



# **AGENDA**

## **PLANNING COMMISSION**

### **WEBINAR MEETING**

### **TUESDAY JUNE 9, 2020**

***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.***

**Notice is hereby given that the City of Coalinga Planning Commission will hold a Regular Meeting, on May 26, 2020 via webinar only. The webinar address for members of the public is [https://www.bigmarker.com/griswold\\_lasalle/06-09-2020-Coalinga-Planning-Commission3-2020-06-09-06-00-pm](https://www.bigmarker.com/griswold_lasalle/06-09-2020-Coalinga-Planning-Commission3-2020-06-09-06-00-pm). Persons with disabilities who may need assistance should contact the City Clerk at least 24 hours prior to the meeting at 935-1533 x113. Anyone interested in translation services should contact the City Clerk at least 24 hours prior to the meeting at 935-1533 x113. The Meeting will begin at 6:00 p.m. and the Agenda will be as follows:**

#### CALL MEETING TO ORDER (6:00 PM)

Pledge of Allegiance

#### CHANGES TO THE AGENDA

#### ROLL CALL

*Commissioners:*

<i>Chairman Sailer</i>
<i>Vice Chairman Jacobs</i>
<i>Commissioner Helmar</i>
<i>Commissioner Garza</i>
<i>Commissioner Pruitt</i>

*Staff:*

<i>Sean Brewer, Assistant City Manager</i>
<i>Marissa Trejo, City Manager</i>

#### 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

#### PUBLIC HEARINGS

1. Planning Commission Consideration and Recommendation to the City Council Approval of a City Initiated Zoning Text Amendment (No. ZTA 20-03) Amending the City of Coalinga's Commercial Cannabis Regulations to Permit a Second Retail Location and Establishing Regulations for onsite Consumption (Consumption Lounge)
2. Planning Commission Consideration and Recommendation to the City Council Approval of a City Initiated Zoning Text Amendment (No. ZTA 20-04) Amending the Commercial Cannabis Regulations Related to Establishing Regulations for Permitting Outdoor Cannabis Cultivation

#### 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:** Planning Commission Consideration and Recommendation to the City Council Approval of a City Initiated Zoning Text Amendment (No. ZTA 20-03) Amending the City of Coalinga's Commercial Cannabis Regulations to Permit a Second Retail Location and Establishing Regulations for onsite Consumption (Consumption Lounge)

**Meeting Date** June 9, 2020

**Project Location:** City of Coalinga

**Applicant:** City of Coalinga

**Owner:** City of Coalinga

**Prepared By:** Sean Brewer, Assistant City Manager

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### I. RECOMMENDATION:

Staff is recommending that the Planning Commission adopt Resolution No. 020P-006 recommending to the City Council approval of a City initiated zoning text amendment (No. ZTA 20-03) amending the Commercial Cannabis Regulations Related to Permitting a Second Retail Location and Establishing Regulations for onsite consumption (Consumption Lounge)

### II. BACKGROUND:

In March 2020, the City Council directed City Staff to proceed with a zoning text amendment to allow for a second retail cannabis facility including on-site consumption (consumption lounge) in the downtown district where cannabis and cannabis products may be ingested or topically applied on the premises of a licensed retail facility. In order to accomplish this request the planning and zoning code must be amended through a zoning text amendment.

The Zoning Map and the Zoning Ordinance text may be substantially amended in two (2) ways: (1) Reclassification of the zoning applicable to a specific property, designating a change from one district to another district, commonly called "rezoning", (2) Changes in the permitted uses or regulations on property within particular zones or citywide, commonly called "text amendments".

Article 1 of Chapter 5 of the Coalinga planning and zoning code establishes 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.

The proposed zoning text amendment will allow for a second retail cannabis permit in the City's downtown overlay district and further permit on-site consumption (consumption lounge) where cannabis can be vaped,

smoked, ingested or topically applied on the premises of a licensed cannabis retail facility. This would be consistent with Business and Professions Code section 26200(g) which allows for onsite consumption on the premise of a State licensed cannabis retailer.

### **III. PROPOSAL AND ANALYSIS:**

The proposed zoning text amendment will do the following:

1. Amend section 9-2.302 (Table 2.5) to identify the permitted number of retail facilities in the City's downtown overlay district including provisions for on-site consumption.
2. Amend the definitions section of the planning and zoning code related to retail cannabis to include consumption lounges and cafes.
3. Changes to the retail cannabis regulations (Section 9-02.129) to coincide with the permitted uses.

A copy of the draft ordinance including a definition of a consumption lounge, is attached for the Planning Commissions review and consideration as requested by the City Council.

**General Plan/Zoning Consistency:** The proposed zoning text amendment is consistent with the general plan policies and implementation measures including zoning consistency for commercial cannabis operations. The intent of the Coalinga Commercial Cannabis regulations were to implement state law as it relates to regulating commercial cannabis and cannabis products. The proposed changes in regulations to permit a second retail facility in the City and permit on-site consumption would not be contrary to state law. The State of California has established regulations for permitting on-site consumption which have been incorporated into the ordinance language.

**Public Notification:** On May 27, 2020 public hearing notices were posted at multiple public locations and emailed to local paper.

**Environmental Determination:** This text amendment has been reviewed in accordance with CEQA and staff has determined that this ordinance change would not have a detrimental effect on the health, safety and welfare of the community and fall under Section 15061(b)(3) - General Rule Exemption. In addition, CEQA will be further reviewed during the permitting process as a Conditional Use Permit is required for both a retail cannabis licenses as well as onsite consumption.

### **IV. FISCAL IMPACT:**

The City anticipates additional tax revenue from the added on-site consumption provisions.

### **V. REASONS FOR RECOMMENDATION:**

The following standard findings must be made for each Zoning Ordinance amendment:

1. The proposed Zoning Ordinance amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.
2. The proposed Zoning Ordinance amendment is consistent and compatible with the goals, policies, and actions of the General Plan, and the other applicable provisions of the Zoning Ordinance.
3. If applicable, the site is physically suitable (including, but not limited to access, provision of utilities, compatibility with adjoining land uses, and absence of physical constraints) for the requested zoning designations and anticipated land uses/developments.
4. The proposed Zoning Ordinance amendment has been processed in accordance with the applicable

provisions of the California Government Code and the California Environmental Quality Act.

ATTACHMENTS:

Description

- ▣ Resolution 020P-006 - Cannabis Consumption Lounge
- ▣ Draft Ordinance - Cannabis Consumption Lounge

# **RESOLUTION 020P-006**

## **A RESOLUTION OF THE CITY OF COALINGA PLANNING COMMISSION RECOMMENDING APPROVAL OF A ZONING TEXT AMENDMENT TO AMEND THE PLANNING AND ZONING CODE RELATED TO RETAIL CANNABIS OPERATIONS AND ONSITE CONSUMPTION**

WHEREAS, Article 1 of Chapter 5 of the Coalinga Planning and Zoning code establishes 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; and

WHEREAS, the City currently permits retail cannabis operations in the City in accordance with Section 9-2.129 of the Planning and Zoning Code subject to conditional use permit, and;

WHEREAS, the City desires to amend section 9-5.129 of the planning and zoning code to allow for the onsite consumption of cannabis at a permitted cannabis retail facility with a conditional use permit identifying the specific activity; and

WHEREAS, the State of California allows for onsite consumption of cannabis at a licensed retail facility; and

WHEREAS, a Notice of Public Hearing was posted on the City's website, provided to the Coalinga Press, posted at City Hall, Police Department bulletin board, Fire Department Bulletin Board, Coalinga District Library, and Chamber of Commerce on May 27, 2020, and;

WHEREAS, the Planning Commission held the noticed Public Hearing on June 9, 2020 to take testimony with regard to the proposed Zoning Text Amendment; and

WHEREAS, the Planning Commission completed its review of the proposed Zoning Text Amendment and details in the Staff Report and has considered the testimony received during the public hearing process, and;

WHEREAS, the Planning Commission has made the following findings based on the Zoning Text Amendment proposal:

- The proposed Zoning Ordinance amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.
- The proposed Zoning Ordinance amendment is consistent and compatible with the goals, policies, and actions of the General Plan, and the other applicable provisions of the Zoning Ordinance.
- If applicable, the site is physically suitable (including, but not limited to access, provision of utilities, compatibility with adjoining land uses, and absence of

physical constraints) for the requested zoning designations and anticipated land uses/developments.

- The proposed Zoning Ordinance amendment has been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act.

NOW THEREFORE BE IT RESOLVED, that the Planning Commission recommends approval to the City Council adoption of a draft ordinance (Exhibit "A") to amend the planning and zoning code related to the onsite consumption of cannabis and cannabis products at a licensed retail facility.

PASSED AND ADOPTED, by the City of Coalinga Planning Commission at a regular meeting held on the 9<sup>th</sup> day of June 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Planning Commission Chairman/Vice Chairman

ATTEST:

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City Clerk/Deputy City Clerk

## Exhibit "A"

### Draft Ordinance



## ORDINANCE NO. 840

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

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

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

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

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

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

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

Article 2. - Definitions.

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

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

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

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

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

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

(c) Permitting.

(1) Any cannabis retail facility must obtain a commercial cannabis regulatory permit from the City of Coalinga through the process stated in Section 9-5.128(e) et seq. of this code.

(2) A property owner need not be permitted, and permits shall be held by an applicant ~~and shall not run with any particular property~~. Permittees must also obtain a conditional use permit pursuant to Section 9-5.128(f). *If an existing permitted retail facility seeks a consumption lounges or café, an amended CUP must be approved to permit such activity.*

(3) All employees of the cannabis retail facility must obtain an employee permit to work in the cannabis retail facility within the City of Coalinga pursuant to Section 9-5.128 et seq. of this code.

(4) Applicants must also comply with all other state laws and regulations related to cannabis retail facility operations at all times and shall comply with any amendments to this code or state law or regulations.

*(5) No more than two (2) regulatory permits shall be issued City wide. Nothing herein shall require the City to issue the maximum number of permits allowed by this Section.*

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

(1). Cannabis Retail facilities may not be operated by any persons who have been convicted of a felony in the last five (5) years or a prescribed by law.

(2). No dispensing of cannabis to a customer shall be permitted more than twice a day.

- (3). *Hours:* The hours of operation of cannabis Retail facilities shall be no earlier than 6:00 a.m. and no later than 9:00 p.m. **unless approved for different hours under an approved CUP and prescribed by state law.**
- (4). Cannabis retail facilities shall display their customer rules and/or regulations in a conspicuous place that is readily seen by all persons entering the Cannabis retail facility.
- (5). **Unless operating as a consumption lounge, smoking, ingesting or otherwise consuming cannabis products on the premises of a cannabis Retail facility is prohibited. Each building entrance to a cannabis Retail facility shall be clearly and legibly posted with a notice indicating that smoking, ingesting or consuming cannabis or cannabis edibles on the premises or in the vicinity of the Retail facility is prohibited.**
- (6). Each building entrance to a cannabis Retail facility shall be clearly and legibly posted with a notice indicating that persons under the age of eighteen (18) are precluded from entering the premises unless they are qualified patients and they are accompanied by their parent or legal guardian. **In order to protect the public health, safety and welfare, the Police Chief may require alternative or secondary entrance for a consumption lounge/café.**
- (7). All cannabis Retail facilities shall display a copy of the inspection receipt issued by the Fresno County Office of Weights and Measures Division for all weighing and measuring devices.
- (8). An up-to-date inventory of all hazardous materials stored and used onsite shall be maintained on the premises of the Retail facility available for inspection on demand of the City.
- (9). Location from Sensitive Uses
- (1) A retail premises/facility permitted under this division shall not be located within a 600-foot radius of a school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the license is issued.
- (2) A retail premises/facility shall not be located within one-hundred (100) feet of a residential district.
- (3) The distance specified in this section shall be measured in the same manner as provided in subdivision (c) of Section 11362.768 of the Health and Safety Code unless otherwise provided by law.
- (10). Cannabis Retail facilities shall maintain all necessary permits, and pay all required taxes and fees. Retail facilities shall also provide invoices to vendors to ensure vendor's tax liability responsibility.
- (11). Cannabis Retail facilities shall implement their policies and procedures as outlined in their Operations Manual. Cannabis Retail facilities shall comply with any and all conditions of their conditional use permit and regulatory permit.
- (12). *Parking:* Off-street parking shall be provided as required for food and beverage retail sales under section 9-4.302 of this code. All required parking shall be off-street and on-site **unless located in the plaza on 5<sup>th</sup> Street between Cedar and**

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

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

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

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

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

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

#### (m) Consumption lounge/café.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This Ordinance shall take effect 30 days after its adoption.

## **SECTION 7. PUBLICATION.**

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

\* \* \* \*

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

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:**

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Mayor/Mayor Pro-Tem

**ATTEST:**

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City Clerk/Deputy City Clerk



## **Staff Report- Chairman and Planning Commission**

**Subject:** Planning Commission Consideration and Recommendation to the City Council Approval of a City Initiated Zoning Text Amendment (No. ZTA 20-04) Amending the Commercial Cannabis Regulations Related to Establishing Regulations for Permitting Outdoor Cannabis Cultivation

**Meeting Date** June 9, 2020

**Project Location:** City of Coalinga

**Applicant:** City of Coalinga

**Owner:** City of Coalinga

**Prepared By:** Sean Brewer, Assistant City Manager

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### **I. RECOMMENDATION:**

Staff is recommending that the Planning Commission adopt Resolution No. 020P-007 recommending to the City Council approval of a City initiated zoning text amendment (No. ZTA 20-04) amending the Commercial Cannabis Regulations Related to Establishing Regulations for Permitting Outdoor Cultivation.

### **II. BACKGROUND:**

In May 2020, the City Council directed City Staff to proceed with a zoning text amendment to establish regulations for permitting outdoor cannabis cultivation. In order to accomplish this request the planning and zoning code must be amended through a zoning text amendment.

The Zoning Map and the Zoning Ordinance text may be substantially amended in two (2) ways: (1) Reclassification of the zoning applicable to a specific property, designating a change from one district to another district, commonly called "rezoning", (2) Changes in the permitted uses or regulations on property within particular zones or citywide, commonly called "text amendments".

Article 1 of Chapter 5 of the Coalinga planning and zoning code establishes 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.

The proposed zoning text amendment will establish regulations for the permitting of outdoor cannabis cultivation in the City with restrictions as to location, visibility and environmental considerations.

### **III. PROPOSAL AND ANALYSIS:**

The proposed zoning text amendment will do the following:

1. Amend Section 9-5.128 and establish a definition for outdoor cultivation, identify permitted uses, create specific regulations for outdoor cultivation as to distance from residential uses, security, and processing of products.

A copy of the draft ordinance is attached for the Planning Commissions review and consideration as requested by the City Council.

**General Plan/Zoning Consistency:** The proposed zoning text amendment is consistent with the general plan policies and implementation measures including zoning consistency for commercial cannabis operations. The intent of the Coalinga Commercial Cannabis regulations were to implement state law as it relates to regulating commercial cannabis and cannabis products. The proposed changes in regulations to permit outdoor cultivation would not be contrary to state law. The State of California has established regulations for licensing outdoor cultivation operations.

The ordinance amendment will permit outdoor cultivation in the Manufacturing and Business Light (MBL) zoning designation with a one (1) mile distance from residential zoning designations. This will help in limiting the over concentration of cannabis outdoor cultivation in the City and limit odor and visibility.

**Public Notification:** On May 27, 2020 public hearing notices were posted at multiple public locations and emailed to local paper in accordance with local and state regulations.

**Environmental Determination:** This text amendment has been reviewed in accordance with CEQA and staff has determined that this ordinance change would not have a detrimental effect on the health, safety and welfare of the community and fall under Section 15061(b)(3) - General Rule Exemption. In addition, CEQA will be further reviewed during the permitting process as a Conditional Use Permit will be required for any outdoor cultivation operation.

#### **IV. FISCAL IMPACT:**

Establishing and permitting outdoor cultivation will expand the City's revenue from taxes and licensing from additional operations.

#### **V. REASONS FOR RECOMMENDATION:**

The following standard findings must be made for each Zoning Ordinance amendment:

1. The proposed Zoning Ordinance amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.
2. The proposed Zoning Ordinance amendment is consistent and compatible with the goals, policies, and actions of the General Plan, and the other applicable provisions of the Zoning Ordinance.
3. If applicable, the site is physically suitable (including, but not limited to access, provision of utilities, compatibility with adjoining land uses, and absence of physical constraints) for the requested zoning designations and anticipated land uses/developments.
4. The proposed Zoning Ordinance amendment has been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act.

#### **ATTACHMENTS:**

##### **Description**

☐ Resolution No 020P-007 - Outdoor Cultivation





# **RESOLUTION 020P-007**

## **A RESOLUTION OF THE CITY OF COALINGA PLANNING COMMISSION RECOMMENDING APPROVAL OF A ZONING TEXT AMENDMENT TO AMEND THE PLANNING AND ZONING CODE RELTED TO PERMITTING OUTDOOR COMMERCIAL CANNABIS CULTIVATION**

WHEREAS, Article 1 of Chapter 5 of the Coalinga Planning and Zoning code establishes 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; and

WHEREAS, the City currently permitted indoor commercial cannabis cultivation however, outdoor cultivation is currently prohibited within the City of Coalinga, and;

WHEREAS, the City desires to amend section 9-5.128 of the planning and zoning code to allow for outdoor cultivation with specific restrictions to location and distance from sensitive uses subject to the same permitting processes as other cannabis operations; and

WHEREAS, a Notice of Public Hearing was posted on the City's website, provided to the Coalinga Press, posted at City Hall, Police Department bulletin board, Fire Department Bulletin Board, Coalinga District Library, and Chamber of Commerce on May 27, 2020, and;

WHEREAS, the Planning Commission held the noticed Public Hearing on June 9, 2020 to take testimony with regard to the proposed Zoning Text Amendment; and

WHEREAS, the Planning Commission completed its review of the proposed Zoning Text Amendment and details in the Staff Report and has considered the testimony received during the public hearing process, and;

WHEREAS, the Planning Commission has made the following findings based on the Zoning Text Amendment proposal:

- The proposed Zoning Ordinance amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.
- The proposed Zoning Ordinance amendment is consistent and compatible with the goals, policies, and actions of the General Plan, and the other applicable provisions of the Zoning Ordinance.
- If applicable, the site is physically suitable (including, but not limited to access, provision of utilities, compatibility with adjoining land uses, and absence of physical constraints) for the requested zoning designations and anticipated land uses/developments.

- The proposed Zoning Ordinance amendment has been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act.

NOW THEREFORE BE IT RESOLVED, that the Planning Commission recommends approval to the City Council adoption of a draft ordinance (Exhibit "A") to amend the planning and zoning code related to commercial cannabis outdoor cultivation.

PASSED AND ADOPTED, by the City of Coalinga Planning Commission at a regular meeting held on the 9<sup>th</sup> day of June 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

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Planning Commission Chairman/Vice Chairman

ATTEST:

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City Clerk/Deputy City Clerk

## Exhibit "A"

### Draft Ordinance

## ORDINANCE NO. 841

### AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COALINGA AMENDING SECTION 129 TO TITLE 9, CHAPTER 5 TO THE COALINGA DEVELOPMENT CODE PERTAINING TO THE STANDARDS OUTDOOR COMMERCIAL CANNABIS OPERATIONS IN THE CITY

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

#### SECTION 1. AMENDMENT OF SECTION 9-5.128

Section 9-5.128 of the Coalinga Municipal Code 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 (20) 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 same or similar uses for recreational cannabis.

*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.

*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 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 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".

*Outdoor Cultivation* means the cultivation of cannabis, outside of a structure, without the use of artificial lighting in the canopy area at any point in time. Cultivation within a hoop structure is considered outdoor cultivation. No artificial lighting is permissible for outdoor cultivation, including within hoop structures.

*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 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 Zone District of the City:

- Indoor cultivation ~~(up to 5,000 square feet canopy).~~
- ~~Indoor cultivation (5,001 to 10,000 square feet canopy).~~
- ~~Indoor cultivation (10,001 to 22,000 square feet canopy).~~
- Outdoor Cultivation
- Manufacturing (nonvolatile).

- Manufacturing (volatile).
- Testing laboratory.
- Distributer.
- Nursery.
- Microbusiness.

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 of cannabis or cannabis containing products from a cannabis operation except 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).
  - a. Testing laboratories shall dispose of any waste byproduct resulting from their operations in the manner required by State and local laws and regulations.
- (8) *Non-commercial cannabis activity.* No non-commercial cannabis activity shall occur on the licensed premises.

- (9) *Retail sales.* The retail sale of cannabis is permitted in accordance with Section 9-5.129.
- (10) *Public access.* There shall be no public access to the commercial cannabis operations premises except for retail facilities.
- (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.
- (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.
- (13) *Hours of operation.* Commercial cannabis operations shall be allowed to operate per the requirements of an approved conditional use permit and subject to the City's noise and nuisance ordinances.
- (14) *Building and related codes.* The cannabis operation shall be subject to the following requirements **as applicable**:
- 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.
- (15) *Odor control.* **Except for outdoor cultivation**, 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.
- (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.
- (17) *Secure building.* All cannabis operations, **except outdoor cultivation**, 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.
- (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 all 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. 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 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.

- (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.

- (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.

- (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.

## **(22) Outdoor Cultivation.**

- (a) *Distance separation from Residences.* To avoid visual impacts and nuisances associated with significant concentrations of cannabis cultivation, no outdoor cultivation

will be permitted within one (1) mile of any Residential Zoning District. Measurements shall be from property boundary to property boundary. Areas where cannabis is cultivated shall be screened from public view adjacent to the premises by fencing, structures or vegetation.

(b) *Premises Security.* Security requirements for outdoor cultivation shall be approved by Council resolution. Absent a resolution by the City Council, the Police Chief shall establish reasonable security requirements for the cannabis operation through the issuance of the regulatory permit.

(c) *Processing of Cannabis Products.* If an outdoor cultivator is operating additionally as a “processor”, outdoor cannabis operation processing shall occur in a primary structure and constructed/improved in accordance with the California Building Code related to main or utility structures unless the crop is directly distributed to a licensed manufacturing facility on the same parcel. Outdoor cultivation on undeveloped vacant lots are only permitted in conjunction with a processing license so that there is a main building. Outdoor cultivation on a premises with existing cannabis uses and structures does not require a processing license.

(d) *Environmental Considerations.* All persons engaging in the cultivation of cannabis outdoors shall comply with the State of California’s General Environmental Protection Measures including: (1) have a legal water source on the premises, (2) not draw groundwater for the purposes of irrigation, (3) not allow illicit discharges of irrigation or storm water from the premises, (4) not allow the off-site drift or discharge of chemicals, (5) and; be connected to the City of Coalinga sewer system.

(e) *Disposal of Waste Material.* Cannabis waste material shall be disposed in accordance with State Law. No burning of cannabis waste is permitted.

(f) *Cultivation Plan.* A cultivation plan shall be submitted to the City as part of the application process for conditional use permit and regulatory permit. The requirements for the cultivation plan shall be consistent with that of Section 8106 of the California Code of Regulations or as amended.

(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, twenty-four (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.



- (2) *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 Chief's 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~~ January 1<sup>st</sup> each year ~~thereafter~~. 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 ~~or by applicable Council Resolution.~~
  - a. ~~Amount of fee and Terms of payment. The revenue fee shall be an annual fee of twenty-five dollars (\$25.00) per square foot for the first three thousand (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 ~~no later than 30 days after the 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 (\$25,000.00) to cover the costs of destruction of cannabis or cannabis products if necessitated by a violation of licensing requirements.

(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 5. EFFECTIVE DATE.**

This Ordinance shall take effect 30 days after its adoption.

## **SECTION 6. PUBLICATION.**

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

\* \* \* \*

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

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**APPROVED:**

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Mayor/Mayor Pro-Tem

**ATTEST:**

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City Clerk/Deputy City Clerk