plan; and (d) applications that score highest on any City Council adopted applicant ranking system.

This Section under the draft Ordinance is intended to provide requirements applicable to all commercial medical cannabis uses; specific regulations for each particular type of commercial use are found in sections specific to the use (i.e. sections on commercial cannabis cultivation, dispensaries, manufacturing, etc.).

Standards for Commercial Cannabis Cultivation – Medical:

The draft Ordinance sets forth the standards for all commercial medical cannabis cultivation. These standards establish development, operating, and permit standards for commercial medical cannabis cultivation activities. The Ordinance covers all commercial medical cannabis cultivation uses and activities, including but not limited to, outdoor, indoor and mixed light or greenhouse cultivation environments and associated drying, curing, grading, and trimming facilities.

Medical cannabis cultivation does not include operations that manufacture cannabis products such as oils, tinctures, or edibles which are classified separately. The Ordinance allows for applicants to obtain a City issued cannabis permit to cannabis-related cultivation businesses under Types 1, 1A, 1B, 2, 2A, 2B, and 4,, as set forth in the MCRSA. The Ordinance highlights the specific zoning restrictions and sensitive area concerns.

Standards for Commercial Medical Cannabis Dispensaries:

The draft Ordinance provides the location, operational, and permit standards for any medical cannabis dispensary within the City in order to promote the health, safety, and general welfare of its residents and businesses. The updated ordinance allows for a maximum of two (2) dispensaries within the City limits. The dispensaries shall not exceed 1,500 square feet, exclusive of office space, restrooms and other non-dispensary retail or educational uses.

Dispensary applicants are required to provide an Operations Plan and a Security Plan. The dispensary permit is renewed yearly. City staff will score applications higher if they meet certain criteria (existing cannabis operator since 1/1/16; Cloverdale business owner, or resident of Cloverdale prior to 1/1/15; local preference

hiring plan).

Under the draft Ordinance: Dispensaries are not allowed on any parcel containing a dwelling unit used as residence. Dispensaries are not allowed within 100 feet of a residential zoning district. Dispensaries are restricted from sensitive areas - no dispensary is allowed within 600 feet of another dispensary, public or private school, or daycare facility. In addition, no dispensary is allowed within 200 feet of a park, library, youth-oriented facility, or church. Dispensaries will be held to strict signage restrictions. No alcoholic beverages will be sold or consumed on the premises. Smoking cannabis is prohibited on or around the premises. Staff will discuss these points with Council to adjust to Council's preference.

Under the draft Ordinance, a dispensary may sell live starter plants, clones and seeds from qualified nurseries, but shall not cultivate or clone cannabis. A dispensary may sell manufactured cannabis, including edible products, and vaporizing devices if allowed by a permit issued by the Department of Health Services. Not more than ten percent (10%) of the floor area, up to a maximum of fifty (50) square feet may be devoted to the sale of incidental goods for personal cultivation or use but shall not include clothing, posters or other promotional items.

The process for issuing the two allowed dispensary permits should be discussed by Council. Staff will present options at the workshop.

Standards for Manufacturing, Testing, Storage, Distribution, and Delivery Commercial Cannabis Uses – Medical:

The draft Ordinance has a section reserved for specific standards for various cannabis-related businesses, including manufacturing, testing, storage, distribution, and delivery. The Ordinance will outline the operating requirements for each of the cannabis-related businesses. Currently Staff is still working on this Section, and looks to Council direction to complete inserting requirements for these businesses to follow.

Personal Cannabis Cultivation – Medical and Nonmedical/Recreational

The draft Ordinance has a placeholder for personal cannabis cultivation of both medial and nonmedical/recreations cannabis. Staff will discuss this with Council given the implications of Proposition 64. A potential option would be to allow 3 plants outdoor and up to 6 plants indoor, plus the permitted structure for medical cannabis and only allow up to 6 plants indoor or in structure with reasonable regulations for recreational cannabis. Staff will be prepared to discuss Proposition 64 at the workshop.

Commercial Cannabis Uses– Nonmedical/Recreational:

Based on prior Council direction, under the draft Ordinance commercial cannabis uses for non-medical cannabis for adult use are prohibited in all zones of the City.

Recommended Council Action

Provide City Staff direction regarding draft Cannabis Ordinance

Attachments

1. Draft Ordinance Allowing and Regulating Commercial Medical Cannabis Uses and Regulating the Cultivation of Medical and Non-Medical Cannabis.

2735417.1

CITY OF CLOVERDALE
CITY COUNCIL
ORDINANCE NO. _____-201_

AN ORDINANCE OF THE CITY OF CLOVERDALE AMENDING TITLE 18, "ZONING," OF THE CLOVERDALE MUNICIPAL CODE, ADDING CHAPTER 18.15, "CANNABIS," TO ALLOW AND REGULATING CERTAIN COMMERCIAL MEDICAL CANNABIS ACTIVITIES AND REGULATING THE CULTIVATION OF MEDICAL AND PERSONAL CANNABIS

WHEREAS,

WHEREAS,

WHEREAS,

NOW, THEREFORE, the City Council of the City of Cloverdale does ordain as follows:

SECTION 1. Findings. The City Council finds and declares the following:

SECTION 2. Amendment to Zoning Code. Title 18 of the Cloverdale Municipal Code, "Zoning," is hereby amended to add Chapter 18.15, "Cannabis," to read as follows:

Chapter 18.15 CANNABIS

Sections:

18.15.010 Purpose and Intent
18.15.020 Definitions
18.15.030 Standards for All Commercial Cannabis Uses – Medical
18.15.040 Standards for Commercial Cannabis Cultivation – Medical
18.15.050 Standards for Commercial Cannabis Dispensaries – Medical
18.15.060 Standards for Manufacturing, Testing, Storage, Distribution, and Delivery Commercial Cannabis Uses– Medical
18.15.070 Personal Cannabis Cultivation – Medical and Nonmedical/Recreational
18.15.080 Permit – Personal Cannabis Cultivation – Medical (Detached Structure)
18.15.090 Commercial Cannabis Uses– Nonmedical/Recreational
18.15.100 Enforcement

18.15.010 Purpose and Intent

[Purpose and Intent will be added]

18.15.020 Definitions

"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 be discovered or developed that has psychoactive or medical properties, whether growing or not, including but

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not limited to the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means marijuana as defined by California Health and Safety Code section 11018, and as defined by California Business and Professions Code section 19300.5(f), as both may be amended from time to time. Cannabis or cannabis product does not mean industrial hemp as defined by California law.

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

[Definitions to be added]

18.15.030 Standards for All Commercial Cannabis Uses – Medical

A. Purpose. This Section provides the development, operating, and permit standards for all commercial medical cannabis uses to ensure neighborhood compatibility, minimize potential environmental impacts, mitigate potential nuisances, provide safe access to medicine, and provide opportunities for economic development. Additional standards may apply to particular commercial medical cannabis uses, as established in other Sections of this Chapter.

B. Applicability. Commercial medical cannabis uses shall be permitted only in compliance with the requirements of Chapter 18.15 of the Cloverdale Municipal Code ("Cannabis"), state law and all other applicable requirements for the specific type of use and those of the underlying base zone.

C. Limitations on Use. Commercial medical cannabis uses shall only be allowed in compliance with Chapter 18.15, and all applicable codes set forth in the Cloverdale Municipal Code, including but not limited to: building, plumbing, electrical, fire, hazardous materials, and public health and safety. The operator shall comply with all laws and regulations applicable to the type of use, and shall comply with all permit, license, approval, inspection, reporting and operational requirements of other local, state or other agencies having jurisdiction over the type of operation. The operator shall provide copies of other agency and department permits, licenses, or certificates to the review authority to serve as verification for such compliance.

D. Property Owner Consent. Permits for commercial medical cannabis uses shall only be issued where notarized, written permission from the property owner or landlord is provided.

E. Non-Medical/Recreational Commercial Cannabis Uses Prohibited. Commercial cannabis uses for non-medical/recreational cannabis for adult use are prohibited in all zones of the City.

F. Development Standards.

1. **Building Requirements.** All structures used in commercial medical cannabis uses require a building permit and shall comply with all applicable sections of the

Cloverdale Municipal Code. Commercial medical cannabis uses that provide access to the public including, but not limited to, employees, vendors, contractors, business partners, members, customers or patients shall meet Cloverdale Municipal Code requirements for accessibility including accessible parking, accessible path of travel, restrooms, and washing facilities.

2. **Hours of Operation:** Hours of operation for commercial medical cannabis uses are established in sections below pertaining to each particular use category.

3. **Odor Control and Ventilation.** Commercial cannabis uses shall comply with all current and future state laws and regulations related to odor control and ventilation, in addition to any specific requirements for the particular use established in this Chapter. No commercial cannabis use may operate in a manner whereby cannabis odors are detectable from adjacent and nearby properties. All commercial cannabis uses must install a ventilation system that adequately controls for odor, humidity, and mold.

4. **Property setbacks.** Property setbacks for commercial medical cannabis uses are established in sections below pertaining to each particular use category.

G. Permit Requirements. In addition to state permitting requirements and the requirements of this Chapter, all commercial medical cannabis uses shall be subject to the use permit requirements as shown in Table XXXX, "Allowed Commercial Medical Cannabis Uses and Permit Requirements." No other type of cannabis uses are permitted except as specified in Table XXXX. The City may refuse to issue any discretionary or ministerial permit, license, variance or other entitlement, which is sought pursuant to this Chapter, including zoning clearance for a building permit, where the property upon which the use or structure is proposed is in violation of the Cloverdale Municipal Code or any other local, state or federal law. Commercial medical cannabis uses shall also be subject to permit requirements and regulations established by the Cloverdale Municipal Code and any additional requirements established by Resolution or Ordinance of the City Council.

1. **Term of Permit.** Permits for commercial medical cannabis uses shall be issued to the operator for a period not to exceed one (1) year from the date of permit approval and shall be subject to annual permit renewals. The operator must apply for permit renewal prior to the expiration of the limited term permit. No property interest, vested right, or entitlement to receive a future permit to operate a medical cannabis use shall ever inure to the benefit of such permit holder as such permits are revocable. Permits issued pursuant to this Chapter (18.15) are not transferrable without City approval.

2. **Operator/Permit Holder Qualifications**. Commercial medical cannabis operators/permit holders must meet the following qualifications:

a. Commercial medical cannabis operators must be 21 years of age or

older.

b. Commercial medical cannabis operators shall be subject to background search by the California Department of Justice and local law enforcement. Permits for commercial medical cannabis uses shall not be permitted for operators with felony convictions, as specified in subdivision (c) of Section 667.5 of the Penal Code and subdivision (c) of Section 1192.7 of the Penal Code. Permits for commercial medical cannabis uses shall not be permitted for operators with criminal convictions that substantially relate to the qualifications, functions, or duties of the business or profession, including a felony conviction involving fraud, deceit, or embezzlement ,or a criminal conviction for the sale or provision of illegal controlled substances to a minor.

c. Applicants providing false or misleading information in the permitting process will result in rejection of the application and/or nullification or revocation of any issued permit.

3. **Priority.** When ranking permit applications for commercial medical cannabis uses, priority scoring shall be given to:

a. Applications that demonstrate that the person operating the cannabis use or owner(s) of the cannabis use has been an existing cannabis operator in Sonoma County prior to January 1, 2016, and has been doing so in full compliance with any and all state and local regulations. "Owner" or "owners" means that all persons having i) an aggregate ownership interest (other than a security interest, lien, or encumbrance) of 20 percent or more in the business and ii) the power to direct or cause to be directed the management or control of the business.

b. Applications that demonstrate that the person operating the cannabis use or owner(s) of the cannabis use have been a resident or business owner of Cloverdale prior to January 1, 2015.

c. Applications that provide a local preference hiring plan.

d. Applications that score highest on any City Council adopted applicant ranking system.

4. **Revocation and suspension.**

Any permit issued under Chapter 18.15.030 for commercial medical cannabis uses may be revoked by the City following notice and opportunity for a hearing upon the

following:

a. An operator ceases to meet any of the minimum qualifications listed in Section 18.15.030(J) above.

b. An operator's state license for commercial marijuana operations is revoked or terminated.

Any permit issued under Chapter 18.15.030 for commercial medical cannabis uses may be immediately suspended by the City if the operator's state license for commercial medical marijuana operations is suspended. The City shall not reinstate the permit until documentation is received showing that the state license has been reinstated or reissued. It shall be up the City's discretion whether the City reinstates any permit..

H. Health and Safety. Commercial medical cannabis uses shall not create a public nuisance or adversely affect the health or safety of the nearby residents or businesses by creating dust, light, glare, heat, noise, noxious gasses, odor, smoke, traffic, vibration, unsafe conditions or other impacts, or be hazardous due to the use or storage of materials, processes, products, runoff or wastes.

I. Taxes. Commercial medical cannabis uses shall comply with any additional taxes that may be enacted by the voters or any additional regulations that may be promulgated in addition to all current state and local taxes.

J. Security. The following security measures shall be adhered to by all operators. Additional security measures may apply to particular commercial medical cannabis uses, as established in this chapter.

1. A Site Security Plan shall be required subject to review and approval by the Cloverdale Police Department. All Site Security Plans shall be held in a confidential file, exempt from disclosure as a public record pursuant to Government Code Section 6255(a).

2. Security cameras shall be motion-sensored and be installed with capability to record activity on the property and within all buildings and structures on the property, including all entrances and exits and all areas where customers and employees may have access, with the exception being any restroom area. Security cameras shall record 24 hours a day, 7 days a week.

3. Surveillance video shall be kept for a minimum of 60 days. Video must use standard industry format to support criminal investigations. Permit holders shall be required to cooperate with all law enforcement investigations and provide video footage related to any such investigation upon request. Motion-sensor lighting and alarms shall be professionally installed to insure the safety of persons and to protect the premises from theft.

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4. All security measures installed on site shall have the capability to remain fully operational during a power outage.

5. Weapons and firearms are prohibited on the property.

6. Security measures shall be designed to ensure emergency access in compliance with fire safety standards.

7. All structures used for commercial medical cannabis activities shall have locking doors to prevent free access.

8. Security measures shall prevent individuals from remaining on the premises of the commercial medical cannabis business if they are not engaging in activities expressly related to the operations of the business.

9. Security measures shall include a transportation plan that details the procedures established for the safe and secure transport of cannabis, cannabis products, and cash to and from the business.

10. Except for products on display for sale at dispensaries, all medical cannabis and medical cannabis products shall be stored in a secured and locked room, safe, or vault that meets approval by the Cloverdale Police Department. To the fullest extent possible, all medical cannabis and medical cannabis products shall be kept in a manner that prevents theft and loss, except for limited amounts used for the purposes of display or immediate sales.

11. Panic buttons shall be installed in all commercial medical cannabis facilities with easy access by employees.

12. Any security bars installed on the windows or the doors of the commercial medical cannabis business shall be installed only on the interior of the building.

13. Security personnel hired by the commercial cannabis business shall be subject to the prior review and approval of the Chief of Police or designee.

K. Employees.

1. All employees of commercial medical cannabis businesses must be at least 21 years of age.

2. All employees of commercial cannabis businesses shall be subject to background search by the California Department of Justice and local law enforcement. Permits for commercial medical cannabis uses shall not be permitted for operators with felony convictions, as specified in subdivision (c) of Section 667.5 of the Penal Code and subdivision (c) of Section 1192.7 of the Penal Code. Permits for commercial medical cannabis uses shall

not be permitted for operators with criminal convictions that substantially relate to the qualifications, functions, or duties of the business or profession, including a felony conviction involving fraud, deceit, or embezzlement or a criminal conviction for the sale or provision of illegal controlled substances to a minor.

3. Each owner or operator of a commercial cannabis business shall maintain on-site a current register of all the employees currently employed by the commercial cannabis business, and shall produce such register to the Chief of Police, designee, or any other City official authorized to enforce the Cloverdale Municipal Code for purposes of determining compliance with this chapter.

L. Weights and Measures. All scales used for commercial transactions shall be registered for commercial use and sealed by the Department of Agriculture/Weights and Measures.

M. Tracking. Commercial medical cannabis operators shall comply with any track and trace program established by the City or state agencies. Commercial medical cannabis operators must maintain records tracking all medical cannabis production and products and shall make all records related to commercial medical cannabis activity available to the City upon request.

N. Police Notification. Commercial medical cannabis operators shall notify the Cloverdale Police Department within 24 hours of discovering any of the following:

1. Significant discrepancies identified during inventory. The level of significance shall be 2% of inventory or per state regulations, whichever is stricter.

2. Diversion, theft, or loss, or any criminal activity involving the commercial medical cannabis business or any agent or employee of the commercial medical cannabis business.

3. Any other breach of security.

O. Inspections. Commercial medical cannabis uses and operations shall be subject to inspections by appropriate local and state agencies, including but not limited to the Departments of Health Services, Agriculture/Weights & Measures, the Cloverdale Police Department and City Management. Medical cannabis operations shall be inspected at random times for conformance with the Cloverdale Municipal Code and permit requirements. Unless otherwise allowed under the law, the inspection shall be conducted during regular business hours, with at least 24-hours' notice. If interference in the performance of the duty of the agency having jurisdiction occurs, the agency may temporarily suspend the permit and order the medical cannabis operation to immediately cease operations.

P. Monitoring. Administrative monitoring shall be required for each commercial medical

cannabis use and operation to be granted a permit. An annual monitoring fee may be adopted by Resolution of the City Council and collected by the City.

Q. Restriction on Alcohol Sales. No alcoholic beverages may be sold, dispensed, or consumed on or about the premises of any commercial medical cannabis use business.

18.15.040 Standards for Commercial Cannabis Cultivation – Medical

A. Purpose. This Section establishes development, operating, and permit standards for commercial medical cannabis cultivation activities as allowed by the base zone in compliance with Section 18.15.030, "Standards for Commercial Cannabis Uses – Medical."

B. Applicability. This Section shall apply to all commercial medical cannabis cultivation uses and activities, including but not limited to, outdoor, indoor and mixed light or greenhouse cultivation environments and associated drying, curing, grading, and trimming facilities. Medical cannabis cultivation does not include operations that manufacture cannabis products such as oils, tinctures, or edibles which are classified separately. Commercial medical cannabis cultivation operations shall comply with State laws and regulations and the following standards in addition to the requirements of Section 18.15.030, "Standards for Commercial Cannabis Uses – Medical." Permits shall only be issued to commercial medical cannabis cultivation uses coming under state medical cannabis license classification types 1, 1A, 1B, 2, 2A, 2B, and 4, under Business and Professions Code section 19300.7.

C. Permit Requirements. In addition to the requirements of Section 18.15.030(G), commercial medical cannabis cultivation shall be subject to the permit requirements as shown in Table _____ "Allowed Cannabis Uses and Permit Requirements," and under this Section 18.15.040. Permits for cultivation sites shall be issued by the City Manager. Structures shall follow all City of Cloverdale zoning requirements of the underlying base zone.

D. Limitations on Use. All cultivation shall be conducted and maintained in compliance with applicable state laws and regulations, this Chapter, and with any other standards and best management practices adopted by the City Council through Resolution or Ordinance. All structures used in cultivation shall be subject to all applicable laws, including the California Building Code, California Fire Code, and all regulations of the Cloverdale Municipal Code.

E. Development Criteria.

1. **Number of Permits.** Multiple use permits may be issued for multi-tenant operations on a single parcel provided that the total cultivation area of all tenants does not exceed the maximum cultivation area allowed under the state license with the largest allowable cultivation area.

2. **Square Footage Limitations.** The total combined square footage of the cultivation area shall not exceed the maximum size thresholds as defined in Table _____ "*Allowable Cannabis Uses and Permit Requirements*," and in the requirements for state medical cannabis license classification types 1, 1A, 1B, 2, 2A, 2B, under

Business and Professions Code section 19300.7 Structures and areas where cannabis is processed, dried, aged, stored, trimmed, packaged or weighed and areas were equipment is stored and washed shall be limited to the on-site cultivation use only.

3. **Property Setbacks- Outdoor.** Outdoor commercial cultivation areas and all associated structures shall not be located in the front yard setback area and shall be screened from public view and shall comply with the setbacks for the base zone districts. Outdoor cultivation areas shall not be visible from a public area or right of way. Outdoor cultivation areas shall be setback a minimum of 100 feet from property lines and a minimum of 300 feet from occupied residences and businesses on surrounding properties. Outdoor cultivation sites and greenhouses/mixed light structures shall be setback a minimum of 600 feet from a school providing education to K-12 grades, a public park, or a childcare center.. The distance shall be measured in a straight line from the property line of the protected site to the closest property line of the parcel with the cannabis cultivation use.

4. **Property Setbacks - Indoor.** All structures used for indoor commercial cultivation and all structures used for drying, curing, grading or trimming and all indoor cultivation structures shall comply with the setbacks for the base zone districts. Structures associated with the cultivation shall not be located in the front yard setback area and shall be screened from public view. There shall be no exterior evidence of cultivation either within or outside the structure.

5. **Property Setbacks- Mixed Light/Greenhouse.** Mixed Light/Greenhouses in industrial zones shall be setback 300 feet from occupied residences on surrounding properties. Greenhouses/mixed light structures in all zones shall be setback a minimum of 600 feet from a school providing education to K-12 grades, a public park, or a childcare center. The distance shall be measured in a straight line from the property line of the protected site to the closest property line of the parcel with the cannabis cultivation use.

6. **Building Requirements.** All structures used in commercial cultivation, including greenhouses require a building permit and shall comply with all applicable sections of the Cloverdale Municipal Code. Cultivation uses that provide access to the public including, but not limited to, employees, vendors, contractors, business partners, members, customers or patients shall meet Cloverdale Municipal Code requirements for accessibility including accessible parking, accessible path of travel, restrooms, and washing facilities.

7. **Biotic Resources/Arborist Study.** Proposed cultivation operations, including all associated structures, shall require a biotic assessment and an arborist study at the time of application that demonstrates that the project is not located within, and will not impact sensitive or special status species habitat or City oak and woodland resources, unless a use permit is obtained. Any proposed cultivation operation, including all associated structures, located within adopted federal critical habitat areas must have either

all appropriate permits from the applicable state and federal agencies with jurisdiction over the listed species, or expert biological studies supporting the unequivocal conclusion that no such permits are required.

8. **Fire Code Requirements.** The operator shall prepare and implement a Fire Prevention Plan for construction and ongoing operations and obtain an Operational Permit from the Fire and Emergency Services Department. The Fire Prevention Plan shall include, but not be limited to: emergency vehicle access and turn-around at the facility site(s), vegetation management and fire break maintenance around all structures.

9. **Lighting**. All lighting shall be fully shielded, downward casting and not spill over onto structures, other properties or the night sky. All indoor and mixed light operations shall be fully contained so that little to no light escapes. Light shall not escape at a level that is visible from neighboring properties between sunset and sunrise.

10. **Runoff and Stormwater Control.** Runoff containing sediment, or other waste or by-products, shall not be allowed to drain to the storm drain system, waterways, or adjacent lands. Prior to beginning grading or construction, the operator shall prepare and implement a storm water management plan and an erosion and sediment control plan, approved by the City. The plan must include best management practices for erosion control during and after construction and permanent drainage and erosion control measures pursuant to Chapter 16.10, Storm Water," of the Cloverdale Municipal Code.

11. **Security and Fencing.** In addition to the security requirements in Section 18.15.030(J), the following security and fencing standards apply to commercial medical cannabis cultivation uses.

a. Security cameras shall be motion-sensored and be installed with capability to record activity beneath the canopy but shall not be visible from surrounding parcels and shall not be pointed at or recording activity on surrounding parcels.

b. All outdoor and mixed light cultivation sites shall be screened by native, fire resistant vegetation and fenced with locking gates consistent with height limitations of the base zoning district. Fencing shall be consistent with the surrounding area and shall not diminish the visual quality of the site or surrounding area. Razor wire, chain-link and similar fencing is discouraged and shall not be permitted in residential zones.

c. Security measures shall be designed to ensure emergency access in compliance with fire safe standards. All structures used for cultivation or storage or cannabis shall have locking doors to prevent free access.

F. Operating Standards. In addition to standards contained in Section 18.15.030, the following standards shall apply to all commercial medical cannabis cultivation uses.

1. **Compliance Inspections.** All cultivation sites shall be subject to on-site compliance inspections by the City. The inspection shall be conducted during regular business hours, with at least 24-hours' notice.

2. **Residency Requirement.** Within residential zones the operator shall reside full-time on the premises where the cultivation is occurring.

3. **Air Quality and Odor.** All indoor, greenhouse and mixed light cultivation operations and any drying, aging, trimming and packing facilities shall be equipped with odor control filtration and ventilation system(s) to control odors, humidity, and mold. All cultivation sites shall utilize dust control measures on access roads and all ground disturbing activities. Outdoor cultivation may not create odors amounting to a nuisance and must comply with Cloverdale Municipal Code nuisance regulations

4. **Energy Use.** Electrical power for indoor cultivation and mixed light operations including but not limited to illumination, heating, cooling, and ventilation, shall be provided by one or any combination of the following: (i) on-grid power with _____% renewable source; (ii) on-site zero net energy renewable source; or (iii) purchase of carbon offsets of any portion of power not from renewable sources. The use of generators is prohibited, except for portable temporary use in emergencies only.

5. **Hazardous Materials.** All cultivation operations that utilize hazardous materials shall comply with applicable hazardous waste generator, underground storage tank, above ground storage tanks and AB 185 (hazardous materials handling) requirements and maintain any applicable permits for these programs from the Fire Prevention Division, Certified Unified Program Agency (CUPA) of Sonoma County Fire and Emergency Services Department or Agricultural Commissioner.

6. **Hours or Operation.** Indoor cultivation activities may be conducted seven days a week, 24-hours per day as needed unless otherwise conditioned in the use permit. Outdoor processing activities, deliveries and shipping shall be limited to the hours from 8 a.m. to 6 p.m., unless a use permit is obtained.

7. **Noise Limits.** Cultivation operations shall not exceed the General Plan Noise Standards _____, measured in accordance with the _____noise ord/general plan]_____.

8. **Occupational Safety**. Cultivators shall comply with all applicable federal, state, and local laws and regulations governing California Agricultural Employers, which may include: federal and state wage and hour laws, CAL/OSHA, OSHA and the California Agricultural Labor Relations Act.

9. **Waste Management.** A Waste Management Plan addressing the storing, handling and disposing of all waste by-products of the cultivation and processing activities shall be submitted for review and approval by the City. This plan shall characterize the volumes and types of waste generated, and the operational measures that are proposed to manage and dispose or reuse the wastes in compliance with any regulations adopted by the City Council through Resolution or Ordinance.

All garbage and refuse on the site shall be accumulated or stored in non- absorbent, water-tight, vector resistant, durable, easily cleanable, galvanized metal or heavy plastic containers with tight fitting lids. No refuse container shall be filled beyond the capacity to completely close the lid. All garbage and refuse on this site shall not be accumulated or stored for more than seven calendar days, and shall be properly disposed of before the end of the seventh day in a manner prescribed by the Solid Waste Local Enforcement Agency. All waste, including but not limited to refuse, garbage, green waste and recyclables, must be disposed of in accordance with local and state codes, laws and regulations. All waste generated from cannabis operations must be properly stored and secured to prevent access from the public.

10. **Waste Water Discharge.** A waste water management plan shall be submitted identifying the amount of waste water, excess irrigation and domestic wastewater anticipated, as well as disposal. All cultivation operations shall comply with any regulations adopted by the City Council through Resolution or Ordinance and shall submit verification of compliance with the Waste Discharge Requirements of the applicable Regional Water Quality Control Board, or waiver thereof. Excess irrigation water or effluent from cultivation activities shall be directed to a sanitary sewer, septic, irrigation, greywater or bio-retention treatment systems. If discharging to a septic system, a system capacity evaluation by a qualified sanitary engineer shall be included in the management plan. All domestic waste for employees shall be disposed of in a permanent sanitary sewer or on-site septic system demonstrated to have adequate capacity.

11**.** **Water Supply.** An on-site water supply source adequate to meet all on site uses on a sustainable basis shall be provided. Trucked water shall not be allowed, except as noted below and for emergencies requiring immediate action as determined by the director. The onsite water supply shall be considered adequate with documentation of any one of the following sources:

a. Municipal Water: The public water supplier providing water service to the site has adequate supplies to serve the proposed use.

b. Recycled Water: The use of recycled process wastewater from an onsite use or connection to a municipal recycled water supply for the cultivation use, provided that an adequate on-site water supply is available for employees and other uses.

18.15.060 Standards for Commercial Cannabis Dispensaries – Medical

A. Purpose. This Section provides the location, operational, and permit standards for any medical cannabis dispensary within the City in order to promote the health, safety, and general welfare of its residents and businesses. The standards in this section shall be in addition to standards contained in Section 18.15.030 for all commercial medical cannabis uses.

B. Applicability. Medical cannabis dispensaries shall be permitted only in compliance with the requirements of this Section, and all other applicable requirements of Chapter 18.15 and the underlying zoning district.

C. Permit Requirements. A use permit issued in compliance with Section _____shall be required for any medical cannabis dispensary. Medical cannabis dispensaries shall also be subject to permit requirements and regulations established by the state and those in Section 18.15.030 and by the City Council through Resolution or Ordinance. Additionally, medical cannabis dispensaries must comply with all other applicable building codes and requirements, including accessibility requirements. Permits shall only be issued to commercial medical cannabis cultivation uses coming under state medical cannabis license classification type 10 under Business and Professions Code section 19300.7.

OPTIONS TO DISCUSS FOR PERMIT PROCESS:

1. Permit issued by City Manager after application and internal panel review. Application and any associated ranking system to be approved via Council resolution.

2. Permit issued by City Council after application, internal panel review, and City Manager recommendation to Council.

D. Limit on Number of Dispensaries. No more than two (2) medical cannabis dispensaries shall be permitted within the City at any one time.

E. Limit on Size of Dispensaries. Medical cannabis dispensaries shall not exceed one thousand five hundred square feet (1,500 square feet), exclusive of office space, restrooms and other non-dispensary retail or educational uses.

F. Compliance with Operating Plan and Conditions Required. A medical cannabis dispensary shall submit, as a part of the use permit application, an operating plan that specifies the manner in which operations will be handled and security provided, and which details the number of employees, number of patients, hours and days of operation allowed and approved. The operating plan shall provide that the dispensary shall require, at a minimum, a doctor's written recommendation in compliance with state law, as well as a photo identification for any person entering the site. Any medical cannabis dispensary approved under this section shall be operated in conformance with the approved operating

plan and shall meet any specific, additional operating procedures and measures as may be imposed as conditions of approval to ensure that the operation of the dispensary is consistent with protection of the health, safety and welfare of the community, qualified patients, and primary caregivers, and will not adversely affect surrounding uses.

G. Limited Term. Use permits for medical cannabis dispensaries shall be limited-term, and shall be issued for a maximum period of one (1) year.

H. Exercise and Renewal of Permit. Use permits for medical cannabis dispensaries shall be exercised only by the applicant and shall expire upon termination of the business for which it was issued, or upon sale or transfer of ownership of the medical cannabis dispensary. All use permits issued for a medical cannabis dispensary shall include the following provision: "This use permit shall expire upon change of tenancy or sale or transfer of the business or property." Any use permit that is abandoned for a period of six(6) months shall automatically expire, and shall become null and void with no further action required on the part of the City. A use permit renewal may be administratively approved by the City Manager only if all of the following findings are made:

1. The use has been conducted in accordance with this section, with the dispensary's approved operating plan, and with all applicable use permit conditions of approval.

2. The business for which the use permit was approved has not been transferred to another owner or operator.

3. There are no outstanding violations of health, safety, or land use.

I. Revocation or Modification. A use permit approved under this section may be revoked, suspended, or modified at any time following hearing in accordance with Section 18.15.030(G)(4). _____

J. Signed Affidavit. The property owner and applicant, if other than the property owner, shall sign the application for the use permit, and shall include affidavits agreeing to abide by and conform to the conditions of the use permit and all provisions of the Cloverdale Municipal Code pertaining to the establishment and operation of the medical cannabis dispensary use, including, but not limited to, the provisions of this Section. The affidavit(s) shall acknowledge that the approval of the medical cannabis dispensary use permit shall in no way permit any activity contrary to the Cloverdale Municipal Code, or any activity which is in violation of any applicable laws.

K. Location Requirements.

1. A medical cannabis dispensary shall not be established on any parcel containing a dwelling unit used as a residence, nor within one hundred feet (100′) of a residential zoning district.

2. A medical cannabis dispensary shall not be established within six hundred

feet (600′) of any other medical cannabis dispensary.

3. A medical cannabis dispensary shall not be established within six hundred feet (600′) from any public or private school or day care facility.

4. A medical cannabis dispensary shall not be established within two hundred feet (200’) of any park, library, youth-oriented facility or church or house of worship.

5. Notwithstanding, the subsections (K)(1)—(2) may be waived by the decision-maker when the applicant can show that an actual physical separation exists between land uses or parcels such that no off-site impacts could occur, unless otherwise prohibited under state law.

L. Operating Standards. In addition to standards contained in Section 18.15.030, the following are the minimum development criteria and operational standards applicable to any medical cannabis dispensary use:

1. The building in which the dispensary is located shall comply with all applicable local, state and federal rules, regulations, and laws including, but not limited to, building codes and accessibility requirements.

2. The dispensary shall provide adequate security on the premises pursuant to Section 18.15.030(J) and any additional requirements in this section, including lighting and alarms, to insure the safety of persons and to protect the premises from theft. The applicant shall submit a security plan for review and approval by the Police Department. The Security Plan shall remain confidential.

3. The site plan, circulation, parking, lighting, facility exterior, and any signage shall be subject to all underlying zoning requirements, design review committee review, and approval. The planning director may waive this requirement where the applicant can demonstrate that existing facilities, including parking, lighting and landscaping, already meet the requirements of this section.

4. No exterior signage or symbols shall be displayed which advertises the availability of cannabis, nor shall any such signage or symbols be displayed on the interior of the facility in such a way as to be visible from the exterior.

5. No person shall be allowed onto the premises unless they are an employee, vendor or contractor of the dispensary, a primary caregiver, and/or a qualified patient or an employee of an agency having jurisdiction monitoring or investigating the terms of regulatory compliance. If the dispensary denies entry for monitoring and inspection to any employee of an agency having jurisdiction, the dispensary may be closed. In strict accordance with California Health and Safety Code Section 11362.5 et seq. no person under the age of eighteen (18) shall be allowed on the dispensary site. All

persons entering the site shall present a photo identification and shall establish proof of doctor's recommendation except as representing a regulatory agency. The operating plan submitted as a part of the use permit application shall specify how this provision will be complied with and enforced.

6. No dispensary shall hold or maintain a license from the State Department of Alcoholic Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages. No alcoholic beverages shall be allowed or consumed on the premises.

7. Odor control devices and techniques shall be incorporated in all commercial cannabis businesses to ensure that odors from marijuana are not detectable off-site. Commercial cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the medical marijuana facility that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial cannabis business. As such, commercial cannabis businesses must install and maintain the following equipment or any other equipment which the Building Official or designee determines has the same or better effectiveness:

a. an exhaust air filtration system with odor control that prevents internal odors from being emitted externally; or,

b. An air system that creates negative air pressure between the commercial cannabis business' interior and exterior so that the odors generated inside the commercial cannabis business are not detectable on the outside of the commercial cannabis business.

8. No dispensary shall conduct or engage in the commercial sale of any product, good or service unless otherwise approved by the use permit. A dispensary may sell live starter plants, clones and seeds from qualified nurseries, but shall not cultivate or clone cannabis. A dispensary may sell manufactured cannabis, including edible products, and vaporizing devices if allowed by a permit issued by the Department of Health Services. Not more than ten percent (10%) of the floor area, up to a maximum of fifty (50) square feet may be devoted to the sale of incidental goods for personal cannabis cultivation and use, but shall not include clothing, posters or other promotional items.

9. No cannabis shall be smoked on the premises. The term "premises" includes the actual building, as well as any accessory structures, parking areas, or other immediate surroundings.

10. No dispensary may increase in size without amending the use permit. The size limitation shall be included in the operational plan required by 18.15.060(F), of this

Chapter.

11. Parking must meet the requirements of Chapter 18.11 of the Cloverdale Municipal Code.

12. Operating days and hours shall be limited to Monday through Saturday from 8:00 a.m. to 8:00 p.m., including deliveries, or as otherwise allowed by the use permit. Operating hours may be further restricted through the use permit process where needed to provide land use compatibility.

13. Record keeping. [Insert requirements here]

18.15.080 Standards for Manufacturing, Testing, Storage, Distribution, and Delivery Commercial Cannabis Uses– Medical

Permits shall only be issued to commercial medical cannabis cultivation uses coming under state medical cannabis license classification types 4, 6, 7, 8, 11, and 12 under Business and Professions Code section 19300.7. Permits shall be issued by _____. [INSERT PREFERRED PROCESS HERE]

A. Manufacturing

B. Testing

C. Storage

D. Distribution

E. Delivery. Deliveries of cannabis in the city of Cloverdale shall be permitted so long as the delivering dispensary obtains a use permit under this Chapter for delivery of cannabis, and shall be in conformance with state law and all of the following:

1. The delivery of marijuana shall be to a qualified patient or primary caregiver.

2. The amount of marijuana delivered to any qualified patient or primary caregiver shall not exceed eight ounces for any single delivery.

3. Deliveries can only be conducted between the hours of 8 a.m. to 8 p.m.

4. A dispensary wishing to make deliveries must obtain a state license issued pursuant to Business and Professions Code Chapter 3.5, when such license is made available by the state, to conduct deliveries.

5. Deliveries shall be made by an employee of the dispensary and said employee shall carry with him/her at all times a physical copy of the city business license

and state license issued pursuant to Business and Professions Code Chapter 3.5, when such a license is available, and the shipping manifest pursuant to Business and Professions Code Section 11362.777, when such manifests are available.

18.15.090 Personal Cannabis Cultivation – Medical and Non-Medical/Recreational

FOR DISCUSSION

CURRENT CITY ORDINANCE:

- Medical cultivation allowed: 3 plants indoor OR outdoor, and within permitted detached 10 by 10 structure

PROP. 64:

- City must allow for INDOOR cultivation of up to 6 plants per "single private residence," OR within an "accessory structure within a single private residence" that is fully enclosed and secure. Private residence means "a house, an apartment unit, a mobile home, or other similar dwelling." (Prop. 64—Health and Safety Code sections 11362.1 and 11362.2)

OPTION:

- Medical: Allow 3 plants outdoor and up to 6 plants indoor, plus permitted structure.
- Recreational: Allow up to 6 plants indoor or in structure with reasonable regulations.

18.15.100 Permit – Personal Cannabis Cultivation – Medical (Detached Structure)

18.15.110 Commercial Cannabis Uses/Businesses and Cultivation – Non-Medical/Recreational

Commercial cannabis uses for non-medical cannabis for adult use are prohibited in all zones of the City.

18.15.120 Enforcement

[Enforcement section will be added]

SECTION 3. California Environmental Quality Act ("CEQA").

SECTION 4. No Mandatory Duty of Care.

This Ordinance is not intended to, and shall not be construed or given effect in a manner that imposes upon the City or any officer, agent, employee or volunteer, thereof a mandatory duty of care towards persons and property, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 5. Severability.

If any section, subsection, sentence, clause or phrase of this Chapter is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Chapter. The City Council hereby declares that it would have passed the ordinance codified in this Chapter, and each and every section, subsection, sentence, clause or phrase not declared invalid or unconstitutional without regard to whether any portion of this Chapter would be subsequently declared invalid or unconstitutional.

SECTION 6. Effective Date.

This Ordinance shall be and the same is hereby declared to be in full force and effect from and after thirty (30) days after the date of its passage and shall be published once before the expiration of fifteen (15) days after said passage, with the names of the Council Members voting for or against the same, in a newspaper of general circulation published in the County of Sonoma, State of California.

I hereby certify that the foregoing is a true and complete copy of an ordinance duly and regularly adopted by the City at a regular meeting thereof held on _____, 201_, by the following vote:

PASSED, APPROVED AND ADOPTED this ___ day of _____ 201_ by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED:	**ATTEST:**
_____,	_____,
_____**, Mayor**	**Paul Cayler, City Clerk**

2732000.4

DRAFT

CITY OF CLOVERDALE

City Council Agenda Item Summary

Agenda Item:	3
Meeting Date:	November 28, 2016

Agenda Section	**Staff Contact**
New Business	David Kelley, Assistant City Manager / Comm. Dev. Director

Agenda Item Title

Resolution of the City Council of the City of Cloverdale opposing the approval of cannabis dispensaries by the County of Sonoma outside of Cloverdale's City Limits within the City of Cloverdale's LAFCO approved Sphere of Influence.

Background

The Medical Cannabis Regulation and Safety Act ("MCRSA"), consisting of Assembly Bill 243 (Wood), Assembly Bill 266 (Bonta) and Senate Bill 643 (McGuire), was signed into law by Governor Brown on October 9, 2015. The MCRSA established regulations for medical cannabis cultivation, manufacturing, and transportation, as well as created local and state-level licensing systems in California. The County of Sonoma ("County") is currently proposing to amend the County Zoning Code to regulate cannabis uses consistent with the MCRSA, including cultivation, nurseries, dispensaries, laboratories, manufacturing, distribution, and transportation. The County's proposed medical cannabis ordinance ("County Ordinance") would allow certain cannabis uses in agricultural, industrial, commercial, resource and residential zones within the unincorporated area of Sonoma County including within the City of Cloverdale's Sphere of Influence ("SOI"). The proposed County Ordinance includes optional "inclusion" and "exclusion" zoning districts which would allow flexibility for the County Planning Commission and Board of Supervisors to either restrict or allow certain cannabis uses in distinct communities.

Summary

According to the Key Issues section of the County Staff Report on the proposed County Ordinance, "The addition of cannabis as a new land use increases pressure on an already tight housing and commercial real estate market. Major considerations include the environmental effects of the unregulated industry on our environmental resources, sensitive habitats, public safety and security issues (of particular concern in residential areas), water availability, wastewater disposal, access and fire hazards in remote areas, the public health and safety impacts (especially as they relate to the normalization of cannabis use and access by children), and the long term potential for increases in land values and conversion of land uses that may impact other sectors of the economy." In order to address the above listed issues, the proposed County Ordinance contains Section. 26-88-256**, "**Medical Cannabis Dispensary Uses," which provides location requirements and operational standards for any medical cannabis dispensary within the unincorporated county to promote the health, safety, and general welfare of its residents and businesses. However, while the proposed location requirements and operational standards may address County impacts, the County's approval of a dispensary outside of Cloverdale's City Limits within the City of Cloverdale's LAFCO approved SOI has the potential to generate City specific environmental, social, financial, and safety impacts.

City staff is currently preparing a draft cannabis ordinance for Council consideration allowing and regulating certain types of medical cannabis businesses, including dispensaries within the City. Like other jurisdictions that allow cannabis dispensaries, staff is considering permit fees and regulations that would ensure that potential impacts to the City and its residents are addressed.

Staff is confident that impacts associated with cannabis can be addressed through proper regulations and required fees/taxes, however, under the current proposed County Ordinance, the City will not be given the

opportunity to ensure that such impacts on the City are mitigated by dispensaries situated in the City's SOI. Given the proximity to the City, the County should not allow any dispensaries within the City's SOI without first ensuring that all potential impacts to the City are addressed.

Due to the potential impacts associated with County approval of a dispensary within the SOI of the City, City staff recommends that the City Council consider adopting a resolution that opposes the approval of dispensaries outside of Cloverdale's City Limits within the City of Cloverdale's LAFCO approved SOI. A draft resolution is attached. The Resolution further recommends to the County Board of Supervisors that the proposed County Ordinance be revised to reflect that dispensaries are not permitted to be situated in the unincorporated area of Sonoma County outside of Cloverdale City Limits within the LAFCO adopted SOI of the City unless the dispensary fully mitigates potential environmental, social, financial, and safety impacts to the satisfaction of the City through a mitigation agreement or other means.

This item was originally discussed by the City Council on November 8th at which time the Council directed staff to bring back the attached resolution for further consideration. Since that time, the County Planning Commission recommended adoption of the County's proposed Medical Cannabis Land Use Ordinance which would allow both personal and commercial cultivation of medical cannabis with certain limitations. The County's Medical Cannabis Land Use Ordinance applies to agricultural, industrial, commercial, resource and residential zones within the unincorporated area of Sonoma County. Section 26-88-256 (Attachment 2) does not contain specific location requirements for proposed dispensaries located with the City of Cloverdale's adopted SOI .

Options

1. Take no action;
2. Adopt resolution of the City Council of the City of Cloverdale opposing the approval of cannabis dispensaries by the County of Sonoma outside of Cloverdale's City Limits within the City of Cloverdale's LAFCO approved Sphere of Influence; or
3. Direct staff to bring back a revised resolution that articulates the City Council's position on the County's Ordinance and/or location of cannabis dispensaries.

Budget/Financial Impact

No immediate budget or financial impact is expected as a result of adoption of the resolution. Future budget/financial impacts are too uncertain to determine at this time.

Recommended Council Action

Adopt Resolution No. 088-2016, of the City Council of the City of Cloverdale opposing the approval of cannabis dispensaries by the County of Sonoma outside of Cloverdale's City Limits within the City of Cloverdale's LAFCO approved Sphere of Influence.

Attachments

1. Resolution No. 088-2016, of the City Council of the City of Cloverdale opposing the approval of cannabis dispensaries by the County of Sonoma outside of Cloverdale's City Limits within the City of Cloverdale's LAFCO approved Sphere of Influence.
2. County Cannabis Ordinance Section 26-88-256 - Medical Cannabis Dispensary Uses

2725537.1

CITY OF CLOVERDALE
CITY COUNCIL
RESOLUTION NO. 088-2016

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVERDALE OPPOSING THE APPROVAL OF CANNABIS DISPENSARIES OUTSIDE OF CLOVERDALE'S CITY LIMITS WITHIN THE CITY OF CLOVERDALE'S LAFCO APPROVED SPHERE OF INFLUENCE

WHEREAS, the Medical Cannabis Regulation and Safety Act ("MCRSA"), consisting of Assembly Bill 243 (Wood), Assembly Bill 266 (Bonta) and Senate Bill 643 (McGuire), was signed into law by Governor Brown on October 9, 2015. The MCRSA established regulations for medical cannabis cultivation, manufacturing, and transportation, as well as created local and state-level licensing systems in California; and

WHEREAS, the County of Sonoma ("County") is currently proposing to amend the County Zoning Code to regulate cannabis uses consistent with the MCRSA, including cultivation, nurseries, dispensaries, laboratories, manufacturing, distribution, and transportation; and

WHEREAS, the County's proposed medical cannabis ordinance ("County Ordinance") would allow both personal and commercial cultivation of medical cannabis in certain County land use zones and consistent with certain limitations; and

WHEREAS, the proposed County Ordinance would allow certain cannabis uses in agricultural, industrial, commercial, resource and residential zones within the unincorporated area of Sonoma County; and

WHEREAS, the proposed County Ordinance includes optional "inclusion" and "exclusion" zoning districts which would allow flexibility for the County Planning Commission and Board of Supervisors to either restrict or allow certain cannabis uses in distinct communities; and

WHEREAS, the Board of Supervisors previously adopted Ordinance No. 5715 on March 20, 2007 establishing land use regulations for medical cannabis dispensaries, codified in the Sonoma County Code as Section 26-88-126; and

WHERAS, there are currently five permitted dispensaries within the County and two in the application process. One of the dispensaries in the application process is proposed to be located within the LAFCO approved Sphere of Influence ("SOI") of the City of Cloverdale ("City"). This would be outside of the City's city limits ("City Limits"), however, still within its SOI; and

WHEREAS, the proposed County Ordinance contains Section. 26-88-126**, "**Medical Cannabis Dispensary Uses," which provides location and operational standards for any medical cannabis dispensary within the unincorporated county; and

WHEREAS, the City Council of the City of Cloverdale is concerned about the potential environmental, social, financial, and safety impacts associated with a dispensary situated outside of City Limits and within the SOI of the City; and

WHEREAS, City staff is currently preparing a draft cannabis ordinance for Council consideration allowing and regulating certain types of medical cannabis businesses, including dispensaries. Like other jurisdictions that allow cannabis dispensaries, staff is considering permit fees and regulations that would ensure that potential impacts to the City and its residents are addressed; and

WHEREAS, under the current proposed County Ordinance, the City will not be given the opportunity to ensure that potential impacts on the City are mitigated by dispensaries situated in the City's SOI. Given the proximity to the City, the County should not allow any dispensaries within the City's SOI without first ensuring that all potential impacts to the City are addressed.

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Cloverdale opposes the approval of any County Use Permit, building permit or business license for any proposed dispensary situated in the unincorporated area of Sonoma County outside of Cloverdale City Limits and within the LAFCO adopted SOI of the City; and

BE IT FURTHER RESOLVED, that the City Council of the City of Cloverdale hereby recommends to the Board of Supervisors of Sonoma County that the proposed County Ordinance be revised to reflect that dispensaries are not permitted to be situated in the unincorporated area of Sonoma County outside of Cloverdale City Limits within the LAFCO adopted SOI of the City unless the dispensary fully mitigates potential environmental, social, financial, and safety impacts to the satisfaction of the City through a mitigation agreement or other means.

IT IS HEREBY RESOLVED that the foregoing Resolution No. 088-2016 was duly introduced and legally adopted by the City Council of the City of Cloverdale at its meeting held on this 28th day of November 2016 by the following roll call vote: (Ayes-_; Noes-_).

AYES:
NOES:
ABSENT:
ABSTAIN:

Approved:	Attested:
_____	_____
Mary Ann Brigham, Mayor	Linda Moore, Deputy City Clerk

2725508.1

Sec. 26-88-~~126~~256. - Medical cannabis dispensary uses.

(a) **Purpose**. This section provides the location and operational standards for any medical cannabis dispensary within the unincorporated county in order to promote the health, safety, and general welfare of its residents and businesses.

(b) **Applicability**. Medical cannabis dispensaries shall be permitted only in compliance with the requirements of this section, and all other applicable requirements of the underlying zoning district.

(c) **Permit Requirements**. A use permit **issued** in compliance with Sections 26-92-070 and 26-92-080 shall be required for any medical cannabis dispensary. **Medical cannabis dispensaries shall also be subject to permit requirements and regulations established by the Sonoma County Department of Health Services.** Additionally, medical cannabis dispensaries must comply with all other applicable building codes and requirements, including accessibility requirements.

(d) **Limit on Number of Dispensaries**. No more than nine (9) medical cannabis dispensaries shall be permitted within the unincorporated county at any one time.

(e) **Compliance with Operating Plan and Conditions Required**. A medical cannabis dispensary shall submit, as a part of the use permit application, an operating plan that specifies the manner in which operations will be handled and security provided, and which details the number of employees, number of patients, hours and days of operation allowed and approved. The operating plan shall provide that the dispensary shall require, at a minimum, a doctor's written recommendation in compliance with state law, as well as a photo identification for any person entering the site. Any medical cannabis dispensary approved under this section shall be operated in conformance with the approved operating plan and shall meet any specific, additional operating procedures and measures as may be imposed as conditions of approval to ensure that the operation of the dispensary is consistent with protection of the health, safety and welfare of the community, qualified patients, and primary caregivers, and will not adversely affect surrounding uses.

(f) **Limited Term**. Use permits for medical cannabis dispensaries shall be limited-term, and shall be issued for a maximum period of one year. ~~All use permits issued for a medical cannabis dispensary shall contain the following provision: "This permit shall be a limited term permit and shall be subject to revocation or modification following a public hearing if the approving body finds that there has been a violation or noncompliance with the operating plan or any of the use permit co nditions, or if the use for which this permit is hereby granted constitutes a nuisance."~~

~~(f)~~**(g)** **Exercise and Renewal of Permit.** Use permits for medical cannabis dispensaries shall be exercised only by the applicant~~, who must be a qualified patient or primary caregiver,~~ and shall expire upon termination of the business for which it was issued, or

upon sale or transfer of ownership of the medical cannabis dispensary. All use permits issued for a medical cannabis dispensary shall include the following provision: "This use permit shall expire upon change of tenancy or sale or transfer of the business or property." Any use permit that is abandoned for a period of six (6) months shall automatically expire, and shall become null and void with no further action required on the part of the county. A use permit renewal may be administratively approved by the planning director only if all of the following findings are made:

(1) The use has been conducted in accordance with this section, with the dispensary's approved operating plan, and with all applicable use permit conditions of approval;
(2) The business for which the use permit was approved has not been transferred to another owner or operator;
(3) There are no outstanding ~~code enforcement~~ violations **of health, safety, or land use.**~~.~~

~~(g)~~**(h)** **Revocation or Modification.** ~~Notwithstanding, a~~**A** use permit approved under this section may be revoked or modified at any time following public hearing in accordance with Section 26-92-120.

~~(h)~~**(i)** **Signed Affidavit.** The property owner and applicant, if other than the property owner, shall sign the application for the use permit, and shall include affidavits agreeing to abide by and conform to the conditions of the use permit and all provisions of the Sonoma County Code pertaining to the establishment and operation of the medical cannabis dispensary use, including, but not limited to, the provisions of this section. The affidavit(s) shall acknowledge that the approval of the medical cannabis dispensary use permit shall in no way permit any activity contrary to the Sonoma County Code, or any activity which is in violation of any applicable laws.

~~(i)~~**(j)** **Location Requirements.**

(1) A medical cannabis dispensary shall not be established on any parcel containing a dwelling unit used as a residence, nor within one hundred feet (100′) of a residential zoning district.~~.~~
(2) A medical cannabis dispensary shall not be established within ~~one thousand~~**six hundred** feet (~~1,000~~**600′**) of any other medical cannabis dispensary, nor within five hundred feet (500′) from a smoke shop or similar facility selling drug paraphernalia.
(3) A medical cannabis dispensary shall not be established within ~~one thousand~~**six hundred** feet (~~1,000~~**600′**) from any public **or private** school, park, **drug or alcohol treatment facility.**~~, or an establishment, public or private, that caters to or provides services primarily to persons under eighteen (18) years of age.~~
(4) Notwithstanding, the subsections (**j**~~h~~)(1)—(2) may be waived by the decision-maker when the applicant can show that an actual physical separation exists between land uses or parcels such that no off-site impacts could occur.

~~(j)~~**(k)** ~~**Development Standards and**~~ **Operati**~~**onal**~~**ng** ~~**Criteria in General**~~**Standards.**

The following are the minimum development ~~standards~~ **criteria** and operational ~~criteria~~ **standards** applicable to any medical cannabis dispensary use ~~(Level 1 and Level 2):~~**:**

(1) The building in which the dispensary is located shall comply with all applicable local, state and federal rules, regulations, and laws including, but not limited to, building codes and accessibility requirements;

(2) The dispensary shall provide adequate security on the premises, including lighting and alarms, to insure the safety of persons and to protect the premises from theft. The **applicant shall submit a security plan**~~operational plan shall include the approved security measures~~**for review and approval by PRMD. The Security Plan shall remain confidential.**~~;~~

(3) The site plan, circulation, parking, lighting, facility exterior, and any signage shall be subject to design review committee review and approval. The planning director may waive this requirement where the applicant can demonstrate that existing facilities, including parking, lighting and landscaping, already meet the requirements of this section;

(4) No exterior signage or symbols shall be displayed which advertises the availability of cannabis, nor shall any such signage or symbols be displayed on the interior of the facility in such a way as to be visible from the exterior;

~~(5) A dispensary shall have no operators or employees who are not qualified patients or primary caregivers meeting all terms and conditions of applicable law;~~

~~(6) A dispensary may possess cannabis at its facility only in the collective amount that each qualified patient or primary caregiver served is allowed to possess under Health and Safety Code Section 11362.77, as may be amended from time to time;~~

~~(7)~~**(5)** No person shall be allowed onto the premises unless they are **an employee, vendor or contractor of the dispensary,** a primary caregiver, and/or a qualified patient **or an employee of an agency having jurisdiction monitoring or investigating the terms of regulatory compliance.**~~,~~ **If the dispensary denies entry for monitoring and inspection to any employee of an agency having jurisdiction, the dispensary may be closed. I**~~i~~n strict accordance with California Health and Safety Code Section 11362.5 et seq. no person under the age of eighteen (18) shall be allowed on the dispensary site. All persons entering the site shall present a photo identification and shall establish proof of doctor'~~(~~s recommendation **except as representing a regulatory agency**. The operating plan submitted as a part of the use permit application shall specify how this provision will be complied with and enforced;

~~(8)~~**(6)** No dispensary shall hold or maintain a license from the State Department of Alcoholic Beverage Control to sell alcoholic beverages, or operate a business that sells alcoholic beverages. No alcoholic beverages shall be allowed or consumed on the premises;

~~(9)~~**(7)** An exhaust and ventilation system shall be utilized to prevent off-site odors;

~~(10)~~**(8)** No dispensary shall conduct or engage in the commercial sale of any product, good or service unless otherwise approved by the use permit. **A dispensary may sell live starter plants, clones and seeds from qualified**

nurseries, but shall not cultivate or clone cannabis. A dispensary may sell manufactured cannabis, including edible products, and vaporizing devices if allowed by a permit issued by the Department of Health Services. Not more than ten percent (10%) of the floor area, up to a maximum of fifty (50) square feet may be devoted to the sale of incidental goods for personal cultivation but shall not include clothing, posters or other promotional items. ~~.~~

~~(11)~~**(9)** No cannabis shall be smoked, ingested or otherwise consumed on the premises. The term "premises" includes the actual building, as well as any accessory structures, parking areas, or other immediate surroundings.

~~(k) Level 1 Medical Cannabis Dispensary Additional Criteria. The following additional criteria shall apply to a Level 1 medical cannabis dispensary:~~

~~(1) A Level 1 medical cannabis dispensary shall have no more than three hundred (300) total patients at any one time, and shall serve an average of twenty (20) or less patients per day;~~

~~(2)~~**(10)** ~~The size of a Level 1 medical cannabis dispensary shall be limited, and shall not exceed one thousand (1,000) square feet unless specifically approved by the use permit.~~ No dispensary may increase in size without amending the use permit. The size limitation shall be included in the operational plan required by 26-88-126(e), of this section;

~~(3) Operating days and hours shall be limited to Monday through Saturday from 8:00 a.m. to 5:00 p.m., or as otherwise approved by the use permit. Operating hours may be further restricted through the use permit process where needed to provide land use compatibility.~~

~~(l) Level 2 Medical Cannabis Dispensary Additional Criteria. The following additional criteria shall apply to any Level 2 medical cannabis dispensary:~~

~~(1)~~**(11)** Parking must meet the requirements of Section 26-86-010.

~~(2)~~**(12)** Operating days and hours shall be limited to Monday through Saturday from 7:00 a.m. to 7:00 p.m., **including deliveries,** or as otherwise allowed by the use permit. Operating hours may be further restricted through the use permit process where needed to provide land use compatibility.

(Ord. No. 5967, § I, 1-31-2012; Ord. No. 5748 § 2, 2007; Ord. No. 5715 § 2, 2007.)