



AGENDA
PLANNING COMMISSION
155 W. DURIAN AVE., COALINGA CA 93210
TUESDAY OCTOBER 17, 2017

The Mission of the City of Coalinga is to provide for the preservation of the community character by delivering quality, responsive City services, in an efficient and cost-effective manner, and to develop, encourage, and promote a diversified economic base in order to ensure the future financial stability of the City for its citizens.

CALL MEETING TO ORDER (6:00 PM)

Pledge of Allegiance

CHANGES TO THE AGENDA

ROLL CALL

Commissioners: *Chairman Stoppenbrink*
Vice Chairman Sailer
Commissioner Jacobs
Commissioner Gonzales
Commissioner Helmar

Staff: *Sean Brewer, Community Development Director*
Marissa Trejo, City Manager

PUBLIC COMMENTS

Under Government Code 54954.3 members of the audience may address the Commission on any item of interest to the public or on any agenda item before or during the Commission's consideration of the item. State law prohibits the Planning Commission from acting on non-agenda items.

INFORMATION/CONSENT CALENDAR

1. Approval of Minutes from the September 12, 2017 Planning Commission Meeting

PUBLIC HEARINGS

1. Adoption of Planning Commission Resolution No. 017P-024 Considering City Council Amendments to the Draft Cannabis Retail Operations Ordinance, Zoning Text Changes and Various Amendments to Section 9-5.128 of the Coalinga Planning and Zoning Code related to Commercial Cannabis Operations in accordance with the Medicinal Adult-Use Cannabis Regulation and Safety Act.

DISCUSSION AND/OR POTENTIAL ACTION ITEMS

DEPARTMENT REPORTS

COMMUNICATIONS

1. Staff Announcements
2. Commissioner Announcements
3. Chairman Announcements

ADJOURN



Staff Report- Chairman and Planning Commission

Subject: Approval of Minutes from the September 12, 2017 Planning Commission Meeting
Meeting Date October 17, 2017
Project Location: N/A
Applicant: N/A
Owner: N/A
Prepared By:

I. RECOMMENDATION:

Staff recommends the Approval of the Minutes from the September 12, 2017 Planning Commission Meeting.

II. BACKGROUND:

III. PROPOSAL AND ANALYSIS:

IV. FISCAL IMPACT:

V. REASONS FOR RECOMMENDATION:

ATTACHMENTS:

Description

- ☐ Planning Commission Minutes September 12, 2017

MINUTES
PLANNING COMMISSION
City Council Chambers, 155 W Durian Ave., Coalinga CA
93210
TUESDAY September 12, 2017

CALL MEETING TO ORDER (6:02PM)

Pledge of Allegiance

CHANGES TO THE AGENDA (NONE)

ROLL CALL

Commissioners: Chairman Stoppenbrink-Excused
 Vice Chairman Sailer
 Commissioner Jacobs
 Commissioner Gonzales
 Commissioner Helmar

Staff: Sean Brewer, Community Development Director
 Marissa Trejo, City Manager

Wanda Earls, Secretary/City Clerk

PUBLIC COMMENTS (NONE)

INFORMATION/CONSENT CALENDAR

1. Approval of Minutes from the August 22, 2017 Planning Commission Meeting

There was discussion regarding the October 10th meeting where several could not attend. Mr. Brewer will call a special meeting for October 17th. Meetings for October will be on the 17th and 24th. The meeting for November 14th may start at 6:30PM rather than 6:00PM due to Chairman Stoppenbrink possibly being on Jury Duty.

There was a comment about K-mart not becoming Wal-Mart.

State Market will be leasing the building from landlord where R&N was located.

*Motion by Gonzales, Second by Helmar to Approve Consent Calendar/Minutes of August 22, 2017.
Motion **Approved** by a Majority Voice 4/0 Vote. (Stoppenbrink-excused)*

PUBLIC HEARINGS

1. **Conditional Use Permit 17-09 (Application to allow for the Sale of Alcoholic Beverages at 203 W. Polk Street - State Foods Supermarket)**

Community Development Director Sean Brewer summarized the staff report as follows:

On August 21, 2017 the CDD received a CUP application for the sale of alcohol (Beer and Wine Type 20 ABC License) at the State Foods Supermarket located at 203 W. Polk Street. Staff accepted the application on August 30, 2017 and began processing the application for a CUP.

The requirements of a CUP are intended to prevent problems associated with commercial establishments involved in the sale of alcohol for consumption on-site (on-sale) or off-premises (off-sale) and to prevent unnecessary over-concentration. It has been demonstrated that such establishments can adversely affect nearby commercial and residential uses and can create substantial demands for police services. Therefore, the purpose of the CUP is to establish regulations to govern land uses involved in the dispensing of alcoholic beverages.

- Background
- Proposal and Analysis
 - General Plan/Zoning Consistency
 - Location
 - Operations
 - Surrounding Uses
 - Public Notification
 - Environmental Clearance

- Reasons for Recommendation:

A CUP shall only be granted if the PC determines that the project as submitted or as modified conforms to all of the required criteria. If the PC determines that it is not possible to make all of the required findings, the application shall be denied. The specific basis for denial shall be established for the record.

Staff recommends approval of CUP 17-09 by adopting Resolution No. 017P-022 with Conditions.

Commissioner Helmar asked if there has been any response to the notifications to the surrounding area.

Mr. Brewer indicated there were none.

Vice Chairman Sailer opened the public hearing.

Mr. Maroof Obaid thanked the PC for allowing them to come before you and appreciates your consideration to their request.

Vice Chairman Sailer closed the public hearing.

*Motion by Helmar, Second by Gonzales to Approve with Conditions Conditional Use Permit 17-09 (Application to allow for the Sale of Alcoholic Beverages at 203 W. Polk Street - State Foods Supermarket). Motion **Approved** by a Majority Voice 4/0 Vote. (Stoppenbrink-excused)*

Mr. Brewer indicated applicant will come before the City Council on the 21st of September.

DISCUSSION AND/OR POTENTIAL ACTION ITEMS (NONE)

DEPARTMENT REPORTS (NONE)

COMMUNICATIONS

1. Staff Announcements (None)
2. Commissioner Announcements

Vice Chairman Sailer asked about a meeting on the 26th. He may not be present.

Mr. Brewer indicated he did not think there would be a meeting on the 26th. He has several applications coming up in October.

Vice Chairman Sailer asked about the subdivision proposed near Posa Chanet.

Mr. Brewer indicated he has not heard anything.

Question was asked about building permit fees.

Mr. Brewer said they have exceeded the budget for building permit fees.

Question was asked about the motel on Jayne Avenue.

Mr. Brewer indicated it is scheduled to open on December 12th.

Vice Chairman Sailer indicated there is a dismantled vehicle east of the trailer park. (City Clerk did not hear exactly where the vehicle is located.)

Mr. Brewer said that is probably the County but they should be aware.

3. Chairman Announcements (None)

ADJOURN 6:16PM)

September 26 – Sailer gone on the 26th. Mr. Brewer said he does not think there will be a meeting on the 26th. .

October 10 and 24 – October 10 Meeting will be rescheduled for October 17th.

*November 14 – Sailer may be gone on November 14

*December 12

*Stoppenbrink may be on Jury Duty on November 14th. Meeting may begin at 6:30 PM instead of 6:00 PM.

There is not a second meeting scheduled for November or December.

Chairman/Vice Chairman

City Clerk/Deputy Clerk

Date



Staff Report- Chairman and Planning Commission

Subject: Adoption of Planning Commission Resolution No. 017P-024 Considering City Council Amendments to the Draft Cannabis Retail Operations Ordinance, Zoning Text Changes and Various Amendments to Section 9-5.128 of the Coalinga Planning and Zoning Code related to Commercial Cannabis Operations in accordance with the Medicinal Adult-Use Cannabis Regulation and Safety Act.

Meeting Date October 17, 2017

Project Location: City of Coalinga

Applicant: City of Coalinga

Owner: City of Coalinga

Prepared By: Sean Brewer, Community Development Director

I. RECOMMENDATION:

Staff recommends the Planning Commission consider Resolution No. 017P-024 recommending approval by the City Council the following:

- Adoption of the Commercial Cannabis Retail Ordinance as amended;
- Adoption of Cannabis Retail Facility Physical and Financial Security Measures to be adopted by Resolution, by the City Council, as amended; and
- Adoption of various amendments to the City's existing Commercial Cannabis Operational Regulations (Section 9-5.128 and Land Use Table) as a result of the passage of Senate Bill 94 (Medicinal Adult-Use Cannabis Regulation and Safety Act), as amended.

II. BACKGROUND:

On November 8, 2016, the Citizens of the City of Coalinga passed Measure "G" authorizing and regulating the placement of one single cannabis retail operation within the City. At their February and March meetings in 2017, the City Council began discussing the location in which the single retail facility would be located and directed staff to proceed with locations near West Elm/SR 198 and select parcels at the Juniper Ridge Industrial Park. With the direction from the City Council staff began working with its planning consultants on a framework in establishing a zoning overlay district consistent with the boundaries established by the City Council and developed regulations for the single cannabis retail facility.

On August 22, 2017, the City of Coalinga Planning Commission adopted resolution 017P-020 recommending approval by the City Council approval of a retail cannabis ordinance, creation of retail cannabis overlay zoning district, draft security measures resolution and various amendments to the existing commercial cannabis ordinance.

On September 7, 2017 staff presented, to the City Council, the Planning Commission's recommendations for the retail overlay district, retail ordinance, security resolution and various changes to the City's existing commercial cannabis regulations (ordinance 797). At that meeting, the City Council made several changes to the documents presented to them at the meeting requiring consideration by the Planning Commission before Council takes final action. Staff is seeking Planning Commission consideration of the changes whether to have the Council adopt as amended, do not adopt or recommend further changes.

III. PROPOSAL AND ANALYSIS:

At their September 7, 2017 meeting, the City Council made several changes to the recommendations made by the Planning Commission related to the retail cannabis ordinance, retail cannabis overlay district, draft security resolution and various changes to the existing commercial cannabis regulations set forth in Section 9-5.128. A summary of the recommendations from the Planning Commission are below along with a summary of the changes made by the City Council.

Cannabis Retail Ordinance Language

The regulations developed for the cannabis retail operations consists of general provisions, permitting requirements, minimum operating requirements and restrictions, regulation on goods for sale and how they are displayed, on-site site security, rules on limited access areas, and a framework for deliveries. In addition to the regulations specific to retail operations, the ordinance references the City's existing commercial cannabis operations regulations (Section 9-5.128) in regard to the permitting processes, employee permitting, additional operational requirements as well as the process for permit revocation and suspension.

City Council Update: The City Council made the following changes to this section in addition to the recommendations made by the Planning Commission:

- *Include language to allow both adult-use and medicinal use products to be offered at the retail facility (this was included in the definition of retail);*
- *Include microbusiness as an approved use;*
- *Update language to allow within the (MBL) zones and within state law as it applied to sensitive uses (1,800-foot radius from school, day care center or youth center);*
- *Update to the minimum operating requirements and restrictions to coincide with retail facilities; and*
- *Hours of operation, parking, facility size, and signage;*

Medical vs. Recreational Retail Operations

City Council Update: This item was discussed with the City Council and staff was directed to include language for the co-location of a medicinal (Type-M) and adult-use (Type-A) facility as one permit even if the state requires two licenses to sell both medicinal (M-Type) and adult-use (A-Type) products. This direction is in accordance with the recently adopted AB 133 that allows for the co-location of licenses therefore allowing the combination of an A-Type and M-Type license to co-exist.

Security Measures for Retail Cannabis Locations

The City currently has security measures identified in Section 9-5.128 related to Commercial Cannabis Operations for Manufacturing, Cultivation, Testing, ect. However, the Police Chief is recommending the adoption of additional Cannabis Retail Operations security measures, to be adopted by City Council by resolution, in order to ensure both physical and financial security measures are addressed.

City Council Update: There were some modifications to the attached draft resolution made by the City Council to include language to allow the Police Chief additional flexibility to supplement security measures for alternative means of protection as a business becomes operational to ensure immediate safety measures are taken should they become necessary. Also, there was new language regarding camera systems, track and trace and financial auditing.

Retail Cannabis Overlay District

The Retail Cannabis Overlay District creates a special zoning area specific for permitting Cannabis Retail Facilities within the City. The two geographical areas in which the Cannabis Retail Overlay District is located is within the Manufacturing and Business Light Zoning Designation (MBL) near West Elm Avenue Southeast of Lucille and at the Juniper Ridge Industrial Park. The Retail Cannabis Overlay District established development regulations related specific to retail cannabis operations such as identifying geographical boundaries, permitted uses, parking ratios, size limitations, and signage. The language for the Retail Cannabis Overlay District was located in SECTION 1 of draft ordinance.

City Council Update: The City Council removed the retail cannabis overlay district regulations to expand the zoning district where retail cannabis facilities can be permitted. The proposed regulations authorize a retail facility to be located within the MBL zoning designations in accordance with the 1,600 foot distance from schools, and other applicable sensitive receptors established by state law. This is consistent with the geographical locations in which all commercial cannabis operations are currently permitted. Therefore, the retail overlay district section of the ordinance have been removed.

Amendments to Section 9-5.128 (Commercial Cannabis Operations)

Since the adoption of Ordinance No. 797, the Governor of California signed legislation (Senate Bill 94) into law that consolidates the Medical Cannabis Regulation and Safety Act (MCRSA) and the Adult Use Marijuana Act (AUMA or also known as Proposition 64) now referred to as the Medicinal Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). With the approval of Senate Bill 94, various sections of the City's CCO ordinance regulations require slight amendments to maintain uniformity with current state law. Several of those global changes approved and recommended by the Commission consisted of referring to marijuana as "cannabis", changes in reference to the current law as the Medicinal Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) as the current law from its previous name as the Medical Cannabis Regulation and Safety Act (MCRSA), updates to the definitions section, renaming of license types, removal of various prohibitions that are no longer prohibited under current state law, updates to the grounds for denial of a regulatory permit and employee permit to be consistent with existing state law, removal of the revenue raising fee section since the square foot tax was passed in November of 2016, adding the Bond Requirement to cover costs for the destruction of cannabis or cannabis products if necessitated by a violation of the licensing requirements. Section 9-5.128 are located in SECTION 2 of Draft Retail Ordinance.

In addition to the changes in SECTION 2 of the draft ordinance related to commercial cannabis operations, SECTION 3 of the attached draft ordinance reflects the changes in the land use table to identify permitted uses for each commercial cannabis land use classification and the additional development regulations associated with that use classification. Cannabis cultivation is categorized as "crop cultivation" and all other cannabis use classifications, including retail facilities, are classified as "Industry, Limited".

City Council Update: The City Council accepted all of the recommended changes that were proposed by the Planning Commission related to the Commercial Cannabis Operations. The following items were discussed and recommended by the City Council as additional changes:

- *Co-Location of Permittees;*
- *Updated definition of premises;*

- *Distributor regulation;*
- *Operation requirements for manufacturers and testing laboratories;*
- *Hours of operation; and*
- *Update to the Confidentiality Statement.*

Environmental Analysis

In accordance with the Medicinal Adult-Use Cannabis Regulation and Safety Act, the adoption of ordinances, rules, or regulations by a local jurisdiction that requires discretionary review and approval of permits, license, or other authorizations to engage in commercial cannabis activity is exempt from the California Environmental Quality Act. The ordinance that is being considered requires further discretionary approvals (conditional use permit and regulatory permit) prior to a retail facility opening, therefore, it has been determined that the forgoing actions are exempt from further CEQA review in accordance with the MAUCRSA

IV. FISCAL IMPACT:

The anticipated fiscal impact to the City is expected to be substantial as the approval of a retail cannabis ordinance would generate revenue from application fees, annual licensing fees, business license taxes, the retail cannabis gross receipts tax (10%), building permit fees, and property taxes.

V. REASONS FOR RECOMMENDATION:

The establishment of a regulatory framework for the permitting of a single cannabis retail facility will further the desire of the community by implementing a city initiative that was passed by the residents of Coalinga in November 2017. The following findings have been met:

- The potential effects of the proposed ordinance have been evaluated and have been determined not to be detrimental to the public health, safety, or welfare of the City.
- The proposed ordinance is internally consistent and compatible with the goals, policies, and actions of the General Plan.
- The proposed ordinance has been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act.
- The proposed Ordinance would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.
- The proposed Ordinance is consistent and compatible with the goals, policies, and actions of the General Plan, and the other applicable provisions of the Zoning Ordinance.

ATTACHMENTS:

Description

- ☐ Security Resolution Updated 9-7-2017
- ☐ Ordinance No. 804 Council Amendments 9-7-2017
- ☐ Planning Commission Resolution 017P-024

RESOLUTION NO. 3784

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COALINGA
SETTING SECURITY REQUIREMENTS FOR RETAIL CANNABIS LOCATIONS WITHIN THE
CITY LIMITS OF THE CITY OF COALINGA**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COALINGA AS FOLLOWS:

WHEREAS, the City Council has passed Ordinance 804 which authorizes Council to establish retail cannabis physical and financial security measures by resolution; and

WHEREAS, the City Council has determined that physical and financial security of retail cannabis locations is an ongoing concern and improved security features and measures may be developed over time; and

WHEREAS, it is desirable such physical and financial security features be as current as possible and upon the recommendation of staff, including the Chief of Police, the Council does adopt by resolution the following requirements, subject to change from time to time; and

WHEREAS, The Police Chief may supplement these security requirements once operations begin, subject to review by the City Council if requested by the business owner.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COALINGA:

The following requirements shall be imposed on any retail cannabis operation or property located within the City, in addition to any requirements imposed by the State of California by law or regulation:

Physical Security

1. Exterior and interior camera systems approved by the Police Chief. The camera systems shall meet the minimum requirements of the Act, include interior monitoring of all access points of the site from the interior, and be of a minimum resolution in order to read license plates and facial recognition from al exterior and interior locations.

4-2. Alarm systems (both perimeter and panic).

2-3. Lighting systems for perimeter after-hours security minimum 1.5 candlepower as shown by a photometric plan.

3-4. All security systems at the site are attached to an uninterruptable power supply that provide 24 hour of power.

4-5. Law enforcement shall have access to all Security Systems via IP.

5-6. Windows may not allow for view inside the Cannabis Retail Facility.

6-7. Double vestibule layout to control access to the retail space.

7-8. No cannabis products may be available to purchaser without staff assistance.

~~8-9.~~ Subject to the provisions below regarding the use and handling of confidential information, IP access for remote monitoring of security cameras by the Coalinga Police Department or Department designee.

~~9-10.~~ Subject to the provisions below regarding the use and handling of confidential information, any and all video or audio tape 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 thirty (30) days and must be made available to the Coalinga Police Department or Department designee for duplication upon demand. In addition, upon request by the Coalinga Police Department the Responsible Party shall duplicate the records for the Coalinga Police Department or Department designee.

~~10-11.~~ Hardened bullet resistant windows, or an alternative method of protection such as safety and security window film, approved by the Police Chief, for exterior windows as part of any new or existing construction.

~~11-12.~~ Use of access control systems to limit access to cannabis related areas.

~~12-13.~~ Attached vaults or safes shall be used to protect product and secure cash.

Financial Security

1. Point of sale systems, approved by the Police Chief, are required to account for transactions.

2. Cash must be counted and verified at the end of every shift.

~~3.~~ Accounting software systems must be in place to provide audit trails of cash, medical recommendations, and all products.

~~4.~~ Electronic track and trace systems for cannabis products as approved by the Police Chief.

~~3-~~

~~4-5.~~ The City shall conduct financial and retail audits, at a minimum, on a quarterly basis. The scope of the audits will be created by the City Police and Finance Departments.

~~5-6.~~ Random spot checks of cash and product inventories are to be conducted by the licensing authority.

~~6-7.~~ State of the art network security protocols and equipment need to be in place to protect computer information.

Failure to comply with the above requirements, or any amendments, will result in revocation of the retail cannabis regulatory permit and conditional use permit to operate.

Formatted: Font: (Default) Arial, 11 pt

Formatted: list2

Formatted: list2, No bullets or numbering

Passed and adopted on the ~~21st day of September 2017~~ _____ by the following vote.

AYES:

NOES:

ABSENT:

ABSTAINED:

Mayor

City Clerk / Deputy City Clerk

ORDINANCE NO. 804

(AS AMENDED BY THE CITY COUNCIL ON 9-7-2017)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COALINGA: (1) ~~ADDING ARTICLE 7 TO TITLE 9, CHAPTER 3 TO THE COALINGA MUNICIPAL CODE TO ESTABLISH A CANNABIS RETAIL OVERLAY DISTRICT;~~ (2) AMENDING SECTION 128 TO TITLE 9, CHAPTER 5 TO THE COALINGA DEVELOPMENT CODE PERTAINING TO THE STANDARDS FOR COMMERCIAL CANNABIS OPERATION IN THE CITY; (3) ~~AMENDING TABLE 2.7 OF TITLE 9, CHAPTER 2, ARTICLE 4 PERTAINING TO LAND USES PERMITTED FOR COMMERCIAL CANNABIS OPERATIONS;~~ AND (4) ~~AMENDING TITLE 9, CHAPTER 5, ARTICLE 1 OF THE CITY'S DEVELOPMENT CODE TO ADD A NEW SECTION 9-5.129 PERTAINING TO THE STANDARDS FOR CANNABIS RETAIL OPERATIONS.~~

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

~~SECTION 1. — ADOPTION SECTION 9-3.701 — SECTION 9-3.706~~

~~Coalinga Municipal Code Title 9, Chapter 3, is hereby amended by the addition of a new Article to read as follows:~~

~~Article 7. — Cannabis Retail Overlay District~~

~~Sec. 9-3.701. — Purpose.~~

~~The specific purpose of the Cannabis Retail Overlay District is to:~~

~~(a) Adopt local regulations applicable to commercial cannabis operations as may be permitted under the California Control, Regulate and Tax Adult Use of Marijuana Act (AUMA), passed in 2016, and the California Medicinal Adult Use Cannabis Regulation and Safety Act (MAUCRSA), signed into law on June 27, 2017, with legislative bill SB94.~~

~~(b) Clearly indicate the areas of the City designated for cannabis retail facilities and regulate cannabis retail facilities to ensure safe operation of, and mitigate potential impacts cannabis retail operations may have on surrounding properties and persons.~~

~~Sec. 9-3.702. — Definitions.~~

~~Except as set forth herein, or where a different meaning is clearly intended by the language, the definitions set forth in the AUMA and MAUCRSA shall apply to interpretations under this article. In addition, the terms herein shall be defined by 9-5.128 and 9-5.129.~~

~~Sec. 9-3.703. — Applicability~~

~~(a) *District Boundaries.* The Boundaries of the Cannabis Retail Overlay District are prescribed as identified on the General Plan Land Use Map.~~

~~(a) *Permitted Uses.* A Retail Cannabis Facility, as defined by Sec. 9-3.702 of this article, shall only occur in the Retail Cannabis Overlay District and is not permitted elsewhere in the City. Only one such Cannabis Retail Facility shall be allowed in the Cannabis Retail Overlay District.~~

~~(b) *Approvals.* All proposed projects require approval per the provisions of Chapter 6, Code Administration, of this title, as well as a development permit approved by the State, consistent with all requirements of AUMA and MAUCRSA regulations, and the applicable level of environmental review, depending on project scope.~~

~~Sec. 9-3.704. — Prohibited uses.~~

~~No development is permitted in the Retail Cannabis Retail Overlay District, except for uses compatible with manufacturing/business districts activities listed in Sec. 9-2.402 of this Code.~~

~~Sec. 9-3.705. — Development Standards.~~

~~In addition to the base zoning district (manufacturing/business) development regulations prescribed in Sec. 9-2403 and Sec. 9-2404 of this Code, a commercial cannabis retail operation shall meet the following development standards:~~

~~(a) *Parking.* Off street parking shall be provided as required for food and beverage retail sales under Sec. 9-4.302 of this Code. All required parking shall be off street and on-site.~~

~~(b) *Cannabis Retail Facility Size.* The Cannabis Retail Facility size shall not exceed 10,000 square feet.~~

~~(c) *Signage.* One attached sign 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. 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~~

~~e. That loitering on and around the Retail Cannabis Facility site is prohibited by California Penal Code Section 647(e).~~

~~Sec. 9-3.706. Cannabis Retail Permits.~~

~~(a) Commercial cannabis regulatory permit. No person or entity shall operate a commercial cannabis retail facility within the City of Coalinga without first obtaining a commercial cannabis regulatory permit from the City in accordance with Section 9-5.129 and 9-5.128 of the City of Coalinga Municipal Code. The regulatory permit shall be site specific and shall specifically identify the commercial cannabis activity that will be allowed at that site. No commercial cannabis activity will be allowed unless specifically identified in the regulatory permit.~~

~~(b) Conditional use permit. Prior to, or concurrently with, applying for a regulatory permit, the applicant shall process a conditional use permit as required by the City's Land Use Regulations. Information that may be duplicative in the two (2) applications can be incorporated by reference. The conditional use permit shall run with the regulatory permit and not the land.~~

~~(1) Findings. In addition to the findings required in Sec. 9-6.504 of this Code, approval of a conditional use permit for a commercial cannabis retail facility shall require the following findings:~~

~~a. That the requested use at the proposed location will not adversely affect the economic welfare of the nearby community;~~

~~b. That the requested use at the proposed location will not adversely affect the use of any property used for a school, playground, park, youth facility, child care facility, place of religious worship, or library as prescribed by local or state law;~~

~~e. That the requested use at the proposed location is sufficiently buffered in relation to any residential area in the immediate vicinity so as not to adversely affect said area; and~~

~~d. That the exterior appearance of the structure will be consistent with the exterior appearance of structures already constructed or under construction within the immediate neighborhood, so as to prevent blight or deterioration, or substantial diminishment or impairment of property values within the neighborhood.~~

SECTION 12 - ADOPTION SECTION 9-5.128

Further, Coalinga Municipal Code Title 9, Chapter 5, is hereby amended to read as follows:

Sec. 9-5.128. - Cannabis cultivation, manufacturing, testing, transportation and distribution.

- (a) *Purpose.* The purpose of this section is to adopt local regulations applicable to commercial cannabis operations as may be permitted under the California Medicinal and Adult-Use Cannabis Regulation and Safety Act (SB 94), approved by the Governor on June 27, 2017 or subsequently enacted State law pertaining to the same.
- (b) *Definitions.* Except as set forth herein, or where a different meaning is clearly intended by the language, the definitions set forth in the Act shall apply to interpretations under this section.

Act means the Medicinal and Adult-Use Cannabis Regulation and Safety Act or a subsequent cannabis related law adopted by the State.

Applicant means a person who is required to file an application for a permit under this section.

Business owner means the owner(s) of the cannabis operations. For corporations and limited liability companies, business owner means the President, Vice President, and any shareholder owning a twenty-percent or greater share of the corporation or company. For partnerships, business owner means all general partners and managing partners.

Cannabis shall have the meaning set forth in California Business and Professions Code section 19300.5(f).

City means the City of Coalinga.

Commercial cannabis operation means any commercial cannabis activity allowed under the Act and the implementing regulations, as the Act and the implementing regulations may be amended from time to time, and all uses permitted under any subsequently enacted State law pertaining to the.

Commercial cannabis regulatory permit or regulatory permit means the permit required under this section to have a commercial cannabis operation, and any prior permit granted by the City under Urgency Ordinance No. 791 pursuant to the registration process.

Co-Location of Businesses shall mean the existence of multiple cannabis operations located at a single location (parcel, building or structure) or as defined by the State of California. This also includes the co-location of both adult-use and medicinal commercial cannabis operations as prescribed by law.

Formatted: Font: Not Italic

Formatted: Font: Not Italic

Formatted: Font: Not Italic

Employee permit means the permit required under this section for every employee or independent contractor working at a commercial cannabis operation or involved in transportation/delivery related services for a commercial cannabis operation.

Non-commercial and ~~recreational~~ adult-use cannabis activity means all uses not included within the definition of commercial cannabis operation, including the personal use, cultivation, or consumption of cannabis, whether medicinal or ~~recreational~~ for adult-use.

Operator means the business owner and any other person designated by the business owner as responsible for the day to day cannabis operations.

Ordinance means the ordinance adopting this section, and including the terms of this section, which may be commonly referred to as the City's "Commercial Cannabis Ordinance".

Police Chief means the Police Chief of the City of Coalinga or his or her designee.

~~*Premises means the designated structure or structures and land specified in the application that is owned, leased, or otherwise held under the control of the applicant or licensee where the commercial cannabis activity will be or is conducted. The premises shall be a contiguous area and shall only be occupied by one licensee. Premises or site means the actual building(s), and/or designated units/suites, as well as any accessory structures, parking areas, or other immediate surroundings, and includes the entire parcel of property used by the business owner in connection with the cannabis operations.*~~

Premises owner means the fee owner(s) of the premises where cannabis operations are occurring.

Responsible party shall mean the business owner, operator, manager(s), and any employee having significant control over the cannabis operations.

(c) *Permitted uses and zoning.* Business owners meeting the requirements of this section, unless specified otherwise, shall be allowed to conduct the following commercial cannabis operations in the MBL - Light Manufacturing/Business ~~z~~one ~~D~~istrict of the City:

Indoor Cultivation (Up to 5,000 S/F Canopy)

Indoor Cultivation (5,001 - 10,000 S/F Canopy)

Indoor Cultivation (10,001 - 22,000 S/F Canopy)

Manufacturing (nonvolatile)

Manufacturing (volatile)
Testing Laboratory
Distributor
Nursery
Microbusiness
Retailer (See Section 9-5.129)

The commercial cannabis operation shall at all times be in compliance with this section or as otherwise specified as it may be amended from time to time or repealed and replaced by another section governing the commercial cannabis operation.

(d) *Minimum operational requirements and restrictions.* The following operational requirements and restrictions shall apply to all commercial cannabis operations:

- (1) *The Act and other state laws.* The cannabis operations shall at all times be in compliance with the Act and the implementing regulations, as they may be amended from time to time, as well as all required State license(s) under the Act, and any other applicable State law. The operator shall obtain required licenses under the Act prior to opening for business, or if the State is not ready to issue licenses under the Act prior to the time of opening, within twelve (12) months of the State being ready to issue the required license(s). Provided, however, that the operator shall at all times be in compliance with all other requirements of the Act and implementing regulations, and any other applicable State law, regardless of the timing of the issuance of a license under the Act.
- (2) *Register of employees.* The operator shall maintain a current register of the names of persons required to have employee permits. The register shall be available to the Police Chief at all times immediately upon request.
- (3) *Signage.* There shall be no signage or markings on the premises, or off-site, which in any way evidences that cannabis operations are occurring on the property. Interior building signage is permissible provided the signage is not visible outside of the building.
- (4) *Cannabis consumption.* No cannabis shall be smoked, ingested or otherwise consumed on the premises. Adequate signage of this prohibition shall be displayed throughout the facility.
- (5) *Distribution.* There shall be no ~~distribution deliveries from the premises~~ of cannabis or cannabis containing products from a cannabis operation except ~~to~~by another State or local licensed or permitted cannabis business holding a distributor license.
- (6) *Manufacturers.* Manufacturers shall adhere to Assembly Bill 2679, applicable State Law and subsequent state regulations.
- (7) *Testing Facilities.* Testing Facilities shall meet all the requirements of State Law (including B&P Code 26100 and all subsequent State Department Regulations).

Formatted: Font: Not Italic

~~(5)~~a. Testing laboratories shall dispose of any waste byproduct resulting from their operations in the manner required by State and local laws and regulations.

~~(6)~~(8) Non-commercial cannabis activity. No non-commercial ~~or recreational~~ cannabis activity shall occur on the licensed premises.

~~(7)~~(9) Retail sales. The retail sale of cannabis is permitted in accordance with Section 9-5.129.

~~(8)~~(10) Public access. There shall be no public access to the commercial cannabis operations premises except for retail facilities.

~~(9)~~(11) Minors. It shall be unlawful for any operator to employ any person who is not at least twenty one (21) years of age, or any older age if set by the State.

~~(10)~~(12) Distance separation from schools. Cannabis operations shall comply with the distance separation requirements from schools as required by State law. In addition, a commercial cannabis operation shall not be located within 1,800 feet from any existing school or proposed school site as identified in the General Plan. Measurements shall be from property boundary to property boundary. For purposes of this section, 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.

~~(11)~~(13) Hours of operation. Commercial cannabis operations shall be allowed to operate per the requirements of the an approved conditional use permit underlying zone district and subject to the City's noise and nuisance ordinances.

~~(12)~~(14) Building and related codes. The cannabis operation shall be subject to the following requirements:

- a. The premises in which the cannabis operations occur shall comply with all applicable local, state and federal laws, rules, and regulations including, but not limited to, building codes and the Americans with Disabilities Act, as certified by the Building Official of the City. The operator shall obtain all required building permits and comply with all applicable City standards.
- b. The responsible party shall ensure that the premises has sufficient electrical load for the cannabis operations.
- c. Butane and other flammable materials are permitted to be used for extraction and processing provided the operator complies with all applicable fire and building codes, and any other laws and regulations relating to the use of those products, to ensure the safety of that operation. The Coalinga Fire Department shall inspect and approve the premises for use of the products prior to City's issuance of a certificate of occupancy, or otherwise prior to opening for business, to ensure compliance with this requirement.
- d. The operator shall comply with all laws and regulations pertaining to use of commercial kitchen facilities for the cannabis operations.

- e. The operator shall comply with all environmental laws and regulations pertaining to the cannabis operations, including the use and disposal of water and pesticides, and shall otherwise use best practices to avoid environmental harm.

~~(13)~~(15) *Odor control.* Cannabis operations shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the facility that is distinctive to its operation is not detected outside the premises, outside the building housing of the cannabis operations, or anywhere on adjacent property or public rights-of-way. As such, cannabis operations must install and maintain the following equipment or any other equipment which the City's Building Official and Police Chief determines has the same or better effectiveness, if a smell extends beyond a property line:

- a. An exhaust air filtration system with odor control that prevents internal odors and pollen from being emitted externally; or
- b. An air system that creates negative air pressure between the cannabis facility's interior and exterior so that the odors generated inside the cannabis facility are not detectable outside the cannabis facility.

~~(14)~~(16) *Consumable products.* Cannabis operations that manufacture products in the form of food or other comestibles shall obtain and maintain the appropriate approvals from the appropriate State and Local Agencies for the provision of food or other comestibles, unless otherwise governed by the Act and licensed by the State.

~~(15)~~(17) *Secure building.* All cannabis operations shall occur entirely inside of a building that shall be secure, locked, and fully enclosed, with a ceiling, roof or top.

- a. The building shall include a burglar alarm monitored by an alarm company or private security company.
- b. The primary building, including all walls, doors, and the roof, shall be of solid construction meeting the minimum building code requirements for industrial structures (including, without limitation, commercial greenhouse structures), and include material strong enough to prevent entry except through an open door. The roof may be of solid translucent material provided other security measures exist to ensure that the cannabis operation cannot be seen, heard or smelled beyond the property line.
- c. Greenhouses shall be considered ancillary to the primary use/structure and constructed in accordance with the California Building Code related to utility structures. Greenhouses shall be secured in way, as approved by the Police Chief, to prevent vehicle intrusion.

- d. The precise building construction and material to be used shall be identified and provided to the City prior to construction and provided with the application.

~~(46)~~(18) *Premises security*. The following security conditions shall apply:

- a. Alarm system (both perimeter, fire and panic).
- b. Remote monitoring of alarm systems.
- c. Perimeter lighting systems (motion sensor) for after-hours security.
- d. Perimeter security and lighting as approved by the Police Chief and Community Development Director.
- e. Use of drive gates with card key access or similar to access the facility.
- f. Entrance areas to be locked at all times areas, and under the control of a designated responsible party.
- g. Use of access control systems to limit access to cannabis related areas.
- h. Exterior and interior camera systems approved by the Police Chief. The camera systems shall meet the minimum requirements of the Act, include interior monitoring of all access points of the site from the interior, and be of a minimum resolution in order to read license plates and facial recognition from al exterior and interior locations.
- i. All security systems at the site are attached to an uninterruptable power supply that provides twenty-four (24) hours of power.
- j. Twenty-four-hour security patrols by a recognized security company licensed by the California Department of Consumer Affairs or otherwise acceptable to the Police Chief.
- k. All current contact information regarding the security company shall be provided to the Police Chief.
- l. Coalinga Police Department or department designee shall have access to all security systems.
- m. Subject to the provisions below regarding the use and handling of confidential information, IP access for remote monitoring of security cameras by the Coalinga Police Department or Department designee.
- n. Subject to the provisions below regarding the use and handling of confidential information, any and all video or audio tape 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 thirty (30) days and must be made available to the Coalinga Police Department or Department designee for duplication upon demand. In addition, upon request by the Coalinga Police Department the Responsible Party shall duplicate the records for the Coalinga Police Department or Department designee.

- o. Hardened bullet resistant windows, or an alternative method of protection such as safety and security window film, approved by the Police Chief, for exterior windows as part of any new or existing construction.
- p. Accounting software systems need to be in place to provide audit trails of both product and cash, where applicable.
- q. Electronic track and trace systems for cannabis products as approved by the Police Chief.
- r. Premises may be inspected and records of the business owner audited by the City for compliance at any time.
- s. State of the art network security protocols and equipment need to be in place to protect computer information.
- t. The foregoing requirements shall be approved by the Police Chief prior to commencing operations. The Police Chief may supplement these security requirements once operations begin, subject to review by the City Council if requested by the business owner.

Confidentiality Statement

The City, Police Chief, Police Department employees, and any other law enforcement official acting under the direction of the Police Chief who access the premises and video and/or audio feeds or recordings of the premises ("recipients") may receive or be provided with confidential information relating to the cannabis operations, which may include the following: data, records, plans, and matters relating to customers, vendors, tenants, agreements, and business records (collectively "confidential information").

To the extent confidential information is acquired ~~without a warrant~~ from access to the premises and video and/or audio feeds or recordings as authorized under this section, the recipients shall, to the maximum extent possible, keep such confidential information confidential and not disclose the confidential information to any third parties. Provided, however, that the recipients may disclose confidential information to the State or Federal courts in California in connection with any criminal law enforcement action against the business owner or operator, (including its employees, contractors and agents conducting business within the premises) arising from or related to the cannabis operations, but only to the extent it is necessary and relevant to such criminal prosecution, and the recipients shall file any such documents under seal to the extent they contain any confidential information.

Notwithstanding the foregoing, the City may disclose confidential information:

1. As may be required by the California Public Records Act or pursuant to a civil subpoena, provided however, the City shall notify the operator and provide the operator with a reasonable opportunity to obtain a protective order before disclosing the confidential information.
2. In connection with any City enforcement proceeding relating to compliance with City's Municipal Code and this section, but only

to the extent the confidential information is relevant to the proceeding.

~~(17)~~(19) *Deliveries of supplies and transportation of product.* The transportation of cannabis and cannabis products shall only be conducted by persons holding a State distributor license or employees of those persons and shall follow all the regulations and safety standards established by the Bureau of Cannabis Control.

~~(18)~~(20) *Premises maintenance.* The business owner, operator, and all responsible parties shall continually maintain the premises and its infrastructure so that it is visually attractive and not dangerous to the health, safety and general welfare of employees, patrons, surrounding properties, and the general public. The premises or commercial cannabis operation shall not be maintained in a manner that causes a public or private nuisance.

~~(19)~~(21) *Location of uses.* The commercial cannabis operation permitted by this section shall only be allowed in the locations designated on the diagram and floor plan of the premises submitted with the application for a regulatory permit. The commercial cannabis operation shall not operate at any place other than the address of the cannabis operation stated in the regulatory permit.

(e) *Commercial cannabis regulatory permit.* No person or entity shall operate a commercial cannabis operation within the City of Coalinga without first obtaining a commercial cannabis regulatory permit from the City. The regulatory permit shall be site specific and shall specifically identify the commercial cannabis activity that will be allowed at that site. No commercial cannabis activity will be allowed unless specifically identified in the regulatory permit.

(f) *Conditional use permit.* Prior to, or concurrently with, applying for a regulatory permit, the applicant shall process a conditional use permit as required by the City's Land Use Regulations. Information that may be duplicative in the two (2) applications can be incorporated by reference. The conditional use permit shall run with the regulatory permit and not the land.

(g) *Applications for regulatory permits and responsible party designation.*

(1) *Application.* Applications for regulatory permits shall be filed by the proposed business owner(s) with the Police Chief and include the information set forth herein. The Police Chief may request such information he or she deems necessary to determine who the applicant is. The applicant shall certify under penalty of perjury that all of the information contained in the application is true and correct. The application shall contain the following items for the business owner, operator and all responsible parties known at the time (if different than the business owner), and any other party designated below, to the extent the same shall apply:

- a. The full name, present address, and telephone number, including such information to the premises owner.
- b. Date of birth.

- c. Tax identification number.
- d. The address to which notices relating to the application is to be mailed.
- e. Previous addresses for the five (5) years immediately preceding the present.
- f. The height, weight, color of eyes and hair.
- g. Photographs for identification purposes (photographs shall be taken by the Police Department).
- h. All business, occupation, or employment for the five (5) years immediately preceding the date of submittal of the application form.
- i. The cannabis operation business history, including whether the business owner and responsible parties while previously operating in this or another city, county or state has had a cannabis related license revoked or suspended, the reason therefore, and the business or activity or occupation subsequent to such action of suspension or revocation.
- j. Complete property ownership and lease details, where applicable. If the business owner is not the premises owner, the application form must be accompanied with a notarized acknowledgment from the premises owner that cannabis operations will occur on its property.
- k. A descriptive business plan for the cannabis operation, including a detailed list of all cannabis operations proposed to occur on the premises.
- l. A diagram and floor plan of the entire premises, denoting all the use of areas proposed for cannabis operations, including, but not necessarily limited to, cultivation, processing, manufacturing, testing, transportation, deliveries, and storage. The diagram and floor plan need not be professionally prepared, but must be drawn to a designated scale or drawn with marked dimensions of the interior of the premises to an accuracy of plus or minus six (6) inches.
- m. The name or names of the operator. The operator shall designate one or more responsible parties, one of which shall at all times be available as a point of contact for the City, 24 hours per day. The contact information and schedule of the operator and responsible parties shall be provided to the Police Chief and updated within twenty-four (24) hours of any changes.
- n. The proposed security arrangements for insuring the safety of persons and to protect the premises from theft.
- o. An accurate straight-line drawing prepared within thirty (30) days prior to the application depicting the building and the portion thereof to be occupied by the cannabis operation and the property line of any school as set forth in the operational requirements.
- p. A descriptive operations plan for the cannabis operation that shall include, but not be limited to, standard operating procedures, training

program, number of employees, inventory procedures, waste management plan, quality control procedures, pest management, estimated water use, and equipment storage.

- q. Authorization for the City, its agents and employees to seek verification of the information submitted.
 - (2) *Improper or incomplete application.* If the applicant has completed the application improperly, or if the application is incomplete, the Police Chief shall, within thirty (30) days of receipt of the original application, notify the applicant of such fact.
 - (3) *Changes in information.* Except as may otherwise be provided, the information provided in this subsection shall be updated to the Police Chief upon any change within ten (10) days.
 - (4) *Other permits or licenses.* The fact that an applicant possesses other types of State or City permits or licenses does not exempt the applicant from the requirement of obtaining a regulatory permit.
- (h) *Employee permits.*
- (1) *Permit required.* Every employee or independent contractor working at a commercial cannabis operation shall obtain an employee permit. It shall be the duty of the operator to ensure that employee permits are obtained from the Police Department prior to the employee or independent contractor commencing work. Persons who are listed as a business owner on a regulatory permit shall not be required to obtain an employee permit if such person also serves as an employee or contractor. All responsible parties, except the business owner, shall be required to obtain an employee permit.
 - (2) *Application.* Each employee and independent contractor shall be required to provide the following information under penalty of perjury, so that the Police Department can perform a background check:
 - a. Name, current resident address, and telephone number.
 - b. Date of birth.
 - c. Tax identification number.
 - d. Height, weight, color of eyes, and hair.
 - e. Photographs for identification purposes (photographs shall be taken by the Police Department).
 - f. Be fingerprinted by the Police Department.
 - g. Such other identification and information as deemed necessary by the Police Chief and pertinent to the employee permit.
 - h. Authorization for the City, its agents and employees to seek verification of the information contained within the application.
 - i. The name of the business owner holding the regulatory permit and the operator for which such person is proposed to work.

(i) *Application fees.* Every application for a regulatory permit and employee permit shall be accompanied by a nonrefundable fee, as established by resolution of City Council. This fee shall be in addition to any other business license fee or permit fee imposed by this Code or other governmental agencies. The fee shall include an amount to cover the costs of fingerprinting, photographing, background checks as well as general review and processing of the application.

(j) *Investigation and action on application.*

(1) Upon the filing of a properly completed application and the payment of the fee, the police chief shall conduct an investigation of the application, including a background check of the applicant and all employees and independent contractors. All applicants for a regulatory permit and employee permit shall be required to submit to a fingerprint-based criminal history records check conducted by the Coalinga Police Department.

(2) For regulatory permits, after the background checks and investigation are complete, the Police Chief shall issue a recommendation that the City Council approve or deny a regulatory permit in accordance with the provisions of this section. The recommendation for approval shall include conditions the Police Chief deems reasonable under the circumstances to protect the public health, safety, and welfare of the community. The recommendation shall be forwarded to the City Council for action following any required noticing and public hearings, and may be processed concurrently with any other entitlements necessary for the cannabis operation.

(3) For employee permits, after the background checks and investigation are complete, the Police Chief shall either approve or deny an employee permit. At the discretion of the Police Chief, employee permits may be conditionally approved pending the background investigation.

(k) *Term of permits and renewals.* Regulatory permits issued under this chapter shall expire one year following the date of issuance. Applications for renewal shall be made at least forty-five (45) days prior to the expiration date of the permit and shall be accompanied by the nonrefundable fee referenced in this section. When made less than forty-five (45) days before the expiration date, the expiration of the permit will not be stayed. Applications for renewal shall be acted on similar to applications for permits except that the Police Chief shall renew annual permits for additional one year periods if the circumstances and information provided with the initial application have not materially changed.

(l) *Grounds for denial of regulatory permit.* The grounds for denial of a regulatory permit shall be one or more of the following:

(1) The business or conduct of the business at a particular location is prohibited by any local or State law, statute, rule or regulation.

(2) The business owner or operator has been issued a local or state permit related to cannabis operations at any other location in California, or another state, and that permit was suspended or revoked, or the business owner or operator has had disciplinary action relating to the permit.

- (3) The business owner or operator has knowingly made a false statement of material fact or has knowingly omitted to state a material fact in the application.
- (4) Consistent with the Act or other applicable State law, the business or its owners or operators, or any responsible person, has been ineligible for a license under the Acts requirements.
- (5) Consistent with the Act or other applicable State law, the business owner or operator has engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
- (6) The business owner or operator is under twenty-one (21) years of age, or any older other age set by the State.
- (7) The cannabis operation does not comply with the zoning ordinance standards of the City of Coalinga or the development standards set forth in this title.
- (8) The required annual business license fee, annual regulatory fee or revenue raising fee has not been paid.

(m) *Grounds for denial of employee permit.* The grounds for denial of an employee permit shall be one or more of the following:

- (1) The applicant has been issued a local or state permit related to cannabis operations at any other location in California, or another state, and that permit was suspended or revoked, or the applicant has had disciplinary action relating to the permit.
- (2) The employee is ineligible for employment under the requirements of the Act.
- (3) Consistent with the Act or other applicable State law, the applicant has engaged in unlawful, fraudulent, unfair, or deceptive business acts or practices.
- (4) The applicant has committed any act, which, if done by a permittee, would be grounds for suspension or revocation of a permit.
- (5) An applicant is under twenty-one (21) years of age, or any older age set by the State.

(n) *Notice of decision and final action.*

(1) *Regulatory permit.* Action on the regulatory Permit shall be as follows:

- a. The Police Chief shall cause a written notice of his or her recommendation on the issuance or denial of a regulatory permit, and the date and time when the City Council will consider action on the regulatory permit, to be personally delivered or mailed to the applicant by certified U.S. mail, postage prepaid.
- b. Following a public hearing before the City Council, the Council may grant the regulatory permit subject to such conditions as it deems reasonable under the circumstances to protect the public health, safety, and welfare of the community, or it may deny the issuance of the regulatory permit for any of the grounds specified in this section. The decision of the Council shall be final, subject to judicial review below.

(1) *Employee permit.* Action on the employee permit shall be as follows:

- a. The Police Chief shall cause a written notice of his or her determination on the issuance or denial of an employee permit to be personally delivered or mailed to the applicant by certified U.S. mail, postage prepaid. The Police Chiefs decision on an employee permit shall be final, subject to judicial review.

(o) *Suspension and revocation of regulatory permit or employee permit.*

(1) *Regulatory permit.* The City Council may suspend or revoke the regulatory permit of a commercial cannabis operation when any of the following occur:

- a. The cannabis operation is conducted in violation of any provision of this section, the Act, or any other applicable state law.
- b. The cannabis operation is conducted in such a manner as to create a public or private nuisance.
- c. A failure to pay the regulatory fee or revenue raising fee required by this section.
- d. A failure to take reasonable measures to control patron conduct, where applicable, resulting in disturbances, vandalism, or crowd control problems occurring inside of or outside the premises, traffic control problems, or obstruction of the operation of another business.
- e. A failure to comply with the terms and conditions of the regulatory permit or any conditional use permit issued in connection therewith.
- f. Any act which would be considered grounds for denial of the regulatory permit in the first instance.
- g. Failure to reasonably comply with the recommendations and action items identified on the City's monitoring and compliance reports.

(2) *Employee permit.* The Police Chief may suspend or revoke an employee permit when the permittee or the employee has committed any one or more of the following acts:

- a. Any act which would be considered a ground for denial of the permit in the first instance.
- b. Violates any provision of this section, the Act, or any other applicable law relating to the cannabis operation.
- c. Violates or fails to comply with the terms and conditions of the employee permit.

(3) *Procedures for revoking regulatory permits.* For regulatory permits, the procedures for revoking conditional use permits shall be utilized except that the matter shall be heard by the City Council in the first instance, and shall be subject to the same judicial process as applied to a conditional use permit. (See, Coalinga Municipal Code Section 9-6.114, Effective dates, expiration, extensions, modifications, and revocation of approvals).

(4) *Procedures for revoking employee permits.* Prior to suspension or revocation of an employee permit, the Police Chief shall conduct a hearing. Written notice of the time and place of such hearing shall be served upon the permittee at least five (5) calendar days prior to the date set for such hearing. The notice shall contain a brief statement of the grounds to be relied upon for revoking or suspending the permit. Notice may be given either by personal delivery or by certified U.S. mail, postage prepaid. Any permittee aggrieved by the decision of the Police Chief in suspending or revoking an employee permit shall have no appeal rights and the Police Chief's decision shall be final, subject to judicial review as set forth in this section.

(5) *Immediate suspension.* The Police Chief may immediately suspend or revoke a regulatory permit and an employee permit without notice or a hearing, subject to the appeal rights set forth herein, under either of the following circumstances:

- a. The business owner or operator is convicted of a public offense in any court for the violation of any law which relates to the cannabis operation, or in the case of an employee permit, the employee is convicted of a public offense in any court for the violation of any law which relates to the permit.
- b. The Police Chief determines that immediate suspension is necessary to protect the public health, safety, and welfare of the community. The Police Chief shall articulate the grounds for the immediate suspension in writing and the suspension shall only be for as long as necessary to address the circumstances which led to the immediate suspension.

(p) *Effect of denial or revocation.* When the City Council shall have denied a regulatory permit or revoked a regulatory permit, or the Police Chief shall have denied or revoked an employee permit, no new application for a regulatory permit and no new application for an employee permit shall be accepted and no regulatory permit or employee permit shall be issued to such person or to any corporation in which he or she shall have any beneficial interest for a period of one year after the action denying or revoking the regulatory permit or employee permit.

(q) *Abandonment.* In addition to the suspension or revocation of a regulatory permit, a regulatory permit shall be deemed abandoned if cannabis operations cease for a period of more than ninety (90) consecutive days. Before restarting operations, a new regulatory permit shall be secured. The ninety-day period shall be tolled during periods of force majeure, which shall be defined as follows: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; supernatural causes; acts of the "public enemy"; epidemics; quarantine restrictions; freight embargoes; lack of transportation; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; or any other causes beyond the reasonable control of the permittee.

(r) *Water availability.* As a condition of opening for business, the premises owner, business owner, operator, and all responsible parties shall be deemed to have acknowledged and agreed to the following if the cannabis operation is connected to the City's water system.

The City's source of water comes through a contract with the Bureau of Reclamation ("Bureau"). The Bureau has indicated that it will report the use of City water for cannabis operations to the Department of Justice. While the City believes that supplying water to the site does not impair the Bureau contract, should the Bureau, Department of Justice, or other governing agency take actions affecting the City's Bureau contract because of the cannabis operation, the City may be forced to curtail or commingle water supply to the Site. Under those circumstances, the cannabis operation may be required to find alternative sources of water supply. If that happens, the City agrees to work with the premises owner, business owner, and operator to find an alternative water source, which may include the commingling of water, accessing a well, or having water delivered to the site by separate contract, but the City cannot provide any guarantees. The premises owner, business owner, and operator assume all risk associated with water supply to the Site, including all costs associated therewith. The premises owner, business owner, operator, and all responsible parties shall hold harmless, release, indemnify, and defend the City, its officers, employees, and agents, from any liability associated with the curtailment of water because of the foregoing. This release includes any damages to the premises owner, business owner, operator, and all responsible parties, its employees and contractors, and third parties, and includes the risk of lost revenue, profits and consequential damages.

(s) *Fees and taxes.* All cannabis operations shall pay applicable fees and taxes, which may include one or more of the following.

- (1) *Business license fee.* The business owner shall at all times maintain a current and valid business certificate and pay all business taxes required by Title 3, Chapter 1, of the Coalinga Municipal Code pertaining to business licensing.
- (2) *Regulatory license fee.* The business owner shall pay an annual regulatory license fee ("regulatory fee") to cover the costs of anticipated enforcement relating to the cannabis operation. The amount of the fee shall be set by resolution of the City Council and be supported by the estimated additional costs of enforcement and monitoring associated with the cannabis operation. The regulatory fee shall be due and payable prior to opening for business and thereafter on or before the anniversary date. The regulatory fee may be amended from time to time based upon actual costs.
- (3) *Revenue raising fee (voter approved tax).* An annual revenue raising fee ("revenue fee") for the privilege of having the right to operate in the City as approved by the local citizens.
 - a. *Amount of fee and terms of payment.* The revenue fee shall be an annual fee of twenty-five (\$25.00) per square foot for the first 3,000 square feet and ten dollars (\$10.00) per square foot for the remaining space utilized in connection with each commercial cannabis operation. The square footage calculation shall be determined by including all portions of the premises under the control of the business owner and deducting therefrom driveways, sidewalks, landscaping, vacant unused space, areas used exclusively for office space, employee break rooms, restrooms, and

storage space unrelated to the commercial cannabis operation (such as a janitorial closet). Anywhere cannabis is located or is expected to be located shall be subject to the revenue fee square foot calculation.

If more than one commercial cannabis operation operates on the premises, whether within a single building or multiple buildings, each regulatory permit holder shall be responsible for paying the fee. The fee shall be payable in advance, in not less than quarterly installments, with the first quarterly payment due prior to issuance of a certificate of occupancy. The first payment shall be prorated so that future payments coincide with calendar year quarters, but in no event shall the first payment be less than the equivalent of one full quarterly payment. Except for the first quarterly payment, all quarterly payments shall be received by the City before the end of the quarter.

(4) All other state and local rules.

(t) *Record keeping.* The responsible party shall make and maintain complete, accurate and legible records of the permitted cannabis operations evidencing compliance with the requirements of this section. Those records shall be maintained for a minimum of five (5) years and shall be accessible to the City of Coalinga upon request.

(u) *Inspection.* Cannabis operations shall be open for inspection by any City law enforcement officer, staff member or any other City designated agent at any time the cannabis operation is operating, at any other time upon responding to a call for service related to the property where the Cannabis operations is occurring, or otherwise upon reasonable notice. Recordings made by security cameras at any cannabis operation shall be made immediately available to the Police Chief upon verbal request. No search warrant or subpoena shall be needed to view the recorded materials.

(v) *Indemnification.* In authorizing commercial cannabis operations under this section, the City makes no guarantees or promises as to the lawfulness of the approved activity under State or Federal law, and the business owner, operator and all responsible parties are obligated to comply with all applicable laws. To the fullest extent permitted by law, the City shall not assume any liability whatsoever with respect to the adoption of this section or the operation of any commercial cannabis operation approved pursuant to this section or under State or federal law. The business owner, operator and all responsible parties shall defend, hold harmless, release, and indemnify the City, its agents, officers, and employees, from any liability associated with the approved use or adverse determinations made by the State or Federal government. An adverse determination could include cessation of operations.

The business owner agrees to reimburse the City for any court costs and attorney fees that the City may be required to pay as a result of any legal challenge related to commercial cannabis operations operating under the authority of this section. The City may, at its sole

discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve the permittee of its obligation hereunder.

If requested by the City Attorney, the business owner shall execute an agreement memorializing the requirements of this subsection.

(w) *Insurance.* The business owner shall at all times carry a comprehensive general liability policy in the minimum amount of one million dollars (\$1,000,000.00) combined single limit policy, as shall protect the business owner and city from claims for such damages, and which policy shall be issued by an "A" rated insurance carrier. Such policy or policies shall be written on an occurrence form. The City Manager, in consultation with City's Risk Manager, may allow the business owner to obtain lesser amounts of insurance where multiple business Owners are operating on the premises, provided at all times the minimum insurance set forth herein is applicable to the cannabis operations.

The business owner shall furnish a notarized certificate of insurance countersigned by an authorized agent of the insurance carrier on a form approved by City setting forth the general provisions of the insurance coverage. This countersigned certificate shall name City and its respective officers, agents, employees, and volunteers, as additionally insured parties under the policy, and the certificate shall be accompanied by a duly executed endorsement evidencing such additional insured status. The certificate and endorsement by the insurance carrier shall contain a statement of obligation on the part of the carrier to notify City of any material change, cancellation or termination of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation or termination.

Coverage provided hereunder by the business owner shall be primary insurance and not be contributing with any insurance maintained by City, and the policy shall contain such an endorsement. The insurance policy or the endorsement shall contain a waiver of subrogation for the benefit of City.

(x) *Bond Requirement.* The applicant shall provide proof of a bond in the amount of twenty-five thousand dollars (\$25,000) to cover the costs of destruction of cannabis or cannabis products if necessitated by a violation of licensing requirements.

Formatted: Font: Italic

(y) *Violations: Enforcement.*

- (1) Any person that violates any provision of this section shall be guilty of a separate offense for each and every day during any portion of which any such person commits, continues, permits, or causes a violation thereof, and shall be penalized accordingly.
- (2) Any use or condition caused or permitted to exist in violation of any of the provisions of this section shall be and is hereby declared a public nuisance and may be summarily abated by the City pursuant to the City of Coalinga Municipal Code.

- (3) Any person who violates, causes, or permits another person to violate any provision of this section commits a misdemeanor.
- (4) The violation of any provision of this section shall be and is hereby declared to be contrary to the public interest and shall, at the discretion of City, create a cause of action for injunctive relief.
- (5) In addition to the civil remedies and criminal penalties set forth above, any person that violates the provisions of this section may be subject to an administrative fine of up to one thousand dollars (\$1,000.00) for each violation and for each day the violation continues to persist.

(z) *Severability.* The provisions of this section are hereby declared to be severable. If any provision, clause, word, sentence, or paragraph of this section or of the regulatory permit issued pursuant to this section, or the application thereof to any person, establishment, or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this section.

(aa) *Judicial review.* Judicial review of a decision made under this section or any actions taken pursuant to this section, may be had by filing a petition for a writ of mandate with the superior court in accordance with the provisions of the California Code of Civil Procedure Section 1094.5. Any such petition shall be filed within ninety (90) days after the day the decision becomes final as provided in California Code of Civil Procedure Section 1994.6, which shall be applicable for such actions.

SECTION ~~23~~. ADOPTION OF SECTION 9-2-402 Table 2.7

Coalinga Municipal Code Table 2.7 of Title 9, Chapter 2, Article 4 is hereby amended use Classification Crop Cultivation and Industry, Limited to read as follows:

| Use Classification | MBL | MBH | Additional Development Regulations |
|--------------------|-----|-----|--|
| Crop Cultivation | YES | YES | <u>Section 9-5-128</u> , Cannabis Cultivation, Manufacturing, Testing, and Distribution |
| Industry, Limited | YES | NO | <u>Section 9-5.128</u> , Cannabis Cultivation, Manufacturing, Testing, and Distribution <u>Section 9-5.129</u> , Cannabis Retail Facilities |

SECTION 43. ADOPTION OF SECTION 9-5.129

Coalinga Municipal Code Title 9, Chapter 5, Article 1 is hereby amended by the addition of a new Article to read as follows:

Section 9-5.129. – Retail Cannabis Operations

- (a) *Definitions.* Except as otherwise provided, when used in this Section, the terms defined in Section 9-5.128 shall have the same meanings herein, and in addition the following terms shall have the following meanings:

~~*Retail* means any activity involving the retail sale of cannabis or cannabis products from a Cannabis Retail Facility.~~

Cannabis (as defined in Business and Professions Code section 19300.5(f)), including marijuana and cannabis concentrate (as defined in Business and Professions Code section 19300.5(g)), that has been recommended to an individual by a licensed physician for the treatment of an illness or disease pursuant to California Health & Safety 11362.5 et seq.

Cannabis Retail Facility a physical building where ~~adult-use and/or medicinal cannabis, cannabis~~ products, or devices for the use of ~~adult-use and/or –cannabismedicinal cannabis~~ or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers, cannabis and cannabis products as part of retail sale. This includes microbusinesses with on-site indoor cultivation limited to 10,000 square feet or as prescribed by state law.

Customer shall mean a Qualified Patient, Primary Caregiver to a Qualified Patient, or anyone otherwise allowed by state law to purchase, consume, or possess adult-use ~~of~~ medicinal cannabis.

Limited-access area is an area in which medical cannabis goods are stored or held and is only accessible to a licensee and his or her employees and contractors.

Personal Cannabis means cannabis that is cultivated, processed, or stored for a single customer’s use.

Primary Caregiver is an individual designated by the qualified patient who has consistently assumed responsibility for the housing, health, or safety of that patient pursuant to statutory and case law.

Qualified Patient is a person who has a recommendation for cannabis by a licensed physician and is entitled to the protections offered by California Health & Safety Code Section 11362.5, and who has an identification card issued by the State Department of Public Health identifying the individual as a person authorized to engage in the use of cannabis as well as a picture identification of one of the following:

- A document issued by a federal, state, county, or municipal government, including, but not limited to, a valid motor vehicle operator’s license, that

contains the name, date of birth, physical description, and picture of the person; or

- A valid identification card issued to a member of the Armed Forces that includes a date of birth and a picture of the person; or
- A valid passport issued by the United States or by a foreign government.

Retail means any activity involving the retail sale of cannabis or cannabis products from a Cannabis Retail Facility for both adult-use and medicinal cannabis customers.

Formatted: Font: Italic

Formatted: Normal, Indent: Left: 49.5 pt, No bullets or numbering

Formatted: Normal, Indent: Left: 0 pt, Line spacing: Multiple 1.08 li

(b) *General Provisions.* This section applies to all cannabis Retail facilities, as defined in this Code.

a. All cannabis Retail facilities shall operate in compliance with this Code and all other applicable state and local laws.

b. Cannabis Retail facilities shall only be allowed in the ~~Retail Cannabis Overlay Light Manufacturing/Business Zoning Designation (MBL) District~~ with a valid business license, approved conditional use permit and commercial cannabis regulatory permit pursuant to Section 9-5.128 of the code.

~~b.~~

Formatted: Indent: Left: 90 pt, No bullets or numbering

c. The fact that applicants possess other types of state or county or city permits, licenses or other entitlements does not exempt the applicant from the requirement of obtaining a conditional use permit and regulatory permit from the City of Coalinga to operate a Cannabis retail facility within the jurisdiction of the City.

d. Cannabis Retail Facilities shall at all times be operated in such a way as to ensure the safety of its customers and employees; to ensure the security of the cannabis; and to safeguard against the diversion of cannabis.

~~e. The Cannabis Retail Overlay District is described in Section 9-3.701.~~

(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 9-5.128(f).

(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 requirements for the related to cannabis retail facility operations at all times and shall comply with any amendments to this Code or state law or regulations.

(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) listed in 9-5.128(d), as well as the following:

- ~~a~~-(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.
- ~~b~~-(2). _____ No dispensing of cannabis to a customer shall be permitted more than twice a day.
- ~~e~~-(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.
- ~~d~~-(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.
- ~~e~~-(5). _____ 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.
- ~~f~~-(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.
- ~~g~~-(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)~~-(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.
- ~~h~~-(9). _____ A retail facility permitted under this section shall not be located within a 1,800-foot radius of a school or proposed school site as identified in the General Plan, providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the permit is issued. The distance specified in this section shall be measured in the same manner as provided in subdivision (12) of Section 9-5.128(d).
- ~~i~~-(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)~~-(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.

Formatted: Numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 49.5 pt + Indent at: 67.5 pt

Formatted: Font: Italic

(12). *Parking*: Off-street parking shall be provided as required for food and beverage retail sales under setion 9-4.302 of this code. All required parking shall be off-street and on-site. This required applies to existing and new facilities.

Formatted: Font: Italic

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

Formatted: Font: Italic

(14). *Signage*. One attached sign 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. A detached sign is not permitted.

Formatted: List Paragraph, Line spacing: Multiple 1.08 li, Numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 49.5 pt + Indent at: 67.5 pt

(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.

Formatted: Font: Italic

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

Formatted: List Paragraph, Line spacing: Multiple 1.08 li, Numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 90 pt + Indent at: 99 pt

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. ;

Formatted: List Paragraph, Line spacing: Multiple 1.08 li, Numbered + Level: 4 + Numbering Style: a, b, c, ... + Start at: 1 + Alignment: Left + Aligned at: 144 pt + Indent at: 162 pt

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 site is prohibited by California Penal Code Section 647(e).

j-

Formatted: Indent: Left: 67.5 pt, No bullets or numbering

(e) *Cannabis Goods Display*. The follow applies to the display of goods at a Cannabis Retail Facility.

(1). The display of cannabis goods for sale shall only occur in the retail area during the operating hours of the licensed cannabis retail facility.

(2). The licensee shall not display any cannabis goods in areas outside the retail area.

(3). Cannabis goods on display shall not be readily accessible to customers.

(4). The amount of cannabis goods that are displayed shall not exceed the average amount of cannabis goods the licensed cannabis retail facility sells during an average one day period. The remainder of the licensee's inventory of cannabis goods shall be stored in a safe or vault as required by state law or Police Chief, whichever is more restrictive at the time.

(5). Cannabis goods may be removed from their packaging and placed in containers to allow for customer inspection. The containers shall not be readily accessible to customers without assistance of cannabis retail facility personnel. A container must be provided to the customer by the licensee or employee, who shall remain with the customer at all times that the container is being inspected by the customer.

(6). Cannabis goods removed from their packaging for display shall not be sold, shall not be consumed, and shall be destroyed when the goods are no longer used for display.

(f) *Cannabis Goods For Sale*. A licensed cannabis retail facility shall not make any cannabis goods available for sale or delivery to a customer unless:

(1). The cannabis goods were received from a licensed distributor and delivered to the cannabis retail facility by a licensed distributor.

- (2).The licensed cannabis retail facility has verified that the cannabis goods have not exceeded their expiration or sell-by date if one is provided.
- (3). A licensed cannabis retail facility shall not provide free samples of cannabis goods to any person.
- (4). A licensed cannabis retail facility shall not allow representatives of other companies or organizations to provide free samples of cannabis goods to individuals on the licensed cannabis retail facility premises.

(g) *Daily Limits.* This shall establish the daily limits of cannabis being sold to a single customer.

- (1).A licensee shall not sell more than eight ounces of cannabis in a single day to a single cannabis customer or as allowed by state law.
- (2).If a cannabis customer has a physician’s recommendation that eight ounces of cannabis in a single day does not meet the cannabis customer’s needs, the cannabis customer may purchase an amount of cannabis consistent with the customer’s needs as recommended by a physician.

(h) *Cannabis Goods Returned by Customers.* For the purposes of this section, a customer return means a return of cannabis goods that were purchased from a cannabis retail facility back to the cannabis retail facility the cannabis goods were purchased from.

- (1).A licensed cannabis retail facility may accept customer returns of cannabis goods that were previously sold to the customer returning the cannabis goods.
- (2).A licensed cannabis retail facility shall destroy all cannabis goods that have been returned to a cannabis retail facility and shall not resell said product or goods.

(i) *Site Security*

- (1).Cannabis Retail Facilities must comply with the security requirements ~~of Section 9-5.128. In addition, technical requirements of security measures are anticipated to change over time, and as such, additional technical measures shall be~~ established by the Council from time to time by resolution.

(j) *Premises*

- (1). *Subletting of premises.* A licensed cannabis retail facility shall not sublet any portion of the licensed premises of the cannabis retail facility.
- (2). *Limited Access Areas.* This section establishes the regulations within limited access areas of a Cannabis Retail Facility.
 - a.A licensed cannabis retail facility shall only permit authorized individuals to enter the cannabis retail facility limited access areas.
 - b.Authorized individuals include individuals employed by the licensed cannabis retail facility as well as any outside vendors, contractors, or other individuals who have a bona fide business reason for entering the cannabis retail facility limited-access area.

- c. An individual who is not an authorized individual for purposes of entering the cannabis retail facility limited-access areas shall not enter the cannabis retail facility limited access area at any time for any reason.
- d. An individual in the cannabis retail facility limited-access area who is not employed by the licensed cannabis retail facility shall be escorted by individuals employed by the licensee at all times within the cannabis retail facility limited-access area.
- e. An individual who enters the cannabis retail facility limited-access areas shall be at least 21 years of age.
- f. The licensed cannabis retail facility shall maintain a log of all authorized individuals who are not employees of the cannabis retail facility that enter the cannabis retail facility limited-access area. These logs shall be made available to the City upon request.
- g. A licensed cannabis retail facility shall not receive consideration or compensation for permitting an individual to enter the cannabis retail facility limited-access area.

(k) Permit Revocation & Transfer of a Conditional Use Permit and Regulatory Permit

- (1). A conditional use permit shall be revoked or modified according to Section 9-6.114. Permit revocation or modification shall be sought for non-compliance with one or more of the requirements listed in this Code, by state law, or regulation.
- (2). Conditional use permits and regulatory permits to operate a Cannabis Retail facility may not be transferred.
- (3). The City Council may suspend or revoke the regulatory permit for a cannabis retail facility in accordance with Section 9-5.128(o)(1).

(l) Deliveries. The following rules apply to delivers for a cannabis retail facility.

- (1). All deliveries of cannabis goods must be performed by a delivery employee of a licensed cannabis retail facility.
- (2). Each delivery employee of a licensed cannabis retail facility shall be at least twenty-one (21) years of age.
- (3). A licensed cannabis retail facility shall not use the services of an independent contractor or courier service to deliver cannabis goods.
- (4). All deliveries of cannabis goods shall be made physically to a customer; no drop-offs are allowed. A delivery of cannabis goods shall not be made through the use of an unmanned vehicle.
- (5). A delivery employee begins the process of delivering when the delivery employee leaves the cannabis retail facility premises with the cannabis goods for delivery. The process of delivering ends when the delivery employee returns to the licensed cannabis retail facility premises after delivering the cannabis goods to the customer.
- (6). A delivery employee of a licensed cannabis retail facility shall, during deliveries, carry a copy of the cannabis retail facility's current permit, the employee's

- government-issued identification, and an employer provided badge containing a picture and the name of the delivery employee.
- (7). A licensed cannabis retail facility shall maintain an accurate list of the cannabis retail facility's delivery employees.
- (8). A licensed cannabis retail facility may only deliver cannabis goods to a physical address in California.
- (9). A licensed cannabis retail facility delivery employee shall not leave the state of California while possessing cannabis goods.
- (10). A licensed cannabis retail facility shall not deliver cannabis goods to an address located on publicly owned land or any address on land or in a building leased by a public agency.
- (11). *Methods of Delivery*
- a. A delivery employee of a licensed cannabis retail facility, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by the delivery employee or another delivery employee of the licensee.
 - b. While carrying cannabis goods for delivery, a delivery employee of a licensed cannabis retail facility shall ensure the cannabis goods are not visible to the public.
 - c. A delivery employee of a licensed cannabis retail facility shall not leave cannabis goods in an unattended motor vehicle unless the motor vehicle is equipped with an active vehicle alarm system.
 - d. A vehicle used for the delivery of cannabis goods shall be outfitted with a dedicated Global Positioning System (GPS) device for identifying the geographic location of the delivery vehicle. A dedicated GPS device does not include a phone or tablet. The device shall be either permanently or temporarily affixed to the delivery vehicle and shall remain active and inside of the delivery vehicle at all times during delivery. At all times, the licensed cannabis retail facility shall be able to identify the geographic location of all delivery vehicles that are making deliveries for the cannabis retail facility and shall provide that information to the City of Coalinga upon request.
 - e. Upon request, a licensed cannabis retail facility shall provide the City of Coalinga with information regarding any motor vehicles used for the delivery of cannabis goods, including the vehicle's make, model, color, Vehicle Identification Number, and license plate number.
 - f. Any motor vehicle used by a licensed cannabis retail facility to deliver cannabis goods is subject to inspection by the City. Vehicles used to deliver cannabis goods may be stopped and inspected by the City of Coalinga at any licensed premises or during delivery.

- (12). *Delivery Hours of Operation*

a. A licensed cannabis retail facility shall only deliver cannabis goods to customers starting at 6:00 a.m. and must be completed by 9:00 p.m. Pacific Time.

(13). *Cannabis Goods Carried During Delivery*

a. While making deliveries, a delivery employee of a licensed cannabis retail facility shall not carry cannabis goods in excess of \$3,000, or as provided by state law or regulation, whichever is lower, at any time. This value shall be determined using the retail price of all cannabis goods carried by the delivery employee.

(14). *Cannabis Consumption During Delivery*

a. Delivery employees of a licensed cannabis retail facility shall not consume cannabis goods while delivering cannabis goods to cannabis customers.

(15). *Delivery Receipt*

a. A licensed cannabis retail facility shall prepare a delivery receipt for each delivery of cannabis goods.

b. The delivery receipt shall contain the following:

1. The name and address of the permitted cannabis retail facility.
2. The name of the delivery employee of the permitted cannabis retail facility who delivered the order.
3. The name of the permitted cannabis retail facility employee who prepared the order for delivery.
4. A customer name and unique identification number for the customer who is requesting the delivery.
5. The date and time the delivery request was made.
6. The delivery address.
7. A detailed description of all cannabis goods requested for delivery. The description shall include the weight, volume, or any other accurate measure of the amount of any cannabis goods requested.
8. The total amount paid for the delivery, including any taxes and fees.

c. Upon delivery, the date and time the delivery was made, and the signature of the cannabis customer who received the delivery.

d. At the time of the delivery, the delivery employee of the permitted cannabis retail facility shall provide the cannabis customer, who placed the order a copy of the delivery receipt. The delivery employee shall retain a signed copy of the delivery receipt for the cannabis retail facility's records.

e. The delivery receipt shall comply with state and federal law regarding the protection of confidential information.

(16). *Delivery Route*

a. While making deliveries of cannabis goods, a delivery employee of a permitted cannabis retail facility shall only travel from the permitted cannabis retail facility premises to the delivery address; from one delivery address to another delivery address; or from a delivery address back to the permitted cannabis retail facility premises. A delivery employee of a permitted cannabis retail facility shall not deviate from the delivery path described in this section, except for necessary rest, fuel, or vehicle repair stops, or because road conditions make continued use of the route unsafe, impossible, or impracticable.

SECTION 4. EFFECTIVE DATE.

This Ordinance shall take effect 30 days after its adoption.

SECTION 5. 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 September 7, 2017, and was passed and adopted by the City Council on September 21, 2017, by the following vote:

AYES:

NOES:

ABSENT:

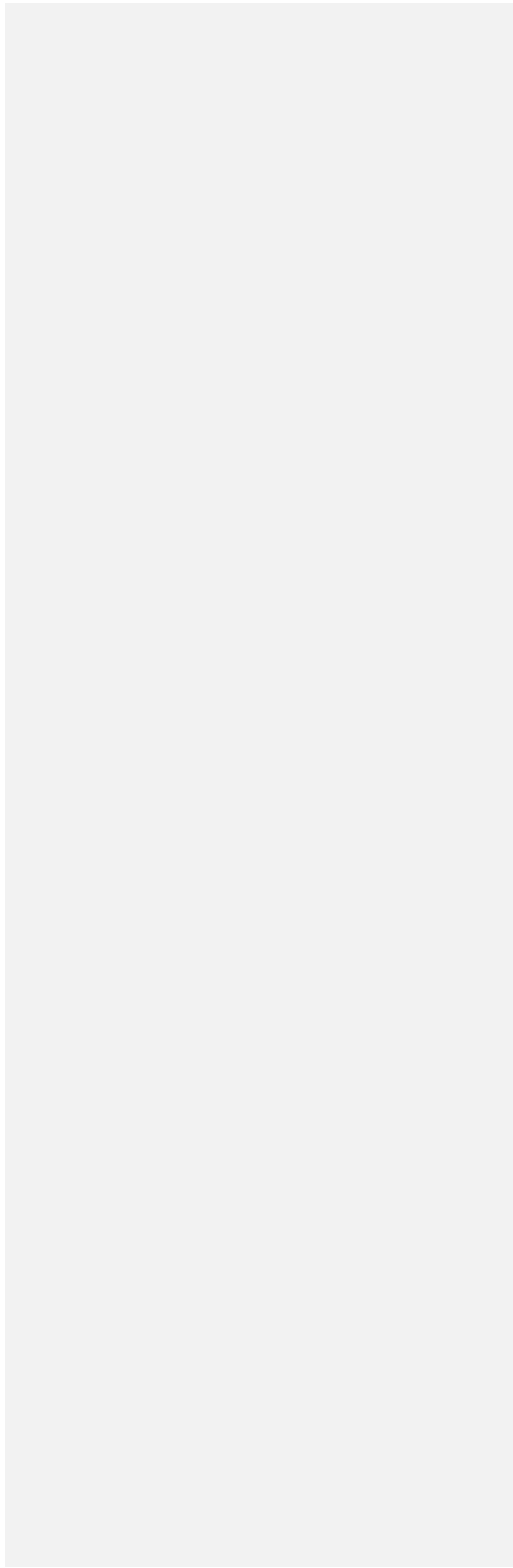
ABSTAIN:

APPROVED:

Mayor/Mayor Pro-Tem

ATTEST:

City Clerk/Deputy City Clerk



RESOLUTION NO. 017P-024

A RESOLUTION OF THE CITY OF COALINGA PLANNING COMMISSION MAKING FINDINGS TO RECOMMEND APPROVAL BY THE CITY COUNCIL THE FOLLOWING: (1) THE ADOPTION OF A COMMERCIAL CANNABIS RETAIL OPERATIONS ORDINANCE AND ASSOCIATED ZONING CODE TEXT CHANGES; AND (2) MODIFICATIONS TO THE CITY'S EXISTING COMMERCIAL CANNABIS REGULATIONS (SECTION 9-5.128) DUE TO RECENT STATE LEGISLATION (SENATE BILL 94)

WHEREAS, On November 3, 2016, the City of Coalinga adopted Ordinance No. 797, authorizing the permitting and licensing of commercial cannabis operations within the City of Coalinga for commercial cannabis cultivation, manufacturing, testing and distribution;

WHEREAS, since the adoption of Ordinance No. 797, the Governor of California has signed legislation (Senate Bill 94) into law that consolidates the Medical Cannabis Regulation and Safety Act (MCRSA) and the Adult Use Marijuana Act (AUMA or Proposition 64) now referred to as the Medicinal Adult-Use Cannabis Regulation and Safety Act (MAUCRSA);

WHEREAS, with the approval of SB 94, various sections of the City's existing cannabis regulations require slight amendments to maintain uniformity with current state law;

WHEREAS, On November 8, 2016 the citizens of the City of Coalinga, passed Measure "G" authorizing a single cannabis retail facility to operate in the City;

WHEREAS, the City Council has been tasked with developing a regulatory framework for permitting a single cannabis retail facility within the City. The areas that the regulation covers is related to location, operational characteristics, development and permitting standards and security measures;

WHEREAS, in compliance with Government Code § 65355, the City of Coalinga Planning Commission held a duly noticed public hearing and approved Resolution No. 017P-020 on August 22, 2017 recommending to the City Council adoption of an ordinance; (1) Regulating Commercial Cannabis Retail Operations including the establishment of and Commercial Retail Cannabis Overlay District; (2) Recommended security measures to be adopted by resolution by the City Council; and (3) approve modifications to the existing Commercial Cannabis Operations Ordinance (Section 9-5.128);

WHEREAS, on September 7, 2017 the City Council of the City of Coalinga held a duly noticed public hearing to consider the Planning Commission's recommendations. At the meeting, the City Council made several changes to the Planning Commission's recommendations in Resolution 017P-020 requiring reconsideration by the Planning Commission of said changes;

WHEREAS, in compliance with Government Code § 65355, the City of Coalinga Planning Commission held a duly noticed public hearing on October 17, 2017 to consider the City Council's changes to the City's retail cannabis operations ordinance and further recommending to the City Council adoption of; (1) An Ordinance Regulating Commercial Cannabis Retail Operations; (2) modifications to the existing Commercial Cannabis Operations Ordinance (Section 9-5.128); and (3) approval of draft security measures to be adopted by resolution by the City Council; and

WHEREAS, all documents listed above are referenced herein as exhibit “A” and incorporated as part of this resolution;

WHEREAS, in accordance with the Medicinal Adult-Use Cannabis Regulation and Safety Act, the adoption of ordinances, rules, or regulations by a local jurisdiction that requires discretionary review and approval of permits, license, or other authorizations to engage in commercial cannabis activity is exempt from the California Environmental Quality Act. Therefore, the City of Coalinga has determined that the forgoing actions are exempt from further CEQA review in accordance with the MAUCRSA; and,

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that Based upon the evidence in the Staff Report, Public Testimony, and Project File, the Planning Commission hereby recommends that the City Council, at their next regularly scheduled meeting adopt the Commercial Cannabis Retail Operations Ordinance with the following findings:

1. The environmental impacts associated with the proposed actions related to the Cannabis Retail Ordinance show no substantial evidence in the record that the proposed Ordinance Adoption will result in significant impacts to the environment.
2. The proposed ordinance and associated actions ensures and maintains internal consistency with General Plan land uses and objectives, policies, programs, and actions of all elements of the General Plan and would not create any inconsistencies.
3. The proposed ordinance and associated actions will not endanger, jeopardize or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare of persons residing or working within the City of Coalinga.
4. The proposed Ordinance and associate actions provides a regulatory framework for permitting a single commercial cannabis retail operation in compliance with the Medicinal Adult Use Cannabis Regulation and Safety Act (MAUCRSA) and further safeguards the City of Coalinga and furthers its economic opportunities and financial strength.

PASSED AND ADOPTED, by the City of Coalinga Planning Commission at a regularly scheduled meeting held on the 17th Day of October 2017.

AYES:

NOES:

ABSTAIN:

ABSENT:

Planning Commission Chairman/Vice Chairman

ATTEST:

City Clerk/Deputy City Clerk

Exhibit "A" – Cannabis Retail Ordinance & Draft Security
Measures Resolution