

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA #: 9:05 a.m.

AGENDA DATE: December 5, 2017

SUBJECT:

Public Hearing to Introduce and Waive the First Reading of Two Ordinances Related to Regulating and Establishing New Fees for Commercial Cannabis Activities, Approval of a Zoning Ordinance Amendment for Commercial Cannabis Activities, and Approval of a Cannabis Activity Enforcement Strategy

BOARD ACTION AS FOLLOWS:

No. 2017-684

On motion of Supervisor Olsen , Seconded by Supervisor Withrow
and approved by the following vote,

Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini, and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

- 1) Approved as recommended
- 2) Denied
- 3) X Approved as amended
- 4) Other:

MOTION: Adopted Staff Recommendations Nos 1-8 and, **amended** the item to direct staff to evaluate if artificial light cultivation when conducted within an existing building should be allowed in the A-2 (General Agriculture) zoning district, to return to the Board of Supervisors with an Zoning Ordinance Amendment if determined that any of the existing registrant's will be impacted by the limitation in the adopted Zoning Ordinance Amendment, and to review the list of registration applications for eligibility under the adopted Ordinances and to provide a report back to the Board of Supervisors

Introduced and waived the reading of Ordinance C.S. 1203 to establish new fees related to the regulation of commercial cannabis activities

Introduced, waived the reading, and adopted Ordinance C.S. 1205 amending the Title 21 (Zoning) of the Stanislaus County Code related to Commercial Cannabis Activities

Introduced and waived the first reading of Ordinance C.S.1206 repealing Chapter 9.92 and Adding Chapter 6.78 to the Stanislaus County Code to regulate commercial cannabis activities

ATTEST: 
ELIZABETH A. KING, Clerk of the Board of Supervisors

ORD-56-A-7, ORD-56-B-2,
File No. ORD-56-B-3

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Chief Executive Office

Urgent Routine

BOARD AGENDA #: 9:05 a.m.

AGENDA DATE: December 5, 2017

CEO CONCURRENCE: *phc*

4/5 Vote Required: Yes No

SUBJECT:

Public Hearing to Introduce and Waive the First Reading of Two Ordinances Related to Regulating and Establishing New Fees for Commercial Cannabis Activities, Approval of a Zoning Ordinance Amendment for Commercial Cannabis Activities, and Approval of a Cannabis Activity Enforcement Strategy

STAFF RECOMMENDATIONS:

1. Conduct a public hearing to:
 - a. Introduce, waive the first reading of an ordinance repealing Chapter 9.92 and adding Chapter 6.78 to the Stanislaus County Ordinance Code to regulate commercial cannabis activities.
 - b. Consider the Planning Commission's recommendation for approval of Zoning Ordinance Amendment Application No. PLN2017-0119 – Commercial Cannabis Activities, an update to the Stanislaus County Zoning Ordinance, covering the entire Stanislaus County unincorporated area.
 - c. Introduce, waive the first reading of an ordinance to establish new fees related to the regulation of commercial cannabis activities.
2. Find the proposed ordinances to be generally exempt from the California Environmental Quality Act (CEQA) pursuant to Section 26055(h) of the California Code of Regulations and order the filing of a Notice of Exemption with Stanislaus County Clerk-recorder pursuant to CEQA Guidelines Section 15062.
3. Find that there is no substantial evidence that the proposed ordinances will have a significant effect on the environment and that the general exemption reflects Stanislaus County's independent judgement and analysis.
4. Find that Ordinance Amendment Application No. PLN2017-0119 – Commercial Cannabis Activities is consistent with the overall goals and policies of the Stanislaus County General Plan.
5. Introduce, waive the first reading, and adopt an ordinance amending the Zoning Ordinance (Title 21) of the Stanislaus County Code related to Commercial Cannabis Activities.
6. Approve a phased enforcement strategy to address cannabis activities in Stanislaus County unincorporated area.
7. Amend the position and salary allocation to add one Crime Analyst position and one Sergeant position to the Sheriff's Department.
8. Direct the Auditor Controller to make the necessary budget adjustments in the amount of \$200,105 per the attached budget journal.

Public Hearing to Introduce and Waive the First Reading of Two Ordinances Related to Regulating and Establishing New Fees for Commercial Cannabis Activities, Approval of a Zoning Ordinance Amendment for Commercial Cannabis Activities, and Approval of a Cannabis Activity Enforcement Strategy

DISCUSSION:

On September 26, 2017 the Board of Supervisors approved the development of a commercial cannabis allowance strategy for retail, cultivation, and other related cannabis business activities in the unincorporated area of Stanislaus County. Also approved was a 15 business day initial application interest period from October 2, 2017 through October 20, 2017. The interest period assisted in informing staff of the level of interest for cannabis business activities and the proposed locations.

During the 15 business day initial application interest period, the County received a total of 118 applications. One applicant submitted an interest for a property located in the City of Modesto limits, and has been notified of their ineligibility to participate in the County program and refunded their deposit. An overview of the interest applications received is provided as Attachment 2 of this report. During this interval, the County engaged in discussions with the Cities of Modesto and Turlock to discuss permit eligibility in and around spheres of influences. In addition, the County and the City of Modesto have discussed potential revenue sharing and cooperative planning that will assist in aligning our programs.

Three separate ordinance amendments addressing commercial cannabis activities are included with this item for consideration:

- 1) An ordinance amendment repealing Chapter 9.89 and adding Chapter 6.78 to Title 6 of the Stanislaus County Code to provide general regulations for commercial cannabis activities; and
- 2) A Zoning Ordinance amendment to Title 21 (Zoning) of the Stanislaus County Code to specify the zoning districts where each commercial cannabis activity may be permitted, subject to the discretionary review process.
- 3) As part of this item the Board of Supervisors is also being asked to consider the adoption of new fees related to the regulation of commercial cannabis activities.

Regulatory Ordinance

The Regulatory Ordinance (Attachment 4) includes general operating standards, which apply to all commercial cannabis permit types, including: setbacks; odor control; site control; security measures; signage and notices; records and record keeping; employee background checks; and the Track and Trace Program. Specific operating criteria for each commercial cannabis activity is also included in the regulatory ordinance as well as restrictions on permit transfers, provisions for suspension, revocation, and enforcement, and a requirement for annual permit renewals. The Regulatory Ordinance also addresses grounds for suspension, revocation, or nonrenewal of permits, violations, enforcement, and criminal penalties that are applicable to both applicant/permittee and property owner. A violation of the Regulatory Ordinance is a misdemeanor subject to fines or imprisonment.

The Regulatory Ordinance presented to the Planning Commission, along with the proposed amendment to the Zoning Ordinance, includes:

- Language regarding the County's Sphere of Influence (SOI) policy;

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- The addition of a policy that gives cities with adopted commercial cannabis bans additional decision making power over approval of discretionary commercial cannabis permits within a one-half mile radius outside of their SOIs;
- Restrictions on the number of retail activities that may be permitted within the City of Modesto's SOI and within a one-half mile radius outside of their SOI; and
- Required buffers from sensitive land uses including schools, youth centers, parks, day care centers, residences, and libraries.

The Planning Commission had three recommended changes specific to the draft regulatory ordinance:

- Inclusion of parks in the definition of "youth center"
- Increased setback from residences from 200 feet to 600 feet
- Elimination of the setback waiver or reduction provision

Staff supports the Planning Commission's recommendation to include "parks" within the definition of "youth center". This will change the buffer for parks to 600 feet. Staff believes that the purpose of these Planning Commission recommendations was to assure compatibility between commercial cannabis activities and the surrounding neighborhood. Staff evaluated the potential impact of a 600 foot residential setback requirement and found that only 4 out of the total 31 retail storefront applications would be able to meet this increased buffer. While an analysis of the impact to all commercial cannabis activities has not been conducted, applying an increased buffer of 600 feet between any commercial cannabis activity and residences significantly impact the ability to locate commercial cannabis activities.

In order to maintain flexibility in siting commercial cannabis activities while also maximizing community and public input staff has amended language in the Regulatory Ordinance that states any commercial cannabis activity located within a Municipal Advisory Council (MAC) boundary area allows for the affected MAC to advise the Board of Supervisors on their support. Staff recommends this change in place of the Planning Commission's recommendations to increase the setback from residences and eliminate the setback waiver/reduction provision. MAC approval will achieve the same goal while maintaining flexibility for different communities.

A change was also made to Section 6.78.080(C)(2), in response to a comment received from the industry, to allow consistency with State requirements for energy conservation and cultivation activities.

Zoning Ordinance Amendment

The proposed Zoning Ordinance Amendment was presented to the Planning Commission on November 16, 2017, for recommendation to the Board of Supervisors. As proposed to the Planning Commission no commercial cannabis activities would be permitted in any R (Residential), C-1 (Neighborhood Commercial), or H-1 (Highway Frontage) zoning district. Planning staff recommended the following commercial cannabis activities by zoning district.

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- A-2 (General Agriculture) - Mixed-light and natural light cultivation and nursery activities (when enclosed in a greenhouse), and distribution activities (limited to on-site production only).
- C-2 (General Commercial) – Retail storefront and testing lab activities.
- PI (Planned Industrial) – Retail non-storefront, manufacturing (non-volatile), testing labs, distribution, indoor cultivation and nursery activities.
- LM (Limited Industrial) - Manufacturing (non-volatile), testing labs, distribution, indoor cultivation and nursery activities.
- M (Industrial) – Retail (storefront and non-storefront), manufacturing (volatile and non-volatile), testing labs, distribution, indoor cultivation and nursery activities.
- P-D (Planned Development), H-S (Historical), and SP (Specific Plan) – Determined through submission of specific development plans. Uses, building intensity, and development standards are determined by the County on an individual basis, depending upon the nature and location of the proposed planned development.

Combining license types is permitted. However, combining license types is limited to those types which may be permitted in each zoning district. The attached Commercial Cannabis Permitting Land Use chart (Attachment 3) reflects staff's recommendation.

Eighteen email comments and one letter from the general public have been received in response to the proposed Zoning Ordinance amendment. A letter was also received from the City of Modesto, which requested minor amendments to the draft regulatory ordinance. Correspondence received both prior to the November 16, 2017 Planning Commission hearing and after are included as Attachment 5 of this report.

On a vote of 6-0, the Planning Commission recommended approval of the proposed ordinance amendment inclusive of one recommended change to the proposed Zoning Ordinance Amendment:

- Elimination of the proposed amendment to Chapter 21.56 General Commercial (C-2)
 - Would not permit any commercial cannabis activities in the C-2 zoning district

There were 10 cannabis interest registrations received for commercial cannabis activities in the C-2 zoning district, which included nine requests for retail storefront activities (4 in the South Modesto area; 1 in the Salida area; 1 in the Denair area; 2 in the Empire area; and 1 in the Crows Landing area). One application was also received in the C-2 district for manufacturing and distribution in the Crows Landing area, which are activities that are not proposed to be allowed in the C-2 District. The C-2 zoning district includes a wide range of uses and varies in developed character throughout the County.

Staff has not incorporated the Planning Commission's recommendation to remove the C-2 district from the proposed zoning ordinance amendments, to increase the residential setback, or to eliminate the setback reduction/waiver provision. Each of the 10 applications must go through a detailed application vetting process. If they are able to move forward to the land use entitlement process, they will then be required to go through environmental review, public

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review, and to have a public hearing. If located within a Sphere of Influence of a city or within a Municipal Advisory Council (MAC) boundary area, city or MAC approval would be obtained before recommending approval. Staff believes this approval process will ensure compatibility with the surrounding neighborhood, which makes banning all activities in the C-2 unnecessary.

Fee Ordinance

The proposed commercial cannabis activities fee schedule includes the establishment of new fees for processing cannabis business applications, background investigations, live scanning fees, security plan inspections performed by the Sheriff's Office, a business permit, and track and trace program fees.

The cannabis business application processing fee is an actual cost minimum charge/deposit (non-refundable), which means each applicant will be charged actual staff time spent processing the application. The Cannabis business application processing fee of \$8,500 is a minimum base fee. This includes third party consultant costs and staff time associated with processing, reviewing, and ranking of applications. The actual cost is based on the department weighted labor rate of those involved, which include staff from the Chief Executive Office, County Counsel, Planning and Community Development Department, Sheriff, and others as needed. The deposit of \$4,359 received during the initial interest application period will be applied to the application processing fee.

The background investigation and live scanning fees are a per person charge. The fee is applicable for all backgrounds of applicants and property owners associated with the application for cannabis business activities. For instance if there are two applicants and one property owner, then the total fee would be \$3,036 to cover three individuals (\$1,012 per person). This fee is in addition to the \$8,500 application processing fee, and in this scenario would result in a total fee of \$11,536.

The Agricultural Commissioner is tasked with overseeing the countywide track and trace program and conducting other agricultural and weights and measures activities as it relates to the permitted activities. The countywide track and trace system is the backbone of a robust enforcement and compliance strategy. This system will capture and reconcile activity at any point in the cannabis supply chain, from initial production through retail sale, tracking all movements within the chain of custody across all permits issued under the County cannabis ordinance. The Agricultural Commissioner will work with a third party vendor to enroll and train all permittees, inspect premises, obtain plant samples for laboratory analysis, audit record keeping and audit plant and product inventory to ensure compliance with track and trace protocols and ordinance requirements. Fees to implement an effective track and trace program are recommended.

Fees will be collected throughout the several steps of the process that result in obtaining a permit. The Application Fees identified in Attachment 10 apply to the application phase of the process. All applications will be evaluated, scored, and ranked at this phase. The first 61 eligible permits will move forward in the process for a Conditional Use Permit. Additional fees will be required at this stage for those applications that are referred forward. These fees are

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already in place for each department conducting this review. Below is a summary outline of the phases in which payment will be required to the County:

- Phase 1 – Registration Interest, collection of \$4,359 non-refundable deposit
- Phase 2 – Cannabis Application \$8,500 minimum processing fee/deposit
\$1,012 per person background and live scan minimum fee/deposit
- Phase 3 – Discretionary Land Use Entitlement Application, per existing fee ordinance
- Phase 4 – Development Agreement that includes the Public Benefit contribution
- Phase 5 – Regulatory Permit fee of \$5,000, renewed annually

Enforcement Strategy

Enforcement is a major component to properly control the legal permitted activities, as well as illegal non-permitted activities. When the Board of Supervisors approved the development of an allowance strategy in September, they emphasized the need for active enforcement of both legal and illegal cannabis activities in Stanislaus County. The revenue derived from the approved development agreements will be used to enforce these activities.

Staff continue to meet with the primary affected departments that include the Agricultural Commissioner's Office, Chief Executive Office, County Counsel's Office, Department of Environmental Resources, District Attorney's Office, Planning and Community Development Department, Probation Department, and the Sheriff's Department. A task force has been established comprised of these departments that will work together in identifying and responding to complaints. These complaints are derived primarily from two sources: (1) Sheriff's Department Investigation (2) Citizen Relationship Management (CRM) complaints primarily received through Environmental Resources Code Enforcement. The task force will meet regularly and coordinate enforcement efforts addressing illegal cannabis activities. Additional departments such as Behavioral Health & recovery Services, Fire, Public Health, and Public Works (use of Equipment) will be called upon as needed.

It is recommended that full enforcement begin in a phased approach (Attachment 10) to start addressing cannabis activities now. Phase One focuses on the background screening of all registrants from the initial registration interest period. A full background screening of applicants and property owners will identify those applicants that are eligible for a permit. On November 21, 2017, the Board of Supervisors approved a resolution authorizing access to State and Federal level criminal history information for cannabis permitting activities. The resolution was filed with the Department of Justice and is currently being processed. This allows for the screening of both Department of Justice (DOJ) and Federal Bureau of Investigation (FBI) screening for all applicants, property owners, and others associated with the cannabis business permitted activities.

Phase One also includes adding staff in the Sheriff's Department to effectively conduct the numerous background investigations. This will include adding a full-time Crime Analyst and part-time clerical community aide. In addition, a Sergeant position is recommended to serve as the lead in establishing cannabis enforcement strategies. This will include review and

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inspection of submitted cannabis business security plans, as well as assessing and developing future enforcement protocols.

In Phase Two, a review of the enforcement protocols will be completed and an emphasis will be placed on unpermitted retail and outdoor grows. To continue to effectively enforce and prosecute these activities a Deputy District Attorney and a Criminal Investigator is recommended for the District Attorney's Office. Additionally, a Zoning Enforcement Officer will also be recommended in the Department of Environmental Resources. Staff will return to the Board at a later date with a separate Phase Two request consistent with the attached strategy chart (Attachment 10).

As revenue projections from the Development Agreements become clearly understood, Phase Three will address a full enforcement strategy. This will include the assessment conducted by the assigned Sheriff's Sergeant and the cannabis task force. Additional positions and tools necessary to effectively enforce cannabis activities will be recommended at that time.

Next Steps

After adoption of the ordinances, there are several steps that will continue to occur to implement an effective program in addressing cannabis activities in Stanislaus County. In summary, the following identify some key next steps:

- Development of application forms and process (Dec 2017/Jan 2018)
- Development of evaluation Criteria (Dec 2017/Jan 2018)
- Continue cooperative discussions with partner cities (Jan 2018)
- Track and Trace Program Agreement (Jan 2018)
- Permittee Development Agreements (May/June 2018)
- Ongoing enforcement and program monitoring (June 2018 forward)
- Personal Grow and Hemp Ordinances (July/August 2018)

POLICY ISSUE:

Board of Supervisors' approval is required to adopt ordinances related to the regulation of commercial cannabis activities that promote and protect the health, safety, and general welfare of persons and property, and that are in conformance with the Medicinal and Adult-Use Cannabis Regulation and Safety Act, California Business and Professions Code, Division 10, Sections 26000 – 26001.

FISCAL IMPACT:

A total of 118 interest applications were received during the initial application interest 15 business day period. Each application required a deposit of \$4,359, which totaled \$514,362. There was one refund due to the location being within city limits and not in the unincorporated area.

The deposit revenue will be used to fund one Crime Analyst position and an extra-help clerical community aide in the Sheriff's Department to conduct the background investigations for all

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applicants and property owners. Background investigations are estimated at \$1,012 per person, which includes staff time, live scanning, and a comprehensive report. It is estimated that approximately 250-275 initial background investigations may need to be conducted.

Additionally, the deposit revenue will fund one Sergeant in the Sheriff's Department that will focus on the review and inspection of security plans submitted with applications. This position will also be the lead for developing ongoing and future enforcement strategies.

A budget adjustment in the amount of \$200,105 is recommended to cover the costs of these positions, as well as equipment and training needed, through the end of the fiscal year and is funded by the deposits collected during the interest application period. Ongoing costs for the full-time positions will be funded with revenue generated by permit activities and will be addressed in the Fiscal Year 2018-2019 Proposed Budget.

Costs associated with the land use entitlement process, including environmental review and development agreements, will be covered by existing actual cost fees.

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Boards' priorities of A Safe Community, A Strong Local Economy, A Well Planned Infrastructure System and Efficient Delivery of Public Services by developing a strategy to regulate cannabis activities in the unincorporated area of Stanislaus County that provides potential funding for those essential government services required to safely and effectively administer.

STAFFING IMPACTS:

It is recommended to add one Crime Analyst position to the Sheriff's Department to assist in the screening of applicants and property owners. The annual cost of this position, including equipment and training is estimated to be \$110,629. Approval for this position will include funding to cover through the end of this fiscal year. This position is funded by the deposit revenue collected with the initial interest applications. Ongoing costs of the position will be funded with revenue generated by permit activities.

The Crime Analyst will be responsible for verifying all applicant and property owner information, and examining all components of a background check including: criminal record, employers, address history, driver's license information, utilities, professional affiliations and licenses, financial information, liens, judgements, property information, global watch lists, weapons permits, relatives and associates, Uniform Commercial Code (UCC) filings, aircraft records, and voter registrations.

It is also recommended to add a Sergeant position in the Sheriff's Department to focus primarily on Cannabis enforcement activities. The annual cost of this position, including equipment and training is estimated to be \$239,083. Approval for this position will include funding to cover through the end of this fiscal year. This position will be initially funded by

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deposit revenue collected with the initial interest registrations. Ongoing costs of the position will be funded with revenue generated by permit activities.

The land use entitlement and development agreement process will be handled by existing Planning and Community Development Department staff and may include the use of on-call contract planning and/or environmental services.

CONTACT PERSON:

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Angela Freitas, Planning & Community Development Director	Telephone: 209.525.5929
Thomas Boze, Assistant County Counsel	Telephone: 209.525.6376

ATTACHMENT(S):

1. Budget Journal
2. Commercial Cannabis Interest Registration Summary
3. Commercial Cannabis Permitting Land Use Chart
4. Draft Commercial Cannabis Regulatory Ordinance Chapter 6.78
5. Draft Summary of the Stanislaus County Zoning Ordinance Amendments as proposed to the Stanislaus County Planning Commission
6. Planning Commission Memo Addendum, November 16, 2017
7. Planning Commission Memo, November 16, 2017 (With attachments)
8. Correspondence received
9. Proposed Commercial Cannabis Activity Fee Ordinance
10. Cannabis Enforcement Strategy Chart

ATTACHMENT 1

Database
Balance Type
Data Access Set

FMSDBPRD.CO.STANISLAUS.CA.US.PROD
Budget
County of Stanislaus

DO NOT CHANGE
DO NOT CHANGE
DO NOT CHANGE

Ledger
Budget
Category
Source
Currency
Period
Batch Name
Journal Name
Journal Description
Journal Reference
Organization
Chart Of Accounts

* List - Text County of Stanislaus
List - Text LEGAL BUDGET
* List - Text Budget - Upload
* List - Text
* List - Text USD
List - Text DEC-17
Text
Text
Text Cannabis Background Checks
Text
List - Text Stanislaus Budget Org
Accounting Flexfield

DO NOT CHANGE
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ENTER AS MMM-YY (ALL CAPS FOR MMM) EX: NOV-11
DO NOT CHANGE
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Upl	Fund (4 char)	Org (7 char)	Account (5 char)	GL Project (7 char)	Location (6 char)	Misc. (6 char)	Other (5 char)	Debit incr appropriations decr est revenue * Number	Credit decr appropriations incr est revenue * Number	Line Description Text
		0100	0028250	50000					40814	Crime Analyst
		0100	0028112	50020					3000	Extrahelp
		0100	0028250	65780					5000	Analyst Training
		0100	0028250	62290					4000	Analyst Equipment
		0100	0028210	50000					75291	Sergeant
		0100	0028210	60402					6000	Sgt. Equipment
		0100	0028210	65780					10000	Sgt. Training
		0100	0028210	84751					56000	Sgt. Vehicle
		0100	0028250	14600					49814	Permit Fee Revenue
		0100	0028112	14600					3000	Permit Fee Revenue
		0100	0028210	14600					147291	Permit Fee Revenue
									200105	200105

Totals: 200105 200105
Tip: This is not the end of the Template. Unprotect the sheet and insert as many rows as needed.

Explanation: Increase appropriations to add 6 months of funding for one Crime Analyst position, extra-help staff for live scan duties, one Sergeant, training and equipment costs for the new Crime Analyst and Sergeant position.

Requesting Department		Date Entry	Auditors Office Only
Tera Chumley	<i>J. [Signature]</i> CEG		<i>[Signature]</i>
Prepared by	Supervisor's Approval	Keyed by	Prepared By
10/26/2017	11/29/17		11/30/2017
Date	Date	Date	Date

ATTACHMENT 2

DECEMBER 5, 2017 STANISLAUS COUNTY COMMERCIAL CANNABIS REGISTRATION INTEREST SUMMARY (Note: Identical to Exhibit 4 of the Planning Commission Memo from 11/16/2017)

Total Received

- 117 registrations – multiple registrations received on several properties
- 265 permit requests – multiple permit requests with each application, some applied for permits not allowed in designated zoning district

Total Registrations by Zoning District and By Area

- A-2 (General Ag) – 61 (52.1%)
- M (Industrial) – 23 (19.7%)
- P-D (Planned Development) – 10 (8.5%)
- PI (Planned Industrial) – 11 (9.4%)
- C-2 (General Commercial) – 10 (8.5%)
- H-1 (Highway Frontage) – 1 (0.9%) – Non-permitted district
- R-3 (High Density Residential) – 1 (0.9%) – Non-permitted district

LAFCO Adopted Sphere of Influence (SOI)

	Total	In SOI	Outside SOI
Ceres	14	5	9
Crows Landing	3	0	3
Denair	2	0	2
Empire	4	3	1
Eugene	1	0	1
Hickman	3	0	3
Hughson	4	0	4
Keyes	1	0	1
Knights Ferry	1	0	1
Modesto	53	34	19
Oakdale	9	1	8
Patterson	8	0	8
Riverbank	2	0	2
Salida	1	0	1
Turlock	5	0	5
Valley Home	1	0	1
Vernallis	2	0	2
Westley	2	0	2
West of I-5	1	0	1
Total	117	43	74

- In SOI - 43 (37%)
- Outside of SOI – 74 (63%)

Permit Requests by Type

- Total Retail – 37 (14%)

- Storefront Retail – 31 (12%)
 - Storefront Retail in SOI – 22 (8%)
- Non-Storefront Retail (delivery only) – 6 (2%)
 - Non-Storefront Retail in SOI – 0 (0%)
- Total Cultivation – 170 (64%)
 - Indoor – 59 (22%)
 - Mixed Light – 63 (24%)
 - Natural Light – 4 (2%)
 - Specialty Cottage - 7 (3%)
 - Nursery – 37 (14%)
- Total Distribution – 24 (9%)
- Total Manufacturing – 32 (12%)
 - Volatile Manufacturing – 13 (5%)
 - Non-Volatile Manufacturing – 19 (7%)
- Total Testing Lab – 2 (1%)

Registrations in A-2 by Permit Type

- Total A-2 registrations – 61 (52%)
 - In SOI – 5 (4%)
 - Not in SOI - 56 (48%)
 - Williamson Act – 23 (37.7% of A-2 Registrations)
- Total A-2 permit requests – 117 (44%)
- Cultivation permits – 104
 - Indoor – 18
 - Mixed-light – 52
 - Natural light - 4
 - Specialty cottage – 4
 - Nursery – 26
- Distribution permits – 6 (2%)
- Other (not proposed to be permitted in A-2) – 7 (3%)

Registrations in Other Zoning Districts (P-D, PI, C-2, M, R-3, H-1) by Permit Type

- Total Apps – 56 (48%)
 - In Sphere of Influence – 38 (33%)
 - Outside SOI – 18 (15%)
- Total Other Zoning Districts Permit Requests – 148 (56%)
 - Cultivation permits – 66 (25%)
 - Retail – 34 (13%)
 - Retail Storefront – 31 (12%)
 - Retail Non-Storefront – 3 (1%)
 - Manufacturing – 28 (11%)
 - Volatile – 12 (5%)
 - Non-Volatile – 16 (6%)
 - Distribution – 18 (7%)
 - Testing Lab – 2 (1%)

ATTACHMENT 3

Commercial Cannabis Permitting Land Use Chart

*COMMERCIAL CANNABIS PERMITTING		**ZONING DISTRICT																
		RESIDENTIAL				COMMERCIAL				INDUSTRIAL				OTHER		***AGRICULTURE		HISTORICAL
LICENSE TYPE		R-1	R-2	R-3	R-A	C-2	C-1	H-1	M	LM	LI	PI	IBP	PD	SP	A-2	H-5	
RETAILER																		
<i>(Max of seven commercial cannabis retailers permitted in all zoning districts combined)</i>																		
RETAILER STOREFRONT		NP	NP	NP	NP	UP	NP	NP	UP	NP	NP	NP	NP	DP	SP	NP	HSP	
RETAILER NON-STOREFRONT		NP	NP	NP	NP	NP	NP	NP	UP	NP	NP	UP	NP	DP	SP	NP	HSP	
MANUFACTURER																		
MANUFACTURER (NON-VOLATILE)		NP	NP	NP	NP	NP	NP	NP	UP	UP	NP	UP	NP	DP	SP	NP	HSP	
MANUFACTURER (VOLATILE)		NP	NP	NP	NP	NP	NP	NP	UP	NP	NP	NP	NP	DP	SP	NP	HSP	
TESTING LAB																		
TESTING LAB		NP	NP	NP	NP	UP	NP	NP	UP	UP	NP	UP	NP	DP	SP	NP	HSP	
DISTRIBUTOR																		
DISTRIBUTOR		NP	NP	NP	NP	NP	NP	NP	UP	UP	NP	UP	NP	DP	SP	NP	HSP	
CULTIVATOR (May include nursery)																		
CULTIVATION		NP	NP	NP	NP	NP	NP	NP	UP	UP	NP	UP	NP	DP	SP	UP	HSP	
NURSEY ONLY		NP	NP	NP	NP	NP	NP	NP	UP	UP	NP	UP	NP	DP	SP	UP	HSP	

*ALL ACTIVITIES SUBJECT TO BOARD OF SUPERVISORS APPROVED DEVELOPMENT AGREEMENT
 ** SUBJECT, WHEN APPLICABLE, TO WRITTEN CITY APPROVAL WHEN LOCATED WITHIN A LOCAL AGENCY FORMATION COMMISSION (LAFCO) SPHERE OF INFLUENCE
 *** WILLIAMSON ACT CONTRACTED LAND INCLUDED IN PROPOSED A-2 CULTIVATION ALLOWANCE.
 NP = NOT PERMITTED
 UP = USE PERMIT REQUIRED (ENVIRONMENTAL REVIEW/PLANNING COMMISSION REQUIRED)
 DP = DEVELOPMENT PLAN SPECIFYING USE REQUIRED (ENVIRONMENTAL REVIEW/PLANNING COMMISSION/BOARD OF SUPERVISORS)
 SP = SPECIFIC PLAN SPECIFYING USE REQUIRED (ENVIRONMENTAL REVIEW/PLANNING COMMISSION/BOARD OF SUPERVISORS)
 HSP = HISTORIC SITE PERMIT REQUIRED (ENVIRONMENTAL REVIEW/PLANNING COMMISSION APPROVAL REQUIRED)

ATTACHMENT 4

**AN ORDINANCE RELATING TO THE REGULATION
OF COMMERCIAL CANNABIS ACTIVITIES**

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA, ORDAINS AS FOLLOWS:

Section 1. Chapter 9.86 of the Stanislaus County Code is hereby repealed.

Section 2. Chapter 6.78 Commercial Cannabis Activities, attached hereto and incorporated herein by reference is added to the Stanislaus County Code.

Section 3. This ordinance shall take effect thirty (30) days from and after the date of its passage and before the expiration of fifteen (15) days after its passage it shall be published once, with the names of the members voting for and against the same, in the Modesto Bee, a newspaper published in the County of Stanislaus, State of California.

Upon motion of Supervisor _____, seconded by Supervisor _____, the foregoing ordinance was passed and adopted at a regular meeting of the Board of Supervisors of the County of Stanislaus, State of California, the _____ day of _____, 2017, by the following-called vote:

AYES: Supervisors:

NOES: Supervisors:

ABSENT: Supervisors:

Vito Chiesa, Chairman of the Board
of Supervisors of the County of
Stanislaus, State of California

ATTEST:
ELIZABETH KING,
Clerk of the Board of Supervisors of the
County of Stanislaus, State of California

By _____
Pam Villarreal,
Assistant Clerk of the Board

APPROVED AS TO FORM:
JOHN P. DOERING
County Counsel

By _____
Thomas E. Boze,
Assistant County Counsel

CHAPTER 6.78
COMMERCIAL CANNABIS ACTIVITIES

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- 6.78.030 Definitions.
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Chapter 6.78 COMMERCIAL CANNABIS ACTIVITIES

6.78.010 Purpose.

It is the purpose and intent of this Chapter to regulate the cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transportation, distribution, delivery, or sale of medicinal and adult-use cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of Stanislaus County and to enforce rules and regulations consistent with state law. It is the further purpose and intent of this Chapter to require all commercial cannabis activities to obtain and renew annually a permit to operate within Stanislaus County. Nothing in this Chapter is intended to authorize the possession, use, or sale of cannabis for purposes that violate state or federal law. The provisions of this Chapter are in addition to any other permits, licenses and approvals which may be required to conduct activity in the County.

6.78.020 Authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (hereinafter "MAUCRSA"), any subsequent state legislation and/or regulations regarding the same, the County of Stanislaus is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial medicinal and adult-use cannabis activities. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in Stanislaus County to all Commercial Cannabis Activity.

6.78.030 Definitions.

When used in this Chapter, the following words shall have the meanings ascribed to them as set forth herein. Any reference to California statutes includes any regulations promulgated thereunder, and is deemed to include any successor or amended version of the referenced statute or regulatory provision. The definitions included in this Section do not include the activities defined in Section 11362.1 and Section 11362.2 of the California Health & Safety Code.

- A. "A-license" means a license issued under this Chapter for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess physician's recommendations.
- B. "Applicant" means the person or persons applying for a Commercial Cannabis Activity Permit pursuant to this Chapter.
- C. "Batch" means a specific quantity of homogeneous cannabis or cannabis product that is one of the following types:

- (1) "Harvest batch" means a specifically identified quantity of dried flower or trim, leaves, and other cannabis plant matter that is uniform in strain, harvested at the same time, and, if applicable, cultivated using the same pesticides and other agricultural chemicals, and harvested at the same time.
 - (2) "Manufactured cannabis batch" means either of the following:
 - (a) An amount of cannabis concentrates or extract that is produced in one production cycle using the same extraction methods and standard operating procedures.
 - (b) An amount of a type of manufactured cannabis produced in one production cycle using the same formulation and standard operating procedures.
- D. "Bureau" means the Bureau of Cannabis Control within the California Department of Consumer Affairs.
- E. "Cannabinoid" or "phytocannabinoid" means a chemical compound that is unique to and derived from cannabis.
- F. "Cannabis" has the same meaning as defined in California Business and Professions Code section 26001, as may be amended from time to time. For the purpose of this Chapter, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.
- G. "Cannabis concentrate" means cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this Chapter. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or drug, as defined by Section 109925 of the Health and Safety Code.
- H. "Cannabis products" has the same meaning as in Section 11018.1 of the Health and Safety Code and as that section may be amended, and means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.
- I. "Canopy" means all of the following:
 - (1) The designated area(s) at a licensed premises that will contain mature plants at any point in time;
 - (2) Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain mature plants at any point in time, including all of the space(s) within the boundaries;

- (3) Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary such as an interior wall or by at least 10 feet of open space; and
 - (4) If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.
- J. "Caregiver" or "Primary Caregiver" has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.
- K. "County" or "County of Stanislaus County" means the County of Stanislaus.
- L. "Commercial Cannabis Activity" means the commercial cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of medicinal or non-medicinal cannabis or a medicinal or non-medicinal cannabis product. For the purposes of this Section, "Commercial Cannabis Activity" does not include the personal use activities as defined in Section 11362.1 and Section 11362.2 of the California Health & Safety Code.
- M. "Commercial cannabis cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, other than solely for personal use, for sale or distribution.
- N. "Commercial Cannabis Activity Permit" (sometimes referred to herein as "CCA permit") means a regulatory permit issued by the County pursuant to this Chapter to a Commercial Cannabis Activity, and is required before any Commercial Cannabis Activity may be conducted in the County. Each CCA pertains to one Commercial Cannabis Activity.
- O. "Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. Cultivation includes indoor, mixed-light, natural light, or nursery cultivation. Cultivation outside of a structure is prohibited within Stanislaus County. Within the definition of cultivation, the following specific State License Types apply:
 - (1) Specialty Cottage:
 - (a) "Specialty Cottage Natural Light" means a natural light cultivation site with up to 25 mature plants.
 - (b) "Specialty Cottage Indoor" means an indoor cultivation site with 500 square feet or less of total canopy.
 - (c) "Specialty Cottage Mixed-Light" means a mixed-light cultivation site with 2,500 square feet or less of total canopy.
 - (2) Specialty:
 - (a) "Specialty Natural Light" means a natural light cultivation site with less than or equal to 5,000 square feet of total canopy, or up to 50 mature plants on non-contiguous plots.

- (b) “Specialty Indoor” means an indoor cultivation site between 501 and 5,000 square feet of total canopy.
 - (c) “Specialty Mixed-Light” means a mixed-light cultivation site between 2,501 and 5,000 square feet of total canopy.
- (3) Small:
 - (a) “Small Natural Light” means a natural light cultivation site between 5,001 and 10,000 square feet of total canopy.
 - (b) “Small Indoor” means an indoor cultivation site between 5,001 and 10,000 square feet of total canopy.
 - (c) “Small Mixed-Light” means a mixed-light cultivation site between 5,001 and 10,000 square feet of total canopy.
- (4) Medium:
 - (a) “Medium Natural Light” means a natural light cultivation site between 10,001 and one acre of total canopy.
 - (b) “Medium Indoor” means an indoor cultivation site between 10,001 and 22,000 square feet of total canopy.
 - (c) “Medium Mixed-Light” means a mixed-light cultivation site between 10,001 and 22,000 square feet of total canopy.
- P. “Cultivation site” means a location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities occurs.
- Q. “Customer” means a natural person 21 year of age or over or a natural person 18 year of age or older who possesses a physician’s recommendation.
- R. “Day Care Center” or “Child Care Center” means any state licensed child care facility of any capacity, other than a Family Day Care or Family Child Care home, as defined in Section 101152(c)(7) of the California Code of Regulations, in which less than 24-hour per day non-medical care and supervision are provided to children in a group setting.
- S. “Delivery” means the commercial transfer of cannabis or cannabis products to a customer. “Delivery” also includes the use by a Retailer of any technology platform owned and controlled by the Retailer.
- T. “Distribution” means the procurement, sale, and transport of cannabis and cannabis products between entities licensed pursuant to this Chapter.
- U. “Distributor” means a person holding a valid Commercial Cannabis Activity permit for distribution issued by the County of Stanislaus, and, a valid state license for distribution, required by state law to engage in the activity of purchasing cannabis from a licensed cultivator, or cannabis products from a license manufacturer, for sale to a licensed Retailer.

- V. "Dried flower" means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- W. "Edible cannabis product" means manufactured cannabis 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.
- X. "Family Day Care" or "Family Child Care" means regularly provided care, protection and supervision of children, in the caregiver's own home, for periods of less than 24 hours per day, while the parents or authorized representatives are away, as defined in Section 102352(f)(1) of the California Code of Regulations.
- Y. "Greenhouse" means a permanent structure protected by an exterior envelope or assembly that provides protection of all structural members from the detrimental effects of the exterior environment. These assemblies may include, but are not limited to, translucent roof and wall panels. The structure shall be provided with means to control temperature and/or humidity for the cultivation or protection of plants. Structures of a temporary or non-secure nature, including but not limited to movable greenhouses, tents, and hoop houses, are not considered a greenhouse for purposes of commercial cannabis cultivation.
- Z. "Hearing officer" means a person appointed by the Chair of the Board of Supervisors to conduct an administrative hearing under this Chapter.
- AA. "Indoor cultivation" means the cultivation of cannabis within a fully enclosed building using artificial light, at a rate greater than 25 watts per square foot.
- BB. "Labeling" means any label or other written, printed, or graphic matter upon a cannabis product, upon its container.
- CC. "License" means a state license, including both an A-license and an M-license, as well as a testing laboratory license, issued under this Chapter for cannabis or cannabis products.
- DD. "Licensing Authority" means the state agency responsible for the issuance, renewal, or reinstatement of a license for commercial cannabis activities, or the state agency authorized to take disciplinary action against the license. Licensing Authority is differentiated from the County as the local permitting authority.
- EE. "Live plants" means living cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.
- FF. "Local jurisdiction" means a city, county, or city and county.
- GG. "Lot" means a batch or a specifically identified portion of a batch.
- HH. "M-license" means a license issued under this Chapter for Commercial Cannabis Activity involving medicinal cannabis.

- II. “Manufacture” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.
- JJ. “Manufactured cannabis” or “cannabis product” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.
- KK. “Manufacturer” means a Commercial Cannabis Activity Permittee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means 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 containers.
- LL. “Manufacturing Facility” means a location that produces, prepares, propagates, or compounds manufactured cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a valid Commercial Cannabis Activity permit for manufacturing from the County of Stanislaus and, a valid state license as required for manufacturing of cannabis products.
 - (1) Manufacturing Facility Volatile – Facility which manufactures cannabis products using volatile solvents, which involves the use of solvents which produce a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.
 - (2) Manufacturing Facility Non-Volatile – Facility which manufactures cannabis products using nonvolatile solvents, or no solvents.
- MM. “Medicinal cannabis” or “Medicinal cannabis product” means a product containing cannabis, including, but not limited to, flowers, concentrates and extractions, intended to be sold for use by a medicinal cannabis patient in California who possesses a physician’s recommendation, pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code. For the purposes of this Chapter, “medicinal cannabis” does not include “industrial hemp” as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.
- NN. “Mixed-light cultivation” means the cultivation of cannabis in a greenhouse using light deprivation and/or artificial lighting below a rate of 25 watts per square foot.
- OO. “Natural Light Cultivation” means the cultivation of cannabis without the use of light deprivation and/or artificial lighting in the canopy area.
- PP. “Nursery” means the production of only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.

- QQ. "Operation" means any act for which a permit is required under the provisions of this Chapter, or any commercial transfer of cannabis or cannabis products.
- RR. "Owner" means any of the following:
- (1) A person with an aggregate ownership interest of 20 percent or more in the person applying for a permit or a Permittee, unless the interest is solely a security, lien, or encumbrance.
 - (2) The chief executive officer of a nonprofit or other entity.
 - (3) A member of the board of directors of a nonprofit.
 - (4) An individual who will be participating in the direction, control, or management of the person applying for a license.
- SS. "Package" means any container or receptacle used for holding cannabis or cannabis products.
- TT. "Park" means an area created, established, designated, or maintained by a city, a county, a special district, the State, the Federal government, or a private association for public play, recreation, or enjoyment or for the protection of natural resources and features at the site. ~~For the purposes of this Chapter, a park does not have the same meaning as a "youth center".~~
- UU. "Patient" or "qualified patient" shall have the same definition as California Health and Safety Code Section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California Health & Safety Code Section 11362.5.
- VV. "Permittee" means the Owner(s) of the Commercial Cannabis Activity and who are issued a Commercial Cannabis Activity permit under this Chapter, regardless of whether the permit held is an A-license or an M-license, and includes the holder of a testing laboratory license.
- WW. "Person" includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, activity trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.
- XX. "Person with an identification card" as used herein shall be defined as it is in California Health and Safety Code Section 11362.7.
- YY. "Physician's recommendation" means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.
- ZZ. "Premises" means the designated building or buildings and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or Permittee where the Commercial Cannabis Activity will be or is conducted.

- AAA. "Purchaser" means the customer who is engaged in a transaction with a Permittee for purposes of obtaining cannabis or cannabis products.
- BBB. "Primary caregiver" has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- CCC. "Property Owner" means the person or persons who hold the present interest and beneficial use of the subject property.
- DDD. "Qualified Patient" has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- EEE. "Retailer" means a commercial cannabis business where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment (whether fixed or mobile) that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale, and where the operator holds a valid Commercial Cannabis Activity permit from the County of Stanislaus authorizing the operation of a Retailer, and a valid state license as required by state law to operate a Retailer.
- (1) Retailer Storefront - Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location *open* to the public, from which commercial cannabis activities are conducted.
 - (2) Retailer Non-Storefront - Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location *closed* to the public, from which commercial cannabis activities are conducted.
- FFF. "Sale," "sell," and "to sell" includes barter, exchange, trade, keep for sale, offer for sale, or expose for sale, in any of their variant forms and any transaction whereby, for any consideration, title to cannabis or cannabis products are transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a Permittee to the Permittee from whom the cannabis or cannabis product was purchased.
- GGG. "School" For purposes of this Chapter, school means any public or private school providing instruction in kindergarten or grades 1-12, inclusive, but does not include any private school in which education is primarily conducted in private homes.
- HHH. "State" means the State of California.
- III. "State license" means a permit or license issued by the State of California, or one of its departments or divisions, under MAUCRSA and any subsequent State of California legislation regarding the same to engage in Commercial Cannabis Activity.

- JJJ. "Testing laboratory" means a facility, laboratory, entity, or site in the state that offers or performs test of cannabis or 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.
- KKK. "Transport" means the transfer of cannabis products from the permitted activity location of one Permittee to the permitted activity location of another Permittee, for the purposes of conducting Commercial Cannabis Activity authorized by MAUCRSA which may be amended or repealed by any subsequent State of California legislation regarding the same.
- LLL. "Unique identifier" means an alphanumeric code or designation used for reference to a specific plant on a licensed premises and any cannabis or cannabis product derived or manufactured from that plant.
- MMM. "Youth center" means a public or non-profit operated facility established for the purposes of providing social and recreational opportunities for children ages 11 to 18 years old or as defined in Section 11353.1 of the Health and Safety Code if more restrictive.

6.78.040 Commercial Cannabis Activities Prohibited Unless Specifically Authorized by this Chapter.

Except as specifically authorized in this Chapter, the commercial cultivation, manufacture, processing, storing, laboratory testing, labeling, sale, delivery, distribution or transportation (other than as provided under Business & Professions Code Section 26090(e)), of cannabis or cannabis product is expressly prohibited in the County of Stanislaus. For the purposes of this Section, "Commercial Cannabis Activity" does not include the activities defined in Section 11362.1 and Section 11362.2 of the California Health & Safety Code related to personal use and cultivation.

6.78.050 Compliance with Laws.

- A. It is the responsibility of the owners and operators of the Commercial Cannabis Activity to ensure that it is always operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this Chapter shall be construed as authorizing any actions that violate federal, state law or local law with respect to the operation of a Commercial Cannabis Activity. It shall be the responsibility of the owners and the operators of the Commercial Cannabis Activity to ensure that all Commercial Cannabis Activity is, at all times, operating in a manner compliant with all applicable state and local laws, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or

requirements which may be imposed as conditions of approval of the Commercial Cannabis Activity permit.

- B. Minors. Except as otherwise specified herein, persons under the age of 21 years shall not be allowed on the premises of a Commercial Cannabis Activity and shall not be allowed to serve as a driver for a mobile delivery service. It shall be unlawful and a violation of this Chapter for any person to employ any person at a Commercial Cannabis Activity who is not at least 21 years of age.
- C. Restriction on Alcohol & Tobacco Sales.
 - (1) No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of the Commercial Cannabis Activity.
 - (2) No person shall cause or permit the sale of tobacco products on or about the premises of the Commercial Cannabis Activity.

6.78.060 Permits Required.

- A. Prior to operation of any Commercial Cannabis Activity the following shall be obtained:
 - (1) Commercial Cannabis Activity Permit (“CCA Permit”). A CCA Permit to operate any Commercial Cannabis Activity in the unincorporated areas of the county shall be obtained from the treasurer-tax collector, in accordance with the provisions of this Chapter.
 - (a) No more than 61 commercial cannabis activities permits may be issued within the unincorporated areas of the County. Each Commercial Cannabis Activity shall require a separate CCA Permit. For purposes of this Chapter, A-license type activities and M-license type activities are not separate and distinct activities. Registration for permits shall be opened at the discretion of the CEO in accordance with board policy.
 - (b) Prior to issuance of a CCA permit, applicants shall demonstrate that they meet the standards which are established in the application requirements or further amendments to the application process as established by CEO under section 6.78.210. Each application for a CCA Permit shall be referred to the various county departments to ensure all other regulatory standards have been met.
 - (c) Each Commercial Cannabis Activity permit issued pursuant to this Chapter shall expire on June 30th of the year following its issuance. Commercial cannabis activity permits may be renewed as provided in Section 6.78.200.

- (2) **Development Agreement.** Prior to operating in the county and as a condition of issuance of the CCA Permit, the Permittee of each Commercial Cannabis Activity shall enter into a development agreement, as specified in Title 22 of the Stanislaus County Code, with the county setting forth the terms and conditions under which the Commercial Cannabis Activity will operate that are in addition to the requirements of this Chapter, and such other terms and conditions that will protect and promote the public health, safety and welfare.
 - (3) **Land Use Permit.** Prior to operating, Permittee shall obtain all necessary entitlements as required by Title 21 of the Stanislaus County Code. Any permit required in accordance with Title 21 may be conditioned to apply greater restrictions than those required by this Chapter.
 - (4) **State License.** Pursuant to California Business and Professions Code section 26053(a), upon implementation of state regulations, a valid license from the State shall be required to operate any Commercial Cannabis Activity or to engage in any Commercial Cannabis Activity.
 - (a) Copies of any and all documentation provided to any State agency for the purposes of obtaining a State license for any Commercial Cannabis Activity within Stanislaus County shall also be provided to the County within five calendar days of being submitted to the state.
- B. **General.** It is unlawful for a person to engage in any Commercial Cannabis Activity within the unincorporated areas of Stanislaus County including cultivation, manufacturing, processing, laboratory testing, storing, transporting, dispensing, distribution, or sale of cannabis or a cannabis product unless the Commercial Cannabis Activity is in compliance with all applicable state and local laws and regulations pertaining to commercial cannabis activities, including the duty to obtain any required state licenses.
- C. The Permittee shall post or cause to be posted their local CCA Permit and state Commercial Cannabis Permit, required to operate. Such posting shall be at a location visible to the patrons and near the point of sale at the operating site, and in all vehicles that deliver or transport cannabis product.
- D. No CCA Permit shall be issued unless and until all land use entitlements and development agreements have been approved by the County. Commercial cannabis activities which have obtained their CCA Permit shall have six months from the effective date of issuance of the permit to obtain the required licenses from the State. If all State licenses and approvals required to operate the Commercial Cannabis Activity are not obtained within the six month period the CCA Permit shall not be renewed.
- E. **Fees and Charges.** All Commercial Cannabis Activity authorized to operate under this Chapter shall pay all sales, use, activity and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each Commercial Cannabis Activity shall produce its books and records to

the County for the purpose of verifying compliance with this Section, including, but not limited to, a verification of the amount of taxes required to be paid during any period.

6.78.070 Commercial Cannabis Retailers and Deliveries.

- A. Number of Permits Limited. No more than seven Retailers shall be issued a CCA Permit by Stanislaus County to operate as a commercial cannabis Retailer at one time in all unincorporated County zoning districts combined.
- B. Physical location required. Both Storefront Retailers and Non-Storefront Retailers are required to maintain a physical location within the unincorporated county area from which the commercial cannabis activities that are permitted under this Chapter are conducted.
- D. Limits on hours of operation. A licensed Retailer shall only sell cannabis goods during the hours of 8:00 a.m. Pacific Time to 7:00 p.m. Pacific Time, and shall not otherwise be open to the public outside of those hours.
- E. Retailers shall ensure that all cannabis and cannabis products held for sale by the Retailer are cultivated, manufactured, transported, distributed, and tested by California licensed and permitted facilities that are in full conformance with state and local regulations.
 - (1) Retailers shall not distribute any cannabis or cannabis product unless such products are labeled and in a tamper-evident package in compliance with Chapter 12, "Packaging and Labeling," of Division 10 of the California Business and Professions Code and any additional rules promulgated by a Licensing Authority.
 - (2) Possession or delivery of any form of illegal drugs without proper legal authorization under state law shall be grounds for revocation of permits.
 - (3) Permittees shall not provide free samples of any type, including cannabis goods, to any person and shall not allow any person to provide free samples on the Permittee's premises.
- F. Delivery. Delivery shall be conducted in accordance with California Business and Professions Code Section 26090 or as may be amended from time to time and all state regulations pertaining to delivery of cannabis products. Retailers and Micro-businesses shall only deliver to customers within a jurisdiction that does not expressly prohibit delivery within their jurisdictional boundary by ordinance.
 - (1) All Deliveries shall be conducted by an employee of the Permittee who is at least 21 years of age.
 - (2) All Deliveries shall be made in person to a physical address and product must be delivered physically to the requesting customer at the address indicated on the delivery request. Delivery may not be made by drop-off or to any person other than the requesting customer.

- (3) Cannabis and Cannabis Products to be delivered shall be pre-package for sale and placed in an opaque package prior to delivery. Only the product to be delivered shall be maintained in the vehicle.
- (4) Cannabis and Cannabis Products to be delivered shall be maintained out of the public view and shall be held within a separately locked and secured area contained within the delivery vehicle at all times until arrival at the delivery address. All delivery vehicle doors shall be locked and all vehicle windows secured when unoccupied. Permittee shall continuously electronically monitor the location of each delivery vehicle and shall at any and all times be able to identify the current location of each delivery vehicle within 50 feet of its actual location. Permittee's security plan shall include provisions relating to vehicle security and the protection of employees and product during delivery.
- (5) Permittee's delivery employees shall carry no cash, nor shall there be any cash held within the delivery vehicle.

G. Security. In addition to the operational standards required by Section 6.78.120 of this Chapter, the following security measures are required to be implemented for all commercial cannabis Retailers in unincorporated Stanislaus County:

- (1) For M-type Retailers, verify the age and all necessary documentation of each customer to ensure the customer is not under the age of 18 years and that the potential customer has a valid doctor's recommendation. For A-type Retailers, verify the age of customers to ensure persons under the age of 21 are not permitted.
- (2) Entrances into the retail location shall be locked at all times with entry strictly controlled. A "buzz-in" electronic/mechanical entry system shall be utilized to limit access to and entry to the Retailer to separate it from the reception/lobby area.
- (3) Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, prevent sampling or use of product in parking areas, and to serve as a visual deterrent to unlawful activities.
- (4) Retailers may only display in the retail sales area of the Retailer that quantity of cannabis and cannabis products reasonably anticipated to meet the daily demand for sale on-site sales and only during operating hours. All other inventory shall be maintained in a secured area.
- (5) All restroom facilities shall remain locked and under the control of management.

6.78.080 Commercial Cannabis Cultivation.

A. All Permittees conducting cultivation activities under this Chapter shall comply with the State of California and Stanislaus County Agricultural Commissioner's requirements for unique identifiers and Track and Trace programs.

- B. Documentation of all Pesticides used by the Permittee shall be presented to the Stanislaus County Agricultural Commissioner, and all pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife.
- C. Commercial cannabis cultivation operations shall be conducted in accordance with state and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.
 - (1) Water conservation measures. Commercial cannabis cultivation operations shall include adequate measures that minimize use of water for cannabis cultivation at the site. Water conservation measures, water capture systems, or grey water systems shall be incorporated into commercial cannabis cultivation operations in order to minimize use of water where feasible.
 - (2) Energy conservation measures. Commercial cannabis cultivation operations shall include adequate measures to address the projected energy demand for cannabis cultivation at the site. ~~On-site renewable energy generation shall be required for all indoor cultivation activities using artificial lighting only, including cannabis cultivation activities permitted by California License Types 1A, 1C (indoor), 2A, 3A and 4. Renewable energy systems shall be designed to have a generation potential equal to or greater than one half of the anticipated energy demand.~~
- D. Visibility. In no case, shall cannabis plants be visible from offsite, including transfer. No visual markers indicating that cannabis is cultivated on the site shall be visible from offsite. All cultivation activities shall be fully enclosed by an opaque fence, made of uniform material, at least seven feet in height. The fence must be adequately secured by a locked gate to prevent unauthorized entry. The fence design and construction material shall be approved by the County.
- E. Enclosure. All commercial cannabis cultivation operations shall occur within a greenhouse or fully enclosed building. If conducted within a greenhouse, supplemental lighting shall not exceed 25 watts per square foot to be used up to one hour before sunrise or after sunset, unless the greenhouse or facility is equipped with light-blocking measures to ensure that no light escapes.
- F. Outdoor Cultivation. No outdoor Commercial Cannabis Cultivation is allowed within the unincorporated areas of the County of Stanislaus.
- G. Commercial cannabis cultivation activities in the A-2 zoning district shall be limited to natural light or mixed light cultivation within the following type of structure:
 - (1) Greenhouse.

- (2) Accessory storage building issued a certificate of occupancy prior to October 1, 2017, may be determined by the Planning Commission to meet the definition of a greenhouse subject to a change of occupancy.
- H. The cumulative total canopy size of cannabis cultivated at the cultivation site shall not exceed the canopy size authorized under the County's CCA Permit or State permit, whichever is least.
- I. Commercial cannabis cultivation activities shall not be considered agriculture for the purpose of the County's Right-to-Farm policy or Sphere of Influence Policy.

6.78.090 Commercial Cannabis Products Manufacturing.

- A. The Commercial Cannabis Product Manufacturing facility shall include adequate quality control measures to ensure cannabis products manufactured at the site meets industry standards, as well as applicable state and local regulations.
- B. Hazardous materials. The Commercial Cannabis Products Manufacturing facility shall meet the Stanislaus County Department of Environmental Resources' requirements, including but not limited to requirements for the storage and handling of hazardous materials.
 - (1) The Director of the Stanislaus County Environmental Resources Department or his/her designee is the appropriate authority to determine if Commercial Cannabis Products Manufacturing operations require local oversight.
- C. Consumable products. Permittees that manufacture products in the form of food or other product meant to be consumed shall obtain and maintain the appropriate approvals for the provision of food or other product meant to be consumed from the State Department of Public Health, unless otherwise governed by state law and licensed by the State.
 - (1) Any employees of a Commercial Cannabis Products Manufacturing facility operating potentially hazardous equipment shall be trained on the proper use of equipment and on the proper hazard response protocols in the event of equipment failure. In addition, employees handling edible cannabis products or ingredients shall be trained on proper food safety practices.
- D. Safety. Operator/owner shall ensure the Commercial Cannabis Products Manufacturing facility does not pose a significant threat to the public or to neighboring uses from explosion or from the release of harmful gases, liquids, or substances. In addition to the operational standards required by Section 6.78.120 of this Chapter, the following safety measures are required to be implemented for all Commercial Cannabis Products Manufacturing activities in unincorporated Stanislaus County:

- (1) Any compressed gases used in the manufacturing process shall not be stored on any property within the County of Stanislaus in containers that exceeds the amount which is approved by the local fire authority and authorized by the regulatory permit. Each site or parcel subject to a Commercial Cannabis Activity permit shall be limited to a total number of tanks as authorized by the applicable Fire District on the property at any time.
- (2) Commercial Cannabis Product Manufacturing facilities may use the hydrocarbons N-butane, isobutane, propane, or heptane or other solvents or gases exhibiting low to minimal potential human-related toxicity approved by the local fire authority. These solvents must be of at least ninety-nine percent purity and any extraction process must use them in a professional grade closed loop extraction system designed to recover the solvents and work in an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.
- (3) If an extraction process uses a professional grade closed loop CO₂ gas extraction system, every vessel must be certified by the manufacturer of the vessel for its safe use. The CO₂ must be of at least ninety-nine percent purity.
- (4) Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.
- (5) Certification from an engineer licensed by the State of California must be provided to the local fire authority for a professional grade closed loop system used by any Commercial Cannabis Manufacturer to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:
 - (a) The American Society of Mechanical Engineers (ASME);
 - (b) American National Standards Institute (ANSI);
 - (c) Underwriters Laboratories (UL); or
 - (d) The American Society for Testing and Materials (ASTM).
- (6) The certification document must contain the signature and stamp of the professional engineer and serial number of the extraction unit being certified.
- (7) Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the fire district having jurisdiction and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.
- (8) Commercial Cannabis Products Manufacturing Facilities may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create kief, hashish, bubble hash, infused

dairy butter, or oils or fats derived from natural sources, and other extracts.

- (9) Commercial Cannabis Products Manufacturing Facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. Ethanol should be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.
- (10) Commercial Cannabis Products Manufacturing Facilities creating cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.
- (11) Any person using solvents or gases in a closed looped system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.
- (12) Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

6.78.100 Commercial Cannabis Testing Facilities.

- A. Commercial cannabis testing facilities shall be independent from all other persons and entities involved in the cannabis industry and are prohibited from licensure for any other activity, except testing. Commercial cannabis testing facilities shall not employ an individual who is also employed by any other commercial cannabis licensee, unless it is another licensed commercial cannabis testing facility.
- B. Quality control. Commercial cannabis testing facilities shall adopt standard operating procedures using methods consistent with general requirements for the competence of testing and calibration activities, including sampling, using standard methods established by the International Organization for Standardization, specifically ISO/IEC 17020 and ISO/IEC 17025 to test cannabis and cannabis products that are approved by an accrediting body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement.
 - (1) Commercial cannabis testing facilities shall obtain samples for testing according to a statistically valid sampling method.
 - (2) Commercial cannabis testing facilities shall analyze samples according to either the most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia or a scientifically valid methodology that is demonstrably equal or superior to the most recent cannabis inflorescence monograph.

- (3) If a test result falls outside the specifications authorized by law or regulation, the cannabis testing facility shall follow a standard operating procedure to confirm or refute the original result.
- (4) Commercial cannabis testing facilities shall destroy the remains of any samples of cannabis or cannabis product tested upon completion of the analysis.
- (5) A licensed testing laboratory shall issue a certificate of analysis for each lot, with supporting data, to report both of the following:
 - (a) Whether the chemical profile of the lot conforms to the specifications of the lot for compounds, including, but not limited to, all of the following:
 - i. Tetrahydrocannabinol (THC).
 - ii. Tetrahydrocannabinolic Acid (THCA).
 - iii. Cannabidiol (CBD).
 - iv. Cannabidiolic Acid (CBDA).
 - v. The terpenes described in the most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia.
 - vi. Cannabigerol (CBG).
 - vii. Cannabinol (CBN).
 - viii. Any other compounds required by the California Department of Public Health.
 - (a) That the presence of contaminants does not exceed the levels that are the lesser of either the most current version of the American Herbal Pharmacopoeia monograph or the California Department of Public Health. For purposes of this paragraph, contaminants include, but are not limited to, all of the following:
 - i. Residual solvent or processing chemicals.
 - ii. Foreign material, including, but not limited to, hair, insects, or similar or related adulterant.
 - iii. Microbiological impurity, including total aerobic microbial count, total yeast mold count, *P. aeruginosa*, *aspergillus* spp., *s. aureus*, aflatoxin B1, B2, G1, or G2, or ochratoxin A.
 - iv. Whether the batch is within specification for odor and appearance.
- (6) Plans for the testing facility demonstrate proper protocols and procedures for statically valid sampling methods and accurate certification of cannabis

and cannabis products for potency, purity, pesticide residual levels, mold, and other contaminants according to adopted industry standards.

- (7) Testing Laboratories shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section 26100 and shall be subject to state and local law. Each Testing Laboratory shall be subject to additional regulations as determined from time to time as more regulations are developed under Section 6.78.210 of this Chapter and any subsequent State of California legislation regarding the same.
- (8) Testing Laboratories shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibration activities, including sampling using verified methods.
- (9) All cannabis testing laboratories performing testing shall obtain and maintain ISO/IEC 17025 accreditation as required by the California Bureau of Cannabis Control.

6.78.110 Commercial Cannabis Distribution.

- A. Cannabis and commercial cannabis products shall only be transported between Commercial Cannabis Activities that have valid local and state commercial cannabis permits and/or licenses.
- B. In addition to the operational standards required by Section 6.78.120 of this Chapter, the following record keeping measures are required to be implemented for all commercial cannabis distribution activities in unincorporated Stanislaus County:
 - (1) Prior to transporting commercial cannabis or commercial cannabis products, the distributor shall complete the shipping manifest required by state law or regulations. The shipping manifest shall include the County's track and trace unique identifier information from the cultivation source.
 - (2) A copy of the shipping manifest shall be maintained during transportation and shall be made available upon request to law enforcement or any agents of the State or County charged with enforcement of this Chapter.
 - (3) Distribution facilities shall maintain appropriate records of transactions and shipping manifests. An organized and clean method of storing and transporting cannabis and cannabis products shall be provided to maintain a clear chain of custody.
- C. Quality control.
 - (1) Distributors shall ensure that appropriate samples of cannabis or cannabis products are tested by a licensed testing facility prior to distribution and shall maintain a copy of the test results in its files.

- (2) Prior to distribution, the distributor shall inspect cannabis or cannabis products for quality assurance.
 - (3) Commercial cannabis and commercial cannabis products shall be packaged and labeled in accordance with the requirements of state law.
- D. Air quality. Distributors shall to the extent practicable use zero emissions vehicles in their transportation fleet.

6.78.120 General Operational Standards

- A. General Applicability. The following operational standards apply to all Commercial Cannabis Activities permitted in the County.
- (1) Commercial cannabis activities shall be located only in the zoning district where specified in Title 21 of the Stanislaus County Code as a conditionally permitted use.
 - (a) In addition to the land use entitlement permit application and the CCA Permit application, a supplemental application in a form approved the Planning Director may be required.
 - (2) In accordance with the County's General Plan Sphere of Influence (SOI) Policy, commercial cannabis activities located within a Local Agency Formation Commission (LAFCO) adopted SOI of a city shall have written approval from the city prior to county approval of any discretionary land use entitlement. For purposes of this Chapter, the following shall apply:
 - (a) Commercial cannabis cultivation and nurseries shall not be considered an agricultural or church use exempt from the County's SOI policy.
 - (b) The exception in the SOI Policy for the Beard Tract and Upper McHenry areas located within the City of Modesto's SOI shall not apply.
 - (3) Recognizing the unique concern for the potential impacts of commercial cannabis activities to cities with an adopted ordinance banning commercial cannabis activities, written approval from any city in Stanislaus County with an adopted ordinance banning commercial cannabis activities shall be required prior to approval of any discretionary land use entitlement of a commercial cannabis activity located within a one-half mile radius outside of the SOI of the city, with the following exceptions:
 - (a) Any areas identified as a Community Plan Area in the Land Use Element of the Stanislaus County General Plan. Within these Community Plan Areas, land use entitlement applications for a commercial cannabis activity shall be **subject to Section**

~~6.78.120(A)(5) referred to the Municipal Advisory Council (MAC) with jurisdiction over the area and the decision making body shall give consideration to any comments received from the MAC.~~

- (b) Any areas where there is overlap between the one-half mile radius outside of the SOI and a LAFCO adopted SOI of a different city. In this case, the LAFCO adopted SOI shall govern as reflected in the preceding sub-paragraph (2).
- (4) Recognizing the potential impacts associated with allowing for a concentration of retail activities (both storefronts and non-storefronts) to be located within the unincorporated area, within the City of Modesto's LAFCO adopted SOI and within a one-half mile radius outside of the City of Modesto's SOI the following location limitations shall apply to Retail Commercial Cannabis Activity Permits:
 - (a) No more than a combined total of five Retail permits shall be permitted to operate.
 - (b) No more than three Retail activities shall be permitted to operate within any one-mile radius at any one time.
 - (c) The limit on retail activities shall only apply within the SOI of the City of Modesto and within a one-half mile radius outside of the City of Modesto's SOI, and shall not apply within the SOI of any other city or any areas identified as a Community Plan Area in the Land Use Element of the Stanislaus County General Plan.
 - (d) The County shall consult with the City of Modesto on the location of retail activities. City of Modesto development standards, including those specific to cannabis uses, including, setbacks, buffers, and separators shall be applied to retail activities located within the city's SOI and within a one-half mile radius outside of the City of Modesto's SOI.
- (5) **Within a Municipal Advisory Council's (MAC) boundary, land use entitlement applications shall be referred to the MAC and the decision making body shall give consideration to any comments received from the MAC.**
 - (a) **The requirements for locations within a LAFCO adopted SOI shall govern in any areas where there is overlap between a MAC boundary and a LAFCO adopted SOI of a city.**
- (56) Prior to approval of any land use entitlement allowing for a Commercial Cannabis Activity the following setback requirements shall be met, unless a waiver or reduction is granted:

- (a) Any building utilized for the operation of a commercial cannabis activity shall be located a minimum of 200 feet from any: legal dwelling located on a parcel under different ownership; or a library; ~~or a park~~. Setbacks required by this section shall be subject to the following:
 - i. Setbacks from dwellings shall be measured from the nearest point of the area of a building used for the commercial cannabis activity to the nearest point of the dwellings utilized for interior living space.
 - ii. Setbacks from a library ~~or park~~ shall be measured from the nearest point of the area of the building used for the commercial cannabis activity to the boundary of the parcel improved with the library or park.
 - (b) In addition to the setbacks required in sub-paragraph 5(a) above, when located in the A-2 (General Agriculture) zoning districts, any building utilized for commercial cannabis cultivation shall be setback a minimum of 50 feet from the boundary of any adjoining parcel under different ownership.
 - (c) The decision making body of the discretionary land use entitlement for a commercial cannabis activity may waive or reduce the setback requirements of this paragraph (5) if any of the following apply:
 - i. The site of the commercial cannabis activity is physically separated from the off-site dwelling by either: a building or other structure blocking line of sight; or a physical barrier such as, but not limited to, a wall or canal prohibiting direct path of travel between parcels exists to mitigate potential environmental or security impacts resulting from the commercial cannabis activity.
 - ii. The decision making body determines that such a waiver or reduction will not result in material detriment to the welfare or the property of persons located in the vicinity, based on findings of fact.
 - (67) Commercial Cannabis Activities shall not be located within a 600 foot radius of any day care center, youth center (including parks), or school, as defined in this Chapter, existing at the time of initial permitting, and as required by State law.
- B. Site control. All Commercial Cannabis Activity shall meet the following site control standards:
- (1) Secure Building. All Commercial Cannabis Activities shall occur entirely inside of a building that shall be secure, locked, and fully enclosed, with a

ceiling, roof or top. With the exception of a greenhouse utilized for cultivation in the A-2 (General Agriculture) zoning district the following criteria shall also be met:

- (a) The building, including all walls, doors, and the roof, shall be of solid construction, and shall include material strong enough to prevent entry except through an open door.
- (b) All buildings utilized in conjunction with Commercial Cannabis Activities shall include walls with a minimum thickness of six inches. All walls shall be of solid construction and shall be faced on each side of the framing members.
- (c) Existing structures. Any existing structure to be utilized for commercial cannabis activities shall meet the standard above and shall obtain building permits for any improvements required to meet said building standard. Improvements shall include materials which are no less compliant with the provisions of the most current adopted California Building Code than the existing building or structure was prior to the alteration.

C. Security Measures. Permittee shall provide a security plan to the Sheriff's Department for review and approval. The security plan shall be reviewed annually or as often as deemed necessary by the Sheriff's Department. The security plan shall include security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the Commercial Cannabis Activity and shall include, but shall not be limited to, all of the following:

- (1) Preventing individuals from remaining on the Premises if they are not engaging in an activity directly related to the permitted operations of the Commercial Cannabis Activity.
- (2) Establishing limited access areas accessible only to authorized Commercial Cannabis Activity personnel.
- (3) Except for live growing plants which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault. All cannabis and cannabis products, including live plants that are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss.
- (4) Security system requirements.
 - (a) The building shall include a professionally installed and maintained alarm system, monitored by an alarm company or private security

- company. The alarm system shall monitor all perimeter entry points and windows.
- (b) Installation of 24-hour infrared security surveillance cameras of at least HD-quality with minimum camera resolution of 1280 x 1024 pixels to monitor activity occurring within 20 feet of all entrances and exits to and from the premises, all interior spaces within the Commercial Cannabis Activity which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis, all interior spaces where diversion of cannabis could reasonably occur, and parking lot areas in a manner sufficient to clearly observe facial features and to obtain a clear view of license plates as vehicles enter. All cameras must be fixed and placement shall allow for the clear and certain identification of any person and activities in controlled areas of the licensed premises. All entrances and exits shall be recorded from both indoor and outdoor, or ingress and egress vantage points. All areas covered by the camera shall have adequate lighting to effectively record images.
 - i. The surveillance camera system data storage device must be secured on the licensed premises in a lockbox, cabinet, closet, or secured in another manner to protect from employee tampering or criminal theft. All cameras must record continuously twenty-four hours per day and at a minimum of ten frames per second. Any and all video or audio recordings made for security or other purposes shall be marked with the date and time made and shall be kept, in an unaltered state, for a period of forty-five (45) days and must be made available to the County or Sheriff Department for duplication upon demand. All recorded images must clearly and accurately display the time and date. Time is to be measured in accordance with the U.S. National Institute Standards and Technology standards.
 - ii. Fish-eye cameras may be used only where approved by the Sheriff's Department.
 - (c) Alarm System sensors shall be installed to detect entry and exit from all secure areas.
 - (d) Alarm system panic buttons shall be installed in all permitted Premises as directed by the Sheriff's Department.
 - (e) Any bars installed on the windows or the doors of the Commercial Cannabis Activity shall be installed only on the interior of the building.

- (f) Perimeter lighting systems (motion sensor) for after-hours security are required as directed by the Sheriff's Department.
 - (g) Security personnel shall be on-site 24 hours a day or alternative security as authorized by the county-approved security plan. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the Sheriff's Department, with such approval not to be unreasonably withheld.
 - (h) Each Commercial Cannabis Activity shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
- (6) Loitering. The Permittee of a Commercial Cannabis Activity shall erect signs prohibiting loitering which are not less than one square foot in area bearing the words "LOITERING PROHIBITED" in letters not less than two inches high and includes the phrase "VIOLATION OF THIS NOTICE CONSTITUTES A MISDEMEANOR—SECTION 6.78.120(d)(6)", posted conspicuously on the property and at the entrance to the parking lot or area surrounding the Commercial Cannabis Activity.
- (a) It is a misdemeanor for any person to loiter, as defined herein of this Section, upon any private parking lot or private property surrounding a commercial establishment when a notice has been posted or has been caused to be posted by the owner of such property, as set forth herein.
 - (b) For the purposes of this Section, the term "loitering" is defined as follows: Entering, remaining, prowling or wandering about, whether in a motor vehicle or on foot, upon property of another without visible or lawful business with the owner or occupant thereof.
- (7) The Commercial Cannabis Activity shall prepare and present to the County a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, and any currency.
- (8) Permittees shall notify the Stanislaus County Sheriff's Office and the Licensing Authority within 24 hours after discovering any of the following:
- (a) Significant discrepancies identified during inventory;
 - (b) Diversion, theft, loss, or any criminal activity involving the permittee or any agent or employee of the permittee;
 - (c) The loss or unauthorized alteration of records related to the permitted activities, or employees or agents; or
 - (d) Any other breach of security.

- (9) The County may at any time review the effectiveness of the Permittee's security plan or of any other requirement of this Chapter and direct the Permittee to make reasonable changes to the security plan deemed necessary by the County to ensure the public's safety and security.
- D. Odor Control. Odor control devices and techniques shall be incorporated into all commercial cannabis activities to ensure that odors from cannabis are not detectable off-site. Commercial cannabis activities shall provide a sufficient odor absorbing ventilation and exhaust system so that cannabis odors are 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 a Commercial Cannabis Activity. As such, the Permittees shall install and maintain an exhaust air filtration system or other similar equipment with odor control that prevents internal odors from being emitted externally.
- (1) In no case shall untreated air be vented outside of any building used to conduct a commercial cannabis activity.
 - (2) The devices and techniques to be used to control odor shall be reviewed and approved by an certified professional approved by the County and an audit of the devices and techniques to be used shall be conducted within 30-days of the commercial cannabis activity being conducted upon issuance of a CCA Permit.
- E. Signage and Notices.
- (1) Display of CCA Permit and County Business License. The original copy of each Commercial Cannabis Activity permit issued by the County pursuant to this Chapter and the County issued business license shall be posted inside the Commercial Cannabis Activity in a location readily-visible to the public.
 - (2) In addition to the requirements otherwise set forth in this Section, business identification signage for a Commercial Cannabis Activity shall conform to the requirements of the Stanislaus County Code.
 - (3) No signs placed on the premises of a Commercial Cannabis Activity shall obstruct any entrance or exit to the building or any window.
 - (4) Each entrance to a Commercial Cannabis Activity Premises shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis in the parking areas, on the premises or in the areas adjacent to the Premises is prohibited.
 - (5) No Commercial Cannabis Activity shall advertise by having a person or device holding a sign and advertising the activity to passersby, whether such person is on the Premises of the Commercial Cannabis Activity or elsewhere including, but not limited to, the public right-of-way.

- (6) No banners, flags, billboards or other prohibited signs may be used at any time.
- (7) Permittees shall agree that, as an express and ongoing condition of permit issuance and subsequent renewal, the Permittee is prohibited from advertising any Commercial Cannabis Activity located in Stanislaus County utilizing a billboard (fixed or mobile), bus shelter, placard, aircraft, or other similar forms of advertising, anywhere in the state. This paragraph is not intended to place limitations on the ability of a Commercial Cannabis Activity to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways.
- (8) The entrance to the Commercial Cannabis Activity shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the Commercial Cannabis Activity, unless otherwise permitted by law.

F. Commercial cannabis collectives or cooperatives.

- (1) Until Health & Safety Code Section 11362.775 is repealed, the County intends that person's eligible to operate collectives or cooperatives under that subdivision shall be eligible to apply for a County CCA permit to conduct commercial cannabis activities, but only to the degree those activities are authorized under state law for collectives and cooperatives. When the Health & Safety Code Section 11362.775 is repealed, or as soon as collectives and cooperatives are no longer permitted to engage in Commercial Cannabis Activity without a state license under state law, any CCA permit issued to a Commercial Cannabis Activity that has not obtained a state license for the commercial cannabis activities shall expire and shall be null and void. Such businesses shall no longer be authorized to engage in any commercial cannabis activities in the County until they obtain both a County issued Commercial Cannabis Activity permit and a state license for that Commercial Cannabis Activity.
- (2) If a commercial cannabis activity Permittee is operating as a collective or cooperative under Health and Safety Code Section 11362.775, subdivision (a), Permittee shall obtain from the members of the Permittee authorized to possess cannabis an agreement that members shall not distribute cannabis or cannabis products to non-members or in violation of the "Memorandum for all United States Attorneys," issued by the United States Department of Justice, from James M. Cole, Deputy Attorney General and any other applicable state and federal laws, regulations, or guidelines. Permittee shall terminate the membership of any member violating any of the provisions of the agreement.

G Records and Recordkeeping.

- (1) Each Permittee of a Commercial Cannabis Activity shall maintain accurate books and records in an electronic format, detailing all of the revenues

and expenses of the business, and all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a Commercial Cannabis Activity permit issued pursuant to this Chapter), or at any time upon reasonable request of the County, each Permittee shall file a sworn statement detailing the number of sales under each permit during the previous twelve-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross receipts for each month, and all applicable taxes paid or due to be paid. On an annual basis, each Permittee shall submit to the County a financial audit of the business's operations conducted by an independent certified public accountant. Each Permittee shall be subject to a regulatory compliance review and financial audit as determined by the County.

- (2) The Permittee shall maintain clear and adequate records and documentation demonstrating that all cannabis or cannabis products have been obtained from and are provided to other locally and state permitted and licensed cannabis operations. The County shall have the right to examine, monitor, and audit such records and documentation, which shall be made available during normal business hours to the County no later than five days after the date of the request.
- (3) Each Permittee shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the Commercial Cannabis Activity, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the Permittee. The register required by this paragraph shall be provided to the County within five business days of request.
- (4) Each Commercial Cannabis Activity shall maintain records of all persons, patients, collectives and primary caregivers served by the Commercial Cannabis Activity, for a period of no less than four years prior to the date of obtaining a state license. Once a state license is obtained, the Commercial Cannabis Activity must maintain such records only to the extent permitted or required by the MAUCRSA.
- (5) All Commercial Cannabis Activities shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing and production or manufacturing, laboratory testing and distribution processes until purchase as set forth in MAUCRSA.
- (6) Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPPA) regulations, each Commercial Cannabis Activity shall allow Stanislaus County officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the

purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than 24 hours after receipt of the County's request, unless otherwise stipulated by the County. The County may require the materials to be submitted in an electronic format that is compatible with the County's software and hardware.

- (7) Reporting and Tracking of Product and of Gross Sales. Each Commercial Cannabis Activity shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the Commercial Cannabis Activity including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale) and other information which may be deemed necessary by the County. The Commercial Cannabis Activity shall ensure that such information is compatible with the County's record-keeping systems and the County's Track and Trace System as established by the County's Agricultural Commissioner. In addition, the Permittee's system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the Agricultural Commissioner's Office prior to being used by the permittee.
- (8) The applicant, owner, and operator agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the County or their designee.
- H. Restriction on Customer Consumption. Cannabis shall not be consumed by any retail customer on the premises of any Commercial Cannabis Activity or parking areas.
- I. No outdoor storage of cannabis or cannabis products is permitted at any time.
- J. The applicant for the Commercial Cannabis Activity and the property owner shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the Commercial Cannabis Activity.
- K. The Property Owner and Permittee shall be responsible for ensuring that all commercial cannabis activities at the site operate and are maintained in good standing with permits and licenses required by the Stanislaus County Code and State law. Failure to take appropriate action to evict or otherwise remove operators who do not maintain permits or licenses in good standing with the County or State shall be grounds for the suspension or revocation of a land use or regulatory permit pursuant to this Chapter, Section 21.104 of the Stanislaus County Code, and subject to any Board approved development agreement.
- L. Commercial Cannabis Activities and related activities shall be maintained in accordance with the operating plans approved by the County.

- M. All Permittees shall ensure that cannabis is obtained from local and state permitted and licensed sources and shall implement best practices to ensure that all cannabis products are properly stored, labeled, transported, and inspected prior to distribution.
- N. All Commercial Cannabis Activities shall operate in compliance with the County's Noise Ordinance. Commercial Cannabis Cultivation operations shall not be exempt under Section 10.46.080 of the County's Noise Control ordinance.
- O. Track and Trace. All Permittees shall comply with the State of California and Stanislaus County Agricultural Commissioner's requirements for unique identifiers and Track and Trace programs and shall pay all associated fees. Permittees shall obtain and use the unique identifiers from the State and County identified source, maintain them in a readable form and comply with all data entry requirements and pay all required fees. Non-compliance with the any track and trace requirements shall be grounds for revocation, suspension or nonrenewal of the Permittee's CCA permit.

6.78.130 Commercial Cannabis Employee Background Check Required.

- A. Any person who is an employee or who otherwise works or volunteers within a Commercial Cannabis Activity must be legally authorized to do so under applicable state law.
- B. Any person who is an employee or who otherwise works or volunteers within a Commercial Cannabis Activity shall maintain the following information on each of its employees, for a period of no less than five years:
 - (1) Name, address, and phone number of the applicant/employee;
 - (2) Age and verification of applicant/employee. Permittee shall examine the employee's birth certificate, driver's license, government issued identification card, passport or other appropriate documents to verify that the applicant/employee is at least twenty-one years of age;
 - (3) Name, address of the Commercial Cannabis Activity where the applicant/employee will be employed, and the name of the primary manager of that business.
 - (4) A list of any crimes enumerated in California Business and Professions Code Section 26507(b)(4) for which the applicant/employee has been convicted.
 - (5) Name, address, and contact person for any previous employers from which the applicant/employee was fired, resigned, or asked to leave and the reasons for such dismissal or firing.
 - (6) The application for employment shall be accompanied by fingerprints and a recent photograph.

- (7) A signed statement under penalty of perjury that the information provided is true and correct.
 - (8) If applicable, verification that the applicant/employee is a qualified patient or primary caregiver.
- C. The Permittee shall annually certify to the County that it has conducted a background check on all employees to determine whether the applicant was convicted of a crime or left a previous employer for reasons that show the applicant:
- (1) Is dishonest; or
 - (2) Has committed a felony or misdemeanor involving fraud, deceit, embezzlement; or
 - (3) Was convicted of a violent felony as defined in Penal Code section 667.5, a crime of moral turpitude that involves either dishonesty (including fraud), or baseness, vileness or depravity in the private and social duties which a man owes to his fellow men, or to society in general, contrary to the accepted and customary rule of right and duty between man and man; or
 - (4) The illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, except for cannabis related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.

6.78.140 Change in Location; Updated Information.

A change in the location of the Commercial Cannabis Activity specified in the permit is prohibited and voids the CCA permit.

6.78.150 Renewal Applications.

- A. An application for renewal of a Commercial Cannabis Activity permit shall be filed at least 60 calendar days prior to the expiration date of the current permit.
- B. The Permittee's application for renewal shall be on the form provided by the Chief Executive Office.
- C. The Permittee shall pay a fee in an amount to be set by the County Board of Supervisors to cover the costs of processing the renewal permit application, together with any costs incurred by the County to administer the program created under this Chapter.

6.78.160 Commercial Cannabis Activity Permit Transfers Prohibited.

- A. The cannabis activity permit is not transferrable and Permittee shall not transfer ownership or control of the permit to another person or entity. Only the original permittee is authorized to operate the Commercial Cannabis Activity under the permit.
- B. Changes in ownership of a Permittee's business structure or a substantial change in the ownership of a permittee business entity (changes that result in a change of more than 51 percent of the original ownership) void the permit. A proposed new Owner shall submit to a background investigation performed by the County prior to taking ownership of a permitted CCA.
- C. Within 15 calendar days of any change in a Permittee's business structure or a substantial change in the ownership of a permittee business entity or any change in status of compliance with the provisions of this Chapter, the applicant shall inform the County CEO of the change.
- D. A permittee may change the form of business entity with the written consent of the County, under the following circumstances:
 - (1) The membership of the new business entity is substantially similar to original permit holder business entity (at least 51 percent of the membership is identical), or
 - (2) If the original permittee is an unincorporated association, mutual or public benefit corporation, agricultural or consumer cooperative corporation and subsequently transitions to or forms a new business entity as allowed under the MAUCRSA and to comply with Section 6.78.060, provided that the Board of Directors (or in the case of an unincorporated association, the individual(s) listed on the County permit application) of the original permittee entity are the same as the new business entity.

Permittee shall notify the County in writing of the change within ten business days of the change. Failure to comply with this provision is grounds for permit revocation.
- E. Any attempt to transfer a Commercial Cannabis Activity permit either directly or indirectly in violation of this Section is hereby prohibited, and such a purported transfer shall automatically revoke the permit.

6.78.170 Grounds for Suspension or Revocation or Nonrenewal.

- A. Commercial cannabis activity permits may be revoked by the County's Chief Executive Officer for any violation of any law and/or any rule, regulation, condition of approval, and/or standard, including those adopted pursuant to this Chapter.
- B. Any of the following shall be grounds for suspension or revocation of the Commercial Cannabis Activity permit, based on substantial evidence:

- (1) Failure to comply with one or more of the conditions of the Commercial Cannabis Activity Permit or any land use conditions of approval, or any permit conditions placed on State permits or licenses;
- (2) The Commercial Cannabis Activity permit was granted on the basis of false material information, written or oral, given willfully or negligently by the applicant;
- (3) Any act or omission by a Property Owner or Permittee that results in the violation of the provisions of this Chapter;
- (4) Any act or omission by a Property Owner or Permittee that results in the denial, revocation or suspension of the owner's or Permittee's State License;
- (5) Any act or omission that results in the revocation of a Property Owner or Permittee's commercial cannabis land use permit or development agreement under Title 21 and Title 22 of the Stanislaus County Code;
- (6) Any act or omission by a Property Owner or Permittee that violates State law or the Stanislaus County Code;
- (7) A Property Owner's or Permittee's failure to take appropriate action to evict or otherwise remove Commercial Cannabis Activities who do not maintain the necessary permits or licenses in good standing with the County or State;
- (8) The Property Owner or Permittee allows the Commercial Cannabis Activities to operate in a manner that constitutes a nuisance, where the Property Owner or Permittee has failed to abate the nuisance after notice; or
- (9) Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a Commercial Cannabis Activity to operate within the County, until the State of California, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the Commercial Cannabis Activity permit, such revocation or termination shall also revoke or terminate the ability of a Commercial Cannabis Activity to operate within Stanislaus County.

C. An application for renewal of a Commercial Cannabis Activity permit shall be rejected if any of the following exists:

- (1) The application is filed less than 60 days before its expiration.
- (2) The Commercial Cannabis Activity permit is suspended or revoked at the time of the application.
- (3) The Commercial Cannabis Activity has not been in regular and continuous operation in the four months prior to the renewal application.

- (4) The Commercial Cannabis Activity has failed to conform to the requirements of this Chapter, or of any regulations adopted pursuant to this Chapter.
- (5) The Permittee fails or is unable to renew its State of California license.
- (6) If the County or state has determined, based on substantial evidence, that the permittee or applicant is in violation of the requirements of this Chapter, of the County Code, or of the state rules and regulations, and the County or state has determined that the violation is grounds for termination or revocation of the Commercial Cannabis Activity permit.

6.78.180 Procedure for Suspension or Revocation OR Non-Renewal of the CCA Permit.

- A. If the County determines that grounds for suspension or revocation or nonrenewal of the Permit exist pursuant to this Chapter, the County shall issue a written Notice of Intention to revoke or suspend or non-renew the CCA Permit, as the case may be. The Notice of Intention shall be served on the Property Owner, as reported on the latest equalized assessment roll, and shall also be served on Permittee at the address reported on the Commercial Cannabis Activity permits issued pursuant to this Chapter. The Notice of Intention shall be served by either personal delivery or by certified U.S. Mail, postage prepaid, return receipt requested. The Notice of Intention shall describe the property, the intention to revoke or suspend the CCA Permit, the grounds for revocation or suspension, the action necessary to abate the violation, the time limit for compliance, and the right to request a hearing. The Notice of Intention shall notify the Property Owner and Permittee of the opportunity to request a hearing before a Hearing Officer to present evidence as to why the CCA permit should not be suspended or revoked and shall notify them of the ten-day deadline to submit a written request for a hearing.
- B. The Property Owner and Permittees shall have ten business days from the service of the Notice of Intention to submit a written request for a hearing before the Hearing Officer to CEO. Failure to submit the written request for a hearing shall be deemed a waiver of the right to challenge the suspension or revocation of the CCA Permit and a failure to exhaust administrative remedies. If the hearing is not timely requested, the County may suspend or revoke the CCA Permit in accordance with the Notice of Intention.
- C. Upon receipt of a timely written request for a hearing, the County shall set a date for a hearing to be held within 60 days of receipt of the request. Notice of the hearing, including the time, date, and location of the hearing, shall be served on the owner and permittees, such service to be accomplished by either personal delivery or by certified U.S. Mail, postage prepaid, return receipt requested.
- D. Hearing by the Hearing Officer:

- (1) The Chairman of the Board of Supervisors shall appoint a Hearing Officer who shall be authorized to conduct hearings, issue subpoenas, receive evidence, administer oaths, rule on questions of law and the admissibility of evidence, prepare a record of the proceedings, and render decisions on the suspension or revocation or renewal of the Commercial Cannabis Activity Permit.
 - (2) In any proceeding before the Hearing Officer, oral testimony offered as evidence shall be taken only on oath or affirmation, and the Hearing Officer, his/her clerk, or other designee shall have the power to administer oaths and affirmations and to certify to official acts taken during the hearing.
 - (3) All parties to the hearing shall have the opportunity to testify, introduce exhibits, call and examine witnesses, and cross examine opposing witnesses on any matter relevant to the issues.
 - (4) The Hearing Officer may postpone the hearing date upon good cause shown, continue the hearing during the course of the hearing, and make such other procedural orders and rulings as he or she deems appropriate during the course of the hearing.
 - (5) Within 30 calendar days after the close of the hearing, the Hearing Officer shall issue a written decision, including a statement of the basis for the decision. The Hearing Officer's written decision shall constitute the final administrative decision of the County.
- E. If neither the Property Owner, nor Permittee, nor their authorized representatives appear at the noticed hearing, such failure to appear shall constitute an abandonment of the hearing request and a failure to exhaust administrative remedies.
- F. In the event an action is initiated to obtain enforcement of the decision of the Hearing Officer, and judgment is entered to enforce the decision, the Property Owner and Permittee shall be jointly and severally liable to pay the County's total costs of enforcement, including reasonable attorney fees.

6.78.190 Enforcement.

It shall be unlawful for any person to violate any provision, or fail to comply with any of the requirements, of this Chapter. Any person violating any of the provisions or failing to comply with any of the mandatory requirements of this Chapter shall be guilty of a misdemeanor. The remedies provided by this Chapter are cumulative and in addition to any other remedies available at law or in equity.

6.78.200 Limitations on County's Liability.

- A. To the fullest extent permitted by law, Stanislaus County shall not assume any liability whatsoever with respect to having issued a Commercial Cannabis Activity permit pursuant to this Chapter or otherwise approving the operation of any Commercial Cannabis Activity. As a condition to the approval of any Commercial Cannabis Activity permit, the applicant shall be required to meet all of the following conditions prior to issuance of the Commercial Cannabis Activity Permit:
- (1) Permittee must execute an agreement, in a form approved by County Counsel, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold Stanislaus County, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the County's issuance of the commercial cannabis activity permit, the County's decision to approve the operation of the Commercial Cannabis Activity or activity, to process used by the County in making its decision, or the alleged violation of any federal, state or local laws by the Commercial Cannabis Activity or any of its officers, employees or agents.
 - (2) Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by Risk Management.
 - (3) Reimburse Stanislaus County for all costs and expenses, including but not limited to legal fees and costs and court costs, which Stanislaus County may be required to pay as a result of any legal challenge related to the County's approval of the applicant's Commercial Cannabis Activity permit, or related to the County's approval of a Commercial Cannabis Activity. The County of Stanislaus may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

6.78.210 Promulgation of Regulations.

- A. In addition to any regulations adopted by the County Board of Supervisors, the Chief Executive Officer, or designee, ("CEO") is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of Commercial Cannabis Activity permits, the ongoing operation of Commercial Cannabis Activity and the County's oversight, if the CEO determines the rule, regulation or standard to be necessary to carry out the purposes of this Chapter.
- B. Regulations issued by the CEO shall be published on the County's website.
- C. Regulations promulgated by the CEO shall become effective upon date of publication. Commercial Cannabis Activities shall be required to comply with all

state and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the CEO.

6.78.220 Community Relations.

- A. The Permittee of a Commercial Cannabis Activity shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the Commercial Cannabis Activity can be provided. Each Commercial Cannabis Activity shall also provide the above information to all businesses and residences located within 100 feet of the Commercial Cannabis Activity and make the information available online to the general public.
- B. The Permittee of a Commercial Cannabis Activity shall designate a CCA Owner who shall attend meetings with the County, and other interested parties, as requested by the County, to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter.
- C. Permittees of Commercial cannabis activities to which a permit is issued pursuant to this Chapter shall develop or contribute to a County approved public outreach and educational program for youth organizations and educational institutions that outlines the risks of youth addiction to cannabis, and that identifies resources available to youth related to drugs and drug addiction.

6.78.230 Fees Deemed Debt to Stanislaus County.

The amount of any fee, cost or charge imposed pursuant to this Chapter shall be deemed a debt to Stanislaus County that is recoverable via an authorized administrative process as set forth in the County Code, or in any court of competent jurisdiction.

6.78.240 Permit Holder Responsible for Violations.

The Permittee shall be presumed to be responsible for all violations of the laws of the State of California or of the regulations and/or the ordinances of Stanislaus County, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the Commercial Cannabis Activity whether or not said violations occur within the permit holder's presence, unless the Permittee has taken steps to prevent the offending conduct.

6.78.250 Inspection.

- A. As a condition of issuance of the CCA permit, Property Owner and Permittee authorize and consent to representatives of the County entering the location of the Commercial Cannabis Activity at any time, without notice, to inspect the location of any Commercial Cannabis Activity as well as any recordings and

records required to be maintained pursuant to this Chapter or under applicable provisions of State law.

- B. Any person having responsibility over the operation of a Commercial Cannabis Activity, shall not impede, obstruct, interfere with, or otherwise not to allow, the County to conduct and record an inspection, review or copy records, recordings or other documents required to be maintained by a Commercial Cannabis Activity under this Chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a Commercial Cannabis Activity under this Chapter or under state or local law.
- C. As a condition of issuance of the CCA permit, Property Owner and Permittee authorize and consent to representatives of the County entering the location of a Commercial Cannabis Activity at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by Stanislaus County shall be logged, recorded, and maintained in accordance with established procedures by these regulations.

6.78.260 Violations Declared a Public Nuisance.

Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance.

6.78.270 Each Violation a Separate Offense.

Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by Stanislaus County Code. Additionally, as a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, any permit issued pursuant to this Chapter being deemed null and void, disgorgement and payment to the County by Permittee of any monies unlawfully obtained, payment by the Permittee of the County's costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. Stanislaus County may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the Commercial Cannabis Activity or persons related to, or associated with, the Commercial Cannabis Activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the County may take immediate action to temporarily suspend a Commercial Cannabis Activity permit issued by the County, pending a hearing.

6.78.280 Criminal Penalties.

Each and every violation of the provisions of this Chapter may in the discretion of the District Attorney be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars (\$1,000) or imprisonment in the county jail for a

period of not more than 12 months, or by both such fine and imprisonment. Each day a violation is committed or permitted to continue shall constitute a separate offense.

6.78.290 Remedies Cumulative and not Exclusive.

The remedies provided herein are not to be construed as exclusive remedies. The County, including the County's District Attorney, is authorized to pursue any proceedings or remedies provided by law.

6.78.300 Review by Planning Commission.

- A. Any amendments to this Chapter with the potential to impact the placement or land use compatibility of a commercial cannabis activity to the surrounding persons or property shall be considered at a public hearing before the planning commission. After the hearing by the planning commission, the planning commission shall make its recommendation in writing to the board of supervisors. The recommendation shall include the planning commission's determination on whether or not the amendments:
- (1) Are in conformity with and will promote public convenience, general welfare and good land use practice; and
 - (2) Will be detrimental to health, safety and general welfare.

ATTACHMENT 5

**AN ORDINANCE AMENDING TITLE 21 OF THE STANISLAUS COUNTY CODE
RELATING TO COMMERCIAL CANNABIS ACTIVITIES**

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA ORDAINS AS FOLLOWS:

Section 1. Section 21.08.020, Subdivision D, of the Stanislaus County Code is added to read as follows:

“D. Commercial Cannabis Activities as authorized by this Title and Chapter 6.78 of the Stanislaus County Code shall be located and operated in compliance with all the requirements of Chapter 6.78 of the Stanislaus County Code and any other local requirements, and state laws and regulations, applicable to commercial cannabis activities.

1. “Public notification required for the consideration of any discretionary action authorized by this Title for the permitting of commercial cannabis activities shall be provided at a distance of 600 feet from the boundaries of the project site, unless a greater distance is required by adopted County policy or state requirement.
2. “Any discretionary action taken for the permitting of a commercial cannabis activity shall be subject to a finding by the decision making authority that the establishment, maintenance, and operation of the proposed use will not, under the circumstances of the particular case, be detrimental to the health, safety, and general welfare of persons residing or working in the neighborhood of the use and that it will not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the County.”

Section 2. Section 21.12.151, of the Stanislaus County Code is added to read as follows:

“21.12.151 COMMERCIAL CANNABIS ACTIVITY

““Commercial Cannabis Activity” means the commercial cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of medicinal or non-medicinal cannabis or a medicinal or non-medicinal cannabis product. For the purposes of this Title, “commercial cannabis activity” does not include the activities defined in Section 11362.1 and Section 11362.2 of the California Health & Safety Code. All commercial cannabis activities shall be operated in compliance with all the requirements of Chapter 6.78 of the Stanislaus County Code.”

Section 3. Section 21.20.030, Subdivision H, of the Stanislaus County Code is added to read as follows:

“H. Commercial cannabis cultivation or nursery activities (natural light or mixed-light) and distribution activities (limited to permitted commercial cannabis product grown on-site) subject to Section 21.08.020(D) of this Title, may be allowed when conducted within a greenhouse or accessory agricultural storage building as permitted by Title 6 of the County Code.”

Section 4. Section 21.42.025, of the Stanislaus County Code is added to read as follows:

“21.42.025 USES REQUIRING A USE PERMIT

“A. Commercial cannabis retail (non-storefront only), manufacturing (non-volatile), testing labs, distribution, and cultivation or nursery activities (mixed-light or indoor), subject to Section 21.08.020(D) of this Title.

“1. Where a Planned Industrial zoning district is adopted after January 4, 2018, the adoption of the zoning district may authorize the uses permitted by Section A, in-lieu of a use permit, provided the uses are specifically identified in the development plan required by Section 21.42.040 of this Chapter.”

Section 5. Section 21.56.030, Subdivision I, of the Stanislaus County Code is added to read as follows:

“I. Commercial cannabis retail (storefront only), or testing activities, subject to Section 21.08.020(D) of this Title.”

Section 6. Section 21.60.030, Subdivision J, of the Stanislaus County Code is added to read as follows:

“J. Commercial cannabis retail (storefront or non-storefront), manufacturing (volatile or non-volatile), testing labs, distribution, and cultivation or nursery activities (mixed-light or indoor), subject to Section 21.08.020(D) of this Title.”

Section 7. Section 21.64.030, Subdivision E, of the Stanislaus County Code is added to read as follows:

“E. Commercial cannabis manufacturing (non-volatile), testing labs, distribution, and cultivation or nursery activities (mixed-light or indoor), subject to Section 21.08.020(D) of this Title.”

Upon motion of Supervisor _____, seconded by Supervisor _____, the foregoing Ordinance was passed and adopted at a regular meeting of the Board of Supervisors of the County of Stanislaus, State of California, this 5th day of December, 2017, by the following-called vote:

AYES: Supervisors:

NOES: Supervisors:

ABSENT: Supervisors:

Vito Chiesa, Chairman
of the Board of Supervisors of the
County of Stanislaus, State of California

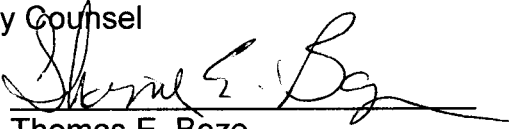
ATTEST:

ELIZABETH A. KING, Clerk of the
Board of Supervisors of the County of Stanislaus,
State of California

By _____
Pam Villarreal, Deputy Clerk

APPROVED AS TO FORM:

John P. Doering
County Counsel

By 
Thomas E. Boze
Assistant County Counsel

ATTACHMENT 6



DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

1010 10th Street, Suite 3400, Modesto, CA 95354
Phone: 209.525.6330 Fax: 209.525.5911

November 16, 2017

PLANNING COMMISSION MEMO ADDENDUM

MEMO TO: Stanislaus County Planning Commission

FROM: Department of Planning and Community Development

SUBJECT: **ORDINANCE AMENDMENT APPLICATION NO. PLN2017-0119 – COMMERCIAL CANNABIS ACTIVITIES**

DISCUSSION

In consideration of the proposed Ordinance Amendment, the Planning Commission has been presented with the draft Regulatory Ordinance for Commercial Cannabis Activities (Exhibit 2 of the November 16, 2017, Planning Commission Memo) to be considered by the Board of Supervisors as part of the broad allowance for commercial cannabis activities. While the Planning Commission is not taking any direct action relating to the draft Regulatory Ordinance, the proposed Zoning Ordinance amendment relies on the Regulatory Ordinance (proposed to be added to Title 6 of the Stanislaus County Code) for permitting and operations of commercial cannabis activities proposed to be located in the various zoning districts. As such, this memo has been prepared to summarize changes to the Regulatory Ordinance that County staff will be recommending that the Board of Supervisors consider. Additionally, County Staff has also made changes to incorporate comments from the City of Modesto regarding Section 6.78.120 of the Regulatory Ordinance. (See Exhibit A – November 16, 2017 letter from the City of Modesto.) The changes to be recommended are reflected below with additions reflected in bold and underlined text and deletions reflected in stricken text:

- Amend sub-Section 6.78.120(A)(2) of Section 6.78.120 – General Operational Standards to clarify that written *approval* is required from a City when a commercial cannabis application is located within a city's Sphere of Influence and to delete unnecessary language already covered in the preceding sub-paragraph (2) as follows:
 - (2) In accordance with the County's General Plan Sphere of Influence (SOI) Policy, commercial cannabis activities located within a Local Agency Formation Commission (LAFCO) adopted SOI of a city shall have written ~~support~~ **approval** from the city prior to county approval of any discretionary land use entitlement. For purposes of this Chapter, the following shall apply:
 - (a) Commercial cannabis cultivation and nurseries shall not be considered an agricultural or church use exempt from the County's SOI policy.

- (b) The exception in the SOI Policy for the Beard Tract and Upper McHenry areas located within the City of Modesto's SOI shall not apply. ~~Within these exception areas, written support from the city prior to County approval of any discretionary land use entitlement for a commercial cannabis activity shall be required.~~
- Amend sub-Section 6.78.120(A)(3) of Section 6.78.120 – General Operational Standards to clarify that written *approval* is required from a City when a commercial cannabis application is located within a city's Sphere of Influence or within a one-half mile radius outside of a city's SOI and to clarify the role of the Municipal Advisory's Councils in the approval of commercial cannabis activities in areas identified as a Community Plan Areas in the Land Use Element of the Stanislaus County General Plan:
 - (3) Recognizing the unique concern for the potential impacts of commercial cannabis activities to cities with an adopted ordinance banning commercial cannabis activities, written ~~support~~ **approval** from any city in Stanislaus County with an adopted ordinance banning commercial cannabis activities shall be required prior to approval of any discretionary land use entitlement of a commercial cannabis activity located within a one-half mile radius outside of the SOI of the city, with the following exceptions:
 - (a) Any areas identified as a Community Plan Area in the Land Use Element of the Stanislaus County General Plan. **Within these Community Plan Areas, land use entitlement applications for a commercial cannabis activity shall be referred to the Municipal Advisory Council (MAC) with jurisdiction over the area and the decision making body shall give consideration to any comments received from the MAC.**
 - (b) Any areas where there is overlap between the one-half mile radius outside of the SOI and a LAFCO adopted SOI of a different city. In this case, the LAFCO adopted SOI shall govern as reflected in the preceding sub-paragraph (2).
 - Amend sub-Section 6.78.120(A)(4) of Section 6.78.120 – General Operational Standards to clarify that the limitation on the number of retail activities to be permitted near the City of Modesto applies to both storefront and non-storefront commercial cannabis activities and to clarify that the City of Modesto's development standards will be applied to retail activities both within the Modesto SOI and within a one-half mile radius outside of their SOI:
 - (4) Recognizing the potential impacts associated with allowing for a concentration of retail **activities (both storefronts and non-storefronts)** to be located within the unincorporated area, within the City of Modesto's LAFCO adopted SOI and within a one-half mile radius outside of the City of Modesto's SOI the following location limitations shall apply to Retail ~~Storefront~~ Commercial Cannabis Activity Permits:
 - (a) No more than a combined total of five Retail ~~Storefront~~ permits shall be **permitted to operate**~~issued at any one time.~~
 - (b) No more than three Retail ~~Storefront~~ activities shall be **permitted to operate**~~issued~~ within any one-mile radius at any one time.
 - (c) The limit on retail ~~storefronts~~ **activities** shall only apply within the SOI of the City of Modesto and within a one-half mile radius outside of the City of Modesto's SOI, and

shall not apply within the SOI of any other city or any areas identified as a Community Plan Area in the Land Use Element of the Stanislaus County General Plan.

(d) The County shall consult with the City of Modesto on the location of retail ~~activities storefronts~~. City of Modesto development standards, **including those specific to cannabis uses**, including, setbacks, buffers, and separators shall be applied to retail ~~activities storefronts~~ located within the city's SOI and ~~may be applied, at the County's discretion, to locations~~ within a one-half mile radius outside of the City of Modesto's SOI.

- Amend Section 6.78.300 – Review by Planning Commission to clarify that amendments to Chapter 6.78 are only subject to Planning Commission review when the amendment could impact the placement or land use compatibility of a commercial cannabis activity to the surrounding persons or property as follows:

6.78.300 Review by Planning Commission.

A. **All ~~Any~~ amendments to this Chapter with the potential to impact the placement or land use compatibility of a commercial cannabis activity to the surrounding persons or property** shall be considered at a public hearing before the planning commission. After the hearing by the planning commission, the planning commission shall make its recommendation in writing to the board of supervisors. The recommendation shall include the planning commission's determination on whether or not the amendments:

- (1) Are in conformity with and will promote public convenience, general welfare and good land use practice; and
- (2) Will be detrimental to health, safety and general welfare.

The Letter received from the City of Modesto also requested that the County specify requirements for the delivery of commercial cannabis. The Regulatory Ordinance does include "delivery" within the definition of "Retail" and operating standards regarding delivery are already included in Section 6.78.070(F) and 6.78.120(C)(7) of the regulatory ordinance.

While the Planning Commission is not required to make any specific recommendation to the Board of Supervisors regarding the amendments outlined above, the Planning Commission is asked to consider the amendments in its recommendation regarding the proposed Zoning Ordinance Amendment. Any concerns regarding the proposed amendments or any requests by the Planning Commission to further amend the draft Regulatory Ordinance, will be presented to the Board of Supervisors as part of the Planning Commission's recommendation regarding the proposed Zoning Ordinance amendment.

Attachment 1 – City of Modesto letter dated, November 16, 2017



City of Modesto
City Manager's Office
1010 Tenth Street, Sixth Floor
Modesto, CA 95354

November 16, 2017

Angela Freitas
Director, Stanislaus County Department of
Planning and Community Development
1010 10th Street, Ste. 3400
Modesto, CA 95354

RE: Ordinance Amendment PLN2017-0119 Commercial Cannabis Activities

Dear Ms. Freitas;

We have reviewed the proposed draft Regulatory Ordinance and amendment to the Zoning Ordinance addressing Commercial Cannabis Activities, and have the following requests and comments:

1. The draft ordinance (Sec. 6.78.120 A.(2)) references the County's General Plan Sphere of Influence (SOI) policy such that "commercial cannabis activities within a LAFCO adopted SOI of a city shall have written support from the city prior to county approval of any discretionary land use entitlement". This provision should be revised to change "written support" to "written approval", consistent with County General Plan Policy 26.
2. The draft ordinance (6.78.120 A.(4)(a)) states: "No more than a combined total of 5 retail storefront permits shall be issued at any one time". The City respectfully requests that this provision be revised to read: "No more than a combined total of five retail storefront permits shall be permitted to operate". This edit is intended to provide certainty on the intent and appropriate implementation of this provision.
3. The draft ordinance (Sec. 6.78.120 A.(4)(d)) states: "...City of Modesto development standards including setbacks, buffers, separators shall be applied to retail storefronts located within the City's SOI and may be applied at the County's discretion, to locations within one-half mile radius outside of the City of Modesto's SOI. The City respectfully requests that this section be revised to read: "...City of Modesto development standards, including those specific to cannabis uses, including setbacks, buffers, separators shall be applied to retail storefronts located within the City's SOI and ~~at the County's discretion~~, to locations within one-half mile radius outside of the City of

Ordinance Amendment PLN2017-0119

November 16, 2017


Page 2

Modesto's SOI". This edit is intended to provide assurances that relevant City standards will be upheld.

4. The draft ordinance (Sec. 6.78.120 A.(4)) limits retail storefronts within the unincorporated area within the City of Modesto's SOI and within one-half mile radius outside of the City of Modesto SOI subject to location limitations. This limit only applies to retail storefronts. The City requests that the ordinance include restrictions limiting non-storefront retail within the SOI and buffer area, to protect sensitive land uses, resident, businesses and children in neighboring cities.
5. The draft ordinance does not appear to address deliveries as a use type. Please clarify if deliveries are intended to be regulated by the draft ordinance. If allowed, the ordinance should include use restrictions (for deliveries) to protect public safety.

Thank you for considering our comments on the draft ordinance. If you have any questions concerning these comments, please don't hesitate to contact us.

Sincerely,


Joseph P. Lopez
Interim City Manager

c. Mayor Brandvold and City Council

2877262.2

ATTACHMENT 7



DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

1010 10th Street, Suite 3400, Modesto, CA 95354
Phone: 209.525.6330 Fax: 209.525.5911

November 16, 2017

MEMO TO: Stanislaus County Planning Commission

FROM: Department of Planning and Community Development

**SUBJECT: ORDINANCE AMENDMENT APPLICATION NO. PLN2017-0119 –
COMMERCIAL CANNABIS ACTIVITIES**

DISCUSSION

Ordinance Amendment Application No. PLN2017-0119 – Commercial Cannabis Activities was scheduled to be heard by the Planning Commission October 19, 2017. The item was continued to the November 2, 2017, Planning Commission meeting, at the request of Staff, to allow Staff time to discuss the proposed Ordinance Amendment with the cities. The project was further continued to the November 16, 2017, Planning Commission meeting to allow Staff additional time to discuss the proposed Ordinance Amendment with the cities. The October 19, 2017, Planning Commission Memo, along with the continuance memos are provided as Exhibits 5 through 7 of this memo.

Discussion with the cities have focused on concerns with the placement of commercial cannabis activities within the Local Agency Formation Commission (LAFCO) adopted Spheres of influence (SOI) of cities and outside the SOI's near a cities borders. Discussions have also addressed the need to identify added setbacks for commercial cannabis activities. In response to the discussions with cities, the County has incorporated the SOI policy language from the County's Land Use Element in combination with specific setback and placement requirements into Section 6.78.120 – General Operational Standards, of the Regulatory Ordinance (See Exhibit 2 - *Draft Chapter 6.78 - Commercial Cannabis Activities, Commercial Cannabis Regulatory Ordinance.*) These changes to the proposed ordinance also address concerns raised by Thomas Douglas regarding setbacks from residential units and limiting greenhouse cultivation on small parcels located in the A-2 zoning district by incorporating a 200-foot setback from dwelling units and a 50-foot setback from buildings used for commercial cannabis cultivation in the A-2 (General Agriculture) zoning district. (See Exhibit 3 – *Letter dated October 19, 2017, from Thomas Douglas regarding Ordinance Amendment PLN2017-0119 - Commercial Cannabis Activities.*) Tom Douglas' letter also raised concerns with odor from commercial cannabis activities and with the need to review the Draft Regulatory Ordinance before taking action on the Zoning Ordinance Amendment. The Draft Regulatory Ordinance has been included with this item as Exhibit 2 and includes requirements for odor control in Section 6.78.120(D). The following is a summary of the provisions incorporated into Chapter 6.78 to address concerns raised by the cities and the public:

Language mirroring Goal 5, Policy 26 of the County's Land Use Element of the General Plan is included in Section 6.78.120(A) the Commercial Cannabis Regulatory Ordinance. The Policy 26 exceptions for churches and agricultural uses and for specific exception areas are identified as not applicable to commercial cannabis activities:

“(2) In accordance with the County's General Plan Sphere of Influence (SOI) Policy, commercial cannabis activities located within a Local Agency Formation Commission (LAFCO) adopted SOI of a city shall have written support from the city prior to County approval of any discretionary land use entitlement. For purposes of this Chapter, the following shall apply:

- a. Commercial cannabis cultivation and nurseries shall not be considered an agricultural or church use exempt from the County's SOI policy.*
- b. The exception in the SOI Policy for the Beard Tract and Upper McHenry areas located within the City of Modesto's SOI shall not apply. Within these exception areas, written support from the city prior to County approval of any discretionary land use entitlement for a commercial cannabis activity shall be required.”*

- Language has been included in Section 6.78.120(A) to allow cities with adopted commercial cannabis bans decision making power over approval of discretionary commercial cannabis permits within their SOIs and within a one-half mile radius outside of their SOIs, as follows:

“(3) Recognizing the unique concern for the potential impacts of commercial cannabis activities to cities with an adopted ordinance banning commercial cannabis activities, written support from any city in Stanislaus County with an adopted ordinance banning commercial cannabis activities shall be required prior to approval of any discretionary land use entitlement of a commercial cannabis activity located within a one-half mile radius outside of the SOI of the city, with the following exceptions:

- a. Any areas identified as a Community Plan Area in the Land Use Element of the Stanislaus County General Plan.*
- b. Any areas where there is overlap between the one-half mile radius outside of the SOI and a LAFCO adopted SOI of a different city. In this case, the LAFCO adopted SOI shall govern as reflected in the preceding sub-paragraph (2).”*

- In response to the City of Modesto's concern with the potential for a concentration of retail storefront commercial cannabis activities along the fringes of their city limits and SOI, language has been included in Section 6.78.120(A) to allow no more than five retail storefront commercial cannabis activities to be permitted within a one-half mile radius outside of their SOI and no more than three in any one mile radius, within the one-half mile radius outside of their SOI:

“(4) Recognizing the potential impacts associated with allowing for a concentration of retail storefronts to be located within the unincorporated area, within the City of Modesto's LAFCO adopted SOI and within a one-half mile radius outside of the City of Modesto's SOI the following location limitations shall apply to Retail Storefront Commercial Cannabis Activity Permits:

- a. *No more than a combined total of five Retail Storefront permits shall be issued at any one time.*
 - b. *No more than three Retail Storefront activities shall be issued within any one-mile radius at any one time.*
 - c. *The limit on retail storefronts shall only apply within the SOI of the City of Modesto and within a one-half mile radius outside of the City of Modesto's SOI, and shall not apply within the SOI of any other city or any areas identified as a Community Plan Area in the Land Use Element of the Stanislaus County General Plan.*
 - d. *The County shall consult with the City of Modesto on the location of retail storefronts. City of Modesto development standards including, setbacks, buffers, and separators shall be applied to retail storefronts located within the city's SOI and may be applied, at the County's discretion, to locations within a one-half mile radius outside of the City of Modesto's SOI."*
- To address concerns with potential impacts of commercial cannabis activities on surrounding residences, a 200-foot buffer from neighboring residences has been incorporated into Section 6.78.120(A) of the Commercial Cannabis Regulatory Ordinance. To ensure that cultivation activities do not impact surrounding agricultural properties, particularly on smaller A-2 parcels, a 50-foot setback has also been incorporated into Section 6.78.120(A) the Commercial Cannabis Regulatory Ordinance. The setbacks requirements allow leeway for the decision making body of the discretionary commercial cannabis permit to waive or reduce these setback requirements if other physical separation already exists or if they determine that the reduction will not result in any negative impacts to surrounding property. The following is a summary of the setback provisions incorporated:

"(5) Prior to approval of any land use entitlement allowing for a Commercial Cannabis Activity the following setback requirements shall be met, unless a waiver or reduction is granted:

- (a) *Any building utilized for the operation of a commercial cannabis activity shall be located a minimum of 200 feet from any: legal dwelling located on a parcel under different ownership; a library; or a park. Setbacks required by this section shall be subject to the following:*
 - i. *Setbacks from dwellings shall be measured from the nearest point of the area of a building used for the commercial cannabis activity to the nearest point of the dwellings utilized for interior living space.*
 - ii. *Setbacks from a library or park shall be measured from the nearest point of the area of the building used for the commercial cannabis activity to the boundary of the parcel improved with the library or park.*
- (b) *In addition to the setbacks required in sub-paragraph 5(a) above, when located in the A-2 (General Agriculture) zoning districts, any building utilized for commercial cannabis cultivation shall be setback a minimum of 50 feet from the boundary of any adjoining parcel under different ownership.*

- (c) *The decision making body of the discretionary land use entitlement for a commercial cannabis activity may waive or reduce the setback requirements of this paragraph (5) if any of the following apply:*
- i. *The site of the commercial cannabis activity is physically separated from the off-site dwelling by either: a building or other structure blocking line of sight; or a physical barrier such as, but not limited to, a wall or canal prohibiting direct path of travel between parcels exists to mitigate potential environmental or security impacts resulting from the commercial cannabis activity.*
 - ii. *The decision making body determines that such a waiver or reduction will not result in material detriment to the welfare or the property of other persons located in the vicinity, based on findings of fact."*

The locally incorporated setbacks are in addition to the State's setback requirements from schools, day care centers, and youth centers which have also been incorporated into Section 6.78.120(6) the Commercial Cannabis Regulatory Ordinance, as follows:

- "(6) Commercial Cannabis Activities shall not be located within a 600 foot radius of any day care center, youth center, or school, as defined in this Chapter, existing at the time of initial permitting, and as required by State law."*

All commercial cannabis activities will be required to obtain discretionary land use entitlements and will be subject to operation in compliance with all requirements of the Regulatory Ordinance. Although the Planning Commission is not required to take action on the draft Regulatory Ordinance, the draft Regulatory Ordinance has been included with this item for reference. Additionally, Section 6.78.300 – *Review by Planning Commission* has also been incorporated into the Regulatory Ordinance which requires all amendments to the Regulatory Ordinance be considered at a public hearing before the planning commission to provide a recommendation to the board of supervisors.

Exhibit 1 – November 16, 2017, Amended Summary of Draft Amendments to the Stanislaus County Zoning Ordinance, includes the originally proposed zoning ordinance amendments in addition to the following changes:

- Section 21.08.020 of Chapter 21.08 – General Provisions has been further amended to reference as authorized by "Title 6 of the Stanislaus county Code" in addition to the zoning ordinance and "State laws and regulations" in addition to local requirements.
- Section 21.12.151 of Chapter 21.12 – Definitions has been further amended to incorporate "commercial" and "medicinal or non-medicinal" for clarification purposes.
- Section 21.20.030 of Chapter 21.20 – General Agriculture District (A-2), has been further amended to connect the definition of a greenhouse, and allowance for use of existing agricultural storage building, to Title 6 of the Stanislaus County Code (the Regulatory Ordinance) and to incorporate language intended to clarify that commercial cultivation activities in the A-2 zoning district may also be combined with a distribution license, limited to the distribution of permitted commercial cannabis cultivation product grown on-site.

The referral standards and setbacks discussed above are in addition to the existing requirements for discretionary project approval for each commercial cannabis activity request, which includes environmental review and a public hearing process. The combination of the discretionary review process and application of the operating standards included in the regulatory ordinance will ensure that impacts to surrounding properties, neighborhoods, and communities will be adequately avoided.

OUTREACH

County Staff provided an overview of the proposed Commercial Cannabis Activity Program and the commercial cannabis registrations received in late October and early November of 2017, to the Agricultural Advisory Board (AAB), and several Municipal Advisory Councils (MAC) including Denair, Knights Ferry, Salida, South Modesto, and Wood Colony. A summary of the questions and answers exchanged during the meetings is included below

- Will these proposed regulations address outdoor grows in residential districts? *Residential outdoor cultivation of six or fewer plants is covered under personal cultivation. The current proposed regulations address only commercial cannabis cultivation. An ordinance to address personal cultivation will be addressed in the second phase of the County's strategy for addressing cannabis in the County.*
- Will there be an opportunity to review and comment on individual commercial cannabis operations? *Yes, each commercial cannabis activity must go through a discretionary project referral and approval process which requires referral to local agencies and advisory bodies as well as surrounding landowners.*
- Will retail operations be allowed to advertise on street corners (such as sign spinners) or to include drive-through pick up? *No, the Regulatory Ordinance limits signage and advertising (See Section 6.78.120(E)) and drive-through retail would not qualify due to the requirements for secured entry to and from these facilities (See Section 6.78.070(G)).*
- Will setbacks from residential (units and/or zoning) be required? *Yes, setbacks from existing residences have been incorporated into the Regulatory Ordinance (See Section 6.78.120(A)(5)).*
- Could the Right-to-Farm policy be used as a loop hole to avoid odor control and air filtration requirements? *No, the Regulatory Ordinance provides a provision which states that cannabis cultivation or nursery activities shall not be considered agriculture for the purpose of the County's Right-to-Farm policy (See Section 6.78.080(I)).*
- Concern with smoking and consumption of cannabis products outside of retail/distribution establishments and general loitering by customers. *Each entrance to a Commercial Cannabis Activity Premises shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis in the parking areas, on the premises or in the areas adjacent to the Premises is prohibited. (See Section 6.78.120 (E)(4)). Loitering and smoking on-site, including the parking lot, are prohibited (See Section 6.78.070 and 6.78.120).*
- Is there a potential loop hole allowing for cooperatives to provide medical cannabis without having to comply with the County's regulations? *Cooperatives are required to obtain a commercial cannabis permit and are regulated both by the State and by Section 6.78.120(F) of the Regulatory Ordinance.*
- Questions regarding safety of water usage and water discharge related to cultivation activities? *Concerns over heavy energy users impacting utility consumers. Cultivation activities are required to meet all State and local requirements regarding energy and*

water use and water quality control and are also required to implement water and energy conservation measures (See Section 6.78.080(C)).

- *Concerns over locating retail storefronts, or any cannabis activity, in a high crime area. These types of concerns will be addressed through the discretionary review process, where the project will be reviewed in terms of its potential impacts to the surrounding neighborhood. Each project will be referred to the surrounding neighbors and the Sheriff and/or local police department for review and comment.*
- *Are there limits on cultivation size? Each cultivation permit includes a maximum size limit. Permits may be combined provided they meet all State requirements. Cultivation activities in the A-2 zoning district must also be setback 50 feet from all property lines.*
- *Concern with County's failure to or inability to enforce (including collection of full funding from permitted operators) and with the continued operation of illegal commercial cannabis operations. The County is developing an enforcement strategy in conjunction with the development and approval process of the Commercial Cultivation Zoning and Regulatory requirements. Additionally, each Development Agreement approved for a commercial cannabis activity will require a specific process for the collection of a community benefit fee, based on permit type and square footage/canopy size.*
- *How will the Track & Trace Program work? The Stanislaus County Agricultural Commissioner will implement the Track and Trace Program for any jurisdiction in Stanislaus County permitting commercial cannabis activities. The Agricultural Commissioner is in the process of contracting with a company to provide software and technical assistance for the Track and Trace Program which will be able to label and identify each cannabis plant from seed to sale within Stanislaus County.*
- *How will the Assessor handle Williamson Act valuations? The area used for cultivation will be assessed independently of the agricultural use of the project and, as such, will not benefit from the Williamson Act.*
- *Will utilizing property for cultivation (directly or through lease) cause a loss of access to federal programs such as crop insurance? This is still an unknown and should definitely be a factor when deciding whether or not to apply for a commercial cultivation permit.*

In addition to the questions above, a number of comments were also received which indicated a general dissatisfaction that the State has legalized cannabis.

SUMMARY OF REGISTRATIONS RECEIVED

An updated summary of the registrations received during the Commercial Cannabis Registration period, which was opened on October 2, 2017, and was closed on October 20, 2017, is provided as Exhibit 4 of this memo. A total of 117 registrations were submitted, including a total of 265 commercial cannabis permit requests. Because the number of permit requests exceeded 61, a review committee consisting of Chief Executive Office, County Counsel, and Planning Staff will review and rank the applications based on a set scoring criteria, to be approved by Board of Supervisors. A background investigation performed by the Sheriff's Department is a requirement before any permitting or ranking is conducted. Those applicants ranked in the top 61 allowable permit spots will move forward to the land use entitlement process in conjunction with a Development Agreement, which requires a Planning Commission hearing and Board of Supervisors approval. The process involves environmental review, public notification, and public hearings.

RECOMMENDATION

Based on the discussion above and in the attached October 19, 2017, Planning Commission Memo, Staff is recommending the Planning Commission provide a recommendation of approval to the Board of Supervisors, including the November 16, 2017, Amended Summary of Draft Amendments to the Stanislaus County Zoning Ordinance (incorporated into this memo as Exhibit 1). If the Planning Commission decides to provide a recommendation of approval, Exhibit A of the October 19, 2017, Planning Commission Staff Report (See Exhibit 7 – *Ordinance Amendment Application No. PLN2017-0119 – Commercial Cannabis Activities, October 19, 2017, Planning Commission Memo (with Attachments)*.), provides an overview of all of the findings required for project approval.

Contact Person: Kristin Doud, Senior Planner, (209) 525-6330

Attachments:

- Exhibit - 1 November 16, 2017, Amended Summary of Draft Amendments to the Stanislaus County Zoning Ordinance.
- Exhibit - 2 Draft Chapter 6.78 - Commercial Cannabis Activities, Commercial Cannabis Regulatory Ordinance.
- Exhibit - 3 Letter dated October 19, 2017, from Thomas Douglas regarding Ordinance Amendment PLN2017-0119 – Commercial Cannabis Activities.
- Exhibit - 4 Stanislaus County Commercial Cannabis Registration Interest Summary
- Exhibit - 5 Continuance Memo for Ordinance Amendment Application No. PLN2017-0119 – Commercial Cannabis Activities November 2, 2017, Planning Commission Meeting.
- Exhibit - 6 Continuance Memo for Ordinance Amendment Application No. PLN2017-0119 – Commercial Cannabis Activities October 19, 2017, Planning Commission Meeting.
- Exhibit - 7 Ordinance Amendment Application No. PLN2017-0119 – Commercial Cannabis Activities, October 19, 2017, Planning Commission Memo (with Attachments).

Amended Summary of Commercial Cannabis Activity – Proposed Ordinance Amendment (November 16, 2017)

**Note: Specific amendments consisting of additions are reflected in bold and underlined text*

Amended Section 21.08.020 of Chapter 21.08 - GENERAL PROVISIONS to read as follows:

D. Commercial Cannabis Activities as authorized by this title and Title 6 of the Stanislaus County Code shall be located and operated in compliance with all the requirements of Title 6 of the Stanislaus County Code and any other local requirements, and state laws and regulations, applicable to commercial cannabis activities.

- 1. Public notification required for the consideration of any discretionary action authorized by this title for the permitting of commercial cannabis activities shall be provided at a distance of 600 feet from the boundaries of the project site, unless a greater distance is required by adopted County policy or state requirement.**
- 2. Any discretionary action taken for the permitting of a commercial cannabis activity shall be subject to a finding by the decision making authority that the establishment, maintenance, and operation of the proposed use will not, under the circumstances of the particular case, be detrimental to the health, safety, and general welfare of persons residing or working in the neighborhood of the use and that it will not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the County.**

Added Section 21.12.151 of Chapter 21.12 – DEFINITIONS to read as follows:

21.12.151 COMMERCIAL CANNABIS ACTIVITY

“Commercial Cannabis Activity” means the commercial cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of medicinal or non-medicinal cannabis or a medicinal or non-medicinal cannabis product. For the purposes of this title, “commercial cannabis activity” does not include the activities defined in Section 11362.1 and Section 11362.2 of the California Health & Safety Code. All commercial cannabis activities shall be operated in compliance with all the requirements of Title 6 of the Stanislaus County Code.

Amended Section 21.20.030 of Chapter 21.20 – GENERAL AGRICULTURE DISTRICT (A-2) to read as follows:

21.20.030 USES REQUIRING USE PERMIT

H. Commercial cannabis cultivation or nursery activities (natural light or mixed-light) and distribution activities (limited to permitted commercial cannabis product grown on-site) subject to Section 21.08.020(D) of this title, may be allowed when conducted within a greenhouse or accessory agricultural storage building as permitted by Title 6 of the County Code.

Add Section 21.42.025 of Chapter 21.42 – PLANNED INDUSTRIAL DISTRICT (PI) to read as follows:

21.42.025 USES REQUIRING A USE PERMIT

A. Commercial cannabis retail (non-storefront only), manufacturing (non-volatile), testing labs, distribution, and cultivation or nursery activities (mixed-light or indoor), subject to Section 21.08.020(D) of this title.

1. Where a Planned Industrial zoning district is adopted after January 4, 2018, the adoption of the zoning district may authorize the uses permitted by Section A, in-lieu of a use permit, provided the uses are specifically identified in the development plan required by Section 21.42.040 of this Chapter.

Amend Section 21.56.030 of Chapter 21.56 – GENERAL COMMERCIAL DISTRICT (C-2) to read as follows:

21.56.030 USES REQUIRING USE PERMITS

I. Commercial cannabis retail (storefront only), or testing activities, subject to Section 21.08.020(D) of this title.

Amend Section 21.60.030 of Chapter 21.60 – INDUSTRIAL DISTRICT (M) to read as follows:

21.60.030 USES REQUIRING A USE PERMIT

J. Commercial cannabis retail (storefront or non-storefront), manufacturing (volatile or non-volatile), testing labs, distribution, and cultivation or nursery activities (mixed-light or indoor), subject to Section 21.08.020(D) of this title.

Amend Section 21.64.030 of Chapter 21.64 – LIMITED INDUSTRIAL DISTRICT (LM) to read as follows:

21.64.030 USES REQUIRING USE PERMIT

E. Commercial cannabis manufacturing (non-volatile), testing labs, distribution, and cultivation or nursery activities (mixed-light or indoor), subject to Section 21.08.020(D) of this title.

CHAPTER 6.78
COMMERCIAL CANNABIS ACTIVITIES

- 6.78.010 Purpose.
- 6.78.020 Authority.
- 6.78.030 Definitions.
- 6.78.040 Commercial Cannabis Activities Prohibited Unless Specifically Authorized by this Chapter.
- 6.78.050 Compliance with Laws.
- 6.78.060 Permits Required.
- 6.78.070 Commercial Cannabis Retailers and Deliveries.
- 6.78.080 Commercial Cannabis Cultivation.
- 6.78.090 Commercial Cannabis Products Manufacturing.
- 6.78.100 Commercial Cannabis Testing Facilities.
- 6.78.110 Commercial Cannabis Distribution.
- 6.78.120 General Operational Standards.
- 6.78.130 Commercial Cannabis Employee Background Check Required.
- 6.78.140 Change in Location; Updated Information.
- 6.78.150 Renewal Applications.
- 6.78.160 Commercial Cannabis Activity Permit Transfers Prohibited.
- 6.78.170 Grounds for Suspension or Revocation.
- 6.78.180 Procedure for Suspension or Revocation.
- 6.78.190 Enforcement.
- 6.78.200 Limitations on County's Liability.
- 6.78.210 Promulgation of Regulations.
- 6.78.220 Community Relations.
- 6.78.230 Fees Deemed Debt to Stanislaus County.
- 6.78.240 Permit Holder Responsible for Violations.
- 6.78.250 Inspection.
- 6.78.260 Violations Declared a Public Nuisance.
- 6.78.270 Each Violation a Separate Offense.
- 6.78.280 Criminal Penalties.
- 6.78.290 Remedies Cumulative and not Exclusive.
- 6.78.300 Review by Planning Commission.

Chapter 6.78 COMMERCIAL CANNABIS ACTIVITIES

6.78.010 Purpose.

It is the purpose and intent of this Chapter to regulate the cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transportation, distribution, delivery, or sale of medicinal and adult-use cannabis and cannabis products in a responsible manner to protect the health, safety, and welfare of the residents of Stanislaus County and to enforce rules and regulations consistent with state law. It is the further purpose and intent of this Chapter to require all commercial cannabis activities to obtain and renew annually a permit to operate within Stanislaus County. Nothing in this Chapter is intended to authorize the possession, use, or sale of cannabis for purposes that violate state or federal law. The provisions of this Chapter are in addition to any other permits, licenses and approvals which may be required to conduct activity in the County.

6.78.020 Authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, the provisions of the Medicinal and Adult Use Cannabis Regulation and Safety Act (hereinafter "MAUCRSA"), any subsequent state legislation and/or regulations regarding the same, the County of Stanislaus is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial medicinal and adult-use cannabis activities. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in Stanislaus County to all Commercial Cannabis Activity.

6.78.030 Definitions.

When used in this Chapter, the following words shall have the meanings ascribed to them as set forth herein. Any reference to California statutes includes any regulations promulgated thereunder, and is deemed to include any successor or amended version of the referenced statute or regulatory provision. The definitions included in this Section do not include the activities defined in Section 11362.1 and Section 11362.2 of the California Health & Safety Code.

- A. "A-license" means a license issued under this Chapter for cannabis or cannabis products that are intended for adults 21 years of age and over and who do not possess physician's recommendations.
- B. "Applicant" means the person or persons applying for a Commercial Cannabis Activity Permit pursuant to this Chapter.
- C. "Batch" means a specific quantity of homogeneous cannabis or cannabis product that is one of the following types:

- (1) "Harvest batch" means a specifically identified quantity of dried flower or trim, leaves, and other cannabis plant matter that is uniform in strain, harvested at the same time, and, if applicable, cultivated using the same pesticides and other agricultural chemicals, and harvested at the same time.
 - (2) "Manufactured cannabis batch" means either of the following:
 - (a) An amount of cannabis concentrates or extract that is produced in one production cycle using the same extraction methods and standard operating procedures.
 - (b) An amount of a type of manufactured cannabis produced in one production cycle using the same formulation and standard operating procedures.
- D. "Bureau" means the Bureau of Cannabis Control within the California Department of Consumer Affairs.
- E. "Cannabinoid" or "phytocannabinoid" means a chemical compound that is unique to and derived from cannabis.
- F. "Cannabis" has the same meaning as defined in California Business and Professions Code section 26001, as may be amended from time to time. For the purpose of this Chapter, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code.
- G. "Cannabis concentrate" means cannabis that has undergone a process to concentrate one or more active cannabinoids, thereby increasing the product's potency. Resin from granular trichomes from a cannabis plant is a concentrate for purposes of this Chapter. A cannabis concentrate is not considered food, as defined by Section 109935 of the Health and Safety Code, or drug, as defined by Section 109925 of the Health and Safety Code.
- H. "Cannabis products" has the same meaning as in Section 11018.1 of the Health and Safety Code and as that section may be amended, and means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.
- I. "Canopy" means all of the following:
 - (1) The designated area(s) at a licensed premises that will contain mature plants at any point in time;
 - (2) Canopy shall be calculated in square feet and measured using clearly identifiable boundaries of all area(s) that will contain mature plants at any point in time, including all of the space(s) within the boundaries;

- (3) Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary such as an interior wall or by at least 10 feet of open space; and
 - (4) If mature plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.
- J. “Caregiver” or “Primary Caregiver” has the same meaning as that term is defined in Section 11362.7 of the California Health and Safety Code.
 - K. “County” or “County of Stanislaus County” means the County of Stanislaus.
 - L. “Commercial Cannabis Activity” means the commercial cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of medicinal or non-medicinal cannabis or a medicinal or non-medicinal cannabis product. For the purposes of this Section, “Commercial Cannabis Activity” does not include, the personal use activities as defined in Section 11362.1 and Section 11362.2 of the California Health & Safety Code.
 - M. “Commercial cannabis cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis, other than solely for personal use, for sale or distribution.
 - N. “Commercial Cannabis Activity Permit” (sometimes referred to herein as “CCA permit”) means a regulatory permit issued by the County pursuant to this Chapter to a Commercial Cannabis Activity, and is required before any Commercial Cannabis Activity may be conducted in the County. Each CCA pertains to one Commercial Cannabis Activity.
 - O. “Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. Cultivation includes indoor, mixed-light, natural light, or nursery cultivation. Cultivation outside of a structure is prohibited within Stanislaus County. Within the definition of cultivation, the following specific State License Types apply:
 - (1) Specialty Cottage:
 - (a) “Specialty Cottage Natural Light” means a natural light cultivation site with up to 25 mature plants.
 - (b) “Specialty Cottage Indoor” means an indoor cultivation site with 500 square feet or less of total canopy.
 - (c) “Specialty Cottage Mixed-Light” means a mixed-light cultivation site with 2,500 square feet or less of total canopy.
 - (2) Specialty:
 - (a) “Specialty Natural Light” means a natural light cultivation site with less than or equal to 5,000 square feet of total canopy, or up to 50 mature plants on non-contiguous plots.

- (b) “Specialty Indoor” means an indoor cultivation site between 501 and 5,000 square feet of total canopy.
 - (c) “Specialty Mixed-Light” means a mixed-light cultivation site between 2,501 and 5,000 square feet of total canopy.
- (3) Small:
 - (a) “Small Natural Light” means a natural light cultivation site between 5,001 and 10,000 square feet of total canopy.
 - (b) “Small Indoor” means an indoor cultivation site between 5,001 and 10,000 square feet of total canopy.
 - (c) “Small Mixed-Light” means a mixed-light cultivation site between 5,001 and 10,000 square feet of total canopy.
- (4) Medium:
 - (a) “Medium Natural Light” means a natural light cultivation site between 10,001 and one acre of total canopy.
 - (b) “Medium Indoor” means an indoor cultivation site between 10,001 and 22,000 square feet of total canopy.
 - (c) “Medium Mixed-Light” means a mixed-light cultivation site between 10,001 and 22,000 square feet of total canopy.
- P. “Cultivation site” means a location where cannabis is planted, grown, harvested, dried, cured, graded, or trimmed, or a location where any combination of those activities occurs.
- Q. “Customer” means a natural person 21 year of age or over or a natural person 18 year of age or older who possesses a physician’s recommendation.
- R. “Day Care Center” or “Child Care Center” means any state licensed child care facility of any capacity, other than a Family Day Care or Family Child Care home, as defined in Section 101152(c)(7) of the California Code of Regulations, in which less than 24-hour per day non-medical care and supervision are provided to children in a group setting.
- S. “Delivery” means the commercial transfer of cannabis or cannabis products to a customer. “Delivery” also includes the use by a Retailer of any technology platform owned and controlled by the Retailer.
- T. “Distribution” means the procurement, sale, and transport of cannabis and cannabis products between entities licensed pursuant to this Chapter.
- U. “Distributor” means a person holding a valid Commercial Cannabis Activity permit for distribution issued by the County of Stanislaus, and, a valid state license for distribution, required by state law to engage in the activity of purchasing cannabis from a licensed cultivator, or cannabis products from a license manufacturer, for sale to a licensed Retailer.

- V. "Dried flower" means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- W. "Edible cannabis product" means manufactured cannabis 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.
- X. "Family Day Care" or "Family Child Care" means regularly provided care, protection and supervision of children, in the caregiver's own home, for periods of less than 24 hours per day, while the parents or authorized representatives are away, as defined in Section 102352(f)(1) of the California Code of Regulations.
- Y. "Greenhouse" means a permanent structure protected by an exterior envelope or assembly that provides protection of all structural members from the detrimental effects of the exterior environment. These assemblies may include, but are not limited to, translucent roof and wall panels. The structure shall be provided with means to control temperature and/or humidity for the cultivation or protection of plants. Structures of a temporary or non-secure nature, including but not limited to movable greenhouses, tents, and hoop houses, are not considered a greenhouse for purposes of commercial cannabis cultivation.
- Z. "Hearing officer" means a person appointed by the Chair of the Board of Supervisors to conduct an administrative hearing under this Chapter.
- AA. "Indoor cultivation" means the cultivation of cannabis within a fully enclosed building using artificial light, at a rate greater than 25 watts per square foot.
- BB. "Labeling" means any label or other written, printed, or graphic matter upon a cannabis product, upon its container.
- CC. "License" means a state license, including both an A-license and an M-license, as well as a testing laboratory license, issued under this Chapter for cannabis or cannabis products.
- DD. "Licensing Authority" means the state agency responsible for the issuance, renewal, or reinstatement of a license for commercial cannabis activities, or the state agency authorized to take disciplinary action against the license. Licensing Authority is differentiated from the County as the local permitting authority.
- EE. "Live plants" means living cannabis flowers and plants, including seeds, immature plants, and vegetative stage plants.
- FF. "Local jurisdiction" means a city, county, or city and county.
- GG. "Lot" means a batch or a specifically identified portion of a batch.
- HH. "M-license" means a license issued under this Chapter for Commercial Cannabis Activity involving medicinal cannabis.

- II. “Manufacture” means to compound, blend, extract, infuse, or otherwise make or prepare a cannabis product.
- JJ. “Manufactured cannabis” or “cannabis product” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, extraction or other manufactured product intended for internal consumption through inhalation or oral ingestion or for topical application.
- KK. “Manufacturer” means a Commercial Cannabis Activity Permittee that conducts the production, preparation, propagation, or compounding of cannabis or cannabis products either directly or indirectly or by extraction methods, or independently by means 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 containers.
- LL. “Manufacturing Facility” means a location that produces, prepares, propagates, or compounds manufactured cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a valid Commercial Cannabis Activity permit for manufacturing from the County of Stanislaus and, a valid state license as required for manufacturing of cannabis products.
 - (1) Manufacturing Facility Volatile – Facility which manufactures cannabis products using volatile solvents, which involves the use of solvents which produce a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.
 - (2) Manufacturing Facility Non-Volatile – Facility which manufactures cannabis products using nonvolatile solvents, or no solvents.
- MM. “Medicinal cannabis” or “Medicinal cannabis product” means a product containing cannabis, including, but not limited to, flowers, concentrates and extractions, intended to be sold for use by a medicinal cannabis patient in California who possesses a physician’s recommendation, pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code. For the purposes of this Chapter, “medicinal cannabis” does not include “industrial hemp” as defined by Section 81000 of the Food and Agricultural Code or Section 11018.5 of the Health and Safety Code.
- NN. “Mixed-light cultivation” means the cultivation of cannabis in a greenhouse using light deprivation and/or artificial lighting below a rate of 25 watts per square foot.
- OO. “Natural Light Cultivation” means the cultivation of cannabis without the use of light deprivation and/or artificial lighting in the canopy area.
- PP. “Nursery” means the production of only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.

- QQ. "Operation" means any act for which a permit is required under the provisions of this Chapter, or any commercial transfer of cannabis or cannabis products.
- RR. "Owner" means any of the following:
- (1) A person with an aggregate ownership interest of 20 percent or more in the person applying for a permit or a Permittee, unless the interest is solely a security, lien, or encumbrance.
 - (2) The chief executive officer of a nonprofit or other entity.
 - (3) A member of the board of directors of a nonprofit.
 - (4) An individual who will be participating in the direction, control, or management of the person applying for a license.
- SS. "Package" means any container or receptacle used for holding cannabis or cannabis products.
- TT. "Park" means an area created, established, designated, or maintained by a city, a county, a special district, the State, the Federal government, or a private association for public play, recreation, or enjoyment or for the protection of natural resources and features at the site. For the purposes of this Chapter, a park does not have the same meaning as a "youth center".
- UU. "Patient" or "qualified patient" shall have the same definition as California Health and Safety Code Section 11362.7 et seq., as it may be amended, and which means a person who is entitled to the protections of California Health & Safety Code Section 11362.5.
- VV. "Permittee" means the Owner(s) of the Commercial Cannabis Activity and who are issued a Commercial Cannabis Activity permit under this Chapter, regardless of whether the permit held is an A-license or an M-license, and includes the holder of a testing laboratory license.
- WW. "Person" includes any individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, activity trust, receiver, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular.
- XX. "Person with an identification card" as used herein shall be defined as it is in California Health and Safety Code Section 11362.7.
- YY. "Physician's recommendation" means a recommendation by a physician and surgeon that a patient use cannabis provided in accordance with the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the Health and Safety Code.
- ZZ. "Premises" means the designated building or buildings and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or Permittee where the Commercial Cannabis Activity will be or is conducted.

- AAA. "Purchaser" means the customer who is engaged in a transaction with a Permittee for purposes of obtaining cannabis or cannabis products.
- BBB. "Primary caregiver" has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- CCC. "Property Owner" means the person or persons who hold the present interest and beneficial use of the subject property.
- DDD. "Qualified Patient" has the same definition as in Section 11362.7 of the California Health and Safety Code, as it may be amended.
- EEE. "Retailer" means a commercial cannabis business where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment (whether fixed or mobile) that delivers, pursuant to express authorization, cannabis and cannabis products as part of a retail sale, and where the operator holds a valid Commercial Cannabis Activity permit from the County of Stanislaus authorizing the operation of a Retailer, and a valid state license as required by state law to operate a Retailer.
- (1) Retailer Storefront - Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location *open* to the public, from which commercial cannabis activities are conducted.
 - (2) Retailer Non-Storefront - Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location *closed* to the public, from which commercial cannabis activities are conducted.
- FFF. "Sale," "sell," and "to sell" includes barter, exchange, trade, keep for sale, offer for sale, or expose for sale, in any of their variant forms and any transaction whereby, for any consideration, title to cannabis or cannabis products are transferred from one person to another, and includes the delivery of cannabis or cannabis products pursuant to an order placed for the purchase of the same and soliciting or receiving an order for the same, but does not include the return of cannabis or cannabis products by a Permittee to the Permittee from whom the cannabis or cannabis product was purchased.
- GGG. "School" For purposes of this Chapter, school means any public or private school providing instruction in kindergarten or grades 1-12, inclusive, but does not include any private school in which education is primarily conducted in private homes.
- HHH. "State" means the State of California.
- III. "State license" means a permit or license issued by the State of California, or one of its departments or divisions, under MAUCRSA and any subsequent State of California legislation regarding the same to engage in Commercial Cannabis Activity.

- JJJ. "Testing laboratory" means a facility, laboratory, entity, or site in the state that offers or performs test of cannabis or 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.
- KKK. "Transport" means the transfer of cannabis products from the permitted activity location of one Permittee to the permitted activity location of another Permittee, for the purposes of conducting Commercial Cannabis Activity authorized by MAUCRSA which may be amended or repealed by any subsequent State of California legislation regarding the same.
- LLL. "Unique identifier" means an alphanumeric code or designation used for reference to a specific plant on a licensed premises and any cannabis or cannabis product derived or manufactured from that plant.
- MMM. "Youth center" means a public or non-profit operated facility established for the purposes of providing social and recreational opportunities for children ages 11 to 18 years old or as defined in Section 11353.1 of the Health and Safety Code if more restrictive.

6.78.040 Commercial Cannabis Activities Prohibited Unless Specifically Authorized by this Chapter.

Except as specifically authorized in this Chapter, the commercial cultivation, manufacture, processing, storing, laboratory testing, labeling, sale, delivery, distribution or transportation (other than as provided under Business & Professions Code Section 26090(e)), of cannabis or cannabis product is expressly prohibited in the County of Stanislaus. For the purposes of this Section, "Commercial Cannabis Activity" does not include the activities defined in Section 11362.1 and Section 11362.2 of the California Health & Safety Code related to personal use and cultivation.

6.78.050 Compliance with Laws.

- A. It is the responsibility of the owners and operators of the Commercial Cannabis Activity to ensure that it is always operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder. Nothing in this Chapter shall be construed as authorizing any actions that violate federal, state law or local law with respect to the operation of a Commercial Cannabis Activity. It shall be the responsibility of the owners and the operators of the Commercial Cannabis Activity to ensure that all Commercial Cannabis Activity is, at all times, operating in a manner compliant with all applicable state and local laws, any subsequently enacted state law or regulatory, licensing, or certification requirements, and any specific, additional operating procedures or

requirements which may be imposed as conditions of approval of the Commercial Cannabis Activity permit.

- B. Minors. Except as otherwise specified herein, persons under the age of 21 years shall not be allowed on the premises of a Commercial Cannabis Activity and shall not be allowed to serve as a driver for a mobile delivery service. It shall be unlawful and a violation of this Chapter for any person to employ any person at a Commercial Cannabis Activity who is not at least 21 years of age.
- C. Restriction on Alcohol & Tobacco Sales.
 - (1) No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the premises of the Commercial Cannabis Activity.
 - (2) No person shall cause or permit the sale of tobacco products on or about the premises of the Commercial Cannabis Activity.

6.78.060 Permits Required.

- A. Prior to operation of any Commercial Cannabis Activity the following shall be obtained:
 - (1) Commercial Cannabis Activity Permit ("CCA Permit"). A CCA Permit to operate any Commercial Cannabis Activity in the unincorporated areas of the county shall be obtained from the treasurer-tax collector, in accordance with the provisions of this Chapter.
 - (a) No more than 61 commercial cannabis activities permits may be issued within the unincorporated areas of the County. Each Commercial Cannabis Activity shall require a separate CCA Permit. For purposes of this Chapter, A-license type activities and M-license type activities are not separate and distinct activities. Registration for permits shall be opened at the discretion of the CEO in accordance with board policy.
 - (b) Prior to issuance of a CCA permit, applicants shall demonstrate that they meet the standards which are established in the application requirements or further amendments to the application process as established by CEO under section 6.78.210. Each application for a CCA Permit shall be referred to the various county departments to ensure all other regulatory standards have been met.
 - (c) Each Commercial Cannabis Activity permit issued pursuant to this Chapter shall expire on June 30th of the year following its issuance. Commercial cannabis activity permits may be renewed as provided in Section 6.78.200.

- (2) **Development Agreement.** Prior to operating in the county and as a condition of issuance of the CCA Permit, the Permittee of each Commercial Cannabis Activity shall enter into a development agreement, as specified in Title 22 of the Stanislaus County Code, with the county setting forth the terms and conditions under which the Commercial Cannabis Activity will operate that are in addition to the requirements of this Chapter, and such other terms and conditions that will protect and promote the public health, safety and welfare.
 - (3) **Land Use Permit.** Prior to operating, Permittee shall obtain all necessary entitlements as required by Title 21 of the Stanislaus County Code. Any permit required in accordance with Title 21 may be conditioned to apply greater restrictions than those required by this Chapter.
 - (4) **State License.** Pursuant to California Business and Professions Code section 26053(a), upon implementation of state regulations, a valid license from the State shall be required to operate any Commercial Cannabis Activity or to engage in any Commercial Cannabis Activity.
 - (a) Copies of any and all documentation provided to any State agency for the purposes of obtaining a State license for any Commercial Cannabis Activity within Stanislaus County shall also be provided to the County within five calendar days of being submitted to the state.
- B. **General.** It is unlawful for a person to engage in any Commercial Cannabis Activity within the unincorporated areas of Stanislaus County including cultivation, manufacturing, processing, laboratory testing, storing, transporting, dispensing, distribution, or sale of cannabis or a cannabis product unless the Commercial Cannabis Activity is in compliance with all applicable state and local laws and regulations pertaining to commercial cannabis activities, including the duty to obtain any required state licenses.
- C. The Permittee shall post or cause to be posted their local CCA Permit and state Commercial Cannabis Permit, required to operate. Such posting shall be at a location visible to the patrons and near the point of sale at the operating site, and in all vehicles that deliver or transport cannabis product.
- D. No CCA Permit shall be issued unless and until all land use entitlements and development agreements have been approved by the County. Commercial cannabis activities which have obtained their CCA Permit shall have six months from the effective date of issuance of the permit to obtain the required licenses from the State. If all State licenses and approvals required to operate the Commercial Cannabis Activity are not obtained within the six month period the CCA Permit shall not be renewed.
- E. **Fees and Charges.** All Commercial Cannabis Activity authorized to operate under this Chapter shall pay all sales, use, activity and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each Commercial Cannabis Activity shall produce its books and records to

the County for the purpose of verifying compliance with this Section, including, but not limited to, a verification of the amount of taxes required to be paid during any period.

6.78.070 Commercial Cannabis Retailers and Deliveries.

- A. Number of Permits Limited. No more than seven Retailers shall be issued a CCA Permit by Stanislaus County to operate as a commercial cannabis Retailer at one time in all unincorporated County zoning districts combined.
- B. Physical location required. Both Storefront Retailers and Non-Storefront Retailers are required to maintain a physical location within the unincorporated county area from which the commercial cannabis activities that are permitted under this Chapter are conducted.
- D. Limits on hours of operation. A licensed Retailer shall only sell cannabis goods during the hours of 8:00 a.m. Pacific Time to 7:00 p.m. Pacific Time, and shall not otherwise be open to the public outside of those hours.
- E. Retailers shall ensure that all cannabis and cannabis products held for sale by the Retailer are cultivated, manufactured, transported, distributed, and tested by California licensed and permitted facilities that are in full conformance with state and local regulations.
 - (1) Retailers shall not distribute any cannabis or cannabis product unless such products are labeled and in a tamper-evident package in compliance with Chapter 12, "Packaging and Labeling," of Division 10 of the California Business and Professions Code and any additional rules promulgated by a Licensing Authority.
 - (2) Possession or delivery of any form of illegal drugs without proper legal authorization under state law shall be grounds for revocation of permits.
 - (3) Permittees shall not provide free samples of any type, including cannabis goods, to any person and shall not allow any person to provide free samples on the Permittee's premises.
- F. Delivery. Delivery shall be conducted in accordance with California Business and Professions Code Section 26090 or as may be amended from time to time and all state regulations pertaining to delivery of cannabis products. Retailers and Micro-businesses shall only deliver to customers within a jurisdiction that does not expressly prohibit delivery within their jurisdictional boundary by ordinance.
 - (1) All Deliveries shall be conducted by an employee of the Permittee who is at least 21 years of age.
 - (2) All Deliveries shall be made in person to a physical address and product must be delivered physically to the requesting customer at the address indicated on the delivery request. Delivery may not be made by drop-off or to any person other than the requesting customer.

- (3) Cannabis and Cannabis Products to be delivered shall be pre-package for sale and placed in an opaque package prior to delivery. Only the product to be delivered shall be maintained in the vehicle.
- (4) Cannabis and Cannabis Products to be delivered shall be maintained out of the public view and shall be held within a separately locked and secured area contained within the delivery vehicle at all times until arrival at the delivery address. All delivery vehicle doors shall be locked and all vehicle windows secured when unoccupied. Permittee shall continuously electronically monitor the location of each delivery vehicle and shall at any and all times be able to identify the current location of each delivery vehicle within 50 feet of its actual location. Permittee's security plan shall include provisions relating to vehicle security and the protection of employees and product during delivery.
- (5) Permittee's delivery employees shall carry no cash, nor shall there be any cash held within the delivery vehicle.

G. Security. In addition to the operational standards required by Section 6.78.120 of this Chapter, the following security measures are required to be implemented for all commercial cannabis Retailers in unincorporated Stanislaus County:

- (1) For M-type Retailers, verify the age and all necessary documentation of each customer to ensure the customer is not under the age of 18 years and that the potential customer has a valid doctor's recommendation. For A-type Retailers, verify the age of customers to ensure persons under the age of 21 are not permitted.
- (2) Entrances into the retail location shall be locked at all times with entry strictly controlled. A "buzz-in" electronic/mechanical entry system shall be utilized to limit access to and entry to the Retailer to separate it from the reception/lobby area.
- (3) Uniformed licensed security personnel shall be employed to monitor site activity, control loitering and site access, prevent sampling or use of product in parking areas, and to serve as a visual deterrent to unlawful activities.
- (4) Retailers may only display in the retail sales area of the Retailer that quantity of cannabis and cannabis products reasonably anticipated to meet the daily demand for sale on-site sales and only during operating hours. All other inventory shall be maintained in a secured area.
- (5) All restroom facilities shall remain locked and under the control of management.

6.78.080 Commercial Cannabis Cultivation.

A. All Permittees conducting cultivation activities under this Chapter shall comply with the State of California and Stanislaus County Agricultural Commissioner's requirements for unique identifiers and Track and Trace programs.

- B. Documentation of all Pesticides used by the Permittee shall be presented to the Stanislaus County Agricultural Commissioner, and all pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage, or inadvertent damage from rodents, pests, or wildlife.
- C. Commercial cannabis cultivation operations shall be conducted in accordance with state and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.
 - (1) Water conservation measures. Commercial cannabis cultivation operations shall include adequate measures that minimize use of water for cannabis cultivation at the site. Water conservation measures, water capture systems, or grey water systems shall be incorporated into commercial cannabis cultivation operations in order to minimize use of water where feasible.
 - (2) Energy conservation measures. Commercial cannabis cultivation operations shall include adequate measures to address the projected energy demand for cannabis cultivation at the site. On-site renewable energy generation shall be required for all indoor cultivation activities using artificial lighting only, including cannabis cultivation activities permitted by California License Types 1A, 1C (indoor), 2A, 3A and 4. Renewable energy systems shall be designed to have a generation potential equal to or greater than one-half of the anticipated energy demand.
- D. Visibility. In no case, shall cannabis plants be visible from offsite, including transfer. No visual markers indicating that cannabis is cultivated on the site shall be visible from offsite. All cultivation activities shall be fully enclosed by an opaque fence, made of uniform material, at least seven feet in height. The fence must be adequately secured by a locked gate to prevent unauthorized entry. The fence design and construction material shall be approved by the County.
- E. Enclosure. All commercial cannabis cultivation operations shall occur within a greenhouse or fully enclosed building. If conducted within a greenhouse, supplemental lighting shall not exceed 25 watts per square foot to be used up to one hour before sunrise or after sunset, unless the greenhouse or facility is equipped with light-blocking measures to ensure that no light escapes.
- F. Outdoor Cultivation. No outdoor Commercial Cannabis Cultivation is allowed within the unincorporated areas of the County of Stanislaus.
- G. Commercial cannabis cultivation activities in the A-2 zoning district shall be limited to natural light or mixed light cultivation within the following type of structure:
 - (1) Greenhouse.

- (2) Accessory storage building issued a certificate of occupancy prior to October 1, 2017, may be determined by the Planning Commission to meet the definition of a greenhouse subject to a change of occupancy.
- H. The cumulative total canopy size of cannabis cultivated at the cultivation site shall not exceed the canopy size authorized under the County's CCA Permit or State permit, whichever is least.
- I. Commercial cannabis cultivation activities shall not be considered agriculture for the purpose of the County's Right-to-Farm policy or Sphere of Influence Policy.

6.78.090 Commercial Cannabis Products Manufacturing.

- A. The Commercial Cannabis Product Manufacturing facility shall include adequate quality control measures to ensure cannabis products manufactured at the site meets industry standards, as well as applicable state and local regulations.
- B. Hazardous materials. The Commercial Cannabis Products Manufacturing facility shall meet the Stanislaus County Department of Environmental Resources' requirements, including but not limited to requirements for the storage and handling of hazardous materials.
 - (1) The Director of the Stanislaus County Environmental Resources Department or his/her designee is the appropriate authority to determine if Commercial Cannabis Products Manufacturing operations require local oversight.
- C. Consumable products. Permittees that manufacture products in the form of food or other product meant to be consumed shall obtain and maintain the appropriate approvals for the provision of food or other product meant to be consumed from the State Department of Public Health, unless otherwise governed by state law and licensed by the State.
 - (1) Any employees of a Commercial Cannabis Products Manufacturing facility operating potentially hazardous equipment shall be trained on the proper use of equipment and on the proper hazard response protocols in the event of equipment failure. In addition, employees handling edible cannabis products or ingredients shall be trained on proper food safety practices.
- D. Safety. Operator/owner shall ensure the Commercial Cannabis Products Manufacturing facility does not pose a significant threat to the public or to neighboring uses from explosion or from the release of harmful gases, liquids, or substances. In addition to the operational standards required by Section 6.78.120 of this Chapter, the following safety measures are required to be implemented for all Commercial Cannabis Products Manufacturing activities in unincorporated Stanislaus County:

- (1) Any compressed gases used in the manufacturing process shall not be stored on any property within the County of Stanislaus in containers that exceeds the amount which is approved by the local fire authority and authorized by the regulatory permit. Each site or parcel subject to a Commercial Cannabis Activity permit shall be limited to a total number of tanks as authorized by the applicable Fire District on the property at any time.
- (2) Commercial Cannabis Product Manufacturing facilities may use the hydrocarbons N-butane, isobutane, propane, or heptane or other solvents or gases exhibiting low to minimal potential human-related toxicity approved by the local fire authority. These solvents must be of at least ninety-nine percent purity and any extraction process must use them in a professional grade closed loop extraction system designed to recover the solvents and work in an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.
- (3) If an extraction process uses a professional grade closed loop CO₂ gas extraction system, every vessel must be certified by the manufacturer of the vessel for its safe use. The CO₂ must be of at least ninety-nine percent purity.
- (4) Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.
- (5) Certification from an engineer licensed by the State of California must be provided to the local fire authority for a professional grade closed loop system used by any Commercial Cannabis Manufacturer to certify that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:
 - (a) The American Society of Mechanical Engineers (ASME);
 - (b) American National Standards Institute (ANSI);
 - (c) Underwriters Laboratories (UL); or
 - (d) The American Society for Testing and Materials (ASTM).
- (6) The certification document must contain the signature and stamp of the professional engineer and serial number of the extraction unit being certified.
- (7) Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the fire district having jurisdiction and meet any required fire, safety, and building code requirements specified in the California Building Reference Codes.
- (8) Commercial Cannabis Products Manufacturing Facilities may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create kief, hashish, bubble hash, infused

dairy butter, or oils or fats derived from natural sources, and other extracts.

- (9) Commercial Cannabis Products Manufacturing Facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. Ethanol should be removed from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.
- (10) Commercial Cannabis Products Manufacturing Facilities creating cannabis extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.
- (11) Any person using solvents or gases in a closed looped system to create cannabis extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.
- (12) Parts per million for one gram of finished extract cannot exceed state standards for any residual solvent or gas when quality assurance tested.

6.78.100 Commercial Cannabis Testing Facilities.

- A. Commercial cannabis testing facilities shall be independent from all other persons and entities involved in the cannabis industry and are prohibited from licensure for any other activity, except testing. Commercial cannabis testing facilities shall not employ an individual who is also employed by any other commercial cannabis licensee, unless it is another licensed commercial cannabis testing facility.
- B. Quality control. Commercial cannabis testing facilities shall adopt standard operating procedures using methods consistent with general requirements for the competence of testing and calibration activities, including sampling, using standard methods established by the International Organization for Standardization, specifically ISO/IEC 17020 and ISO/IEC 17025 to test cannabis and cannabis products that are approved by an accrediting body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Arrangement.
 - (1) Commercial cannabis testing facilities shall obtain samples for testing according to a statistically valid sampling method.
 - (2) Commercial cannabis testing facilities shall analyze samples according to either the most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia or a scientifically valid methodology that is demonstrably equal or superior to the most recent cannabis inflorescence monograph.

- (3) If a test result falls outside the specifications authorized by law or regulation, the cannabis testing facility shall follow a standard operating procedure to confirm or refute the original result.
- (4) Commercial cannabis testing facilities shall destroy the remains of any samples of cannabis or cannabis product tested upon completion of the analysis.
- (5) A licensed testing laboratory shall issue a certificate of analysis for each lot, with supporting data, to report both of the following:
 - (a) Whether the chemical profile of the lot conforms to the specifications of the lot for compounds, including, but not limited to, all of the following:
 - i. Tetrahydrocannabinol (THC).
 - ii. Tetrahydrocannabinolic Acid (THCA).
 - iii. Cannabidiol (CBD).
 - iv. Cannabidiolic Acid (CBDA).
 - v. The terpenes described in the most current version of the cannabis inflorescence monograph published by the American Herbal Pharmacopoeia.
 - vi. Cannabigerol (CBG).
 - vii. Cannabinol (CBN).
 - viii. Any other compounds required by the California Department of Public Health.
 - (a) That the presence of contaminants does not exceed the levels that are the lesser of either the most current version of the American Herbal Pharmacopoeia monograph or the California Department of Public Health. For purposes of this paragraph, contaminants include, but are not limited to, all of the following:
 - i. Residual solvent or processing chemicals.
 - ii. Foreign material, including, but not limited to, hair, insects, or similar or related adulterant.
 - iii. Microbiological impurity, including total aerobic microbial count, total yeast mold count, *P.aeruginosa*, *aspergillus* spp., *s. aureus*, aflatoxin B1, B2, G1, or G2, or ochratoxin A.
 - iv. Whether the batch is within specification for odor and appearance.
- (6) Plans for the testing facility demonstrate proper protocols and procedures for statically valid sampling methods and accurate certification of cannabis

and cannabis products for potency, purity, pesticide residual levels, mold, and other contaminants according to adopted industry standards.

- (7) Testing Laboratories shall be required to conduct all testing in a manner pursuant to Business and Professions Code Section 26100 and shall be subject to state and local law. Each Testing Laboratory shall be subject to additional regulations as determined from time to time as more regulations are developed under Section 6.78.210 of this Chapter and any subsequent State of California legislation regarding the same.
- (8) Testing Laboratories shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibration activities, including sampling using verified methods.
- (9) All cannabis testing laboratories performing testing shall obtain and maintain ISO/IEC 17025 accreditation as required by the California Bureau of Cannabis Control.

6.78.110 Commercial Cannabis Distribution.

- A. Cannabis and commercial cannabis products shall only be transported between Commercial Cannabis Activities that have valid local and state commercial cannabis permits and/or licenses.
- B. In addition to the operational standards required by Section 6.78.120 of this Chapter, the following record keeping measures are required to be implemented for all commercial cannabis distribution activities in unincorporated Stanislaus County:
 - (1) Prior to transporting commercial cannabis or commercial cannabis products, the distributor shall complete the shipping manifest required by state law or regulations. The shipping manifest shall include the County's track and trace unique identifier information from the cultivation source.
 - (2) A copy of the shipping manifest shall be maintained during transportation and shall be made available upon request to law enforcement or any agents of the State or County charged with enforcement of this Chapter.
 - (3) Distribution facilities shall maintain appropriate records of transactions and shipping manifests. An organized and clean method of storing and transporting cannabis and cannabis products shall be provided to maintain a clear chain of custody.
- C. Quality control.
 - (1) Distributors shall ensure that appropriate samples of cannabis or cannabis products are tested by a licensed testing facility prior to distribution and shall maintain a copy of the test results in its files.

- (2) Prior to distribution, the distributor shall inspect cannabis or cannabis products for quality assurance.
 - (3) Commercial cannabis and commercial cannabis products shall be packaged and labeled in accordance with the requirements of state law.
- D. Air quality. Distributors shall to the extent practicable use zero emissions vehicles in their transportation fleet.

6.78.120 General Operational Standards

- A. General Applicability. The following operational standards apply to all Commercial Cannabis Activities permitted in the County.
- (1) Commercial cannabis activities shall be located only in the zoning district where specified in Title 21 of the Stanislaus County Code as a conditionally permitted use.
 - (a) In addition to the land use entitlement permit application and the CCA Permit application, a supplemental application in a form approved the Planning Director may be required.
 - (2) In accordance with the County's General Plan Sphere of Influence (SOI) Policy, commercial cannabis activities located within a Local Agency Formation Commission (LAFCO) adopted SOI of a city shall have written support from the city prior to county approval of any discretionary land use entitlement. For purposes of this Chapter, the following shall apply:
 - (a) Commercial cannabis cultivation and nurseries shall not be considered an agricultural or church use exempt from the County's SOI policy.
 - (b) The exception in the SOI Policy for the Beard Tract and Upper McHenry areas located within the City of Modesto's SOI shall not apply. Within these exception areas, written support from the city prior to County approval of any discretionary land use entitlement for a commercial cannabis activity shall be required.
 - (3) Recognizing the unique concern for the potential impacts of commercial cannabis activities to cities with an adopted ordinance banning commercial cannabis activities, written support from any city in Stanislaus County with an adopted ordinance banning commercial cannabis activities shall be required prior to approval of any discretionary land use entitlement of a commercial cannabis activity located within a one-half mile radius outside of the SOI of the city, with the following exceptions:
 - (a) Any areas identified as a Community Plan Area in the Land Use Element of the Stanislaus County General Plan.

- (b) Any areas where there is overlap between the one-half mile radius outside of the SOI and a LAFCO adopted SOI of a different city. In this case, the LAFCO adopted SOI shall govern as reflected in the preceding sub-paragraph (2).
- (4) Recognizing the potential impacts associated with allowing for a concentration of retail storefronts to be located within the unincorporated area, within the City of Modesto's LAFCO adopted SOI and within a one-half mile radius outside of the City of Modesto's SOI the following location limitations shall apply to Retail Storefront Commercial Cannabis Activity Permits:
- (a) No more than a combined total of five Retail Storefront permits shall be issued at any one time.
 - (b) No more than three Retail Storefront activities shall be issued within any one-mile radius at any one time.
 - (c) The limit on retail storefronts shall only apply within the SOI of the City of Modesto and within a one-half mile radius outside of the City of Modesto's SOI, and shall not apply within the SOI of any other city or any areas identified as a Community Plan Area in the Land Use Element of the Stanislaus County General Plan.
 - (d) The County shall consult with the City of Modesto on the location of retail storefronts. City of Modesto development standards including, setbacks, buffers, and separators shall be applied to retail storefronts located within the city's SOI and may be applied, at the County's discretion, to locations within a one-half mile radius outside of the City of Modesto's SOI.
- (5) Prior to approval of any land use entitlement allowing for a Commercial Cannabis Activity the following setback requirements shall be met, unless a waiver or reduction is granted:
- (a) Any building utilized for the operation of a commercial cannabis activity shall be located a minimum of 200 feet from any: legal dwelling located on a parcel under different ownership; a library; or a park. Setbacks required by this section shall be subject to the following:
 - i. Setbacks from dwellings shall be measured from the nearest point of the area of a building used for the commercial cannabis activity to the nearest point of the dwellings utilized for interior living space.
 - ii. Setbacks from a library or park shall be measured from the nearest point of the area of the building used for the commercial cannabis activity to the boundary of the parcel improved with the library or park.
 - (b) In addition to the setbacks required in sub-paragraph 5(a) above, when located in the A-2 (General Agriculture) zoning districts,

any building utilized for commercial cannabis cultivation shall be setback a minimum of 50 feet from the boundary of any adjoining parcel under different ownership.

(c) The decision making body of the discretionary land use entitlement for a commercial cannabis activity may waive or reduce the setback requirements of this paragraph (5) if any of the following apply:

i. The site of the commercial cannabis activity is physically separated from the off-site dwelling by either: a building or other structure blocking line of sight; or a physical barrier such as, but not limited to, a wall or canal prohibiting direct path of travel between parcels exists to mitigate potential environmental or security impacts resulting from the commercial cannabis activity.

ii. The decision making body determines that such a waiver or reduction will not result in material detriment to the welfare or the property of persons located in the vicinity, based on findings of fact.

(6) Commercial Cannabis Activities shall not be located within a 600 foot radius of any day care center, youth center, or school, as defined in this Chapter, existing at the time of initial permitting, and as required by State law.

B. Site control. All Commercial Cannabis Activity shall meet the following site control standards:

(1) Secure Building. All Commercial Cannabis Activities shall occur entirely inside of a building that shall be secure, locked, and fully enclosed, with a ceiling, roof or top. With the exception of a greenhouse utilized for cultivation in the A-2 (General Agriculture) zoning district the following criteria shall also be met:

(a) The building, including all walls, doors, and the roof, shall be of solid construction, and shall include material strong enough to prevent entry except through an open door.

(a) All buildings utilized in conjunction with Commercial Cannabis Activities shall include walls with a minimum thickness of six inches. All walls shall be of solid construction and shall be faced on each side of the framing members.

(b) Existing structures. Any existing structure to be utilized for commercial cannabis activities shall meet the standard above and shall obtain building permits for any improvements required to meet said building standard. Improvements shall include materials which

are no less compliant with the provisions of the most current adopted California Building Code than the existing building or structure was prior to the alteration.

C. Security Measures. Permittee shall provide a security plan to the Sheriff's Department for review and approval. The security plan shall be reviewed annually or as often as deemed necessary by the Sheriff's Department. The security plan shall include security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the Commercial Cannabis Activity and shall include, but shall not be limited to, all of the following:

- (1) Preventing individuals from remaining on the Premises if they are not engaging in an activity directly related to the permitted operations of the Commercial Cannabis Activity.
- (2) Establishing limited access areas accessible only to authorized Commercial Cannabis Activity personnel.
- (3) Except for live growing plants which are being cultivated at a cultivation facility, all cannabis and cannabis products shall be stored in a secured and locked room, safe, or vault. All cannabis and cannabis products, including live plants that are being cultivated, shall be kept in a manner as to prevent diversion, theft, and loss.
- (4) Security system requirements.
 - (a) The building shall include a professionally installed and maintained alarm system, monitored by an alarm company or private security company. The alarm system shall monitor all perimeter entry points and windows.
 - (b) Installation of 24-hour infrared security surveillance cameras of at least HD-quality with minimum camera resolution of 1280 x 1024 pixels to monitor activity occurring within 20 feet of all entrances and exits to and from the premises, all interior spaces within the Commercial Cannabis Activity which are open and accessible to the public, all interior spaces where cannabis, cash or currency, is being stored for any period of time on a regular basis, all interior spaces where diversion of cannabis could reasonably occur, and parking lot areas in a manner sufficient to clearly observe facial features and to obtain a clear view of license plates as vehicles enter. All cameras must be fixed and placement shall allow for the clear and certain identification of any person and activities in controlled areas of the licensed premises. All entrances and exits shall be recorded from both indoor and outdoor, or ingress and

- egress vantage points. All areas covered by the camera shall have adequate lighting to effectively record images.
- i. The surveillance camera system data storage device must be secured on the licensed premises in a lockbox, cabinet, closet, or secured in another manner to protect from employee tampering or criminal theft. All cameras must record continuously twenty-four hours per day and at a minimum of ten frames per second. Any and all video or audio recordings made for security or other purposes shall be marked with the date and time made and shall be kept, in an unaltered state, for a period of forty-five (45) days and must be made available to the County or Sheriff Department for duplication upon demand. All recorded images must clearly and accurately display the time and date. Time is to be measured in accordance with the U.S. National Institute Standards and Technology standards.
 - ii. Fish-eye cameras may be used only where approved by the Sheriff's Department.
- (c) Alarm System sensors shall be installed to detect entry and exit from all secure areas.
 - (d) Alarm system panic buttons shall be installed in all permitted Premises as directed by the Sheriff's Department.
 - (e) Any bars installed on the windows or the doors of the Commercial Cannabis Activity shall be installed only on the interior of the building.
 - (f) Perimeter lighting systems (motion sensor) for after-hours security are required as directed by the Sheriff's Department.
 - (g) Security personnel shall be on-site 24 hours a day or alternative security as authorized by the county-approved security plan. Security personnel must be licensed by the State of California Bureau of Security and Investigative Services personnel and shall be subject to the prior review and approval of the Sheriff's Department, with such approval not to be unreasonably withheld.
 - (h) Each Commercial Cannabis Activity shall have the capability to remain secure during a power outage and shall ensure that all access doors are not solely controlled by an electronic access panel to ensure that locks are not released during a power outage.
- (6) Loitering. The Permittee of a Commercial Cannabis Activity shall erect signs prohibiting loitering which are not less than one square foot in area bearing the words "LOITERING PROHIBITED" in letters not less than two inches high and includes the phrase "VIOLATION OF THIS NOTICE CONSTITUTES A MISDEMEANOR—SECTION 6.78.120(d)(6)", posted conspicuously on the property and at the entrance to the parking lot or area surrounding the Commercial Cannabis Activity.

- (a) It is a misdemeanor for any person to loiter, as defined herein of this Section, upon any private parking lot or private property surrounding a commercial establishment when a notice has been posted or has been caused to be posted by the owner of such property, as set forth herein.
 - (b) For the purposes of this Section, the term "loitering" is defined as follows: Entering, remaining, prowling or wandering about, whether in a motor vehicle or on foot, upon property of another without visible or lawful business with the owner or occupant thereof.
- (7) The Commercial Cannabis Activity shall prepare and present to the County a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all cannabis, cannabis products, and any currency.
 - (8) Permittees shall notify the Stanislaus County Sheriff's Office and the Licensing Authority within 24 hours after discovering any of the following:
 - (a) Significant discrepancies identified during inventory;
 - (b) Diversion, theft, loss, or any criminal activity involving the permittee or any agent or employee of the permittee;
 - (c) The loss or unauthorized alteration of records related to the permitted activities, or employees or agents; or
 - (d) Any other breach of security.
 - (9) The County may at any time review the effectiveness of the Permittee's security plan or of any other requirement of this Chapter and direct the Permittee to make reasonable changes to the security plan deemed necessary by the County to ensure the public's safety and security.
- D. Odor Control. Odor control devices and techniques shall be incorporated into all commercial cannabis activities to ensure that odors from cannabis are not detectable off-site. Commercial cannabis activities shall provide a sufficient odor absorbing ventilation and exhaust system so that cannabis odors are 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 a Commercial Cannabis Activity. As such, the Permittees shall install and maintain an exhaust air filtration system or other similar equipment with odor control that prevents internal odors from being emitted externally.
- (1) In no case shall untreated air be vented outside of any building used to conduct a commercial cannabis activity.
 - (2) The devices and techniques to be used to control odor shall be reviewed and approved by an certified professional approved by the County and an audit of the devices and techniques to be used

shall be conducted within 30-days of the commercial cannabis activity being conducted upon issuance of a CCA Permit.

E. Signage and Notices.

- (1) Display of CCA Permit and County Business License. The original copy of each Commercial Cannabis Activity permit issued by the County pursuant to this Chapter and the County issued business license shall be posted inside the Commercial Cannabis Activity in a location readily-visible to the public.
- (2) In addition to the requirements otherwise set forth in this Section, business identification signage for a Commercial Cannabis Activity shall conform to the requirements of the Stanislaus County Code.
- (3) No signs placed on the premises of a Commercial Cannabis Activity shall obstruct any entrance or exit to the building or any window.
- (4) Each entrance to a Commercial Cannabis Activity Premises shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis in the parking areas, on the premises or in the areas adjacent to the Premises is prohibited.
- (5) No Commercial Cannabis Activity shall advertise by having a person or device holding a sign and advertising the activity to passersby, whether such person is on the Premises of the Commercial Cannabis Activity or elsewhere including, but not limited to, the public right-of-way.
- (6) No banners, flags, billboards or other prohibited signs may be used at any time.
- (7) Permittees shall agree that, as an express and ongoing condition of permit issuance and subsequent renewal, the Permittee is prohibited from advertising any Commercial Cannabis Activity located in Stanislaus County utilizing a billboard (fixed or mobile), bus shelter, placard, aircraft, or other similar forms of advertising, anywhere in the state. This paragraph is not intended to place limitations on the ability of a Commercial Cannabis Activity to advertise in other legally authorized forms, including on the internet, in magazines, or in other similar ways.
- (8) The entrance to the Commercial Cannabis Activity shall be clearly and legibly posted with a notice that no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the Commercial Cannabis Activity, unless otherwise permitted by law.

F. Commercial cannabis collectives or cooperatives.

- (1) Until Health & Safety Code Section 11362.775 is repealed, the County intends that person's eligible to operate collectives or cooperatives under that subdivision shall be eligible to apply for a County CCA permit to conduct commercial cannabis activities, but only to the degree those

activities are authorized under state law for collectives and cooperatives. When the Health & Safety Code Section 11362.775 is repealed, or as soon as collectives and cooperatives are no longer permitted to engage in Commercial Cannabis Activity without a state license under state law, any CCA permit issued to a Commercial Cannabis Activity that has not obtained a state license for the commercial cannabis activities shall expire and shall be null and void. Such businesses shall no longer be authorized to engage in any commercial cannabis activities in the County until they obtain both a County issued Commercial Cannabis Activity permit and a state license for that Commercial Cannabis Activity.

- (2) If a commercial cannabis activity Permittee is operating as a collective or cooperative under Health and Safety Code Section 11362.775, subdivision (a), Permittee shall obtain from the members of the Permittee authorized to possess cannabis an agreement that members shall not distribute cannabis or cannabis products to non-members or in violation of the "Memorandum for all United States Attorneys," issued by the United States Department of Justice, from James M. Cole, Deputy Attorney General and any other applicable state and federal laws, regulations, or guidelines. Permittee shall terminate the membership of any member violating any of the provisions of the agreement.

G Records and Recordkeeping.

- (1) Each Permittee of a Commercial Cannabis Activity shall maintain accurate books and records in an electronic format, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a Commercial Cannabis Activity permit issued pursuant to this Chapter), or at any time upon reasonable request of the County, each Permittee shall file a sworn statement detailing the number of sales under each permit during the previous twelve-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross receipts for each month, and all applicable taxes paid or due to be paid. On an annual basis, each Permittee shall submit to the County a financial audit of the business's operations conducted by an independent certified public accountant. Each Permittee shall be subject to a regulatory compliance review and financial audit as determined by the County.
- (2) The Permittee shall maintain clear and adequate records and documentation demonstrating that all cannabis or cannabis products have been obtained from and are provided to other locally and state permitted and licensed cannabis operations. The County shall have the right to examine, monitor, and audit such records and documentation, which shall be made available during normal business hours to the County no later than five days after the date of the request.

- (3) Each Permittee shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the Commercial Cannabis Activity, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the Permittee. The register required by this paragraph shall be provided to the County within five business days of request.
- (4) Each Commercial Cannabis Activity shall maintain records of all persons, patients, collectives and primary caregivers served by the Commercial Cannabis Activity, for a period of no less than four years prior to the date of obtaining a state license. Once a state license is obtained, the Commercial Cannabis Activity must maintain such records only to the extent permitted or required by the MAUCRSA.
- (5) All Commercial Cannabis Activities shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the growing and production or manufacturing, laboratory testing and distribution processes until purchase as set forth in MAUCRSA.
- (6) Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPPA) regulations, each Commercial Cannabis Activity shall allow Stanislaus County officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than 24 hours after receipt of the County's request, unless otherwise stipulated by the County. The County may require the materials to be submitted in an electronic format that is compatible with the County's software and hardware.
- (7) Reporting and Tracking of Product and of Gross Sales. Each Commercial Cannabis Activity shall have in place a point-of-sale or management inventory tracking system to track and report on all aspects of the Commercial Cannabis Activity including, but not limited to, such matters as cannabis tracking, inventory data, gross sales (by weight and by sale) and other information which may be deemed necessary by the County. The Commercial Cannabis Activity shall ensure that such information is compatible with the County's record-keeping systems and the County's Track and Trace System as established by the County's Agricultural Commissioner. In addition, the Permittee's system must have the capability to produce historical transactional data for review. Furthermore, any system selected must be approved and authorized by the Agricultural Commissioner's Office prior to being used by the permittee.

- (8) The applicant, owner, and operator agree to submit to, and pay for, inspections of the operations and relevant records or documents necessary to determine compliance with this Chapter from any enforcement officer of the County or their designee.
- H. Restriction on Customer Consumption. Cannabis shall not be consumed by any retail customer on the premises of any Commercial Cannabis Activity or parking areas.
- I. No outdoor storage of cannabis or cannabis products is permitted at any time.
- J. The applicant for the Commercial Cannabis Activity and the property owner shall indemnify, defend, and hold the County harmless from any and all claims and proceedings relating to the approval of the permit or relating to any damage to property or persons stemming from the Commercial Cannabis Activity.
- K. The Property Owner and Permittee shall be responsible for ensuring that all commercial cannabis activities at the site operate and are maintained in good standing with permits and licenses required by the Stanislaus County Code and State law. Failure to take appropriate action to evict or otherwise remove operators who do not maintain permits or licenses in good standing with the County or State shall be grounds for the suspension or revocation of a land use or regulatory permit pursuant to this Chapter, Section 21.104 of the Stanislaus County Code, and subject to any Board approved development agreement.
- L. Commercial Cannabis Activities and related activities shall be maintained in accordance with the operating plans approved by the County.
- M. All Permittees shall ensure that cannabis is obtained from local and state permitted and licensed sources and shall implement best practices to ensure that all cannabis products are properly stored, labeled, transported, and inspected prior to distribution.
- N. All Commercial Cannabis Activities shall operate in compliance with the County's Noise Ordinance. Commercial Cannabis Cultivation operations shall not be exempt under Section 10.46.080 of the County's Noise Control ordinance.
- O. Track and Trace. All Permittees shall comply with the State of California and Stanislaus County Agricultural Commissioner's requirements for unique identifiers and Track and Trace programs and shall pay all associated fees. Permittees shall obtain and use the unique identifiers from the State and County identified source, maintain them in a readable form and comply with all data entry requirements and pay all required fees. Non-compliance with the any track and trace requirements shall be grounds for revocation, suspension or nonrenewal of the Permittee's CCA permit.

6.78.130 Commercial Cannabis Employee Background Check Required.

- A. Any person who is an employee or who otherwise works or volunteers within a Commercial Cannabis Activity must be legally authorized to do so under applicable state law.
- B. Any person who is an employee or who otherwise works or volunteers within a Commercial Cannabis Activity shall maintain the following information on each of its employees, for a period of no less than five years:
 - (1) Name, address, and phone number of the applicant/employee;
 - (2) Age and verification of applicant/employee. Permittee shall examine the employee's birth certificate, driver's license, government issued identification card, passport or other appropriate documents to verify that the applicant/employee is at least twenty-one years of age;
 - (3) Name, address of the Commercial Cannabis Activity where the applicant/employee will be employed, and the name of the primary manager of that business.
 - (4) A list of any crimes enumerated in California Business and Professions Code Section 26507(b)(4) for which the applicant/employee has been convicted.
 - (5) Name, address, and contact person for any previous employers from which the applicant/employee was fired, resigned, or asked to leave and the reasons for such dismissal or firing.
 - (6) The application for employment shall be accompanied by fingerprints and a recent photograph.
 - (7) A signed statement under penalty of perjury that the information provided is true and correct.
 - (8) If applicable, verification that the applicant/employee is a qualified patient or primary caregiver.
- C. The Permittee shall annually certify to the County that it has conducted a background check on all employees to determine whether the applicant was convicted of a crime or left a previous employer for reasons that show the applicant:
 - (1) Is dishonest; or
 - (2) Has committed a felony or misdemeanor involving fraud, deceit, embezzlement; or
 - (3) Was convicted of a violent felony as defined in Penal Code section 667.5, a crime of moral turpitude that involves either dishonesty (including fraud), or baseness, vileness or depravity in the private and social duties which a man owes to his fellow men, or to society in general, contrary to the accepted and customary rule of right and duty between man and man; or

- (4) The illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, except for cannabis related offenses for which the conviction occurred after the passage of the Compassionate Use Act of 1996.

6.78.140 Change in Location; Updated Information.

A change in the location of the Commercial Cannabis Activity specified in the permit is prohibited and voids the CCA permit.

6.78.150 Renewal Applications.

- A. An application for renewal of a Commercial Cannabis Activity permit shall be filed at least 60 calendar days prior to the expiration date of the current permit.
- B. The Permittee's application for renewal shall be on the form provided by the Chief Executive Office.
- C. The Permittee shall pay a fee in an amount to be set by the County Board of Supervisors to cover the costs of processing the renewal permit application, together with any costs incurred by the County to administer the program created under this Chapter.

6.78.160 Commercial Cannabis Activity Permit Transfers Prohibited.

- A. The cannabis activity permit is not transferrable and Permittee shall not transfer ownership or control of the permit to another person or entity. Only the original permittee is authorized to operate the Commercial Cannabis Activity under the permit.
- B. Changes in ownership of a Permittee's business structure or a substantial change in the ownership of a permittee business entity (changes that result in a change of more than 51 percent of the original ownership) void the permit. A proposed new Owner shall submit to a background investigation performed by the County prior to taking ownership of a permitted CCA.
- C. Within 15 calendar days of any change in a Permittee's business structure or a substantial change in the ownership of a permittee business entity or any change in status of compliance with the provisions of this Chapter, the applicant shall inform the County CEO of the change.
- D. A permittee may change the form of business entity with the written consent of the County, under the following circumstances:

- (1) The membership of the new business entity is substantially similar to original permit holder business entity (at least 51 percent of the membership is identical), or
- (2) If the original permittee is an unincorporated association, mutual or public benefit corporation, agricultural or consumer cooperative corporation and subsequently transitions to or forms a new business entity as allowed under the MAUCRSA and to comply with Section 6.78.060, provided that the Board of Directors (or in the case of an unincorporated association, the individual(s) listed on the County permit application) of the original permittee entity are the same as the new business entity.

Permittee shall notify the County in writing of the change within ten business days of the change. Failure to comply with this provision is grounds for permit revocation.

- E. Any attempt to transfer a Commercial Cannabis Activity permit either directly or indirectly in violation of this Section is hereby prohibited, and such a purported transfer shall automatically revoke the permit.

6.78.170 Grounds for Suspension or Revocation or Nonrenewal.

- A. Commercial cannabis activity permits may be revoked by the County's Chief Executive Officer for any violation of any law and/or any rule, regulation, condition of approval, and/or standard, including those adopted pursuant to this Chapter.
- B. Any of the following shall be grounds for suspension or revocation of the Commercial Cannabis Activity permit, based on substantial evidence:
- (1) Failure to comply with one or more of the conditions of the Commercial Cannabis Activity Permit or any land use conditions of approval, or any permit conditions placed on State permits or licenses;
 - (2) The Commercial Cannabis Activity permit was granted on the basis of false material information, written or oral, given willfully or negligently by the applicant;
 - (3) Any act or omission by a Property Owner or Permittee that results in the violation of the provisions of this Chapter;
 - (4) Any act or omission by a Property Owner or Permittee that results in the denial, revocation or suspension of the owner's or Permittee's State License;
 - (5) Any act or omission that results in the revocation of a Property Owner or Permittee's commercial cannabis land use permit or development agreement under Title 21 and Title 22 of the Stanislaus County Code;

- (6) Any act or omission by a Property Owner or Permittee that violates State law or the Stanislaus County Code;
- (7) A Property Owner's or Permittee's failure to take appropriate action to evict or otherwise remove Commercial Cannabis Activities who do not maintain the necessary permits or licenses in good standing with the County or State;
- (8) The Property Owner or Permittee allows the Commercial Cannabis Activities to operate in a manner that constitutes a nuisance, where the Property Owner or Permittee has failed to abate the nuisance after notice; or
- (9) Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a Commercial Cannabis Activity to operate within the County, until the State of California, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the Commercial Cannabis Activity permit, such revocation or termination shall also revoke or terminate the ability of a Commercial Cannabis Activity to operate within Stanislaus County.

C. An application for renewal of a Commercial Cannabis Activity permit shall be rejected if any of the following exists:

- (1) The application is filed less than 60 days before its expiration.
- (2) The Commercial Cannabis Activity permit is suspended or revoked at the time of the application.
- (3) The Commercial Cannabis Activity has not been in regular and continuous operation in the four months prior to the renewal application.
- (4) The Commercial Cannabis Activity has failed to conform to the requirements of this Chapter, or of any regulations adopted pursuant to this Chapter.
- (5) The Permittee fails or is unable to renew its State of California license.
- (6) If the County or state has determined, based on substantial evidence, that the permittee or applicant is in violation of the requirements of this Chapter, of the County Code, or of the state rules and regulations, and the County or state has determined that the violation is grounds for termination or revocation of the Commercial Cannabis Activity permit.

6.78.180 Procedure for Suspension or Revocation OR Non-Renewal of the CCA Permit.

A. If the County determines that grounds for suspension or revocation or nonrenewal of the Permit exist pursuant to this Chapter, the County shall issue a

written Notice of Intention to revoke or suspend or non-renew the CCA Permit, as the case may be. The Notice of Intention shall be served on the Property Owner, as reported on the latest equalized assessment roll, and shall also be served on Permittee at the address reported on the Commercial Cannabis Activity permits issued pursuant to this Chapter. The Notice of Intention shall be served by either personal delivery or by certified U.S. Mail, postage prepaid, return receipt requested. The Notice of Intention shall describe the property, the intention to revoke or suspend the CCA Permit, the grounds for revocation or suspension, the action necessary to abate the violation, the time limit for compliance, and the right to request a hearing. The Notice of Intention shall notify the Property Owner and Permittee of the opportunity to request a hearing before a Hearing Officer to present evidence as to why the CCA permit should not be suspended or revoked and shall notify them of the ten-day deadline to submit a written request for a hearing.

- B. The Property Owner and Permittees shall have ten business days from the service of the Notice of Intention to submit a written request for a hearing before the Hearing Officer to CEO. Failure to submit the written request for a hearing shall be deemed a waiver of the right to challenge the suspension or revocation of the CCA Permit and a failure to exhaust administrative remedies. If the hearing is not timely requested, the County may suspend or revoke the CCA Permit in accordance with the Notice of Intention.
- C. Upon receipt of a timely written request for a hearing, the County shall set a date for a hearing to be held within 60 days of receipt of the request. Notice of the hearing, including the time, date, and location of the hearing, shall be served on the owner and permittees, such service to be accomplished by either personal delivery or by certified U.S. Mail, postage prepaid, return receipt requested.
- D. Hearing by the Hearing Officer:
 - (1) The Chairman of the Board of Supervisors shall appoint a Hearing Officer who shall be authorized to conduct hearings, issue subpoenas, receive evidence, administer oaths, rule on questions of law and the admissibility of evidence, prepare a record of the proceedings, and render decisions on the suspension or revocation or renewal of the Commercial Cannabis Activity Permit.
 - (2) In any proceeding before the Hearing Officer, oral testimony offered as evidence shall be taken only on oath or affirmation, and the Hearing Officer, his/her clerk, or other designee shall have the power to administer oaths and affirmations and to certify to official acts taken during the hearing.
 - (3) All parties to the hearing shall have the opportunity to testify, introduce exhibits, call and examine witnesses, and cross examine opposing witnesses on any matter relevant to the issues.

- (4) The Hearing Officer may postpone the hearing date upon good cause shown, continue the hearing during the course of the hearing, and make such other procedural orders and rulings as he or she deems appropriate during the course of the hearing.
 - (5) Within 30 calendar days after the close of the hearing, the Hearing Officer shall issue a written decision, including a statement of the basis for the decision. The Hearing Officer's written decision shall constitute the final administrative decision of the County.
- E. If neither the Property Owner, nor Permittee, nor their authorized representatives appear at the noticed hearing, such failure to appear shall constitute an abandonment of the hearing request and a failure to exhaust administrative remedies.
 - F. In the event an action is initiated to obtain enforcement of the decision of the Hearing Officer, and judgment is entered to enforce the decision, the Property Owner and Permittee shall be jointly and severally liable to pay the County's total costs of enforcement, including reasonable attorney fees.

6.78.190 Enforcement.

It shall be unlawful for any person to violate any provision, or fail to comply with any of the requirements, of this Chapter. Any person violating any of the provisions or failing to comply with any of the mandatory requirements of this Chapter shall be guilty of a misdemeanor. The remedies provided by this Chapter are cumulative and in addition to any other remedies available at law or in equity.

6.78.200 Limitations on County's Liability.

- A. To the fullest extent permitted by law, Stanislaus County shall not assume any liability whatsoever with respect to having issued a Commercial Cannabis Activity permit pursuant to this Chapter or otherwise approving the operation of any Commercial Cannabis Activity. As a condition to the approval of any Commercial Cannabis Activity permit, the applicant shall be required to meet all of the following conditions prior to issuance of the Commercial Cannabis Activity Permit:
 - (1) Permittee must execute an agreement, in a form approved by County Counsel, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold Stanislaus County, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the County's issuance of the commercial cannabis activity permit, the County's decision to approve the operation of the Commercial Cannabis Activity or activity, to process used by the County in making its decision, or the alleged violation of any federal, state

or local laws by the Commercial Cannabis Activity or any of its officers, employees or agents.

- (2) Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate from time to time by Risk Management.
- (3) Reimburse Stanislaus County for all costs and expenses, including but not limited to legal fees and costs and court costs, which Stanislaus County may be required to pay as a result of any legal challenge related to the County's approval of the applicant's Commercial Cannabis Activity permit, or related to the County's approval of a Commercial Cannabis Activity. The County of Stanislaus may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

6.78.210 Promulgation of Regulations.

- A. In addition to any regulations adopted by the County Board of Supervisors, the Chief Executive Officer, or designee, ("CEO") is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of Commercial Cannabis Activity permits, the ongoing operation of Commercial Cannabis Activity and the County's oversight, if the CEO determines the rule, regulation or standard to be necessary to carry out the purposes of this Chapter.
- B. Regulations issued by the CEO shall be published on the County's website.
- C. Regulations promulgated by the CEO shall become effective upon date of publication. Commercial Cannabis Activities shall be required to comply with all state and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the CEO.

6.78.220 Community Relations.

- A. The Permittee of a Commercial Cannabis Activity shall provide the name, telephone number, and email address of a community relations contact to whom notice of problems associated with the Commercial Cannabis Activity can be provided. Each Commercial Cannabis Activity shall also provide the above information to all businesses and residences located within 100 feet of the Commercial Cannabis Activity and make the information available online to the general public.
- B. The Permittee of a Commercial Cannabis Activity shall designate a CCA Owner who shall attend meetings with the County, and other interested parties, as requested by the County, to discuss costs, benefits, and other community issues arising as a result of implementation of this Chapter.

- C. Permittees of Commercial cannabis activities to which a permit is issued pursuant to this Chapter shall develop or contribute to a County approved public outreach and educational program for youth organizations and educational institutions that outlines the risks of youth addiction to cannabis, and that identifies resources available to youth related to drugs and drug addiction.

6.78.230 Fees Deemed Debt to Stanislaus County.

The amount of any fee, cost or charge imposed pursuant to this Chapter shall be deemed a debt to Stanislaus County that is recoverable via an authorized administrative process as set forth in the County Code, or in any court of competent jurisdiction.

6.78.240 Permit Holder Responsible for Violations.

The Permittee shall be presumed to be responsible for all violations of the laws of the State of California or of the regulations and/or the ordinances of Stanislaus County, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the Commercial Cannabis Activity whether or not said violations occur within the permit holder's presence, unless the Permittee has taken steps to prevent the offending conduct.

6.78.250 Inspection.

- A. As a condition of issuance of the CCA permit, Property Owner and Permittee authorize and consent to representatives of the County entering the location of the Commercial Cannabis Activity at any time, without notice, to inspect the location of any Commercial Cannabis Activity as well as any recordings and records required to be maintained pursuant to this Chapter or under applicable provisions of State law.
- B. Any person having responsibility over the operation of a Commercial Cannabis Activity, shall not impede, obstruct, interfere with, or otherwise not to allow, the County to conduct and record an inspection, review or copy records, recordings or other documents required to be maintained by a Commercial Cannabis Activity under this Chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a Commercial Cannabis Activity under this Chapter or under state or local law.
- C. As a condition of issuance of the CCA permit, Property Owner and Permittee authorize and consent to representatives of the County entering the location of a Commercial Cannabis Activity at any time during the hours of operation and without notice to obtain samples of the cannabis to test for public safety purposes. Any samples obtained by Stanislaus County shall be logged, recorded, and maintained in accordance with established procedures by these regulations.

6.78.260 Violations Declared a Public Nuisance.

Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance.

6.78.270 Each Violation a Separate Offense.

Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by Stanislaus County Code. Additionally, as a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, any permit issued pursuant to this Chapter being deemed null and void, disgorgement and payment to the County by Permittee of any monies unlawfully obtained, payment by the Permittee of the County's costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. Stanislaus County may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the Commercial Cannabis Activity or persons related to, or associated with, the Commercial Cannabis Activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the County may take immediate action to temporarily suspend a Commercial Cannabis Activity permit issued by the County, pending a hearing.

6.78.280 Criminal Penalties.

Each and every violation of the provisions of this Chapter may in the discretion of the District Attorney be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars (\$1,000) or imprisonment in the county jail for a period of not more than 12 months, or by both such fine and imprisonment. Each day a violation is committed or permitted to continue shall constitute a separate offense.

6.78.290 Remedies Cumulative and not Exclusive.

The remedies provided herein are not to be construed as exclusive remedies. The County, including the County's District Attorney, is authorized to pursue any proceedings or remedies provided by law.

6.78.300 Review by Planning Commission.

- A. All amendments to this Chapter shall be considered at a public hearing before the planning commission. After the hearing by the planning commission, the planning commission shall make its recommendation in writing to the board of supervisors. The recommendation shall include the planning commission's determination on whether or not the amendments:

- (1) Are in conformity with and will promote public convenience, general welfare and good land use practice; and
- (2) Will be detrimental to health, safety and general welfare.

RECEIVED

OCT 19 2017

Stanislaus County - Planning &
Community Development Dept.

October 19, 2017

Stanislaus County Planning Commission

Dear Sirs:

I am always hearing that the county takes forever to get something done. That usually said by people that do not understand the necessary checks and balances that public decision-making takes. That may be one of the strong aspects of county governance: all the boxes do get checked. This commission is one such check in the process.

I have become concerned lately that the county is moving too fast on developing an ordinance to allow cannabis activities in the County. I live in the A-2 General Agriculture zone and I am particularly concerned about allowing cannabis cultivation in this zone. The county staff have been working for four weeks on developing a land use ordinance where other counties with more experience in the cannabis trade like Humboldt county have taken a year to develop their plan.

I would like to be clear that I am generally opposed to allowing cannabis activities anywhere in the County but it is clear the Board of Supervisors wants to come up with some way to allow it. That's great, but I don't want to smell it and I don't want to have to deal with the crime that's associated with it. Even though the County expects to collect \$4 million dollars from the legal cannabis industry, I don't think it will be nearly enough to deal with the negative effects if recent Colorado legalized cannabis experience is any example. That being said, the County should be far more concerned about the impacts this ordinance could have on its residents who pay property and sales taxes. The cannabis industry is not a cash cow and it will not pay for itself. We might get a few more deputies out there, but given how overwhelmed they already are, it's unlikely they will still have the resources to deal with this.

Cannabis is often called "skunk" or "skunk weed" for a reason. It stinks! I have done some research on greenhouse manufacturers and even they say containing smell within a greenhouse is very problematic. Just a few short weeks ago, you all expressed concerns about the impacts of odor from worm farms. I can tell you cannabis cultivation is FAR worse. The only way that seems to be effective is to have fully enclosed greenhouses with ventilation and charcoal scrubbing systems.... And they won't even give guarantees on that. You also have to consider waste product and the smell associated with transporting the product away from the site.

The present land use ordinance does not specify a setback from a residential unit more than the common 5 foot set back. Using this setback for cannabis green houses is a grave error. Under these circumstances a grower's green house could be placed 10 feet from a house. That is ridiculous considering the smell and noise that could be associated with such a land use. Humboldt county specifies a 300-foot setback and Kern county identifies a 350-foot setback. In my research of different county's ordinances, I was unable to identify anyone who used a standard 5-foot setback. In addition, how much associated noise, for example a large fan and condenser running 24/7, would the county be willing to accept as an acceptable noise standard. I would like to point that some counties like Humboldt have a great deal more experience in regulating the cannabis trade than Stanislaus county and have figured out that these deeper setbacks are a must.

Most counties have required minimum parcel sizes for greenhouse cultivation. Again, Humboldt does allow more than 5 to 10% of a lot to be cultivated and sets absolute limits on the total area that can be

occupied. On lots 10 acres or more, only 1 acre can be used for cannabis cultivation. Under this proposed county ordinance, a cannabis greenhouse could conceivably be allowed on a three-acre parcel. This very act could have significant impact on small acre developments, like the one I live in, which were allowed in the past by the county. These grandfathered developments are particularly vulnerable to the potential disruption to cannabis cultivation under the proposed ordinance.

I have to admit I was amazed at the outright dismissal of a request by a resident for a 300' setback to adjacent parcels because the staff was worried that they might not be able to place greenhouses any where in the County. Really? This is a pretty big county and, oh, by the way, the staff didn't actually study it, they just thought it might happen. Seems like they are more worried about having LOTS of places to allow these greenhouses rather than trying to make this a "safe community". That should be the priority of you and our elected officials. The quality of life of existing residential developments should take precedence over nurturing a new industry. Especially, where we do not even know if community safety and environmental impacts can be addressed.

Now county staff may argue that these considerations will be addressed in this magic regulatory ordinance that no one has ever seen. They will tell you that it will all be OK. Yep, that's what they said to the Colorado citizens. Just look at what has happened in Calaveras County where they have allowed medical marijuana to be grown. In my opinion, County staff are asking us to accept a "pig in a poke." We are addressing today the land use ordinance. I believe that it should stand on its own to protect the quality of life for the residents of the unincorporated Stanislaus County. Setbacks and limiting uses to parcel size are standard land use planning ways to minimize impacts of new uses on the existing.

The ordinance before you today, was developed in four weeks. Other counties have used the last year to develop a program with widespread community input to be certain that all concerns were addressed. The present proposal really does not consider the real impact on personal safety, the safety of families, and our quality of life. I would ask you to direct staff to consider these impacts and to modify the ordinance to ensure that this new industry will not negatively impact existing residential land uses.

Sincerely,



Thomas Douglas
548 N Hopper Road

STANISLAUS COUNTY COMMERCIAL CANNABIS REGISTRATION INTEREST SUMMARY

(Note: This is draft. County staff is still in the process of verifying permit types included on registrations)

Total Received

- 117 registrations – multiple registrations received on several properties
- 265 permit requests – multiple permit requests with each application, some applied for permits not allowed in designated zoning district

Total Registrations by Zoning District and By Area

- A-2 (General Ag) – 61 (52.1%)
- M (Industrial) – 23 (19.7%)
- P-D (Planned Development) – 10 (8.5%)
- PI (Planned Industrial) – 11 (9.4%)
- C-2 (General Commercial) – 10 (8.5%)
- H-1 (Highway Frontage) – 1 (0.9%) – Non-permitted district
- R-3 (High Density Residential) – 1 (0.9%) – Non-permitted district

LAFCO Adopted Sphere of Influence (SOI)

	Total	In SOI	Outside SOI
Ceres	14	5	9
Crows Landing	3	0	3
Denair	2	0	2
Empire	4	3	1
Eugene	1	0	1
Hickman	3	0	3
Hughson	4	0	4
Keyes	1	0	1
Knights Ferry	1	0	1
Modesto	53	34	19
Oakdale	9	1	8
Patterson	8	0	8
Riverbank	2	0	2
Salida	1	0	1
Turlock	5	0	5
Valley Home	1	0	1
Vernallis	2	0	2
Westley	2	0	2
West of I-5	1	0	1
Total	117	43	74

- In SOI - 43 (37%)
- Outside of SOI – 74 (63%)

Permit Requests by Type

- Total Retail – 37 (14%)

- Storefront Retail – 31 (12%)
 - Storefront Retail in SOI – 22 (8%)
- Non-Storefront Retail (delivery only) – 6 (2%)
 - Non-Storefront Retail in SOI – 0 (0%)
- Total Cultivation – 170 (64%)
 - Indoor – 59 (22%)
 - Mixed Light – 63 (24%)
 - Natural Light – 4 (2%)
 - Specialty Cottage - 7 (3%)
 - Nursery – 37 (14%)
- Total Distribution – 24 (9%)
- Total Manufacturing – 32 (12%)
 - Volatile Manufacturing – 13 (5%)
 - Non-Volatile Manufacturing – 19 (7%)
- Total Testing Lab – 2 (1%)

Registrations in A-2 by Permit Type

- Total A-2 registrations – 61 (52%)
 - In SOI – 5 (4%)
 - Not in SOI - 56 (48%)
 - Williamson Act – 23 (37.7% of A-2 Registrations)
- Total A-2 permit requests – 117 (44%)
- Cultivation permits – 104
 - Indoor – 18
 - Mixed-light – 52
 - Natural light - 4
 - Specialty cottage – 4
 - Nursery – 26
- Distribution permits – 6 (2%)
- Other (not proposed to be permitted in A-2) – 7 (3%)

Registrations in Other Zoning Districts (P-D, PI, C-2, M, R-3, H-1) by Permit Type

- Total Apps – 56 (48%)
 - In Sphere of Influence – 38 (33%)
 - Outside SOI – 18 (15%)
- Total Other Zoning Districts Permit Requests – 148 (56%)
 - Cultivation permits – 66 (25%)
 - Retail – 34 (13%)
 - Retail Storefront – 31 (12%)
 - Retail Non-Storefront – 3 (1%)
 - Manufacturing – 28 (11%)
 - Volatile – 12 (5%)
 - Non-Volatile – 16 (6%)
 - Distribution – 18 (7%)
 - Testing Lab – 2 (1%)



DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

1010 10th Street, Suite 3400, Modesto, CA 95354
Phone: 209.525.6330 Fax: 209.525.5911

November 2, 2017

MEMO TO: Stanislaus County Planning Commission
FROM: Department of Planning and Community Development
SUBJECT: **ORDINANCE AMENDMENT APPLICATION NO. PLN2017-0119 – COMMERCIAL CANNABIS ACTIVITIES**

Staff is requesting that the subject application be further continued to the November 16, 2017, Planning Commission meeting. The item was originally scheduled to be considered on October 16, 2017, and was continued to allow Staff time to discuss the proposed Ordinance Amendment with the cities. Further continuance of this item, will provide Staff additional time to discuss the proposed Ordinance Amendment with the cities.

RECOMMENDATION

Staff recommends that Ordinance Amendment Application No. PLN2017-0119 – Commercial Cannabis Activities, be continued to November 16, 2017.



DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

1010 10th Street, Suite 3400, Modesto, CA 95354
Phone: 209.525.6330 Fax: 209.525.5911

October 19, 2017

MEMO TO: Stanislaus County Planning Commission
FROM: Department of Planning and Community Development
**SUBJECT: ORDINANCE AMENDMENT APPLICATION NO. PLN2017-0119 –
COMMERCIAL CANNABIS ACTIVITIES**

Staff is requesting that the subject application be continued to the November 2, 2017, Planning Commission meeting. The continuance will provide Staff additional time to discuss the proposed Ordinance Amendment with the cities.

RECOMMENDATION

Staff recommends that Ordinance Amendment Application No. PLN2017-0119 – Commercial Cannabis Activities, be continued to November 2, 2017.



Date October 19, 2017

MEMO TO: Stanislaus County Planning Commission

FROM: Department of Planning and Community Development

**SUBJECT: ORDINANCE AMENDMENT PLN2017-0119 – COMMERCIAL CANNABIS
 ACTIVITIES**

RECOMMENDATION

Based on the discussion below and on the whole of the record, Staff is requesting that the Planning Commission provide a recommendation of approval to the Board of Supervisors for Ordinance Amendment Application No. PLN2017-0119 – Commercial Cannabis Activities, as presented in this staff memo. If the Planning Commission decides to provide a recommendation of approval, Exhibit A provides an overview of all of the findings required for project approval.

PROJECT DESCRIPTION

Stanislaus County is proposing amendments to Chapter 21.08 - General Provisions, Chapter 21.12 - Definitions, Chapter 21.20 - General Agriculture District (A-2), Chapter 21.42 - Planned Industrial District (PI), Chapter - 21.56 General Commercial District (C-2), Chapter - 21.60 Industrial District (M), and Chapter - 21.64 Limited Industrial District (LM) of the Stanislaus County Zoning Ordinance (Title 21 of the County Code) to allow for commercial cannabis activities subject to approval of a discretionary land use entitlement (e.g. use permit or rezone). When applicable, discretionary entitlement requests involving property located within a Local Agency Formation Commission (LAFCO) Sphere of Influence (SOI) may not be approved by the County unless first approved by the city within whose sphere of influence it lies.

A summary of the proposed amendments to the Zoning Ordinance is attached as Exhibit B. Specific amendments consisting of additions are reflected in bold and underlined text.

Two separate ordinance amendments addressing commercial cannabis activities will ultimately be presented to the Board of Supervisors for consideration. The proposed ordinance amendment being presented to the Planning Commission deals only with amendments to the Zoning Ordinance intended to specify the zoning districts where each commercial cannabis activity may be permitted, subject to the discretionary review process. A separate ordinance amendment addressing general regulations for commercial cannabis activities is proposed to be contained in Title 6 of the County Code, which will include operating standards such as required setbacks from specific uses, odor control, and security measures. The Planning Commission's recommendation on the proposed Zoning Ordinance amendment will be considered by the Board of Supervisors in conjunction with the Regulatory Ordinance and a commercial cannabis permit fee schedule on December 5, 2017.

PROJECT LOCATION

The proposed Zoning Ordinance amendments will apply Countywide, with the exception of areas within the incorporated cities. The proposed changes apply to both specific zoning district chapters where commercial cannabis activities may be permitted subject to discretionary entitlement and to the General Provisions and Definitions chapters.

BACKGROUND

Cannabis was first legalized for medical use in 1996 with the passage of Proposition 215, known as The Compassionate Use Act of 1996. The passage of this act exempted patients and defined caregivers who possessed or cultivated marijuana (cannabis) for medical treatment, recommended by a physician, from criminal laws which otherwise prohibit possession or cultivation of cannabis.

In October 2015, Governor Jerry Brown approved the Medical Cannabis Regulation and Safety Act (MCRSA), which consisted of three separate bills. The approval of this act crafted a comprehensive licensing and regulatory framework for the cultivation, manufacture, transportation, storage, distribution, and sale of medical cannabis. Additionally, MCRSA added a section to the Business and Professions Code authorizing counties to impose a tax on specified cannabis activities.

Approximately a year later, on November 8, 2016, California voters passed Proposition 64, the Adult Use of Marijuana Act (AUMA). AUMA immediately legalized the use and cultivation of cannabis for personal consumption and legalized the commercialization and taxation of cannabis, including medical cannabis, beginning January 1, 2018. Additionally, AUMA allowed the Legislature to adopt laws to license and tax commercial cannabis activities; and permitted local regulation of cannabis possession, cultivation and consumption.

Most recently, on June 27, 2017, the Governor approved Senate Bill 94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). This bill consolidates provisions from MCRSA and AUMA and creates one regulatory system for commercial cannabis activity. The new system under MAUCRSA prioritizes consumer safety, public safety and tax compliance.

Cannabis activities are currently prohibited in the unincorporated areas of Stanislaus County. On January 26, 2016, Chapter 9.86 of the Stanislaus County Code was adopted prohibiting cannabis cultivation, dispensaries, testing, manufacturing, labeling and packaging. Additionally, cooperatives/collectives were also prohibited.

Despite a County prohibition of cannabis activities, multiple dispensaries and cultivation activities have been established within the unincorporated area of Stanislaus County. Research of existing retail establishments has shown that there are currently at least 14 active retail storefronts in the unincorporated area. Although the exact number is unknown, multiple reports of outdoor, greenhouse, and indoor cultivation operations have also been reported. Using a similar methodology developed by Yolo County, staff conducted an early analysis of the costs associated to enforce a full ban of cannabis activities in Stanislaus County and found those costs to exceed \$3.1 million annually. There is no current identified funding source to support the costs associated with enforcement activities and accordingly Stanislaus County has not had success in enforcing such activity. Additionally, the decriminalization of cannabis in California has shifted the methods and staffing required for enforcement action against those operating outside of local jurisdictional regulations.

Knowing that cannabis is a rapidly growing business industry and is currently occurring in the County today, county Staff recognized that an enforcement strategy is necessary to effectively contain this industry in the community. However, funding to properly enforce these business activities must be identified. In an effort to both provide a regulatory framework for commercial cannabis to legally operate within the County and to provide a revenue source for enforcement against cannabis operators acting outside of such a regulatory framework, the Board of Supervisors on September 26, 2017, approved a conservative commercial cannabis allowance strategy for retail, cultivation, and other related cannabis business activities in the unincorporated area of Stanislaus County, and directed staff to:

- Return to the Board of Supervisors with a Regulatory Ordinance for cannabis, a Zoning Ordinance Amendment, and fee schedule for cannabis related permitting and enforcement activities.
- Open a 15 business day initial application interest period from October 2, 2017 through October 20, 2017 3:00 p.m. with a non-refundable deposit of \$4,359 consistent with the established development agreement fee schedule.

The approved strategy allows up to 61 cannabis activities permits, prohibits outdoor cannabis cultivation, and limits retail to no more than seven establishments in the unincorporated area, based on a population calculation of one retail establishment for every 16,000 persons. The Board Report for the September 26, 2017, approval is included as Exhibit D of this report. Although the State will be issuing licenses for commercial cannabis as of January 1, 2017, local approval is required for a state license to be issued. If a local permitting process is ultimately adopted, the County estimates no Commercial Cannabis Activity Permits will make it through the entire approval process until May or June of 2018. The following is an overview of the timeline for implementation of the approved strategy:

Step	Date	Activity
Registration	October 2, 2017	Open Cannabis Registration Interest
	October 20, 2017	Close Cannabis Registration Interest (3:00 p.m.)
Program Development	October 19, 2017	Planning Commission to consider Zoning Ordinance Amendment
	December 5, 2017	Hold Public Hearing to consider Regulatory Ordinance, Zoning Ordinance Amendment, and Fee Schedule Ordinance
	December 19, 2017	Second reading of Regulatory and Fee Ordinances
Applicant	January 18,	Open Cannabis Permit Application

Selection Process	2018	period
	February 9, 2018	Close Cannabis Permit Application period (3:00 p.m.)
	Feb-Mar 2018	Selection process to determine which applicants will move forward with the permitting process
Permitting	Mar 2018	Begin discretionary land use and development agreement process (min. 90-120 days)
	May-June 2018	Regulatory Permit
Annual Review	On-going	Annual review of Commercial Cannabis Permits to ensure compliance with operational requirements

A 15-day registration period for interested applicants was opened on October 2, 2017 and will close on October 20, 2017 at 3:00 p.m. The Commercial Cannabis Registration form includes property information, applicant/owner information, and commercial cannabis business permit type(s) requested, and a background questionnaire. This registration form does not guarantee a permit and does not grant authorization to conduct commercial cannabis activities in the County. The registration will allow the County to understand the magnitude of interested applicants and desired permit types while establishing a list for consideration of the 61 available cannabis activity permits.

As of October 11, 2017, the County has received a total of 8 complete registrations, including a combined total request for 29 permits. These include:

- A-2 (General Agriculture) zoning district
 - 3 properties
 - 4 permit requests – All cultivation
- M (Industrial) zoning district
 - 2 properties
 - 14 permit requests
 - 6 retailer
 - 4 cultivation
 - 4 manufacturing
- PI (Planned Industrial) zoning district
 - 2 properties
 - 9 permit requests
 - 3 cultivation
 - 2 retailer
 - 2 manufacturing
 - 2 distribution

- P-D (Planned Development) zoning district
 - 1 property
 - 2 permit requests – Both cultivation

An update on the registrations received will be provided at the October 19, 2017, Planning Commission meeting.

If there are less than 61 permit interests received during the 15-day registration period, applications will move directly to the land use and regulatory permit review process. If more than 61 permit applications are received a review committee consisting of Chief Executive Office, County Counsel, and Planning Staff will review and rank the applications based on a set scoring criteria, to be approved by Board of Supervisors. A background investigation performed by the Sheriff's Department is a requirement before any permitting or ranking is conducted.

Those applicants ranked in the top 61 allowable permit spots will move forward to the land use entitlement process in conjunction with a Development Agreement, which requires a Planning Commission hearing and Board of Supervisors approval. The process involves environmental review, public notification, and public hearings.

The development agreement will be a contract between Stanislaus County and the property owner(s)/project applicant(s), which details the standards and conditions for the development of the property and activity. The proposed development agreements will include a Community Benefit Fee, which is in addition to application and permit fees, which can be used for enforcement and essential services currently supplied by the County. It is anticipated the Community Benefit Fee, which is still under development, will raise a similar amount of revenue as a general tax.

Following approval of the land use entitlement and Development Agreement, a Regulatory permit must be obtained (similar to a business license). Following issuance of the Regulatory permit a State License may be obtained.

County regulatory permits will be renewed on an annual basis to ensure compliance with all operational requirements. If a permitted business is determined to be out of compliance, the commercial cannabis permit may be amended or revoked.

COMMERCIAL CANNABIS REGULATORY ORDINANCE

The Regulatory Ordinance will identify specific operating standards for all commercial cannabis activities within the unincorporated County. A summary of the operating standards included in the Regulatory Ordinance are provided below:

- General Operating Regulations (applies to all permit types)
 - Setbacks from schools, youth centers, and daycares
 - Odor Control
 - Site Control
 - Security Measures
 - Signage and notices
 - Records and record keeping
 - Employee background checks
 - Track and Trace Program (more detail below)

- Specific operating criteria for Retail/Dispensaries Storefront and Delivery
 - Limited to seven County wide
 - Limits on hours of operation
 - Specific security measures
- Specific operating criteria for cultivation
 - Only permitted in an enclosed structure such as a greenhouse
 - Documentation required for all pesticides used
 - Water conservation measures required
 - Visual screening required
- Specific Manufacturing regulations
 - Hazardous materials handling rules
 - Explosion or fire safety rules
 - Required certification of engineer that system is safe
- Testing Facilities regulations
 - Required to obtain ISO/IEC 1725 accreditation
- Cannabis Distribution regulations
 - Record keeping and quality control
 - May only use zero emissions vehicles within unincorporated County areas.
- Renewals and Transfers
 - Annual renewals required
 - Non-transferrable between permittees - transferrable between permitted properties.
- Suspension and Revocation
 - Violation of law, rules or regulations
 - Breach of Development Agreement
 - Suspension or revocation of State license
- Enforcement
 - Nuisance and misdemeanor
 - Nuisance Injunction
 - Criminal penalty of \$1,000 per violation
 - Breach of Contract

Required Setbacks

The Regulatory Ordinance includes a requirement, consistent with State law, than any commercial cannabis activity not be located within a 600 foot radius of a school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the license is issued. Definitions of the terms “school”, “day care”, and “youth center” will be included in the regulatory ordinance.

Track and Trace Program

As required by the State for administering and, enforcing regulations for cannabis the County, through the Agricultural Commissioner’s office, will be implementing a track and trace system.

The focus of a track and trace system is to capture and reconcile activity at any point in the cannabis supply chain, from initial production through retail sale, tracking all movements within the chain of custody. The system will include secure provenance stamps that provide unique identifiers that will be affixed to plants at production, bulk product, semi-finished, and retail level packaging as a proof of provenance for Stanislaus County. The secure provenance stamp will link to information in the track and trace system. The track and trace system will provide the County with a robust control and enforcement framework for tracking and tracing of cannabis while enabling patients/consumers to uniquely verify the safety and security of products produced and manufactured in Stanislaus County. As a condition to approving any cannabis permit, the permit holder will be required to participate in the County's track and trace system and bear the costs of such participation.

COMMERCIAL CANNABIS ZONING ORDINANCE AMENDMENT

This purpose of this zoning ordinance amendment is to specify where commercial cannabis activities may be located. Commercial cannabis activities have been incorporated as *conditionally permitted* uses (i.e. subject to obtaining discretionary land use entitlements) in the following chapters of the zoning ordinance: Chapter 21.20 - General Agriculture District (A-2), Chapter 21.42 - Planned Industrial District (PI), Chapter - 21.56 General Commercial District (C-2), Chapter - 21.60 Industrial District (M), and Chapter - 21.64 Limited Industrial District (LM). Additionally, Chapter 21.08 - General Provisions is proposed to be amended to incorporate a requirement that commercial cannabis activities operate in compliance with the regulatory ordinance, to incorporate a finding which must be made by the decision making body in order to approve a commercial cannabis activity, and to include a requirement for an expanded public hearing notification area for all commercial cannabis activity permits. Chapter 21.12 – Definitions is also proposed to be amended to include the definition of “commercial cannabis activity”. (See Exhibit B - *Summary of Draft Amendments to Stanislaus County Zoning Ordinance*).

The proposed zoning ordinance amendment has been developed with input provided by the Stanislaus County General Plan Update Committee. A General Plan Update Committee meeting was held on October 5, 2017, to get input on Staff's proposed land use allowances by zoning district. Committee input indicated that greenhouses would be appropriate in the M (Industrial) or PI (Planned Industrial) zoning districts and that the LM (Limited Industrial) zoning district should be considered for commercial cannabis activities similar to those considered for the PI (Planned Industrial) zoning district.

The Committee indicated a preference that no commercial cannabis business be located anywhere near houses or schools and suggested that the public notification area should be increased for commercial cannabis project referrals. State law requires public notification of 300 feet and two parcels out in all directions for all discretionary projects. The County has adopted an expanded public notification area of ¼ mile (or 1,320 feet) and two parcels out in all directions for all discretionary projects located in a rural area. In response to the Committee's comment Chapter 21.08 - General Provisions is proposed to be amended to include a requirement for an expanded public hearing notification area for all commercial cannabis activity permits.

The Committee also agreed that given the limited number of commercial cannabis permits being issued, that they did not object to allowing commercial cannabis cultivation on Williamson Act properties. The Committee indicated that existing agricultural storage buildings in the A-2 zoning district also seem appropriate for commercial cannabis cultivation activities, and that new agricultural storage type buildings may also be appropriate. Two meeting attendees, from the

commercial cannabis industry, provided input that high quality construction will allow for odors and security to be controlled within greenhouses and that locating the nursery (non-flowering) part of a cultivation operation outdoors would not be an appealing option due to the risk of damage from weather and pests.

Staff incorporated the General Plan Update Committee's comments into the proposed zoning ordinance amendment, with the exception of the suggestion of buffering from specific uses. A more detailed discussion surrounding buffers is included under the Issues Section of this report.

Commercial cannabis activities are proposed to be permitted subject to the discretionary land use process, which requires environmental review, and a public hearing, and is subject when applicable to written city support when located within a sphere of influence of a city. Staff is proposing a ban on commercial cannabis activities in all R (Residential) zoning districts, C-1 (Neighborhood Commercial), and H-1 (Highway Frontage) zoning districts. Below is a description of each license type along with Staff's recommendation for commercial cannabis activity types by zoning district. A draft land use chart for the permitting of commercial cannabis is included as Exhibit C – Commercial Cannabis Permitting Land Use Chart:

Retailer Storefront - Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location *open* to the public, from which commercial cannabis activities are conducted.

Commercial cannabis retailers (dispensaries) are limited to zoning districts which allow for retail type uses easily accessible to the general public, generally on parcels with a higher parking ratio, including the C-2 (General Commercial) and M (Industrial) zoning districts, when a use permit is obtained. A maximum of seven retailers (storefront and non-storefront combined) may operate in the unincorporated areas of the County at one time.

Retailer Non-Storefront - Involves the retail sale and delivery of cannabis or cannabis products to customers at a licensed physical location *closed* to the public, from which commercial cannabis activities are conducted.

Non-store front (delivery only) retailers may be permitted in the M (Industrial) and the PI (Planned Industrial) zoning district when a use permit is obtained. A maximum of seven retailers (storefront and non-storefront combined) may operate in the unincorporated areas of the County at one time.

Manufacturing Non-Volatile – Facility which manufactures cannabis products using nonvolatile solvents, or no solvents.

Non-volatile manufacturing activities may be permitted in the PI (Planned Industrial), M (Industrial), and LM (Limited Industrial) zoning districts, when a use permit is obtained.

Manufacturing Volatile – Facility which manufactures cannabis products using volatile solvents, which involves the use of solvents which produce a flammable gas or vapor that, when present in the air in sufficient quantities, will create explosive or ignitable mixtures.

Volatile manufacturing activities may be permitted in the M (Industrial) zoning district only, when a use permit is obtained.

Microbusiness – Involves a combination of activities including, an area less than 10,000 square feet of cultivation, distribution, non-volatile manufacturing, and retail. Each separate activity counts as a separate permit for the purposes of the County's caps on licensing.

Microbusinesses, which allow for the cultivation of cannabis on an area less than 10,000 square feet in combination with distribution, manufacturing, and a retail component, will be permitted provided the zoning district the business is located in permits each requested activity. The retail component of any microbusiness activity would count as one of the seven retail permits. Each of the activity types included in the microbusiness would be considered a separate permit, subject to the discretionary land use entitlement process. For example, if an operator requests to conduct a microbusiness which includes cultivation, distribution, manufacturing, and retail that would count as a total of four, of the 61 maximum, commercial cannabis permits, and would only be permitted in the M or PI zoning districts where all four of the proposed activity types are permitted. Microbusiness may also be located in a PD zoning district if a rezone is obtained.

Testing laboratory – A licensed laboratory, facility, or entity that offers or performs tests of cannabis or cannabis products which has been accredited by an accrediting body that is independent from all other persons involved in commercial cannabis activity in the state.

Testing labs are proposed to be permitted in the PI (Planned Industrial), M (Industrial), LM (Limited Industrial), and C-2 (General Commercial) zoning districts, when a use permit is obtained. In order to maintain independence, a testing lab operator cannot hold any other permits or be associated with any other permit type.

Distribution - Involves the distribution of cannabis and cannabis products. A distributor licensee shall be bonded and insured at a minimum level established by the licensing authority.

Distributors are proposed to be permitted in the PI (Planned Industrial), M (Industrial), LM (Limited Industrial) zoning districts, when a use permit is obtained.

Cultivation – Any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis. The County will only be permitting cultivation activities that take place inside of an enclosed structure.

The A-2 (General Agriculture) zoning district is proposed to allow natural and mixed-light cultivation activities, when enclosed in a structure such as a greenhouse, regardless of whether the property is enrolled in a Williamson Act Contract, subject to a use permit. However, if under contract the property will be required to demonstrate that the operation can meet the Williamson Act Principals of Compatibility, which is discussed in more detail in the General Plan and Zoning Consistency Section of this report. No cultivation activities which utilize solely artificial light are allowed in the A-2 zoning district.

Mixed-light and artificial light cultivation activities are proposed to be permitted in the PI (Planned Industrial), M (Industrial), LM (Limited Industrial) zoning districts, when a use permit is obtained.

All cultivation related activity, including cannabis plants, are required to be out of public view and enclosed in a structure, such as a greenhouse.

Nursery Only – Involves the production of only clones, immature plants, seeds, and other agricultural products used specifically for the propagation and cultivation of cannabis.

Similar to cultivation activities, nursery-only activities which use mixed-light or natural light are proposed to be allowed in the A-2 (General Agriculture) zoning district, when enclosed in a structure such as a greenhouse, regardless of whether the property is enrolled in a Williamson Act Contract, subject to a use permit. No nursery-only activities which utilize solely artificial light are allowed in the A-2 zoning district.

Mixed-light and artificial light nursery-only activities are proposed to be permitted in the PI (Planned Industrial), M (Industrial), LM (Limited Industrial) zoning districts, when a use permit is obtained.

Like cultivation, all nursery-only related activity, including cannabis plants, are required to be out of public view and enclosed in a structure, such as a greenhouse.

The Planned Development zoning district is a land use designation reserved for land which, because of demonstrably unique characteristics, may be suitable for a variety of uses without detrimental effects on other property. No specific uses are included in the Planned Development zoning district. Rather through submission of specific development plans, uses, building intensity, and development standards are determined by the County on an individual basis, depending upon the nature and location of the proposed planned development. As there is no specific list of uses included with the Planned Development zoning, there is also no specific list of prohibited uses. Although no proposed amendments to the Planned Development zoning ordinance are proposed, due to the nature of the P-D zoning district any property is at least open to apply for a commercial cannabis activity permit. Each request will be evaluated on a case-by-case basis through the discretionary permitting process. However, P-D zoning district's permitting residential uses are considered to be Residential zoning districts, and therefore no commercial cannabis activities will be considered in these zoning districts. The biggest known issue for rezoning to a P-D for retail use is on-site parking. While the P-D zoning district does provide for greater flexibility in establishing a parking standard, a full parking analysis of the entire property will need to be conducted to make sure on-site parking is adequate for all customers and employees.

Similarly, no amendments to the H-S (Historical Site) zoning designation are proposed as the H-S district already allows for all uses, unless specifically prohibited, to be permitted subject to first obtaining a Historic Site Permit. The Historic Site Permit is a discretionary permit, similar to a use permit, which requires findings, that the use will not be detrimental to the unique historical character of the community or to the residents of the community. All commercial cannabis license types have been included in the H-S zoning district as being potentially compatible. However, each of these requests would be considered for compatibility with the historic character of the area on a case-by-case basis.

Like the P-D and H-S zoning districts, no changes to the S-P (Specific Plan) zoning district are proposed. The uses permitted in an S-P district are unique with each Specific Plan approved.

Combining license types is permitted. However, combining license types is limited to those types which may be permitted in each zoning district. For example, indoor cultivation may be combined with manufacturing and distribution in the M (Industrial), and the PI (Planned Industrial) zoning districts, when a use permit is obtained. But, cultivation may not be combined with other license types, with the exception of nursery only, in the A-2 (General Agricultural) zoning district.

ISSUES

As of October 13, 2017, Staff has received four email comments from the general public in response to the proposed ordinance amendment. (See Exhibit E – *Correspondence Received*.) Three of the comments include a request for a 100-yard (300-foot) buffer from all houses, schools, and parks. Another comment requested that Commercial Cannabis Activities not be permitted along Pirrone Road, in the Salida area.

In response to the request for the 100-yard (300-foot) buffer from all houses, schools, and parks, the State is requiring that all commercial cannabis activities be buffered 600 feet from all schools, daycares, and youth facilities. This State requirement will be specifically incorporated as a standard within the County's Regulatory Ordinance. At this time, Staff is not proposing to include any specific buffer for houses or any other types of use, in either the Zoning Ordinance or Regulatory Ordinance. Incorporation of such buffers may create a situation where there are no available sites for commercial cannabis activities throughout the entire unincorporated County, despite the activities being subject to an individual case-by-case discretionary review. Review and consideration of each application for a discretionary land use entitlement will provide the decision making body an opportunity to make findings that the location and operation of the activity, as conditioned, will not have an adverse impact on people or property. All discretionary land use entitlement applications require a public hearing which will be noticed to surrounding property owners and advertised in a newspaper of general circulation. Included in this proposed ordinance amendment is an added provision requiring public notification to surrounding property owners for any commercial cannabis activity to be provided at a distance of 600 feet, unless a greater distance is required by adopted County policy.

The northern Pirrone Road area, along HWY 99, in the community of Salida is made up of mostly Planned Development and a few Planned Industrial zoning districts. For a commercial cannabis permit to be issued in a PI or P-D zoning district a use permit or rezone is required. This discretionary process for consideration of a use permit or rezone is subject to the public notification, public hearing, and findings (which are discussed in more detail below). When located within one of the County's unincorporated areas with an established Municipal Advisory Council (MAC), such as the Pirrone Road area, the discretionary permit is also sent to the MAC for input. This process will allow an opportunity for surrounding property owners and all community members to weigh in on the project and voice their concerns on a site specific basis. As stated earlier in this report no changes to the Planned Development ordinance are proposed as part of this project because any use, provided it is not banned or illegal, can already be requested as part of a Planned Development zoning district request.

GENERAL PLAN AND ZONING CONSISTENCY

All amendments to the Zoning Ordinance must be consistent with the General Plan. Several goals and policies within the General Plan are evaluated below in terms of consistency with the proposed ordinance amendments.

The Land Use Element's Goal 2, to ensure compatibility between land uses, is directly related to the proposed ordinance amendment by requiring each commercial cannabis permit be processed through a discretionary permit. Additionally, the determination of which commercial cannabis activities were conditionally permitted, subject to discretionary approval, in each zoning district was based on compatibility.

The Land Use Element's Goal 3 emphasizes fostering stable economic growth through appropriate land use policies. Goal 3, Policy 18 emphasizes promoting the diversification and growth of the local economy and Policy 19 to accommodate the siting of industries with unique requirements, which aligns with the intent of this ordinance amendment.

The ordinance amendment is also consistent with Goal 5 of the Land Use Element, to complement the general plans of cities within the County, as each applicable commercial cannabis application will require obtaining discretionary land use entitlements which requires written approval from a city when located within a city's Sphere of Influence.

Many of the goals, policies, and implementation measures included throughout the General Plan require specific issues to be evaluated when considering a discretionary project.

The Land Use, Conservation and Open Space, and Agricultural Elements all include goals which require that all development proposals that require discretionary action be carefully reviewed to ensure that approval will not adversely affect an existing agricultural area.

The Conservation and Open Space and Agriculture Elements both include goals and policies aimed at conserving and protecting water quality and water availability throughout the County.

The Conservation and Open Space Element also includes goals and policies (Goal 1, Policy 2, 3, and 4; and Goal 10, Policy 29) which requires that all development requests are reviewed to ensure that sensitive areas (e.g., riparian habitats, vernal pools, rare plants), endangered fish and wildlife, and oak woodlands or other native hardwood habitat are left undisturbed or that mitigation measures acceptable to appropriate state and federal agencies are included in the project.

The Open Space and Conservation Element (Goal 6, Policy 18 & 19) also requires discretionary projects to include reasonable air quality mitigation measures.

All discretionary projects must comply with both the Noise Element and Chapter 10.46 Noise Control Ordinance of the Stanislaus County Code.

The Safety Element (Goal 1, Policy 2 & 4; and Goal 5, Policy 16) restricts development within the 100-year flood boundary, west of I-5 in areas susceptible to landslides, and discourages development on lands that are subject to flooding, landslide, faulting, or any natural disaster to minimize loss of life and property. Goal 2, Policy 6 & 7 of the Safety Element requires all new development to be designed to reduce safety and health hazards and that adequate fire and sheriff protection shall be provided.

In December of 2007, Stanislaus County adopted an updated Agricultural Element which incorporated guidelines for the implementation of agricultural buffers applicable to new and expanding non-agricultural uses within or adjacent to the A-2 zoning district. The purpose of these guidelines is to protect the long-term health of agriculture by minimizing conflicts such as spray drift and trespassing resulting from the interaction of agricultural and non-agricultural uses. This requirement will also be reviewed through the discretionary permit process. Alternatives may be approved provided the Planning Commission finds that the alternative provides equal or greater protection than the existing buffer standards.

Consistency, with these General Plan policies must be evaluated when processing each commercial cannabis project request. Findings specific to the project type are required to be made by the decision making body in order to recommend approval of the project. Rezone

requests must be found to be consistent with the General Plan. Use permits must be found to be consistent with the General Plan and not to be detrimental to the health, safety, and general welfare of the neighborhood or to the general welfare of the county. Amendments proposed to Chapter 21.08 General Provisions also include the following requirements/findings for approval of any commercial cannabis activities:

- Operation shall be in compliance with all the requirements of Title 6 of the Stanislaus County Code any other local requirements applicable to commercial cannabis activities.
- Public notification required for the consideration of any discretionary action authorized by this Title for the permitting of commercial cannabis activities shall be provided at a distance of 600 feet from the boundaries of the project site, unless a greater distance is required by adopted County policy or state requirement.
- Proposed activity shall be found to not be detrimental to the health, safety, and general welfare of persons residing or working in the neighborhood of the use and that it will not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the county.

Currently commercial cannabis cultivation permits are proposed to be permitted on land zoned A-2 (General Agriculture), when enclosed in a structure such as a greenhouse, regardless of whether the property is enrolled in a Williamson Act Contract. Properties under contract will be required to provide findings showing that the proposed cultivation operation can meet the Williamson Act Principals of Compatibility, which include the following:

1. The use will not significantly compromise the long-term productive agricultural capability of the subject contracted parcel or parcels or on other contracted lands in the A-2 zoning district.
2. The use will not significantly displace or impair current or reasonably foreseeable agricultural operations on the subject contracted parcel or parcels or on other contracted lands in the A-2 zoning district. Uses that significantly displace agricultural operations on the subject contracted parcel or parcels may be deemed compatible if they relate directly to the production of commercial agricultural products on the subject contracted parcel or parcels or neighboring lands, including activities such as harvesting, processing, or shipping.
3. The use will not result in the significant removal of adjacent contracted land from agricultural or open-space use.

If the proposed ordinance amendment is adopted, each application will be evaluated for consistency with each of the general plan goals, policies, and implementation measures listed above through the use permit or rezone process.

Staff believes that with these amendments to the zoning ordinance in place, the County will be providing a path for operators who wish to pursue a commercial cannabis permit in Stanislaus County to obtain a permit to operate after all potential land use conflicts have been mitigated. The findings required for approval of a use permit or rezone will limit the placement and intensity of commercial cannabis activities within the allowable zoning districts and will provide a method, through the discretionary process, to apply operating conditions to limit possible nuisance or safety conditions from the operation of commercial cannabis businesses. The annual permit renewal process, combined with zoning ordinance provisions for amendment and revocation of

permits will also provide a means of adjusting operational standards, to address nuisance concerns, while still retaining the ability for full permit revocation, if needed.

Staff believes this amendment request is consistent with the General Plan, as described above. The proposed ordinance amendments will provide a process for commercial cannabis activities to go through a discretionary land use approval process, when located within the zoning districts determined to be conditionally compatible as described above.

ENVIRONMENTAL REVIEW

Senate Bill 94 the Medical Cannabis Regulation and Safety Act (MCRSA) exempted from the California Environmental Quality Act, until July 1, 2019, the adoption of a specified ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, license, or other authorizations to engage in commercial cannabis activity. All commercial cannabis activities will be subject to obtaining discretionary land use approval, and accordingly this project has been determined to be generally exempt from the California Environmental Quality Act (CEQA) pursuant to Section 26055(h) of the California Code of Regulations.

A Notice of Public Hearing was circulated to all interested parties and responsible agencies for review and comment. (See Exhibit G- *Distribution List for Notice of Public Hearing.*) A Notice of Exemption has been prepared for approval as the project will not have a significant effect on the environment. (See Exhibit F – *Notice of Exemption.*) There are no conditions of approval for this project.

Contact Person: Kristin Doud, Senior Planner, (209) 525-6330

Attachments:

- Exhibit A - Findings and Actions Required for Project Approval
- Exhibit B - Summary of Draft Amendments to Stanislaus County Zoning Ordinance Chapter 21.08 General Provisions, Chapter 21.12 Definitions, Chapter 21.20 General Agriculture District (A-2), Chapter 21.42 Planned Industrial District (PI), Chapter 21.56 General Commercial District (C-2), Chapter 21.60 Industrial District (M), and Chapter 21.64 Limited Industrial District (LM)
- Exhibit C- Commercial Cannabis Permitting Land Use Chart
- Exhibit D - Board Report, September 26, 2017
- Exhibit E- Correspondence Received
- Exhibit F - Notice of Exemption
- Exhibit G - Distribution List for Notice of Public Hearing

Exhibit A

Findings and Actions Required for Project Approval

1. Conduct a public hearing to consider the Planning Commission's recommendation for approval of Ordinance Amendment Application No. PLN2017-0119 – Commercial Cannabis Activities, an update to the Stanislaus County Zoning Ordinance, covering the entire Stanislaus County unincorporated area.
2. Find the project is generally Exempt for the California Environmental Quality Act (CEQA) pursuant to Section 26055(h) of the California Code of Regulations and order the filing of a Notice of Exemption with the Stanislaus County Clerk-Recorder pursuant to CEQA Guidelines Section 15062.
3. Find that there is no substantial evidence the project will have a significant effect on the environment and that the General Exemption reflects Stanislaus County's independent judgment and analysis.
4. Find the project is consistent with the overall goals and policies of the Stanislaus County General Plan.
5. Approve Ordinance Amendment Application No. 2017-0119 – Commercial Cannabis Activities and adopt the revised ordinances.
6. Introduce, waive the reading, and adopt the ordinance amending Title 21 of the Stanislaus County Code relating to Commercial Cannabis Activities.

Commercial Cannabis Activity – Proposed Ordinance Amendment

Amended Section 21.08.020 of Chapter 21.08 - GENERAL PROVISIONS to read as follows:

- D. Commercial Cannabis Activities as authorized by this title shall be operated in compliance with all the requirements of Title 6 of the Stanislaus County Code and any other local requirements applicable to commercial cannabis activities.**
- 1. Public notification required for the consideration of any discretionary action authorized by this title for the permitting of commercial cannabis activities shall be provided at a distance of 600 feet from the boundaries of the project site, unless a greater distance is required by adopted County policy or state requirement.**
 - 2. Any discretionary action taken for the permitting of a commercial cannabis activity shall be subject to a finding by the decision making authority that the establishment, maintenance, and operation of the proposed use will not, under the circumstances of the particular case, be detrimental to the health, safety, and general welfare of persons residing or working in the neighborhood of the use and that it will not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the County.**

Add Section 21.12.151 of Chapter 21.12 – DEFINITIONS to read as follows:

21.12.151 COMMERCIAL CANNABIS ACTIVITY

“Commercial Cannabis Activity” means the cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of cannabis or a cannabis product. For the purposes of this title, “commercial cannabis activity” does not include the activities defined in Section 11362.1 and Section 11362.2 of the California Health & Safety Code. All commercial cannabis activities shall be operated in compliance with all the requirements of Title 6 of the Stanislaus County Code.

Amend Section 21.20.030 of Chapter 21.20 – GENERAL AGRICULTURE DISTRICT (A-2) to read as follows:

21.20.030 USES REQUIRING USE PERMIT

- H. Commercial cannabis cultivation or nursery activities, subject to Section 21.08.020(D) of this title, may be allowed when the following criteria are met:**
- 1. All activities shall be conducted within a building and cannabis plants shall not be visible from off-site.**
 - 2. No visual markers indicating that cannabis activities are conducted on-site shall be visible from off-site.**
 - 3. Activities shall be limited to natural or mixed-light growth.**
 - 4. Activities shall occur only within the following type of structure:**
 - a. Greenhouse meeting the following definition:**

- i. For the purpose of this section, a greenhouse shall mean a structure with transparent or translucent roof and/or wall panels, in which temperature or humidity can be controlled for the cultivation or protection of plants. Structures of a temporary or non-secure nature, including but not limited to movable greenhouses, tents, and hoop houses, are not considered a greenhouse for purposes of this definition.
- b. Accessory agricultural storage building issued a certificate of occupancy prior to October 1, 2017, may be determined by the Planning Commission to meet the definition of a greenhouse subject to a change of occupancy.

Add Section 21.42.025 of Chapter 21.42 – PLANNED INDUSTRIAL DISTRICT (PI) to read as follows:

21.42.025 USES REQUIRING A USE PERMIT

- A. Commercial cannabis retail (non-storefront only), manufacturing (non-volatile), testing labs, distribution, and cultivation or nursery activities (mixed-light or indoor), subject to Section 21.08.020(D) of this title.
 - 1. Where a Planned Industrial zoning district is adopted after January 4, 2018, the adoption of the zoning district may authorize the uses permitted by Section A, in-lieu of a use permit, provided the uses are specifically identified in the development plan required by Section 21.42.040 of this Chapter.

Amend Section 21.56.030 of Chapter 21.56 – GENERAL COMMERCIAL DISTRICT (C-2) to read as follows:

21.56.030 USES REQUIRING USE PERMITS

- I. Commercial cannabis retail (storefront only), or testing activities, subject to Section 21.08.020(D) of this title.

Amend Section 21.60.030 of Chapter 21.60 – INDUSTRIAL DISTRICT (M) to read as follows:

21.60.030 USES REQUIRING A USE PERMIT

- J. Commercial cannabis retail (storefront or non-storefront), manufacturing (volatile or non-volatile), testing labs, distribution, and cultivation or nursery activities (mixed-light or indoor), subject to Section 21.08.020(D) of this title.

Amend Section 21.64.030 of Chapter 21.64 – LIMITED INDUSTRIAL DISTRICT (LM) to read as follows:

21.64.030 USES REQUIRING USE PERMIT

- E. Commercial cannabis manufacturing (non-volatile), testing labs, distribution, and cultivation or nursery activities (mixed-light or indoor), subject to Section 21.08.020(D) of this title.

DRAFT

10/13/2017

*COMMERCIAL CANNABIS PERMITTING		**ZONING DISTRICT															
		RESIDENTIAL			COMMERCIAL			INDUSTRIAL			OTHER			***AGRICULTURE			HISTORICAL
LICENSE TYPE		R-1	R-2	R-3	R-A	C-2	C-1	H-1	M	LM	LI	PI	IBP	PD	SP	A-2	H-S
RETAILER																	
<i>(Max of seven commercial cannabis Retailers permitted in all zoning districts combined)</i>																	
RETAILER STOREFRONT		NP	NP	NP	NP	UP	NP	NP	UP	NP	NP	NP	NP	DP	SP	NP	HSP
RETAILER NON-STOREFRONT		NP	NP	NP	NP	NP	NP	NP	UP	NP	NP	NP	NP	DP	SP	NP	HSP
MANUFACTURER																	
MANUFACTURER (NON-VOLATILE)		NP	NP	NP	NP	NP	NP	NP	UP	UP	NP	NP	NP	DP	SP	NP	HSP
MANUFACTURER (VOLATILE)		NP	NP	NP	NP	NP	NP	NP	UP	UP	NP	NP	NP	DP	SP	NP	HSP
TESTING LAB																	
TESTING LAB		NP	NP	NP	NP	UP	NP	NP	UP	UP	NP	NP	NP	DP	SP	NP	HSP
DISTRIBUTOR																	
DISTRIBUTOR		NP	NP	NP	NP	NP	NP	NP	UP	UP	NP	NP	NP	DP	SP	NP	HSP
CULTIVATOR (May include nursery)																	
CULTIVATION		NP	NP	NP	NP	NP	NP	NP	UP	UP	NP	NP	NP	DP	SP	UP	HSP
NURSEY ONLY		NP	NP	NP	NP	NP	NP	NP	UP	UP	NP	NP	NP	DP	SP	UP	HSP

*ALL ACTIVITIES SUBJECT TO BOARD OF SUPERVISORS APPROVED DEVELOPMENT AGREEMENT
 ** SUBJECT WHEN APPLICABLE TO WRITTEN CITY APPROVAL WHEN LOCATED WITHIN A LOCAL AGENCY FORMATION COMMISSION (LAFCO) SPHERE OF INFLUENCE
 *** WILLIAMSON ACT CONTRACTED LAND INCLUDED IN PROPOSED A-2 CULTIVATION ALLOWANCE.
 NP = NOT PERMITTED
 UP = USE PERMIT REQUIRED (ENVIRONMENTAL REVIEW/PLANNING COMMISSION REQUIRED)
 DP = DEVELOPMENT PLAN SPECIFYING USE REQUIRED (ENVIRONMENTAL REVIEW/PLANNING COMMISSION/BOARD OF SUPERVISORS)
 SP = SPECIFIC PLAN SPECIFYING USE REQUIRED (ENVIRONMENTAL REVIEW/PLANNING COMMISSION/BOARD OF SUPERVISORS)
 HSP = HISTORIC SITE PERMIT REQUIRED (ENVIRONMENTAL REVIEW/PLANNING COMMISSION APPROVAL REQUIRED)

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Chief Executive Office

BOARD AGENDA #: B-15

Urgent

Routine

AGENDA DATE: September 26, 2017

CEO CONCURRENCE:



4/5 Vote Required: Yes No

SUBJECT:

Approval of a Limited Commercial Cannabis Allowance Strategy for Retail, Cultivation, and other Related Cannabis Business Activities in the Unincorporated Area of Stanislaus County, Open a 15 Business Day Initial Application Interest Period Beginning October 2, 2017, and Set a Public Hearing on December 5, 2017

STAFF RECOMMENDATIONS:

1. Approve the development of a conservative commercial cannabis allowance strategy for retail, cultivation, and other related cannabis business activities in the unincorporated area of Stanislaus County.
2. Direct staff to return to the Board of Supervisors with a Regulatory Ordinance for cannabis, a Zoning Ordinance Amendment, and fee schedule for cannabis related permitting and enforcement activities.
3. Authorize staff to open a 15 business day initial application interest period from October 2, 2017 through October 20, 2017 3:00 p.m. with a non-refundable deposit of \$4,359 consistent with the established development agreement fee schedule.
4. Set a public hearing on December 5, 2017 at 9:05 a.m. to consider a regulatory ordinance, zoning ordinance amendment, and a fee schedule ordinance.

DISCUSSION:

Background

Cannabis was first legalized for medical use in 1996 with the passage of Proposition 215, known as The Compassionate Use Act of 1996. The passage of this act exempted patients and defined caregivers who possessed or cultivated marijuana for medical treatment, recommended by a physician, from criminal laws which otherwise prohibit possession or cultivation of marijuana.

In October 2015, Governor Jerry Brown approved the Medical Cannabis Regulation and Safety Act (MCRSA), which consisted of three separate bills. The approval of this act crafted a comprehensive licensing and regulatory framework for the cultivation, manufacture, transportation, storage, distribution, and sale of medical cannabis (marijuana). Additionally, MCRSA added a section to the Business and Professions Code authorizing counties to impose a tax on specified cannabis activities.

EXHIBIT D

Approval of a Limited Commercial Cannabis Allowance Strategy for Retail, Cultivation, and other Related Cannabis Business Activities in the Unincorporated Area of Stanislaus County, Open a 15 Business Day Initial Application Interest Period Beginning October 2, 2017, and Set a Public Hearing on December 5, 2017

Approximately a year later, on November 8, 2016, California voters passed Proposition 64, the Adult Use of Marijuana Act (AUMA). AUMA immediately legalized the use and cultivation of cannabis for personal consumption and legalized the commercialization and taxation of cannabis, including medical cannabis, beginning January 1, 2018. Additionally, AUMA allowed the Legislature to adopt laws to license and tax commercial cannabis activities; and permitted local regulation of cannabis possession, cultivation and consumption.

Most recently, on June 27, 2017 the Governor approved Senate Bill 94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). This bill consolidates provisions from MCRSA and AUMA and creates one regulatory system for commercial cannabis activity. The new system under MAUCRSA prioritizes consumer safety, public safety and tax compliance.

Cannabis activities are currently prohibited in the unincorporated areas of Stanislaus County. On January 26, 2016 Chapter 9.86 of the Stanislaus County Code was adopted prohibiting cannabis cultivation, dispensaries, testing, manufacturing, labeling and packaging. Additionally, cooperatives/collectives were also prohibited. As part of the 2016 General Plan Update, cannabis activities were banned in all zoning districts.

Stanislaus County has reviewed the effects of commercial cannabis on local services, and contracted with HdL, a consulting group on the forefront of implementing cannabis regulatory policies and programs. Despite a County prohibition of cannabis activities, multiple dispensaries and cultivation activities have been established within the unincorporated area of Stanislaus County.

The County has engaged all nine cities in hopes of formulating a coordinated approach. A survey of all nine cities was conducted, receiving responses from six of the cities. A single countywide approach to commercial cannabis taxation failed to materialize as several cities have begun exploring individual solutions.

Using a similar methodology developed by Yolo County, staff conducted an early analysis of the costs associated to enforce a full ban of cannabis activities in Stanislaus County and found those costs to exceed \$3.1 million annually. There is no current identified funding source to support the costs associated with enforcement activities. Beginning January 1, 2018, commercial cannabis activities will be legal in California, and as such staff has developed a conservative allowance strategy to address cannabis activities in the unincorporated area to provide a funding source to enhance a regulatory environment.

Allowance Strategy

Cannabis is a rapidly growing business industry and is currently occurring in the County today. An enforcement strategy is necessary to effectively contain this industry in the community, however funding to properly enforce these business activities must be identified.

In 2016 the California Department of Food and Agriculture (CDFA) surveyed interest about cannabis licenses. Stanislaus County registered 172 permit interests across different

Approval of a Limited Commercial Cannabis Allowance Strategy for Retail, Cultivation, and other Related Cannabis Business Activities in the Unincorporated Area of Stanislaus County, Open a 15 Business Day Initial Application Interest Period Beginning October 2, 2017, and Set a Public Hearing on December 5, 2017

permitting categories: cultivation, nurseries, manufacturers, testing, dispensaries, distribution, and transporters. The recommended allowance strategy would allow up to 61 cannabis activities permits, which is approximately 35% of the stated interest.

The recommended strategy prohibits outdoor cannabis cultivation and limits retail to no more than seven establishments in the unincorporated area, based on a population calculation of one retail establishment for every 16,000 persons. According to HdL, this population calculation approach is consistent across the State. Research of existing retail establishments show that there are currently at least 14 active storefronts in the unincorporated area. County staff is working with the aforementioned HdL to develop the regulatory and land-use ordinances necessary to implement a rigorous strategy.

If the Board approves this strategy, the Planning Department will prepare an amendment to the County's Zoning Ordinance, Title 21 of the County Code, to specify which commercial cannabis activities are permitted by zoning district. All commercial cannabis activities will be subject to some level of discretionary land use permitting, in addition to meeting the requirements set forth in the commercial cannabis regulatory ordinance. All discretionary land use permitting will occur through the use permit or rezone (development plan adoption) process and will require project level environmental review. For example, commercial cannabis retail activities may be permitted by use permit in the C-2 (General Commercial) and Industrial (M) zoning districts and commercial cannabis manufacturing may be permitted by use permit in the M (Industrial) zoning district. Retail involving delivery only, no storefront, and manufacturing, non-volatile, may be permitted in the Planned Industrial (PI) zoning district with adoption of a development plan specifying the use(s). Various types and intensities of cannabis activities may also be permitted within the Planned Development (PD) zoning district through the adoption of a development plan. Cannabis cultivation, indoor grow only, may be permitted by use permit in the A-2 (General Agriculture) zoning district when utilizing a greenhouse or by development plan adoption in the PI and PD zoning districts when utilizing a warehouse building. The Zoning Ordinance amendment will be reviewed by the Planning Commission for a recommendation to the Board of Supervisors. The Zoning Ordinance amendment will be presented to the Board of Supervisors for consideration at the same time as the regulatory ordinance.

If approved, all permitted uses will be required to enter into a development agreement. A development agreement is a contract between Stanislaus County and the property owner(s)/project applicant(s), which details the standards and conditions for the development of the property and activity. The proposed development agreements will include a Community Benefit Fee, which is in addition to application and permit fees, which can be used for essential services currently supplied by the County. It is anticipated the Community Benefit Fee would raise a similar amount of revenue as a general tax.

Track and Trace Program

An effective compliance and enforcement approach is comprised of three elements; statutory enablement (a framework to take action); enforcement resources (boots on the ground); and track and trace (information to support decisions). The State of California has identified

Approval of a Limited Commercial Cannabis Allowance Strategy for Retail, Cultivation, and other Related Cannabis Business Activities in the Unincorporated Area of Stanislaus County, Open a 15 Business Day Initial Application Interest Period Beginning October 2, 2017, and Set a Public Hearing on December 5, 2017

requirements for administering and, enforcing regulations for cannabis through the MAUCRSA (SB 94). This act has specifically identified the use of track and trace technology as the means for supporting appropriate regulatory and enforcement regimes.

The focus of a track and trace system is to capture and reconcile activity at any point in the cannabis supply chain, from initial production through retail sale, tracking all movements within the chain of custody. The system will include secure provenance stamps that provide unique identifiers that will be affixed to plants at production, bulk product, semi-finished and retail level packaging as a proof of provenance for Stanislaus County. The secure provenance stamp will link to information in the track and trace system. The track and trace system will provide the County with a robust control and enforcement framework for tracking and tracing of cannabis while enabling patients/consumers to uniquely verify the safety and security of products produced and manufactured in Stanislaus County.

County staff has reached out to other Counties that have piloted successful track and trace systems using a third party vendor system. Additionally, the research included consulting with several vendors that provide a track and trace system. As a condition to approving any cannabis permit, the permit holder will be required to participate in the County's track and trace system and bear the costs of such participation.

Process Approach

After approval of this strategy by the Board, staff would open a 15-day registration window for interested applicants that would require a Commercial Cannabis Registration form describing property information, applicant/owner information, and commercial cannabis business permit type(s) requested. This would be submitted to the Treasurer/Tax Collectors Office with a deposit of \$4,359, which is consistent with the existing board approved development agreement fee schedule. This registration form does not guarantee a permit and does not grant authorization to conduct commercial cannabis activities in the County. The 15 business day period to submit registration forms is anticipated to commence on October 2, 2017 and end on October 20, 2017 3:00 p.m. This would allow the County to understand the magnitude of interested applicants and the desired permit types.

A Zoning Ordinance amendment, along with the draft regulatory ordinance for commercial cannabis activities, be will be presented to the Planning Commission for a recommendation to the Board of Supervisors. Staff would return to the Board of Supervisors with the Planning Commission's Zoning Ordinance amendment recommendation, the regulatory ordinance, and fee schedule for consideration in a December Public Hearing. If approved, the ordinance and fees would become effective 30 days after adoption of the second reading of the ordinances. The following page outlines the proposed timeline:

Approval of a Limited Commercial Cannabis Allowance Strategy for Retail, Cultivation, and other Related Cannabis Business Activities in the Unincorporated Area of Stanislaus County, Open a 15 Business Day Initial Application Interest Period Beginning October 2, 2017, and Set a Public Hearing on December 5, 2017

Date	Activity
October 2, 2017	Open Cannabis Registration Interest
October 19, 2017	Planning Commission to consider Zoning Ordinance Amendment
October 20, 2017	Close Cannabis Registration Interest (3:00 p.m.)
December 5, 2017	Hold Public Hearing to consider Regulatory Ordinance, Zoning Ordinance Amendment, and Fee Schedule Ordinance
December 19, 2017	Second reading of Regulatory and Fee Ordinances
January 18, 2018	Open Cannabis Permit Application period
February 9, 2018	Close Cannabis Permit Application period (3:00 p.m.)

The cannabis permit application process will first consist of a background investigation performed by the Sheriff's Department. An application packet may be obtained from the county website and will include the application form, list of compliance regulations, check list, required permits, and a draft Development Agreement. This application package will be due with a fee no later than February 9, 2018 by 3:00 p.m. to be considered for a permit type. The application package will include a business plan, security plan, environmental plan (water, wastewater/ sewer), and a traffic plan.

If there are less than 61 permit interests received during the 15-day registration period, applications will move directly through the land use and regulatory permit review process. If more than 61 permit applications are received a review committee consisting of Chief Executive Office, County Counsel, and Planning staff will review and rank based on a set scoring criteria. Those applicants ranked in the top 61 allowable permit spots will be forwarded through the land use and regulatory permit process. Once approved a Development Agreement will be completed per the permit type for each successful applicant and forwarded to the Board of Supervisors for approval.

POLICY ISSUE:

Board of Supervisors' approval is required to establish commercial cannabis regulations that promote and protect the health, safety, and general welfare of persons and property, and that is in conformance with the Medicinal and Adult-Use Cannabis Regulation and Safety Act, California Business and Professions Code, Division 10, Sections 26000 – 26001.

FISCAL IMPACT:

If an allowance strategy is approved enforcement is estimated to cost \$4.5 million based on an initial staffing analysis described below in staffing impacts, which will be funded with the revenue derived from the approved cannabis activity development agreements. It is estimated to cost \$3.1 million to fully enforce an ordinance prohibiting all cannabis activities, with no identified revenue source other than the General Fund to absorb the cost.

The potential annual revenue generated by the mandatory community benefit fee is dependent on the number and mix of permitted commercial cannabis businesses. Based upon the

Approval of a Limited Commercial Cannabis Allowance Strategy for Retail, Cultivation, and other Related Cannabis Business Activities in the Unincorporated Area of Stanislaus County, Open a 15 Business Day Initial Application Interest Period Beginning October 2, 2017, and Set a Public Hearing on December 5, 2017

recommended strategy, revenue is estimated between \$4 million and \$7 million annually. If approved, the revenue from commercial cannabis activities in the unincorporated areas of the County would be used primarily to offset the cost impacts Proposition 64 and commercial cannabis business have on general county services.

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Boards' priorities of A Safe Community, A Strong Local Economy, A Well Planned Infrastructure System and Efficient Delivery of Public Services by developing a strategy to regulate cannabis activities in the unincorporated area of Stanislaus County, and that provides potential funding for those essential government services required to safely and effectively administer.

STAFFING IMPACT:

Staffing resources to enforce an allowance strategy is estimated to be 19 full-time equivalent (FTE) positions, and if approved will be further evaluated as the County moves forward with an allowance strategy. Staffing necessary to enforce cannabis activities impacts the following departments: Sheriff, Ag Commissioner, Animal Services, Chief Executive Office, County Counsel, District Attorney, Environmental Resources, Planning and Community Development, Probation Department and Public Health. Staffing impacts will be funded by revenue collected from the approved cannabis activities, and will have no General Fund impact. If an allowance strategy is not approved, staffing necessary to enforce a complete ban of cannabis activities impacts is estimated to be at least 14 FTEs, which includes adding eight full-time positions to the District Attorney's Office and Sheriff's Department and has no identified funding source.

If approved, existing County staff from the Chief Executive Office, County Counsel, and Planning and Community Development will lead a multi-departmental effort to draft a regulatory ordinance, zoning ordinance amendment, application process, and fee schedule to bring back to the Board of Supervisors for consideration and approval in December.

CONTACT PERSON:

Keith D. Boggs, Assistant Executive Officer
Thomas Boze, Assistant County Counsel

Telephone: (209) 652-1514
Telephone: (209) 525-6376

ATTACHMENT(S):

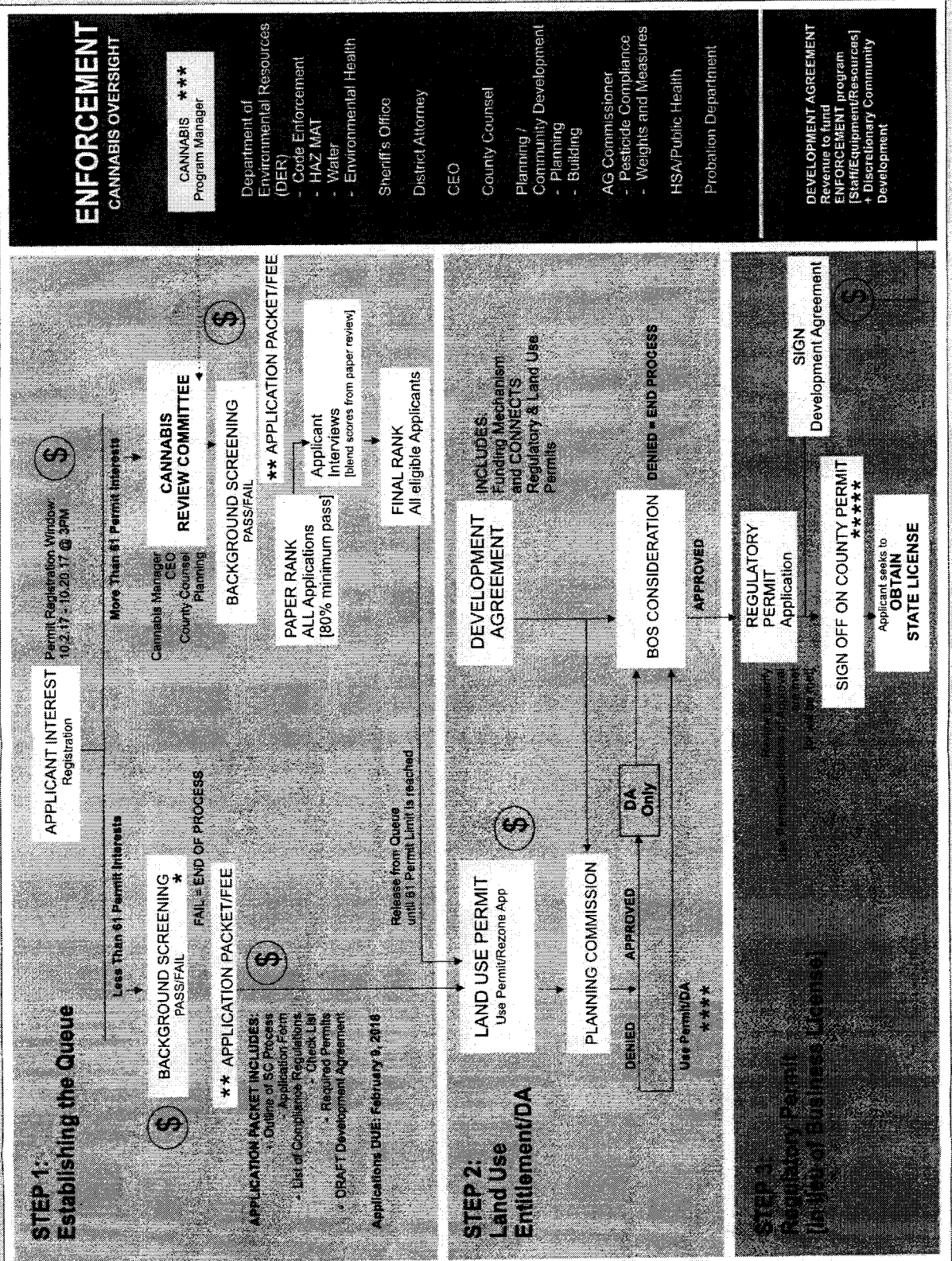
- A. Draft Flow Chart
- B. Draft Timeline
- C. Draft Commercial Cannabis Registration Form

Attachment A

NOTES:

- * If applicant passes background screening but is failed during subsequent screening - application is denied.
- ** Full application fee is required upon EACH and every application submittal REGARDLESS of prior submittal failures.
- *** Similar to SGMA (ground water program) One (1) Manager as Cannabis Program Manager may be required to oversee this new program, and to interface with Enforcement via the Cannabis Oversight Committee. [CEO Office initially Dept. based ultimately. Will review @ Mid-Year]
- **** A Use Permit or Re-Zone WILL be required which adds 60 - 90 Days to the permitting process. Rezone = 120 - 180 Days
- ***** Sign off on State Permit w/ Local Compliance will NOT occur until ALL application tracks have been reviewed and approved.

\$ Signifies process cost points



DRAFT

Attachment B

Cannabis Program Implementation Timeline September 2017

- September 26th** **Board of Supervisors**
Present staff recommendation
to consider a conservative allowance strategy
- 61 permits total
 - Potential land use/zoning
 - Application Process
 - Development Agreement
- If approved – also request to open
Permit Registration Window: 10.2.17 – 10.20.17 @ 3PM (\$)
- September 27th – October 18th** Final Cannabis Regulatory Ordinance
Final Zoning Ordinance Amendment
Develop Cannabis Fee Schedule
Final Development Agreement Template
- October 19th** **Planning Commission**
Present Regulatory Ordinance and Zoning Ordinance Amendment
- December 5th** **Board of Supervisors**
Hold Public Hearing to consider:
- Regulatory Ordinance
 - Zoning Ordinance Amendment
 - Cannabis Program Fee Schedule
 - Provide Status Report on number of Permit Registrants
- December 19th** **Second Reading (consent item)**
- 30 Days to GO LIVE**
- January 18, 2018** **Ordinance Live**
- Fee Schedule Active
 - Request Background Checks (\$) IF PASS/
 - Share Application Packet (\$)
 - Applications and Fee Due (2.9.18 @ 3PM) (\$\$)

Attachment C



DRAFT

Commercial Cannabis Registration Application

TREASURER/TAX COLLECTOR • COUNTY OF STANISLAUS

1010 10TH STREET, SUITE 2500 • MODESTO • C A • 95354 • (209) 525-6388

PROPERTY INFORMATION OF PROPOSED LOCATION

Assessor Parcel Number(s): _____ Size of Parcel: _____ Zoning: _____

Address: _____

PROPERTY OWNER / APPLICANT INFORMATION

Property Owner Name _____ Phone: _____

Mailing Address _____

Email Address _____

Applicant Name _____ Phone: _____

Mailing Address _____

Email Address _____

Consent of Property Owner will be required for Applicants who are not the Property Owner.

Commercial Cannabis Activity Permit Type Requesting (please fill out this section completely; check or mark all that apply)

Check **M** for Type M-License and/or for **A** for Type A-License

Type 10 – Retailer:	<input type="checkbox"/> M	<input type="checkbox"/> A	Store Front	<input type="checkbox"/> M	<input type="checkbox"/> A	Non-Store Front
Manufacturing:	<input type="checkbox"/> M	<input type="checkbox"/> A	Type 6 (Non-Volatile)	<input type="checkbox"/> M	<input type="checkbox"/> A	Type 7 (Volatile)
Type 11- Distributor	<input type="checkbox"/> M	<input type="checkbox"/> A		<input type="checkbox"/> M	<input type="checkbox"/> A	Type 12 – Microbusiness

Cultivation Type:

<input type="checkbox"/> M	<input type="checkbox"/> A	Type 1	<input type="checkbox"/> M	<input type="checkbox"/> A	Type 2	<input type="checkbox"/> M	<input type="checkbox"/> A	Type 3	<input type="checkbox"/> M	<input type="checkbox"/> A	Type 4	<input type="checkbox"/> M	<input type="checkbox"/> A	Type 5
<input type="checkbox"/> M	<input type="checkbox"/> A	Type 1A	<input type="checkbox"/> M	<input type="checkbox"/> A	Type 2A	<input type="checkbox"/> M	<input type="checkbox"/> A	Type 3A	<input type="checkbox"/> M	<input type="checkbox"/> A		<input type="checkbox"/> M	<input type="checkbox"/> A	Type 5A
<input type="checkbox"/> M	<input type="checkbox"/> A	Type 1B	<input type="checkbox"/> M	<input type="checkbox"/> A	Type 2B	<input type="checkbox"/> M	<input type="checkbox"/> A	Type 3B	<input type="checkbox"/> M	<input type="checkbox"/> A		<input type="checkbox"/> M	<input type="checkbox"/> A	Type 5B
<input type="checkbox"/> M	<input type="checkbox"/> A	Type 1C												

Cultivation Site Type:

- Indoor
- Greenhouse
 - Mixed Light
 - Natural

Canopy Size (square feet): _____

Total No. Permits Requested: _____

REGISTRATION NUMBER (STAFF ONLY): CCRA 2018- _____

DATE RECEIVED: _____

- Deposit Received
- Cash
- Check
- Credit Card

BY MY SIGNATURE BELOW, I CERTIFY TO EACH OF THE FOLLOWING:

- I am the property owner or am authorized to act on the property owner's behalf, and the information I have provided above is correct. I acknowledge that I have read and understand the information contained herein.
- I agree to comply with all applicable county ordinances and state laws relating to building construction and SB 94 (MAUCRSA).
- I authorize representatives of this county to enter the above-identified property for inspection purposes.
- My commercial cannabis business registration application is public record. All references to names, addresses, telephone numbers, and project information will be part of this public record and I acknowledge that the County has informed me that I may use an alternate contact address and telephone number.
- I acknowledge my registration **does not** grant me the authorization to conduct commercial cannabis activity on these premises until I am issued a Commercial Cannabis Business permit from the County of Stanislaus.
- I understand that registration does not entitle me to commence or continue the operation of a commercial cannabis business in the County nor does it guarantee that I will be issued a permit under Stanislaus County Code or under any state or local law.
- I hereby consent to and authorize the Stanislaus County Sheriff's Office (Sheriff) to conduct a background investigation pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorizes County authorities to access state and local summary criminal history information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, supervisor, employee or volunteer, of the commercial cannabis business must submit fingerprints and other information deemed necessary by the Sheriff or his/her designee(s) for a background check by the Stanislaus County Sheriff's Office. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which requires that there be a requirement or exclusion from employment, licensing or certification based on specific criminal conduct on the part of the subject of the record. No person shall be issued a permit to operate a Commercial Cannabis Activity unless they have first cleared the background check, as determined by the County Sheriff or his/her designee(s), as required by this section. A fee for the cost of the background investigation, which shall be the actual cost to the Stanislaus County to conduct the background investigation as it deems necessary and appropriate, which is my obligation to pay.

Signature of Property Owner	Date
Signature of Property Owner	Date
Signature of Property Owner	Date
Signature of Applicant	Date
Signature of Applicant	Date
Signature of Applicant	Date

**INSTRUCTIONS
FOR COMPLETION OF THE
COMMERCIAL CANNABIS REGISTRATION APPLICATION**

1. The registration application is for one parcel or property. Indicate all the activities you plan to conduct on the parcel or property. If your activities will be conducted on more than one property complete a registration form for each property indicating the activities to be conducted on each property on their respective registration forms.
2. Assessor Parcel Numbers for your property, size of the parcel, and zoning designation may be found at: http://gis.stancounty.com/giscentral/public/js/Public_app.html
3. Complete the Property Owner and Applicant information completely, listing all owners of the property and all owners of the commercial cannabis activity to be conducted at that property. If additional space is needed attach a separate page.
4. Each M-Type or A-Type license is a separate activity. For example, if you plan a single Type- 2B Mixed Light Greenhouse activity and you will be engaging in Medical cannabis as well as Adult-Use cannabis activities at the property, select both M and A Type 2B, and count two (2) permits requested.
5. Microbusiness shall also indicate all activities that are planned to be conducted, such as cultivation type, distributor, manufacturer (level 1), and retailer type. Count each activity to be conducted within the microbusiness separately, do not count the microbusiness itself as a separate activity.
6. All property owners shall sign the Registration Application.
7. All owners of the commercial cannabis activity shall sign the Registration Application.

I'm writing to join the group of neighbors that are petitioning to locate cannabis businesses at least 100 yards from homes, schools and parks.

I have 3 children, and our street is filled with young families. Some of our children have asthma complications and we are worried that the new fumes may be released to the environment that may affect them. The smell of cannabis consumption is already present and overwhelming everywhere, parks, parking lots, etc. Please have some consideration to our children that deserve to grow in a clean environment.

--

Salvador Rodas Guinea
Artist/General Contractor
www.widepalette.com

EXHIBIT E

To whom it may concern,

I am concerned that the ability to place cannabis stores near schools, homes and parks in Stanislaus county will provide more temptation for children and young adults and provide a possibility that they can make cannabis purchases when they should not be able to.

I request that you vote or make a motion to ensure these cannabis stores are not allowed to be located within 100 yards (300 feet) of homes, schools or parks.

I desire to keep these types of stores away from children and those that are at risk. Please ensure they are kept away from the schools, homes and parks.

Please contact me if you would like to discuss this issue.

I thank you for your time.

From: Bill
To: <WITHROWT@stancounty.com>
Date: 10/10/2017 9:06 AM
Subject: Proposed ordinance allowing cannabis businesses along Salida Blvd and Pirrone Rd.

I am opposed to the ordinance you are reviewing allowing a cannabis business along Pirrone Road. I understand that there are a number of vacant buildings in this area, but do not support a cannabis business to be located on Pirrone Road, Salida.

There are a number of school bus stops near the proposed location, which often requires many students to walk home near the proposed cannabis business.

Thank you for your consideration,

William Parks
5525 Pleasant Grove Ct.
Salida, CA 95368

STANISLAUS COUNTY
DEPARTMENT OF PLANNING AND
COMMUNITY DEVELOPMENT
1010 10th Street, Suite 3400
Modesto, California 95354

NOTICE OF EXEMPTION

Project Title: ORDINANCE AMENDMENT PLN2017-0119 – COMMERCIAL CANNABIS ACTIVITIES

Applicant Information: Stanislaus County, 1010 10th Street, Modesto, CA 95354

Project Location: Stanislaus County (APN: County wide)

Description of Project: Request to amend Chapter 21.08 – General Provisions, Chapter 21.12 Definitions, Chapter 21.20 General Agriculture District (A-2), Chapter 21.42 Planned Industrial District (PI), Chapter 21.56 General Commercial District (C-2), Chapter 21.60 Industrial District (M), and Chapter 21.64 Limited Industrial District (LM) of the Stanislaus County Title 21 Zoning Ordinance to allow for commercial cannabis activities, subject to obtaining a discretionary land use permit.

Name of Agency Approving Project: Stanislaus County Planning Commission

Lead Agency Contact Person: Kristin Doud, Senior Planner

Telephone: (209) 525-6330

Exempt Status: (check one)

- Ministerial (Section 21080(b)(1); 15268);
- Declared Emergency (Section 21080(b)(3); 15269(a));
- Emergency Project (Section 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: _____
- Statutory Exemptions. State code number: 26055(h)
- General Exemption.

Reasons why project is exempt: Senate Bill 94 the Medical Cannabis Regulation and Safety Act (MCRSA) exempted from the California Environmental Quality Act, until July 1, 2019, the adoption of a specified ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, license, or other authorizations to engage in commercial cannabis activity. All commercial cannabis activities will be subject to obtaining discretionary land use approval, and accordingly this project has been determined to be generally exempt from the California Environmental Quality Act (CEQA) pursuant to Section 26055(h) of the California Code of Regulations.

October 16, 2017

Dated

Signature on file

Kristin Doud, Senior Planner

ORDINANCE AMENDMENT APPLICATION NO. PLN 2017-0119 - COMMERCIAL CANNABIS ACTIVITIES
Attachment A

Distribution List

X	CA DEPT OF CONSERVATION Land Resources / Mine Reclamation		STAN CO ALUC
X	CA DEPT OF FISH & WILDLIFE	X	STAN CO ANIMAL SERVICES
X	CA DEPT OF FORESTRY (CAL FIRE)	X	STAN CO BUILDING PERMITS DIVISION
X	CA DEPT OF TRANSPORTATION DIST 10		STAN CO CEO
	CA OPR STATE CLEARINGHOUSE		STAN CO CSA
X	CA RWQCB CENTRAL VALLEY REGION	X	STAN CO DER
X	CA STATE LANDS COMMISSION	X	STAN CO ERC
X	CEMETERY DISTRICT	X	STAN CO FARM BUREAU
	CENTRAL VALLEY FLOOD PROTECTION	X	STAN CO HAZARDOUS MATERIALS
X	CITY OF: All		STAN CO PARKS & RECREATION
X	COMMUNITY SERVICES/SANITARY DIST	X	STAN CO PUBLIC WORKS
X	COOPERATIVE EXTENSION		STAN CO RISK MANAGEMENT
X	COUNTY OF: SAN JOAQUIN, MERCED, CALAVERAS, TUOLUMNE, SANTA CLARA	X	STAN CO SHERIFF
X	FIRE PROTECTION DISTRICTS	X	STAN CO SUPERVISORS
X	HOSPITAL DISTRICTS ALL	X	STAN COUNTY COUNSEL
X	IRRIGATION DISTRICTS ALL		StanCOG
X	MOSQUITO DIST: EASTSIDE, TURLOCK	X	STANISLAUS FIRE PREVENTION BUREAU
X	MOUNTIAN VALLEY EMERGENCY MEDICAL SERVICES	X	STANISLAUS LAFCO
X	MUNICIPAL ADVISORY COUNCILS :ALL		SURROUNDING LAND OWNERS
X	PACIFIC GAS & ELECTRIC		TELEPHONE COMPANY: AT&T
X	POSTMASTER: ALL		TRIBAL CONTACTS (CA Government Code §65352.3)
X	RAILROAD: ALL	X	US ARMY CORPS OF ENGINEERS
X	SAN JOAQUIN VALLEY APCD	X	US FISH & WILDLIFE
X	SCHOOL DISTRICT: ALL		US MILITARY (SB 1462) (7 agencies)
	SCHOOL DIST 2:	X	USDA NRCS
	STAN ALLIANCE	X	WATER DIST: ALL
X	STAN CO AG COMMISSIONER	x	Interested Persons of Record
	TUOLUMNE RIVER TRUST		

ATTACHMENT 8

Good afternoon, Terry. I hope you had a wonderful Thanksgiving. It was a huge relief to hear the Planning Commission supported the amendment of the Commercial Cannabis Activities ordinance to keep dispensaries 600 feet away from all homes, parks and schools. It is my understanding that this issue will come up for a final vote on December 5th. I hope, as Salida's representative you will pass along to all the County Supervisors how important this is to residents of Salida. If we must have dispensaries in Salida I think we, as residents, can support the 600 ft. restriction. Thank you in advance for your help.

Debbv Schneider

Please :) salida is a great little community away from the crap Modesto comes with. I'd hate to see that change. Places like these are bound to bring trouble at some point.

Sent from Yahoo Mail on Android

From: Christian Gonzalez
To: <planning@stancounty.com>
Date: 11/23/2017 8:06 AM
Subject: Yes on dispensary!

Yes on dispensary!

From: BOB B
To: <planning@stancounty.com>
Date: 11/18/2017 8:02 PM
Subject: Marijuana Dispensary in Salida

No way so I want a dispensary in Salida!!! I have seen a decline here since it was legalized as it is! The park is full of brain dead pot heads smoking it and selling it where my kids should be able to play without that smell! No No and No!!

Dana Bowen

Sent from my iPhone



City of Modesto
City Manager's Office
1010 Tenth Street, Sixth Floor
Modesto, CA 95354

November 16, 2017

Angela Freitas
Director, Stanislaus County Department of
Planning and Community Development
1010 10th Street, Ste. 3400
Modesto, CA 95354

RE: Ordinance Amendment PLN2017-0119 Commercial Cannabis Activities

Dear Ms. Freitas;

We have reviewed the proposed draft Regulatory Ordinance and amendment to the Zoning Ordinance addressing Commercial Cannabis Activities, and have the following requests and comments:

1. The draft ordinance (Sec. 6.78.120 A.(2)) references the County's General Plan Sphere of Influence (SOI) policy such that "commercial cannabis activities within a LAFCO adopted SOI of a city shall have written support from the city prior to county approval of any discretionary land use entitlement". This provision should be revised to change "written support" to "written approval", consistent with County General Plan Policy 26.
2. The draft ordinance (6.78.120 A.(4)(a)) states: "No more than a combined total of 5 retail storefront permits shall be issued at any one time". The City respectfully requests that this provision be revised to read: "No more than a combined total of five retail storefront permits shall be permitted to operate". This edit is intended to provide certainty on the intent and appropriate implementation of this provision.
3. The draft ordinance (Sec. 6.78.120 A.(4)(d)) states: "...City of Modesto development standards including setbacks, buffers, separators shall be applied to retail storefronts located within the City's SOI and may be applied at the County's discretion, to locations within one-half mile radius outside of the City of Modesto's SOI. The City respectfully requests that this section be revised to read: "...City of Modesto development standards, including those specific to cannabis uses, including setbacks, buffers, separators shall be applied to retail storefronts located within the City's SOI and at the County's discretion, to locations within one-half mile radius outside of the City of

Modesto's SOI". This edit is intended to provide assurances that relevant City standards will be upheld.

4. The draft ordinance (Sec. 6.78.120 A.(4)) limits retail storefronts within the unincorporated area within the City of Modesto's SOI and within one-half mile radius outside of the City of Modesto SOI subject to location limitations. This limit only applies to retail storefronts. The City requests that the ordinance include restrictions limiting non-storefront retail within the SOI and buffer area, to protect sensitive land uses, resident, businesses and children in neighboring cities.
5. The draft ordinance does not appear to address deliveries as a use type. Please clarify if deliveries are intended to be regulated by the draft ordinance. If allowed, the ordinance should include use restrictions (for deliveries) to protect public safety.

Thank you for considering our comments on the draft ordinance. If you have any questions concerning these comments, please don't hesitate to contact us.

Sincerely,



Joseph P. Lopez
Interim City Manager

c. Mayor Brandvold and City Council

2877262.2

Kristin Doud - cannabis dispensary

From: Herb Jenkins
To: "planning@stancounty.com" <planning@stancounty.com>
Date: 11/16/2017 1:49 PM
Subject: cannabis dispensary

Sent from Mail for Windows 10

Just a note, I am a Salida resident , live on Edgefield Way, just off Pirrone and I see absolutely no reason why this income producing business should not be on Pirrone. Please vote YES and lets get past the stigma and move into the 21st century!!

Herb Jenkins

Dear planning commission council.

Please reconsider NOT allowing dispensaries in the Salida area. We don't have enough Sheriff coverage as it is and this will only add havoc to our community.

We already have a marijuana grow located on Kiernan Ave that we've been reporting over two years now and nothing has been done about it. It's in a locked business park next to the railroad tracks and the neighborhood has to deal with the nauseous odors. Just today it was so bad they must be harvesting. It's very nauseous and then to come home from work and my house smells like a dispensary. Please don't allow this to go on. If you do allow them please put them somewhere where we don't have to smell it all the time. Please remove the one on Kiernan Ave and the dispensary that is already located on Broadway that is next to a house and across from cruisers on Elm.

Put them in the country away from residents, schools so the nauseous odors don't overtake us like they already have. Especially like the cannibas grow on Kiernan Ave across from Elm next to the railroad tracks. Who can do something about that? It's been going on over 2 years and if no one can fix that, how in the world is this allowing cannibas going to be governed? It's already out of hand. Fix the problems we already have before creating more.

Nanette Spyksma

From: Lynel Castillo
To: <planning@stancounty.com>
Date: 11/16/2017 3:32 PM
Subject: Dispensary in Salida

I am a Salida resident and I am ok with a dispensary in Salida but I don't think Pirrone is a good idea

Sent from my iPhone

From: Mary Maldonado
To: <planning@stancounty.com>
Date: 11/16/2017 8:50 AM
Subject: Marijuana

I am for the dispensary's in Salida.

Mary Maldonado
Resident in Salida

Sent from my iPhone

I recommend that the proposed ordinance the commission is reviewing which will allow a cannabis business to be established along Pirrone Road be denied.

I fully understand that there are a number of vacant office/building complexes on Pirrone Road that would “appreciate” tenants. Unfortunately a cannabis business is clearly not the most appropriate on Pirrone Road.

I base my recommendation on the established high school and middle school bus stops along Pirrone Road which requires students to walk near the proposed locations on Pirrone Road.

I strongly recommend that the commission *not approve* the proposed ordinance amendment that would allow a cannabis business along Pirrone Road.

William Parks

I am emailing you that me and my wife do not approve of these in Salida.
Mike Estrada Director CV Hornets
Maxine Estrada

I am a longtime resident of Salida and DO NOT want dispensaries in Salida.
My vote is NO

Sincerely,

Patty Carroll

Sent from my Verizon, Samsung Galaxy smartphone

From: Kelly Ordaz
To: <planning@stancounty.com>
Date: 11/15/2017 3:39 PM
Subject: Cannabis in Salida

In the event i can't make tomorrow's meeting, my vote is no for a cannabis dispensary in salida.

Thank you,
Kelly Ordaz
Sent from my iPhone

From: Marcus & Cristie Nelms
To: <planning@stancounty.com>
Date: 11/15/2017 7:27 PM
Subject: Marijuana Dispensaries

Hello,

Please do NOT put these in our town.

Thanks,
Cristie Nelms

Sent from my iPhone

From: Pam Tallman
To: <planning@stancounty.com>
Date: 11/15/2017 11:20 PM
Subject: Canibus

I am opposed to having dispensaries in Salida. I own a business on Pirrone. My business has children who come for classes. I do not want the children exposed to some of the clientele that would frequent this type of business. I am very concerned that families would not feel comfortable bringing their children to a location near a dispensary. Please consider how these business could effect other businesses in the area.

Respectfully,
Pam Tallman

Sent from my iPhone

Kristin Doud - No canabis

From: martin navarro
To: "planning@stancounty.com" <planning@stancounty.com>
Date: 11/14/2017 7:32 PM
Subject: No canabis

Dear county,us a Salida resident I oppose to a Canabis store in Salida.
Sent from my iPhone

Kristin Doud - NO CANNIBAS IN SALIDA

From: Debbie Nutt
To: <planning@stancounty.com>
Date: 11/14/2017 3:51 PM
Subject: NO CANNIBAS IN SALIDA

As a homeowner and resident of Salida I do NOT want ANY cannibas or dispensary in my neighborhood! I live near a park that has a huge presence of drug activity. The sheriff's dept can't control that let alone a dispensary. There have already been issues with the motorcycle clubs there and you want to allow this there on Pirrone? There is also a school bus stop there!

Thank you
Debbie Nutt

RECEIVED

OCT 19 2017

Stanislaus County - Planning &
Community Development Dept.

October 19, 2017

Stanislaus County Planning Commission

Dear Sirs:

I am always hearing that the county takes forever to get something done. That usually said by people that do not understand the necessary checks and balances that public decision-making takes. That may be one of the strong aspects of county governance: all the boxes do get checked. This commission is one such check in the process.

I have become concerned lately that the county is moving too fast on developing an ordinance to allow cannabis activities in the County. I live in the A-2 General Agriculture zone and I am particularly concerned about allowing cannabis cultivation in this zone. The county staff have been working for four weeks on developing a land use ordinance where other counties with more experience in the cannabis trade like Humboldt county have taken a year to develop their plan.

I would like to be clear that I am generally opposed to allowing cannabis activities anywhere in the County but it is clear the Board of Supervisors wants to come up with some way to allow it. That's great, but I don't want to smell it and I don't want to have to deal with the crime that's associated with it. Even though the County expects to collect \$4 million dollars from the legal cannabis industry, I don't think it will be nearly enough to deal with the negative effects if recent Colorado legalized cannabis experience is any example. That being said, the County should be far more concerned about the impacts this ordinance could have on its residents who pay property and sales taxes. The cannabis industry is not a cash cow and it will not pay for itself. We might get a few more deputies out there, but given how overwhelmed they already are, it's unlikely they will still have the resources to deal with this.

Cannabis is often called "skunk" or "skunk weed" for a reason. It stinks! I have done some research on greenhouse manufacturers and even they say containing smell within a greenhouse is very problematic. Just a few short weeks ago, you all expressed concerns about the impacts of odor from worm farms. I can tell you cannabis cultivation is FAR worse. The only way that seems to be effective is to have fully enclosed greenhouses with ventilation and charcoal scrubbing systems.... And they won't even give guarantees on that. You also have to consider waste product and the smell associated with transporting the product away from the site.

The present land use ordinance does not specify a setback from a residential unit more than the common 5 foot set back. Using this setback for cannabis green houses is a grave error. Under these circumstances a grower's green house could be placed 10 feet from a house. That is ridiculous considering the smell and noise that could be associated with such a land use. Humboldt county specifies a 300-foot setback and Kern county identifies a 350-foot setback. In my research of different county's ordinances, I was unable to identify anyone who used a standard 5-foot setback. In addition, how much associated noise, for example a large fan and condenser running 24/7, would the county be willing to accept as an acceptable noise standard. I would like to point that some counties like Humboldt have a great deal more experience in regulating the cannabis trade than Stanislaus county and have figured out that these deeper setbacks are a must.

Most counties have required minimum parcel sizes for greenhouse cultivation. Again, Humboldt does allow more than 5 to 10% of a lot to be cultivated and sets absolute limits on the total area that can be


occupied. On lots 10 acres or more, only 1 acre can be used for cannabis cultivation. Under this proposed county ordinance, a cannabis greenhouse could conceivably be allowed on a three-acre parcel. This very act could have significant impact on small acre developments, like the one I live in, which were allowed in the past by the county. These grandfathered developments are particularly vulnerable to the potential disruption to cannabis cultivation under the proposed ordinance.

I have to admit I was amazed at the outright dismissal of a request by a resident for a 300' setback to adjacent parcels because the staff was worried that they might not be able to place greenhouses any where in the County. Really? This is a pretty big county and, oh, by the way, the staff didn't actually study it, they just thought it might happen. Seems like they are more worried about having LOTS of places to allow these greenhouses rather than trying to make this a "safe community". That should be the priority of you and our elected officials. The quality of life of existing residential developments should take precedence over nurturing a new industry. Especially, where we do not even know if community safety and environmental impacts can be addressed.

Now county staff may argue that these considerations will be addressed in this magic regulatory ordinance that no one has ever seen. They will tell you that it will all be OK. Yep, that's what they said to the Colorado citizens. Just look at what has happened in Calaveras County where they have allowed medical marijuana to be grown. In my opinion, County staff are asking us to accept a "pig in a poke." We are addressing today the land use ordinance. I believe that it should stand on its own to protect the quality of life for the residents of the unincorporated Stanislaus County. Setbacks and limiting uses to parcel size are standard land use planning ways to minimize impacts of new uses on the existing.

The ordinance before you today, was developed in four weeks. Other counties have used the last year to develop a program with widespread community input to be certain that all concerns were addressed. The present proposal really does not consider the real impact on personal safety, the safety of families, and our quality of life. I would ask you to direct staff to consider these impacts and to modify the ordinance to ensure that this new industry will not negatively impact existing residential land uses.

Sincerely,



Thomas Douglas

To whom it may concern,

I am concerned that the ability to place cannabis stores near schools, homes and parks in Stanislaus county will provide more temptation for children and young adults and provide a possibility that they can make cannabis purchases when they should not be able to.

I request that you vote or make a motion to ensure these cannabis stores are not allowed to be located within 100 yards (300 feet) of homes, schools or parks.

I desire to keep these types of stores away from children and those that are at risk. Please ensure they are kept away from the schools, homes and parks.

Please contact me if you would like to discuss this issue.

I thank you for your time.

I'm writing to join the group of neighbors that are petitioning to locate cannabis businesses at least 100 yards from homes, schools and parks.

I have 3 children, and our street is filled with young families. Some of our children have asthma complications and we are worried that the new fumes may be released to the environment that may affect them. The smell of cannabis consumption is already present and overwhelming everywhere, parks, parking lots, etc. Please have some consideration to our children that deserve to grow in a clean environment.

--

Salvador Rodas Guinea
Artist/General Contractor

From: Bill
To: <WITHROWT@stancounty.com>
Date: 10/10/2017 9:06 AM
Subject: Proposed ordinance allowing cannabis businesses along Salida Blvd and Pirrone Rd.

I am opposed to the ordinance you are reviewing allowing a cannabis business along Pirrone Road. I understand that there are a number of vacant buildings in this area, but do not support a cannabis business to be located on Pirrone Road, Salida.

There are a number of school bus stops near the proposed location, which often requires many students to walk home near the proposed cannabis business.

Thank you for your consideration,

William Parks

From: "Bret de St. Jeor"
To: "vito.chiesa@stancounty.com" <vito.chiesa@stancounty.com>
Date: 7/13/2017 5:42 PM
Subject: Marijuana Dispensary - North Modesto
Attachments: IMG_8835.jpg; IMG_8837.jpg; IMG_8839.jpg; IMG_8836.jpg; IMG_8838.jpg; IMG_8840.jpg; IMG_8842.jpg; IMG_8534.jpg

Supervisor Chiesa,

Please see attached photos...today I counted the cars going in/out of the dispensary located at 542 Charity Way. It's been a parade of cars all day today, as of right now (1pm, 7/13/17), there are 82 cars parked on both sides of Charity Way, down Jerusalem Ct and down Pentecost Dr., with additional cars coming and going and parking in my business parking lot and the parking lot of Al's Furniture all day today. This has been the situation since the dispensary moved in. This dispensary at times is getting 400 to 500 cars per hour. One photo in particular shows the dispensary at 10:00AM with the line of patrons waiting to enter.

With the amount of vehicle traffic, along with pedestrians crossing back and forth across the streets and blocked driveways, blocked fire hydrants, this dispensary is seriously hindering my business to operate and making it nearly impossible for large semi-trucks to come in or out.

Several days back, a person was hit by a vehicle on Charity Way, right in front of the dispensary which required 911 assistance. There have been two additional fist-fights near the dispensary this week which appeared to be caused by near vehicle/pedestrian collisions as deciphered from the screaming and verbal arguments. In addition, this past Monday, a group of 6 men gathered outside my offices at 5:30pm, across the street from the dispensary, all openly smoking marijuana, and harassing my employees as they left the office. Me and my employees have witnessed what appear to be drug-deals taking place in the open surrounding this dispensary. We have called 911 several times.

In my opinion, this particular dispensary is pretty much out-of-control; not sure if it's because of the quality of patron it attracts or what; all I can say is that for me and my office staff, we do not feel operating my business in this area is safe any longer. I have personally spoken with the other businesses around this dispensary and all of them feel exactly the way I do and are utterly sickened by what has been allowed to happen in North Modesto.

If the county is going to allow this type of "business" to occur, the dispensaries need to be located in retail environments which are setup for the required vehicle traffic and parking while providing security, etc... these dispensaries should not be allowed to operate in a light industrial business park where large trucks are constantly coming and going. A serious incident will occur do to the traffic and pedestrian volumes in and around this particular dispensary.

Can you let me know if there is a county plan to manage this kind of environment? Can Sheriff patrols be added?

Should I give-up on Stanislaus County and move my business and home to a safer more business friendly location? These are serious questions that I am seriously considering. Looking forward to speaking with you personally concerning this matter. Please feel free to call my personal number below.

Thank you,

Bret de St. Jeor

Sandra Loza - Proposed Amendment to County Ban on Cannabis Businesses

From: John Thiella
To: "vito.chiesa@stancounty.com" <vito.chiesa@stancounty.com>, "boggsk@stanc...
Date: 8/2/2017 4:54 PM
Subject: Proposed Amendment to County Ban on Cannabis Businesses
Cc: Jim Gonzalez, Nicole Howell Neubert ...



Political Strategy, Public Policy Research

August 2, 2017

Hon. Vito Chiesa, 2nd District, Chair
Stanislaus County Board of Supervisors
1010 10th Street, Suite 6500
Modesto, CA 95354

Attn: Keith Boggs
Assistant Chief Executive Officer

**RE: Proposed Amendment to County Ordinance Ban on Cannabis Businesses:
"Revocable Authorizations to Operate"**

Dear Chairman Chiesa:

JG & Associates represents cannabis businesses in California which anticipate applying for temporary state licenses, which will become available very soon.

State Update

Recently, Lori Ajax, Chief of the Bureau of Medical Cannabis Regulations, announced that the state would issue temporary four month licenses to cannabis businesses so that "there is no break in the supply chain."^[1] This announcement comes in the wake of the chaos that resulted on July 1, 2017 when adult sales of cannabis became legal in Nevada and supplies ran out.

Ms Ajax's announcement provides a window of opportunity for counties and cities to assume a leadership position in the licensing of its local cannabis businesses by working cooperatively them to accommodate the state's desire to begin a temporary cannabis licensing program.

However, to take advantage of this opportunity, counties and cities which have enacted bans on commercial cannabis production and processing, pending the enactment of permanent regulations, must provide a legal mechanism for cannabis businesses to apply for these temporary state licenses.

Proposed Amendment to County Ban

To accomplish this, counties should issue "Revocable Authorizations to Operate" for cannabis businesses which agree to comply with all laws and regulations relating to cannabis. Such temporary permits require counties or cities to amend their currently enacted bans to allow for the issuance of these temporary exemptions; and would provide counties and cities the flexibility to proceed at an orderly pace with the vetting of bona-fide businesses and the development of permanent regulations.

County Could Collect Reasonable Fees Immediately

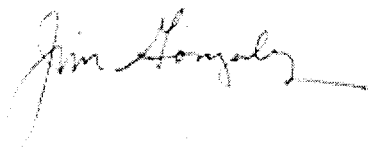
What would simply be allowed is the temporary ability of locally based responsible businesses to qualify for the state's application process and not be put at the "end of the line," after businesses that reside in counties and cities that are already locally permitting cannabis businesses. These revocable and temporary authorizations to operate could be tied to a reasonable fee paid by the businesses to the county to mitigate costs for processing these temporary authorizations.

Public Health Concern

These temporary permits to operate would also ensure that the obligation of cities and counties to protect public health would be met, because one of the key components of a temporary permit to operate would naturally include a requirement that no cannabis product could be sold without appropriate testing. Such testing would ensure absence of harmful chemicals and pesticides in cannabis products sold to the public, and also that the potency of cannabis products be clearly labeled.

To respond to the state's interest, and to ensure protection of public health, we respectfully recommend that the issuing of County Revocable Authorizations to Operate occur as soon as possible.

Very truly yours,



Jim Gonzalez
President, JG & Associates, LLC

cc: Sandra Loza, Field Representative, Supervisor Vito Chiesa
John P. Doering, County Counsel
John A. Thiella, Counsel to the Firm, JG & Associates

Nicole Howell Neubert, Esq.

[1] See "California is working to avoid a shortage of legalized marijuana," Los Angeles Times, July 19, 2017, linked at: <http://www.latimes.com/politics/essential/la-pol-ca-essential-politics-updates-california-is-working-to-avoid-shortage-1500492977-htmstory.html>

John A. Thiella
Jim Gonzalez & Associates

[1] See "California is working to avoid a shortage of legalized marijuana," Los Angeles Times, July 19, 2017, linked at: <http://www.latimes.com/politics/essential/la-pol-ca-essential-politics-updates-california-is-working-to-avoid-shortage-1500492977-htmstory.html>

ATTACHMENT 9

ORDINANCE NO. C.S. _____

**AN ORDINANCE ADOPTING NEW FEES TO BE CHARGED SPECIFICALLY FOR
COMMERCIAL CANNABIS ACTIVITIES**

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA,
ORDAINS AS FOLLOWS:

Section 1. Fees to be collected by the County are adopted as set forth in the Fee Schedule attached hereto as Attachment A and incorporated by reference, a copy of which is on file with the Clerk of the Board of Supervisors and is available for public inspection and copying in that office in accordance with the California Public Records Act.

Section 2. This ordinance shall take effect 30 days from and after the date of its passage and before the expiration of fifteen (15) days after its passage, it shall be published once, with the names of the members voting for and against the same, in the Modesto Bee, a newspaper published in the County of Stanislaus, State of California.

Upon motion of Supervisor _____, seconded by Supervisor _____, the forgoing resolution was passed and adopted at a regular meeting of the Board of Supervisors of the County of Stanislaus, State of California, the _____ day of _____, 2017, by the following called vote:

AYES: Supervisors:

NOES: Supervisors:

ABSENT: Supervisors:

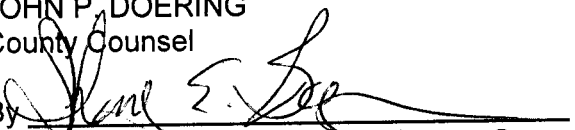
Vito Chiesa, Chairman of the Board
of Supervisors County of Stanislaus,
State of California

ATTEST:
ELIZABETH A. KING,
Clerk of the Board of Supervisors of the
County of Stanislaus, State of California

By _____
Pam Villarreal, Assistant Clerk

APPROVED AS TO FORM:

JOHN P. DOERING
County Counsel

By 
Thomas E. Boze, Assistant County Counsel

PROPOSED COMMERCIAL CANNABIS ACTIVITIES FEES

Attachment A

Cannabis Application Fees		Actual Cost*
Cannabis Business Application Processing Fee	Actual Cost Min Charge/Deposit	\$8,500 per registration
Background Investigation	Actual Cost Min Charge/Deposit	\$680 per person
Live Scan		\$317 per person
Live Scan Rolling Fee		\$15 per person

Sheriff		
Security Plan Inspection	Actual Cost Min Charge/Deposit	\$620

Cannabis Business License Fees		
Regulatory Cannabis Business Permit		\$5,000/year

Track and Trace Program Fees		
Track & Trace Stamps		\$0.15 per stamp
Track & Trace Delivery		\$25 per order
Track & Trace Set up/Training		\$400 per session
Track & Trace Account Fee		\$1,080/year

* Fees described above that require a deposit and are charged at "actual cost". Staff costs and expenses will be billed at fully burdened weighted labor rates at the time of services rendered.

ATTACHMENT 10

CANNABIS ENFORCEMENT

A Phased Approach

PHASE 1

- Primary Object in Phase One is to screen all Registrants through background check process and identify those applicants that are eligible for full permit application process.

Initial funding
Reg Fees

- 1 Crime Analyst Position
 - 1 Clerical Support (Ext Hlp)
 - 1 Sergeant - Sheriff Office
- (lead review of security plans, begin to assess program/develop enforcement protocols)

PHASE 2

- Primary Object in Phase Two: Begin to ramp up enforcement objectives on those activities (retail and other) that are active and without appropriate permitting. Emphasis will be placed on retail and outdoor grow activities.

Funding:
Future discretionary
funds via
DA Collections
(Community Benefit Fees)

- 1 Deputy District Attorney
- 1 Investigator (DA)
- 1 Code Enforcement Officer - Cannabis Program Specific (DER)

Development Agreement(s) (DA)
in place - evaluation and projected
revenue analysis complete

PHASE 3

- Primary Object in Phase Three: As revenue projections from Development Agreements become clearly understood - revenues to be applied to increasing enforcement activities based upon early adoption and evaluation provided by Cannabis Review team and the Cannabis Sargent's on-going assessments.

- Additional positions will be assessed to meet the need to control and administer this new industry

ORDINANCE NO. C.S. 1205

**AN ORDINANCE AMENDING TITLE 21 OF THE STANISLAUS COUNTY CODE
RELATING TO COMMERCIAL CANNABIS ACTIVITIES**

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA ORDAINS AS FOLLOWS:

Section 1. Section 21.08.020, Subdivision D, of the Stanislaus County Code is added to read as follows:

"D. Commercial Cannabis Activities as authorized by this Title and Chapter 6.78 of the Stanislaus County Code shall be located and operated in compliance with all the requirements of Chapter 6.78 of the Stanislaus County Code and any other local requirements, and state laws and regulations, applicable to commercial cannabis activities.

1. "Public notification required for the consideration of any discretionary action authorized by this Title for the permitting of commercial cannabis activities shall be provided at a distance of 600 feet from the boundaries of the project site, unless a greater distance is required by adopted County policy or state requirement.
2. "Any discretionary action taken for the permitting of a commercial cannabis activity shall be subject to a finding by the decision making authority that the establishment, maintenance, and operation of the proposed use will not, under the circumstances of the particular case, be detrimental to the health, safety, and general welfare of persons residing or working in the neighborhood of the use and that it will not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the County."

Section 2. Section 21.12.151, of the Stanislaus County Code is added to read as follows:

"21.12.151 COMMERCIAL CANNABIS ACTIVITY

"Commercial Cannabis Activity" means the commercial cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of medicinal or non-medicinal cannabis or a medicinal or non-medicinal cannabis product. For the purposes of this Title, "commercial cannabis activity" does not include the activities defined in Section 11362.1 and Section 11362.2 of the California Health & Safety Code. All commercial cannabis activities shall be operated in compliance with all the requirements of Chapter 6.78 of the Stanislaus County Code."

Section 3. Section 21.20.030, Subdivision H, of the Stanislaus County Code is added to read as follows:

“H. Commercial cannabis cultivation or nursery activities (natural light or mixed-light) and distribution activities (limited to permitted commercial cannabis product grown on-site) subject to Section 21.08.020(D) of this Title, may be allowed when conducted within a greenhouse or accessory agricultural storage building as permitted by Title 6 of the County Code.”

Section 4. Section 21.42.025, of the Stanislaus County Code is added to read as follows:

“21.42.025 USES REQUIRING A USE PERMIT

“A. Commercial cannabis retail (non-storefront only), manufacturing (non-volatile), testing labs, distribution, and cultivation or nursery activities (mixed-light or indoor), subject to Section 21.08.020(D) of this Title.

“1. Where a Planned Industrial zoning district is adopted after January 4, 2018, the adoption of the zoning district may authorize the uses permitted by Section A, in-lieu of a use permit, provided the uses are specifically identified in the development plan required by Section 21.42.040 of this Chapter.”

Section 5. Section 21.56.030, Subdivision I, of the Stanislaus County Code is added to read as follows:

“I. Commercial cannabis retail (storefront only), or testing activities, subject to Section 21.08.020(D) of this Title.”

Section 6. Section 21.60.030, Subdivision J, of the Stanislaus County Code is added to read as follows:

“J. Commercial cannabis retail (storefront or non-storefront), manufacturing (volatile or non-volatile), testing labs, distribution, and cultivation or nursery activities (mixed-light or indoor), subject to Section 21.08.020(D) of this Title.”

Section 7. Section 21.64.030, Subdivision E, of the Stanislaus County Code is added to read as follows:

“E. Commercial cannabis manufacturing (non-volatile), testing labs, distribution, and cultivation or nursery activities (mixed-light or indoor), subject to Section 21.08.020(D) of this Title.”

Upon motion of Supervisor Olsen, seconded by Supervisor Withrow, the foregoing Ordinance was passed and adopted at a regular meeting of the Board of Supervisors of the County of Stanislaus, State of California, this 5th day of December, 2017, by the following-called vote:

AYES: Supervisors: Olsen, Withrow, Monteith, DeMartini, and Chairman Chiesa

NOES: Supervisors: None


ABSENT: Supervisors: None

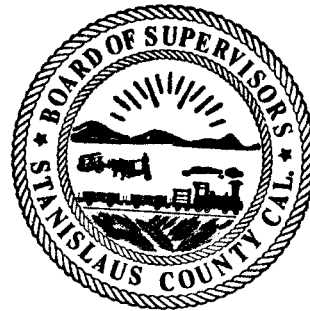


Vito Chiesa, Chairman
of the Board of Supervisors of the
County of Stanislaus, State of California

ATTEST:


ELIZABETH A. KING, Clerk of the
Board of Supervisors of the County of Stanislaus,
State of California

By 
Pam Villarreal, Deputy Clerk



APPROVED AS TO FORM:

John P. Doering
County Counsel

By 
Thomas E. Boze
Assistant County Counsel

**DECLARATION OF PUBLICATION
(C.C.P. S2015.5)**

**COUNTY OF STANISLAUS
STATE OF CALIFORNIA**

I am a citizen of the United States and a resident Of the County aforesaid; I am over the age of Eighteen years, and not a party to or interested In the above entitle matter. I am a printer and Principal clerk of the publisher of THE MODESTO BEE, printed in the City of MODESTO, County of STANISLAUS, State of California, daily, for which said newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of STANISLAUS, State of California, Under the date of February 25, 1951, Action No. 46453; that the notice of which the annexed is a printed copy, has been published in each issue there of on the following dates, to wit:

Dec 15, 2017

I certify (or declare) under penalty of perjury That the foregoing is true and correct and that This declaration was executed at

MODESTO, California on

December 15th, 2017

(By Electronic Facsimile Signature)

Cynthia A. Williams

STANISLAUS COUNTY
ORDINANCE NO. C.S.1205

AN ORDINANCE AMENDING TITLE 21 OF THE STANISLAUS COUNTY CODE RELATING TO COMMERCIAL CANNABIS ACTIVITIES

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA ORDAINS AS FOLLOWS:

Section 1. Section 21.08.020, Subdivision D, of the Stanislaus County Code is added to read as follows:

"D. Commercial Cannabis Activities as authorized by this Title and Chapter 6.78 of the Stanislaus County Code shall be located and operated in compliance with all the requirements of Chapter 6.78 of the Stanislaus County Code and any other local requirements, and state laws and regulations, applicable to commercial cannabis activities.

1. "Public notification required for the consideration of any discretionary action authorized by this Title for the permitting of commercial cannabis activities shall be provided at a distance of 600 feet from the boundaries of the project site, unless a greater distance is required by adopted County policy or state requirement.

2. "Any discretionary action taken for the permitting of a commercial cannabis activity shall be subject to a finding by the decision making authority that the establishment, maintenance, and operation of the proposed use will not, under the circumstances of the particular case, be detrimental to the health, safety, and general welfare of persons residing or working in the neighborhood of the use and that it will not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the County."

Section 2. Section 21.12.151, of the Stanislaus County Code is added to read as follows:

"21.12.151 COMMERCIAL CANNABIS ACTIVITY

"Commercial Cannabis Activity" means the commercial cultivation, possession, manufacturing, processing, storing, laboratory testing, labeling, transporting, distribution, or sale of medicinal or non-medicinal cannabis or a medicinal or non-medicinal cannabis product. For the purposes of this Title, "commercial cannabis activity" does not include the activities defined in Section 11362.1 and Section 11362.2 of the California Health & Safety Code. All commercial cannabis activities shall be operated in compliance with all the requirements of Chapter 6.78 of the Stanislaus County Code."

Section 3. Section 21.20.030, Subdivision H, of the Stanislaus County Code is added to read as follows:

"H. Commercial cannabis cultivation or nursery activities (natural light or mixed-light) and distribution activities (limited to permitted commercial cannabis product grown on-site) subject to Section 21.08.020(D) of this Title, may be allowed when conducted within a greenhouse or accessory agricultural storage building as permitted by Title 6 of the County Code."

Section 4. Section 21.42.025, of the Stanislaus County Code is added to read as follows:

"21.42.025 USES REQUIRING A USE PERMIT

"A. Commercial cannabis retail (non-storefront only), manufacturing (non-volatile), testing labs, distribution, and cultivation or nursery activities (mixed-light or indoor), subject to Section 21.08.020(D) of this Title.

"1. Where a Planned Industrial zoning district is adopted after January 4, 2018, the adoption of the zoning district may authorize the uses permitted by Section A, in-lieu of a use permit, provided the uses are specifically identified in the development plan required by Section 21.42.040 of this Chapter."

Section 5. Section 21.56.030, Subdivision I, of the Stanislaus County Code is added to read as follows:

"I. Commercial cannabis retail (storefront only), or testing activities, subject to Section 21.08.020(D) of this Title."

Section 6. Section 21.60.030, Subdivision J, of the Stanislaus County Code is added to read as follows:

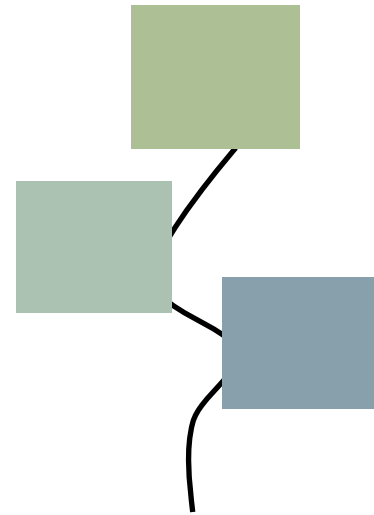
"J. Commercial cannabis retail (storefront or non-storefront), manufacturing (volatile or non-volatile), testing

labs, distribution, and cultivation or nursery activities (mixed-light or indoor), subject to Section 21.08.020(D) of this Title."

Section 7. Section 21.64.030, Subdivision E, of the Stanislaus County Code is added to read as follows:

"E. Commercial cannabis manufacturing (non-volatile), testing labs, distribution, and cultivation or nursery activities (mixed-light or indoor), subject to Section 21.08.020(D) of this Title."

Upon motion of Supervisor Olsen seconded by Supervisor Withrow, the foregoing Ordinance was passed and adopted at a regular meeting of the Board of Supervisors of the County of Stanislaus, State of California, this 5th day of December, 2017, by the following-called vote: AYES: Supervisors: Olsen, Withrow, Monteith, DeMartini, and Chairman Chiesa. NOES: None; ABSENT: None. /s/ Vito Chiesa, Chairman of the Board of Supervisors of the County of Stanislaus, State of California AT-TEST: ELIZABETH A. KING, Clerk of the Board of Supervisors of the County of Stanislaus, State of California. By: Pam Villarreal, Deputy Clerk. APPROVED AS TO FORM: John P. Doering, County Counsel. By: Thomas E. Boze Assistant County Counsel. Pub Dates Dec 15, 2017



A Public Hearing to Consider Commercial Cannabis Activities in Stanislaus County

County Board of Supervisors
December 5, 2017

Presentation Outline

Cannabis Ordinance

Zoning Ordinance

Fee Ordinance

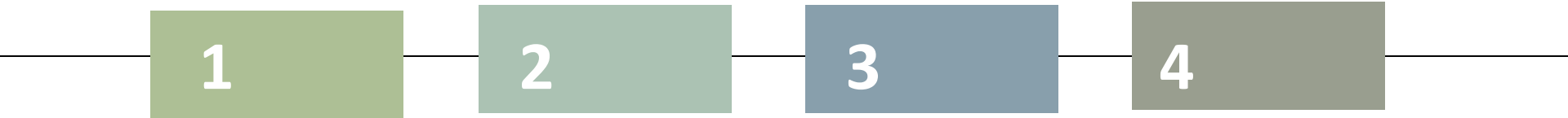
Enforcement

1

2

3

4



Conservative Program Parameters

Allowance Strategy Summary

- CDFA Survey (2016) as Interest Base line
- 35% Conservative CAP
- 61 Total Permit Allowance – through Rigorous Application Process
- Hard CAP on Retail/Dispensaries – No more than 7
- Specific Zoning Requirements
- Track and Trace Requirements
- Development Agreement (DA) Requirement
- Annual Permit Review and Renewal Process



Cannabis Regulatory Ordinance

- General Operating Standards, including:
 - Setbacks
 - Odor Control
 - Site Control
 - Security Measures
 - Signage and Notices
 - Records and Record Keeping
 - Employee Background Checks
 - Track and Trace Program
 - Specific Operating Criteria
 - Provisions for Suspension/Revocation
 - Enforcement
 - Annual Permit Renewals



Regulatory Ordinance – Land Use Provisions

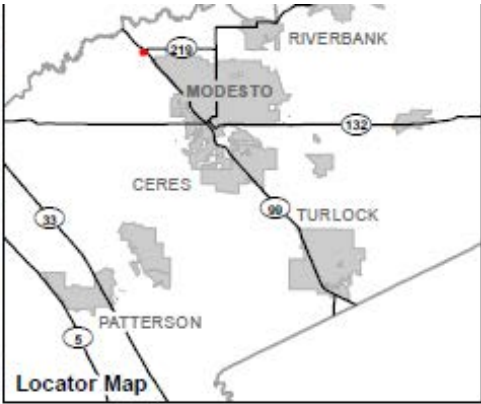
- General Plan Sphere of Influence (SOI) policy
- SOI Policy extension for cities with adopted commercial cannabis bans
 - Additional one-half mile radius outside of their SOIs
- Limit on retail activities within City of Modesto SOI and within one-half mile radius outside of their SOI
 - No more than a combined total of 5 retail permits; no more than three retail activities operating within any one-mile radius
- Municipal Advisory Council (MAC) review
- Required setbacks from sensitive land uses
 - 600 feet from Schools, Youth Centers and Day Care Centers
 - 200 feet from off-site residences and libraries
 - 50 foot from property line for buildings in the A-2 zoning district used for cultivation.



Regulatory Ordinance – Planning Commission Recommendations

- Include parks as youth centers requiring a 600-foot setback
- Increase the 200-foot setback from residences to 600-feet
- Eliminate the waiver/reduction provision for setbacks





LEGEND

Cannabis Permit Requests

- Retail Storefront Parcel
- Residential Parcel
- 200ft Parcel Buffer
- 600ft Parcel Buffer

Details

APN: 135-046-062

Address: 4525 Broadway Ave. Salida

Application: CCRA 2018-0045

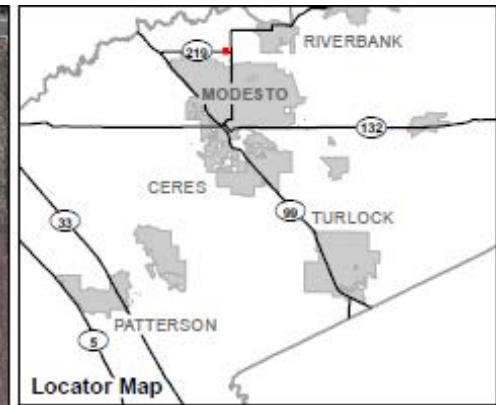
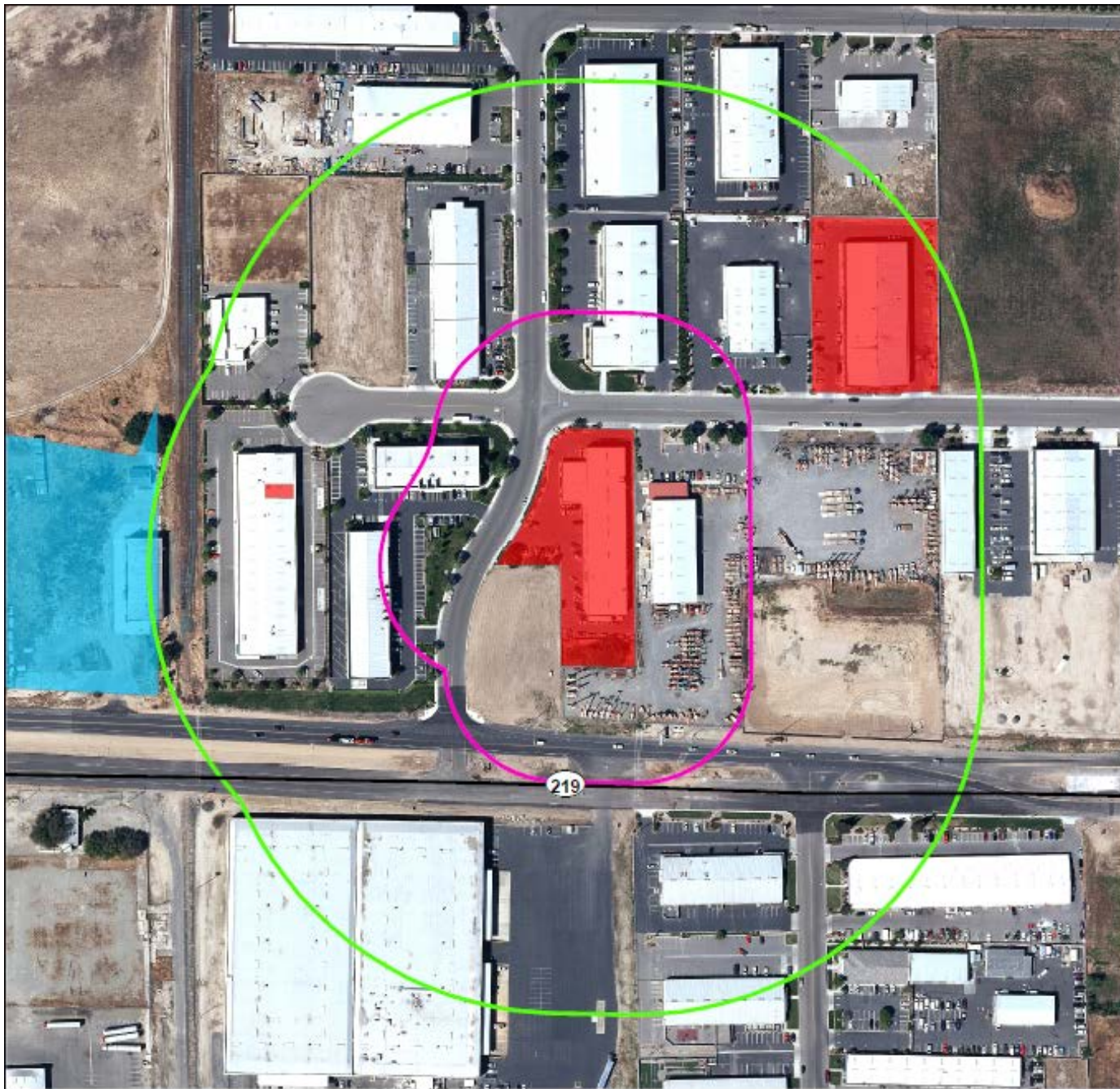
0 300ft

0 60m

Scale: 1:3,000

SALIDA

Figure 1 DRAFT



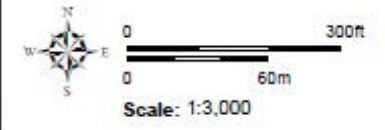
LEGEND

Cannabis Permit Requests

- Retail Storefront Parcel
- Residential Parcel
- 200ft Parcel Buffer
- 600ft Parcel Buffer

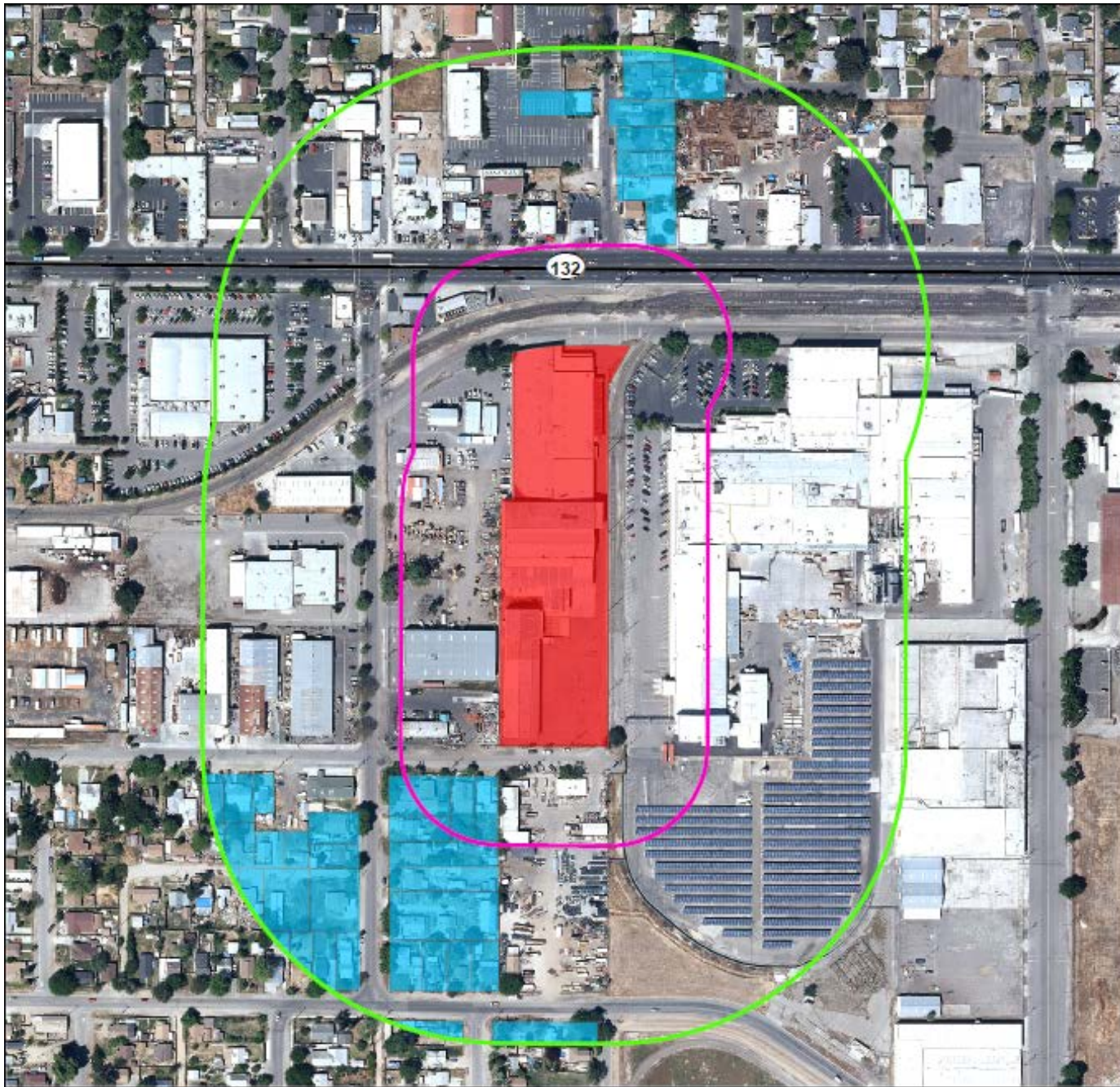
Details

APN: 004-094-028
 Address: 5054 Pentecost Dr. Modesto
 Application: CCRA 2018-0021



NORTH MODESTO

Figure 5 DRAFT



LEGEND

Cannabis Permit Requests

- Retail Storefront Parcel
- Residential Parcel
- 200ft Parcel Buffer
- 600ft Parcel Buffer

Details

APN: 035-029-010

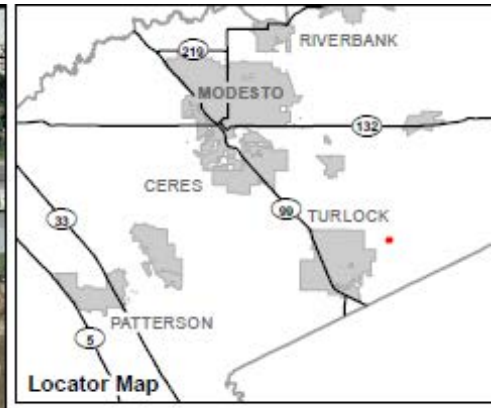
Address: 1706 Lapham Dr. Modesto

Application: CCRA 2018-0106

0 300ft

0 60m

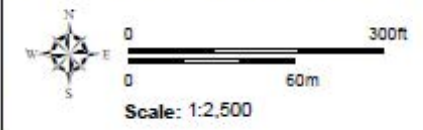
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LEGEND

- Cannabis Permit Requests**
- Retail Storefront Parcel
 - Residential Parcel
 - 200ft Parcel Buffer
 - 600ft Parcel Buffer

Details
 APN: 024-027-022
 Address: 4701 Main St. Denair
 Application: CCRA 2018-0033



DENAIR

Figure 24 DRAFT

Zoning Ordinance Amendment – General Provisions

- Commercial Cannabis Activities only allowed when located and operated in compliance with the Regulatory Ordinance of the County Code and any other local requirements and state laws and regulations.
- Expands public notification distance from state required 300-feet to 600-feet in urban areas.
- Establishes a health, safety, and general welfare finding required for the permitting of any commercial cannabis activity.



Zoning Ordinance Amendment – Districts

- A-2 (General Agriculture) - Mixed-light and natural light cultivation and nursery activities (greenhouse), and distribution activities (on-site production only)
- C-2 (General Commercial) - Retail storefront and testing labs
- PI (Planned Industrial) - Retail non-storefront, manufacturing (non-volatile), testing labs, distribution, and indoor cultivation and nursery activities



Zoning Ordinance Amendment – Districts

- LM (Limited Industrial) - Manufacturing (non-volatile), testing labs, distribution, and indoor cultivation and nursery activities
- M (Industrial) – All Commercial Cannabis Activity Types
- P-D (Planned Development), H-S (Historical), and SP (Specific Plan) - Uses, building intensity, and development standards to be determined on an individual basis
- Other Zoning Districts - No commercial cannabis activities permitted



Zoning Ordinance Amendment – Planning Commission Recommendation

On a vote of 6-0, recommended approval of the proposed Zoning Ordinance Amendment with the elimination of the proposed amendment to the C-2 (General Commercial) zoning district.



Proposed Fee Schedule

- Fee Schedule includes new fees for processing cannabis business applications;
 - Background Investigations;
 - Live Scan Fees;
 - Security Plan Inspection;
 - Business Permit; and
 - Track and Trace Program Fees.
- Actual Cost Minimum Charge/deposit



PROPOSED COMMERCIAL CANNABIS ACTIVITIES FEES

Cannabis Application Fees		
	Actual Cost*	
Cannabis Business Application Processing Fee	Actual Cost Min Charge/Deposit	\$8,500 per registration
Background Investigation	Actual Cost Min Charge/Deposit	\$680 per person
Live Scan		\$317 per person
Live Scan Rolling Fee		\$15 per person
Sheriff		
Security Plan Inspection	Actual Cost Min Charge/Deposit	\$620
Cannabis Business License Fees		
Regulatory Cannabis Business Permit		\$5,000/year
Track and Trace Program Fees		
Track & Trace Stamps		\$0.15 per stamp
Track & Trace Delivery		\$25 per order
Track & Trace Set up/Training		\$400 per session
Track & Trace Account Fee		\$1,080/year

Obtaining a Permit

- Phase 1 – Registration Interest
 - \$4,359 non-refundable deposit
- Phase 2 – Cannabis Application
 - \$8,500 minimum processing fee/deposit
 - \$1,102 per person background and live scan
- Phase 3 – Discretionary Land Use Entitlement Application
 - Existing fees by Department
- Phase 4 – Development Agreement
 - Public Benefit Contribution
- Phase 5 – Regulatory Business Permit renewed annually
 - \$5,000



Enforcement

- Enforcement is a critical important component to success
- Task Force Established
- Phased Approach:
 - **Phase One**
 - Crime Analyst
 - Clerical Support
 - Sergeant – Cannabis Oversight
 - **Phase Two**
 - Deputy District Attorney
 - Criminal Investigator
 - Zoning Enforcement Officer (DER)
 - **Phase Three**
 - Full Enforcement Strategy



Next Steps – Looking Forward

Final Development of application forms and review process;

Final Development of evaluation criteria

Continue cooperative discussion w/ Partner Cities

Track and Trace Program Agreement

Permittee Development Agreements

On-going Enforcement and Program Monitoring;

Personal Grow and Hemp Ordinances

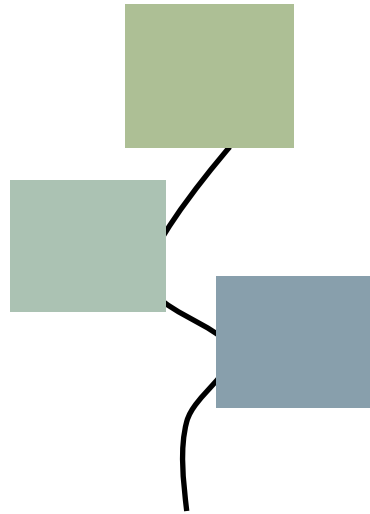


Recommendations

Approve the following:

- Cannabis Regulatory Ordinance
- Zoning Ordinance Amendment
- Fee Ordinance
- Enforcement Strategy





Questions/Comments Open Public Hearing

County Board of Supervisors
December 5, 2017