

## ORDINANCE NO. 840

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COALINGA: (1) AMENDING TABLE 2.5 OF TITLE 9, CHAPTER 2, ARTICLE 3 PERTAINING TO LAND USES PERMITTED FOR RETAIL CANNABIS FACILITIES; (2) AMENDING THE DEFINITIONS SECTION OF TITLE 9, CHAPTER 1, ARTICLE 2 TO UPDATE THE “RETAIL SALES, CANNABIS” TERM TO INCLUDE CONSUMPTION LOUNGES/CAFES; (3) ADDING A NEW DEFINITION RELATED TO “CANNABIS CONSUMPTION LOUNGES/CAFES” TO SECTION 9-5-129(a); (4) AMENDING SECTION 129 TO TITLE 9, CHAPTER 5 TO THE COALINGA DEVELOPMENT CODE PERTAINING TO THE STANDARDS FOR RETAIL COMMERCIAL CANNABIS OPERATIONS IN THE CITY, AND; (5) AMENDING SECTION 3-9.02 OF THE COALINGA MUNICIPAL CODE

BE IT ORDAINED BY THE COUNCIL AND THE PEOPLE OF THE CITY OF COALINGA:

### SECTION 1. AMENDMENT OF SECTION 9-2.302 Table 2.5

Coalinga Municipal Code Table 2.5 of Title 9, Chapter 2, Article 3 is hereby amending the additional development regulations for retail sales of Cannabis to read as follows:

Use Classification	CG	CR	CS	MX	Additional Development Regulations
Retail Sales, Cannabis	CUP (4)(5)	NO	CUP (4)(5)	NO	<u>Section 9-5.129</u> , Cannabis Retail Facilities  No more than two (2) permitted Retail Cannabis Operations.
(5) Onsite Consumption Permitted (café/lounge) – Section 9-5.129(m)					

### SECTION 2. AMENDMENT OF DEFINITIONS SECTION OF TITLE 9

The Definition of Retail Sales, Cannabis in Article 2, of Chapter 1, of Title 9, of the Coalinga Municipal Code are hereby amended to read as follows:

Article 2. - Definitions.

*Retail sales, cannabis.* The retail sale and delivery of cannabis or cannabis products to both adult-use and medicinal cannabis customers. A retailer shall have a licensed premise which is a physical location from which commercial cannabis activities are conducted. This definition includes microbusinesses and consumption lounges and cafes.

### SECTION 3. AMENDMENT OF SECTION 9-5.129 DEFINITIONS

The following definition is added to section 9-5.129(a) to read as follows:

*Cannabis Consumption Lounge shall mean a location with both onsite retail sale and areas to consume cannabis or cannabis products. A consumption cafe/lounge shall have a licensed retail premises that is a physical location from which commercial cannabis activities are conducted. The consumption cafe/lounge shall only sell cannabis or cannabis products to adults 21 years of age or older for onsite consumption, either through smoking, vaping, or ingestion of edible or topical products. The space occupied by a consumption cafe/lounge shall be definite and distinct from the space where other activities licensed are exercised and shall be accessed through a separate entrance. Onsite Consumption lounges and cafes shall only be permitted in the Downtown Overlay District.*

### SECTION 4. AMENDMENT OF SECTION 9-2.129

Various language (changes) to Section 9-2.129 are amended as follows:

(c) Permitting.

- (1) Any cannabis retail facility must obtain a commercial cannabis regulatory permit from the City of Coalinga through the process stated in Section 9-5.128(e) et seq. of this code.
- (2) A property owner need not be permitted, and permits shall be held by an applicant ~~and shall not run with any particular property~~. Permittees must also obtain a conditional use permit pursuant to Section 9-5.128(f). *If an existing permitted retail facility seeks a consumption lounges or café, an amended CUP must be approved to permit such activity.*
- (3) All employees of the cannabis retail facility must obtain an employee permit to work in the cannabis retail facility within the City of Coalinga pursuant to Section 9-5.128 et seq. of this code.
- (4) Applicants must also comply with all other state laws and regulations related to cannabis retail facility operations at all times and shall comply with any amendments to this code or state law or regulations.
- (5) No more than two (2) regulatory permits shall be issued City wide. Nothing herein shall require the City to issue the maximum number of permits allowed by this Section.*

(d) Minimum operating requirements and restrictions. In addition to all other state laws and regulations, cannabis retail facilities shall comply with all of the following operating standards including Section 9-5.128(d) subsections (1), (2), (8), (11), (14), (15), (16), ((17)(a), (b), (d)), (20) and (21):

- (1).Cannabis Retail facilities may not be operated by any persons who have been convicted of a felony in the last five (5) years or a prescribed by law.
- (2).No dispensing of cannabis to a customer shall be permitted more than twice a day.

- (3). *Hours*: The hours of operation of cannabis Retail facilities shall be no earlier than 6:00 a.m. and no later than 9:00 p.m. **unless approved for different hours under an approved CUP and prescribed by state law.**
- (4). Cannabis retail facilities shall display their customer rules and/or regulations in a conspicuous place that is readily seen by all persons entering the Cannabis retail facility.
- (5). **Unless operating as a consumption lounge, smoking, ingesting or otherwise consuming cannabis products on the premises of a cannabis Retail facility is prohibited. Each building entrance to a cannabis Retail facility shall be clearly and legibly posted with a notice indicating that smoking, ingesting or consuming cannabis or cannabis edibles on the premises or in the vicinity of the Retail facility is prohibited.**
- (6). Each building entrance to a cannabis Retail facility shall be clearly and legibly posted with a notice indicating that persons under the age of eighteen (18) are precluded from entering the premises unless they are qualified patients and they are accompanied by their parent or legal guardian. **In order to protect the public health, safety and welfare, the Police Chief may require alternative or secondary entrance for a consumption lounge/café.**
- (7). All cannabis Retail facilities shall display a copy of the inspection receipt issued by the Fresno County Office of Weights and Measures Division for all weighing and measuring devices.
- (8). An up-to-date inventory of all hazardous materials stored and used onsite shall be maintained on the premises of the Retail facility available for inspection on demand of the City.
- (9). *Location from Sensitive Uses*
- (1) A retail premises/facility permitted under this division shall 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.
- (2) A retail premises/facility shall not be located within one-hundred (100) feet of a residential district.
- (3) The distance specified in this section shall be measured in the same manner as provided in subdivision (c) of Section 11362.768 of the Health and Safety Code unless otherwise provided by law.
- (10). Cannabis Retail facilities shall maintain all necessary permits, and pay all required taxes and fees. Retail facilities shall also provide invoices to vendors to ensure vendor's tax liability responsibility.
- (11). Cannabis Retail facilities shall implement their policies and procedures as outlined in their Operations Manual. Cannabis Retail facilities shall comply with any and all conditions of their conditional use permit and regulatory permit.
- (12). *Parking*: Off-street parking shall be provided as required for food and beverage retail sales under section 9-4.302 of this code. All required parking shall be off-street and on-site **unless located in the plaza on 5<sup>th</sup> Street between Cedar and**

Elm Ave and on Durian Between 4<sup>th</sup> and 6<sup>th</sup> Street. This ~~required~~ requirement applies to existing and new facilities.

(13). *Facility Size*: The cannabis retail facility size shall be limited to 10,000 square feet.

(14). *Signage*. One attached sign ~~per street frontage shall~~ not to exceed twelve (12) square feet in area or 20 percent of the window area of the retail facility, whichever is less, is permitted ~~unless a larger sign is permitted under a conditional use permit not exceeding that of the Downtown Overlay District~~. A detached sign is not permitted.

(1). All retail facilities shall display on their wall sign or identification sign, the name and emergency contact phone number of the operator or manager in letters at least two inches in height.

(2). Retail Facilities shall post a legible indoor sign in a conspicuous location containing the following warnings:

- a. That the use of cannabis is for persons at least twenty-one (21) years of age, or an age younger as prescribed by law;
- b. That the use of cannabis may impair a person's ability to drive a motor vehicle or operate machinery; and
- c. That loitering on and around ~~the dispensary~~ a retail site is prohibited by California Penal Code Section 647(e).

#### (m) Consumption lounge/café.

(1) Consumption lounge/cafe shall be permitted with a valid conditional use permit and cannabis retail permit issued by the City of Coalinga and State of CA with a specified consumption cafe/lounge designation unless at any time the State of California adopts regulations requiring a specific/separate license for a consumption café/lounge.

(2) A consumption cafe/lounge shall not be allowed to operate and sell cannabis, cannabis products, and non-cannabis products between the hours of 2:00 a.m. and 6:00 a.m.

(3) A consumption cafe/lounge shall only sell cannabis to an individual in an amount reasonable for onsite consumption.

(4) Cannabis and cannabis products purchased onsite may be removed from their packaging and consumed onsite.

(5) Cannabis and cannabis products not fully consumed onsite may be resealed in their original packaging, placed in opaque packaging, and taken off site by the consumer.

(6) Noncannabis products, such as food and beverages, may be prepared and sold onsite.

(7) A consumption cafe/lounge shall comply with all applicable provisions of the California Retail Food Code (Chapter 1 (commencing with Section 113700) of Part 7 of Division 104 of the Health and Safety Code) when preparing and selling non-cannabis food and beverage products.

(8) A consumption cafe/lounge shall not sell live plants or seeds.

(9) A consumption cafe/lounge shall not allow the sale or consumption of alcohol or tobacco on the premises.

(10) Smoking, vaping, or ingestion of cannabis or cannabis products shall not be visible from any public place or nonage-restricted area.

## **SECTION 5. AMENDMENT TO SECTION 3-9.02**

Section 3-9.02 of Chapter 9, Title 3 of the Coalinga Municipal Code are hereby amended to read as follows:

### **Sec. 3-9.02. - Dispensary gross receipts tax.**

The owner/operator of ~~the single~~ a cannabis dispensary located in the City of Coalinga shall pay a ten (10) percent gross receipts tax. "Gross receipts" is defined as: the total amount actually received or receivable from all cannabis dispensary sales; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise; discounts, rents, royalties, fees, commissions, dividends, and gains realized. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of the material used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever.

## **SECTION 6. EFFECTIVE DATE.**

This Ordinance shall take effect 30 days after its adoption.

## **SECTION 7. PUBLICATION.**

The City Clerk is authorized and directed to cause this ordinance or a summary of this ordinance to be published once in a newspaper of general circulation published and circulated in the City of Coalinga, within 15 days after its adoption. If a summary of this ordinance is to be published, then the City Clerk shall cause a summary of the proposed ordinance to be published and a certified copy of the full text of the proposed ordinance to be posted in the office of the City Clerk at least five days prior to the Council meeting at which the ordinance is adopted, and also shall cause a certified copy of the full text of the adopted ordinance to be posted in the office of the City Clerk after the meeting at which the ordinance is adopted. The summaries shall be approved by the City Attorney.

\* \* \* \*

The foregoing ordinance was introduced by the City Council of the City of Coalinga, California, at a regular meeting held on June 18, 2020, and was passed and adopted by the City Council on July 2, 2020 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:**

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Mayor/Mayor Pro-Tem

**ATTEST:**

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City Clerk/Deputy City Clerk