



AGENDA

PLANNING COMMISSION

155 W. DURIAN AVE., COALINGA CA 93210

TUESDAY AUGUST 22, 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 August 8, 2017 Planning Commission Meeting
2. Approval of Minutes from the July 25, 2017 Planning Commission Meeting

PUBLIC HEARINGS

1. Adoption of Resolution No. 017P-021 Recommending to the City Council Adoption of an Ordinance Related to Minor Exceptions to the Planning and Zoning Code Design and Dimensional Regulations
2. Adoption of Planning Commission Resolution No. 017P-020 Recommending to the City Council approval of: (1) Adoption of a Cannabis Retail Operations Ordinance and Associated Zoning Text Changes; (2) Establishment of a Commercial Cannabis Retail Overlay District; and (3) Adoption of 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

1. Review of Remaining 2017 Planning Commission Meeting Dates

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 August 8, 2017 Planning Commission Meeting
Meeting Date August 22, 2017
Project Location: N/A
Applicant: N/A
Owner: N/A
Prepared By:

I. RECOMMENDATION:

Staff recommends the Approval of the Minutes form the August 8, 2017 Planning Commission Meeting.

II. BACKGROUND:

III. PROPOSAL AND ANALYSIS:

IV. FISCAL IMPACT:

V. REASONS FOR RECOMMENDATION:

ATTACHMENTS:

Description

- ☐ Planning Commission Minutes August 8, 2017

MINUTES

PLANNING COMMISSION 155 W. Durian Ave., Coalinga CA 93210 TUESDAY August 8, 2017

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 (not present)

Wanda Earls, Secretary/Clerk

PUBLIC COMMENTS (None)

INFORMATION/CONSENT CALENDAR

PUBLIC HEARINGS (None)

DISCUSSION AND/OR POTENTIAL ACTION ITEMS

1. Discussion and Potential Direction Regarding Minor Adjustments to Various Development Standards

Community Development Director Brewer reviewed the staff report to include the following:

- Recommendation
- Background
- Proposal and Analysis
- Fiscal Impact
- Reasons for Recommendations

The following development standards are examples that may be subject to the minor deviation policy:

- Minimum Front, Street, Side and Rear Setbacks
- Minimum Fence Heights
- Parking Dimensions and Space Requirements
- Distance Between Structures
- Lot Dimensions
- Lot Coverage

In addition, staff would include language in the ordinance regarding (1) review authority (2) conditions of approval (if required) as well as identifying the required findings when making a deviation exception either at a staff level or before the Planning Commission.

Comments:

- Questions in reference to other cities
- Offers more flexibility
- Need tools to make easier
- 10% deviation to staff over Planning Commission
- Gives flexibility
- Like it but want annual report to show allowed deviations
- This would have assisted Commissioner Jacobs several years ago
- Presently have 2 pending apps
- Three parcels
- Subdivision map
- Some areas have 50' lots – have multiple homes on them
- Won't affect density
- Setbacks on existing buildings
- Fees for processing – none
- Public notice not necessary
- Demands on process
- Done through application
- Lot-line adjustment
- Partial maps
- Sometimes will forgive trigger deviations
- Can do administration hearings
- Questions to Sean's office not John's
- Draft ordinance for Council at next Planning Commission Meeting

The decision of the Commission is to ask staff to bring back draft ordinance.

DEPARTMENT REPORTS

Staff has been very busy; second waive coming. Industrial Park moving forward. Retail ordinance on dispensary coming. Commercial ordinance may have changes.

COMMUNICATIONS

1. Staff Announcements

August 22nd next meeting; Action Item Cannabis and State Law changes.

Council can adjust Resolution on Security.

Second meeting in September, proposal to select single dispensary.

2. Commissioner Announcements

Commissioner Gonzales has training in October.

Commissioner Jacobs said builders coming to town not working with lenders in town.

Also, local realtors not being used.

Mr. Brewer said this is happening all over the State. It is typical model they are using and there is no criterion for it.

3. Chairman Announcements

Chairman Stoppenbrink said he may have conflicts with meeting dates, too.

Mr. Brewer said he will set-up master calendar. Also, there is flexibility in changing day we meet or week we meet. They will be Special Meetings.

Chairman Stoppenbrink said that way we can consider excused meeting for Commissioners.

It was a good idea to have the Chief at the last meeting.

What is wrong with Post Office? Three weeks ago, box fell over and busted out the base.

ADJOURN (6:30 PM)

Chairman/Vice Chairman

City Clerk/Deputy Clerk

Date



Staff Report- Chairman and Planning Commission

Subject: Approval of Minutes from the July 25, 2017 Planning Commission Meeting
Meeting Date August 22, 2017
Project Location: N/A
Applicant: N/A
Owner: N/A
Prepared By:

I. RECOMMENDATION:

Staff recommends the Approval of the Minutes from the July 25, 2017 Planning Commission Meeting.

II. BACKGROUND:

III. PROPOSAL AND ANALYSIS:

IV. FISCAL IMPACT:

V. REASONS FOR RECOMMENDATION:

ATTACHMENTS:

Description

- Planning Commission Minutes July 25, 2017

MINUTES

PLANNING COMMISSION 155 W. Durian Ave., Coalinga CA 93210 TUESDAY July 25, 2017

CALL MEETING TO ORDER (6:00 PM)

Pledge of Allegiance

CHANGES TO THE AGENDA: CDD Brewer said he is changing the Agenda to bring forward Discussion and/or Potential Action Item 1 and 2 for consideration prior to Public Hearings.

ROLL CALL

Commissioners:

Chairman Stoppenbrink
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 July 11, 2017 Planning Commission Meeting

*Motion by Sailer, Second by Gonzales to Approve Consent Calendar Minutes of July 11, 2017. Motion **Approved** by a Majority Voice Vote.*

PUBLIC HEARINGS

1. **Approval of Conditional Use Permit No. 17-02 For The Development of a Commercial Cannabis Testing Facility to be located at 1717 W. Elm Ave Building B, Unit 100**

2. **Approval Conditional Use Permit No. 17-03 For The Development of a Commercial Cannabis Testing Facility to be located at 1717 W. Elm Ave Building B, Unit 100**
3. **Approval of Conditional Use Permit No. 17-05 For The Development of a Commercial Cannabis Distribution Facility to be located at 1717 W. Elm Ave Building B, Unit 200**
4. **Approval of Conditional Use Permit No. 17-06 For The Development of a Commercial Cannabis Manufacturing Facility to be located at 1375 W. Elm Avenue**
5. **Approval of Conditional Use Permit No. 17-07 For The Development of a Commercial Cannabis Manufacturing Facility to be located at 1717 W. Elm Ave Building A**

Mr. Brewer discussed the followings in reference to 17-02:

- Required for applicants to operate within the City
- Planning – Parking
- SB 94
 - MRRSA – ALMA
 - Consolidation and laws to repeal MRRSR.
- Legislation Law Changes (400 Pages)
- Adult use / Medical (A or M)
- Permits to Operate
- Apps apply to strategic licenses

The Cal State Agricultural Testing representative is here to answer any questions you might have.

- 9-51F Regular permit (CUP)
- 2 applications
- 2018 State Accepting Applications
- New laws, new regulations for Adult use and Medical
- Independent tests in labs
- Product has no odor and must meet criteria

17-03 Scope is the same

- Distribution – Intermediary to move product (Taxes)
- Product package to labeled
- Commercial Vehicle and random routes and times to apply
- Third party testing
- General Plan zoning MBZ

- Mr. Barnum in charge
- Parking – seven stalls
- Fuel storage
- Fire compression
- Water use
- Public Hearing – notices were sent

17-05 Distribution License

- Type II license
- Operation same

17-06 Cannabis Manufacturing Facility

- Solvents
- Visited main facility
- License
- Regulations not established yet
- Manufacturing process
- Separate from plants
- BHO – oil – butane/honey oil oleoresin
- FD to insure safety
- Certified by licensed engineers
- Sign stamped by engineer
- Closed (cannot understand word) system approved by F/D
- Everything within Conditions of Improvements

17-07

- Security same
- Odor control
- Hours 6-10
- Parking Stalls
- No chemicals in water waste

Financial Benefits to City from taxes and licenses

- Hazmat part of training with PD
- Flow of products – through distribution
- Products not converted
- Protocol in place
- Timeline and full impact of revenue
 - Will begin at start of 1st full year
 - Quarterly payments

Chairman Stoppenbrink opened the public hearing.

Ms. Teri Yanez asked how many people were notified about public hearings.

Mr. Brewer said everyone within 300 ft. People were notified.

Caballo Club – traffic insignificant

Police Chief Salvador said traffic will be insignificant. No big vans, high value product, Amour Car type and non descriptive. Increase will be no more than what the feed store created.

Speaker wanted to know number of employees: 12-15 with average hourly wage of \$15 – 25 per hour.

In reference to 17-02 Pat at Cal State said 3-5 employees at \$19-25 per hour.

Ms. Terry Yanez asked about parking and shifts.

Police Chief said minimal traffic because of shifts and no major parking problems.

There has been some refining at Claremont.

You will not know what is going on.

Ms. Terri Yanez turns to speak to audience and she cannot be heard at all by the clerk.

Mr. Barnum said he is the landlord for all businesses. They are shadow operators and you won't know they are around. No retail and in and out product.

He has made many improvements to buildings and has held to the letter of the law. He is responsible at Cody Street and all five businesses being discussed. He is the landlord.

Police Chief Salvador showed packets in reference to background checks on all employees. They have a tracking system.

Coalinga will have the most ideal processes in the State. People coming to Coalinga to investigate. City is looking out for its residents.

He has interviewed every person and imposed all standards. It is all part of the regulatory permit process. It takes 45 days to complete background process.

Mr. Brewer and we have worked 18 months and they are confident with partnerships. They will accept emails and phone calls from those with questions.

Regulatory permits to Council.

Speaker: When the prison came in, they made promises and when the State Hospital came in they made promises which did not materialize. Perception is not pretty.

Police Chief Salvador said group has gone through processes and lots of moves. People have met requirements. Best Practices will be applied.

Speaker (Clerk cannot understand everything being said.) Cannabis risk to the City.

Police Chief said he can't say it can't be a risk to the City. We are surrounded by oilfields. There is no increased risk.

Speaker said no Code Enforcement Officer.

Sean said he and Chief will do inspections and they will take place. Code enforcement is with the PD now.

Mr. Barnum said revenue will begin after one full quarter of operation.

\$2.5M tax basis and property taxes.

There are extra layers of protection. They don't want you to know they are there. Of greater risk is fertilizer which can explode.

He wants to be a good neighbor.

Chairman Stoppenbrink closed the public hearing.

*1. Motion by Gonzales, Second by Helmar to Approve Conditional Use Permit No. 17-02 for The Development of a Commercial Cannabis Testing Facility to be located at 1717 W. Elm Ave Building B, Unit 100. Motion **Approved** by a Majority Voice Vote.*

*2. Motion by Gonzales, Second by Helmar to Approve Conditional Use Permit No. 17-03 for The Development of a Commercial Cannabis Testing Facility to be located at 1717 W. Elm Ave Building B, Unit 300. Motion **Approved** by a Majority Voice Vote.*

3. Motion by Helmar, Second by Gonzales to Approve Conditional Use Permit No. 17-05 for The Development of a Commercial Cannabis Distribution Facility to be located at 1717 W. Elm Ave Building B, Unit 200. Motion Approved by a Majority Voice Vote.

*4. Motion by Helmar, Second by Gonzales to Approve Conditional Use Permit No. 17-06 for The Development of a Commercial Cannabis Manufacturing Facility to be located at 1375 W. Elm Avenue. Motion **Approved** by a Majority Voice Vote.*

5. Motion by Gonzales, Second by Helmar to Approve Conditional Use Permit No. 17-07 for The Development of a Commercial Cannabis Manufacturing Facility to be located at 1717 W. Elm Ave Building A. Motion **Approved** by a Majority Voice Vote.

DISCUSSION AND/OR POTENTIAL ACTION ITEMS

1. **Approval of Site Plan Review Application 17-01 for the Development of a Commercial Cannabis Facility at 1375 W. Elm Ave**
2. **Approval of Site Plan Review Application 17-02 for the Development of a Commercial Cannabis Facility at 1717 W. Elm Ave**

Community Development Director Brewer summarized the Staff Report for the following:

Fred Barnum CUP 17-01 1375/1717 West Elm Avenue, LLC
Applicant Fred Barnum

- Recommendation for approval.
- Background
- Proposals and Analysis
- Project Summary
- CUP Analysis
- General Plan/Zoning Consistency
- Location
- Security
- Building Access
- Odor Control
- Hours of Operation
- Parking
- Water Use
- Water Disposal
- Surrounding Land Use Settings
- Public Notifications
- Environmental Clearance
- Fiscal Impact
- Reasons for Recommendations
- Required findings:
 - General Plan consistency
 - Neighborhood compatibility
 - Asset for the Neighborhood

Fred Barnum CUP: 17-02 1375/1717 West Elm Street, LLC
Applicant: Pat Hastic, Cal State Agricultural Testing, LLC

- Recommendation
- Background
- Tenant Improvements
- Land use
- Findings
- Access
- Utilities
- Parking
- Refuse Containers
- Landscaping
- Lighting
- Signage
- Improvement – offsite
- Environmental Considerations
- Notice of Exemption to County Clerk's Office

Comments:

- Insure that all things meet and line up with tenant conditions
- Extraction Process - Butane
- Carbon NFPA
- Electronics
- Apps with PG&E
- Power minimal

Mr. Barnum said PG&E is verified and being worked on. Should be installing above ground transformer.

Chairman Stoppenbrink asked for any additional comments from the public and there were none.

*Motion by Helmar, Second by Gonzales to Approve Site Plan Review Application 17-01 for the Development of a Commercial Cannabis Facility at 1375 W. Elm Ave and Approve Site Plan Review Application 17-02 for the Development of a Commercial Cannabis Facility at 1717 W. Elm Ave. Motion **Approved** by a Majority Voice Vote.*

DEPARTMENT REPORTS (None)

COMMUNICATIONS

1. **Staff Announcements** (None)
2. **Commissioner Announcements** (None)
3. **Chairman Announcements**

Chairman Stoppenbrink asked about the Food Trucks.

Mr. Brewer said the recommendation of the Council is to not bring in until after Farmer's Market.

Chairman Stoppenbrink asked if they could have tabs in their notebooks.

ADJOURN (7:48 PM)

Chairman/Vice Chairman

City Clerk/Deputy Clerk

Date



Staff Report- Chairman and Planning Commission

Subject: Adoption of Resolution No. 017P-021 Recommending to the City Council
Adoption of an Ordinance Related to Minor Exceptions to the Planning and
Zoning Code Design and Dimensional Regulations

Meeting Date August 22, 2017

Project Location: City of Coalinga

Applicant: City of Coalinga

Owner:

Prepared By: Sean Brewer, Community Development Director

I. RECOMMENDATION:

Planning Commission adoption of Resolution No. 017P-021 recommending to the City Council adoption an ordinance related to the issuance of minor exceptions to the dimensional and design standards of the Coalinga Planning and Zoning Code.

II. BACKGROUND:

In 2013 the City of Coalinga completed a comprehensive update to the City's Planning and Zoning Code that established comprehensive development regulations for the City. Over the course of the last 3-4 years, staff has received several requests such lot line adjustments and parcel maps where applicants were denied due to strict application of the City's development standards related setbacks of existing buildings, lot sizes and shapes, parking dimensions and fence heights. In most cases, they were denied based on the need of a small variation from the City's minimum standards to their request where granting some sort of administrative relief would not have been inconsistent with any goals or policies of the City as well as be materially detrimental to the public health, safety and welfare.

This administrative relief would still maintain orderly development and neighborhood consistency but not stifle development. Staff has received several requests from the development community and residents over the course of the past few years and staff felt it was appropriate to bring before the Commission for consideration.

Staff brought this item before the Commission on August 7, 2017 to discuss the framework of a minor exception ordinance that would fulfill the basic intent of the applicable zoning regulations. The Planning Commission discussed all aspects of the ordinance and requested that staff bring back a draft ordinance for discussion that could then be recommended to the City Council.

III. PROPOSAL AND ANALYSIS:

After the August 7, 2017 Planning Commission meeting, staff took all the feedback received and developed an ordinance that would meet the needs of the community while balancing the public health, safety and welfare.

The Minor Exception Ordinance is intended to provide a means of granting relief from the requirements of the City's Planning Regulations for minor exceptions from dimensional and design standards when strict application would preclude an effective design solution improving livability, operational efficiency, or appearance, and fulfilling the basic intent of the applicable regulation.

The draft ordinance allows for a minor exception of ten (10%) percent as it relates to various design and site considerations such as distance buildings, projections, lot dimensions, setbacks, signs, required parking an dimensions, building height, code enforcement considerations and non-conformity. The ordinance also includes the imposition of conditions to ensure that the minor exception approvals would be in compliance with the findings.

Should the Commission approve Resolution No. 017P-021 recommending the approval by the City Council, the minor exception policy, staff will request approval at the next regularly scheduled Council meeting.

IV. FISCAL IMPACT:

Non determined at this time.

V. REASONS FOR RECOMMENDATION:

Since the adoption of the code update in 2013, staff has received several inquires regarding issues related to the strict application of the City's development standards where minor relief would not be detrimental to the public, health, safety and welfare.

ATTACHMENTS:

Description



Draft Minor Exception Ordinance

ORDINANCE NO. XXX
MINOR EXCEPTIONS TO STANDARDS

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COALINGA
AMENDING TITLE 9, CHAPTER 6, ARTICLE 7 OF THE CITY'S DEVELOPMENT
CODE TO ADD A NEW SECTION 9-6.707 PERTAINING TO MINOR EXCEPTIONS

THE CITY COUNCIL OF THE CITY OF COALINGA DOES ORDAIN AS FOLLOWS:

SECTION 1. AMEND HEADING OF ARTICLE 7 OF CHAPTER 6 OF TITLE 9

Article 7. – Variances and Minor Exceptions.

SECTION 2. ADOPTION OF SECTION 9-6.707

Sec. 9-6.707 Minor Exceptions

(a) *Purpose.* This Section is intended to provide a means of granting relief from the requirements of these Planning Regulations for minor exceptions from dimensional and design standards when strict application would preclude an effective design solution improving livability, operational efficiency, or appearance, and fulfilling the basic intent of the applicable regulation.

(b) *Applicability.* When it is in the public interest, the Community Development Director may grant a minor exception up to a maximum of ten (10%) percent governing the measurable design/site considerations or other situations.

- (1). Distance Between Structures.
- (2). Projections.
- (3). Lot Dimensions.
- (4). Setbacks A decrease of the maximum required setback areas (e.g., front, rear, and side) for structures.
- (5). Sign Regulations (other than prohibited signs).
- (6). On-Site Parking, Loading and Landscaping.
- (7). Structure Heights.
- (8). Code Enforcement. A reduction in development standards, if doing so will help the City abate a public nuisance as part of a code enforcement hearing or process.
- (9). None Conforming Adjustments.

(c) *Findings.* The following findings shall be met before the Community Development Director approves a minor exception:

- (1). Would not exceed ten percent of the prescribed measurable standards.
- (2). No more than two exceptions shall be allowed on any lot.
- (3). Would not adversely affect any development or persons upon abutting property, with adversely affect to mean to impact in a substantial, negative manner the economic value, habitability, or enjoyment of properties.

- (4). Would not result in a hazard to pedestrian and/or vehicular traffic.
- (5). Would be reasonably necessary to the sound development of such property, or would result in better environmental quality of development of such property than without such exception.

(d) *Conditions.* In approving a Minor Exception, the applicable Review Authority may impose conditions deemed reasonable and necessary to ensure that the approval would be in compliance with the required findings as well as protect the public health and safety.

(e) *Variance Requirement.* Any modification request which exceeds the prescribed limitations outlined in this section shall require the filing of a variance application in accordance with Section 7-6.702.

(f) *Report to the Planning Commission.* No later than January 31st, the Community Development Director shall report to the planning commission a summary of the minor adjustments approved during the proceeding calendar year.

SECTION 2. EFFECTIVE DATE; EXPIRATION OF URGENCY ORDINANCE 791.

This Ordinance shall take effect 30 days after its adoption.

SECTION 6. PUBLICATION.

The City Clerk is directed to cause this ordinance or a summary of this ordinance to be published as required by state and local law.

The foregoing Ordinance was introduced by the City Council of the City of Coalinga, California, at a special scheduled meeting held on September 7, 2017, and was passed and adopted by the City Council at a regular meeting held on September 21, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mayor
City of Coalinga

ATTEST:

City Clerk/Deputy City Clerk
City of Coalinga



Staff Report- Chairman and Planning Commission

Subject: Adoption of Planning Commission Resolution No. 017P-020 Recommending to the City Council approval of; (1) Adoption of a Cannabis Retail Operations Ordinance and Associated Zoning Text Changes; (2) Establishment of a Commercial Cannabis Retail Overlay District; and (3) Adoption of 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: August 22, 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 approve Resolution No. 017P-020 recommending approval by the City Council the following:

- Adoption of the Commercial Cannabis Retail Ordinance;
- Establishment of a Cannabis Retail Overlay District;
- Adoption of Cannabis Retail Facility Physical and Financial Security Measures to be adopted by Resolution, by the City Council; 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).

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. The boundaries of the retail overlay district are shown in Exhibit "A".

Ordinance No. 797 Update

On November 3, 2016, the City of Coalinga adopted Ordinance No. 797, authorizing the permitting and licensing of commercial cannabis operations allowing entities to conduct cultivation, processing, extraction, manufacturing, testing, distribution, and transportation activities under a Conditional Use Permit (CUP) and Regulatory Permit within areas of the City zoned MBL. The requirement of Commercial Cannabis Ordinance (CCO) to operate under a CUP, allows the City to strictly regulate such activities, and provided a means of enforcement for potential violations. Central to the CCO Ordinance is the inclusion of specific *Minimum Operational Requirements and Restrictions*, which regulate various portions of CMO's including, the registration of employees, the type of signage allowed, the distance of CMOs from schools, as well as building construction and security standards among other regulations.

In addition to the operational permits required by the CCO Ordinance, separate Employee Permits are required for each employee which includes a full DOJ background check. Finally, the CCO Ordinance includes protocols regarding the enforcement of regulations and the denial or revocation of permits. As such, the CCO Ordinance allows CCOs to operate within the City, however, such regulations are required to operate under the strict governance and approval of the Police Chief and Community Development Department, and required to operate in such a manner as to avoid the creation of public nuisance or hazard.

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.

III. PROPOSAL AND ANALYSIS:

The proposed actions consist of the following components which the Planning Commission will be recommending approval by the City Council:

- Adoption of an ordinance that includes a regulatory framework for permitting a single cannabis cannabis facility within the Retail Cannabis Overlay District;
- Establishment of specific physical and financial security requirements for Cannabis Retail Facilities;
- Various amendments to the City's current Commercial Cannabis Operations Ordinance (Section 9-5.128) in accordance with the MAUCRSA; and
- Consideration of an environmental determination (notice of exemption) for the adoption of said ordinance.

Cannabis Retail Ordinance Language and Security Measures

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 regards to the permitting processes, employee permitting, additional operational requirements as well as the process for permit revocation and suspension. The draft language for the Retail Cannabis Regulations are located in SECTION 4 of Draft Cannabis Retail Ordinance.

Medical vs. Recreational Retail Operations

With the recent passage of Senate Bill 94 (Medicinal Adult-Use Cannabis Regulation and Safety Act), the law establishes a medical market and adult-use (recreational) market which have to operate independently as separate premises (state licenses) but each premise may be owned and operated by the same owner. In accordance with the MAUCRSA, a “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. With this understanding, staff will be recommending that the City Council determine whether the single cannabis retail facility will operate as an “M”....Medicinal or an “A”....Adult Use type facility. The way in which the ordinance has been developed allows for either a Medicinal Facility (Type-M State License) or an Adult-Use Facility (Type-A State License). Since regulations have not yet been completed due to the recent passage of Senate Bill 94 (MAUCRSA) staff will leave that decision to the City Council based on the information currently in the law as described above.

Once the Ordinance has been approved by the City Council, a request for proposal (RFP) will be advertised soliciting potential retail cannabis operators to submit proposals to go through the selection process identified in the RFP. The RFP is in its final stages of development and is expected to be presented to the City Council in September 2017. The result of the solicitation process will result in the issuance of a single cannabis retail permit with subsequent submission of the required conditional use permit(s) and applicable land use entitlements.

Security Measure 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.

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 (Exhibit A). The Retail Cannabis Overlay District establishes development regulations related specific to retail cannabis operations such as identifying geographical boundaries, permitted uses, parking ratios, size limitations, and signage. The draft language for the Retail Cannabis Overlay District is located in SECTION 1 of draft ordinance.

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.

There were several global changes to Ordinance No. 797 such as:

- Referring to marijuana as “cannabis” as this has been determined to be the official term.
- 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 Definitions as amended by State Law.

- 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 revenue raising fee section since the square foot tax was passed in November of 2016.
- Addition of the Bond Requirement to cover costs for the destruction of cannabis or cannabis products if necessitated by a violation of the licensing requirements.

The changes reflected in Section 9-5.128 are located in SECTION 2 of Draft Retail Ordinance.

In addition to 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”.

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:

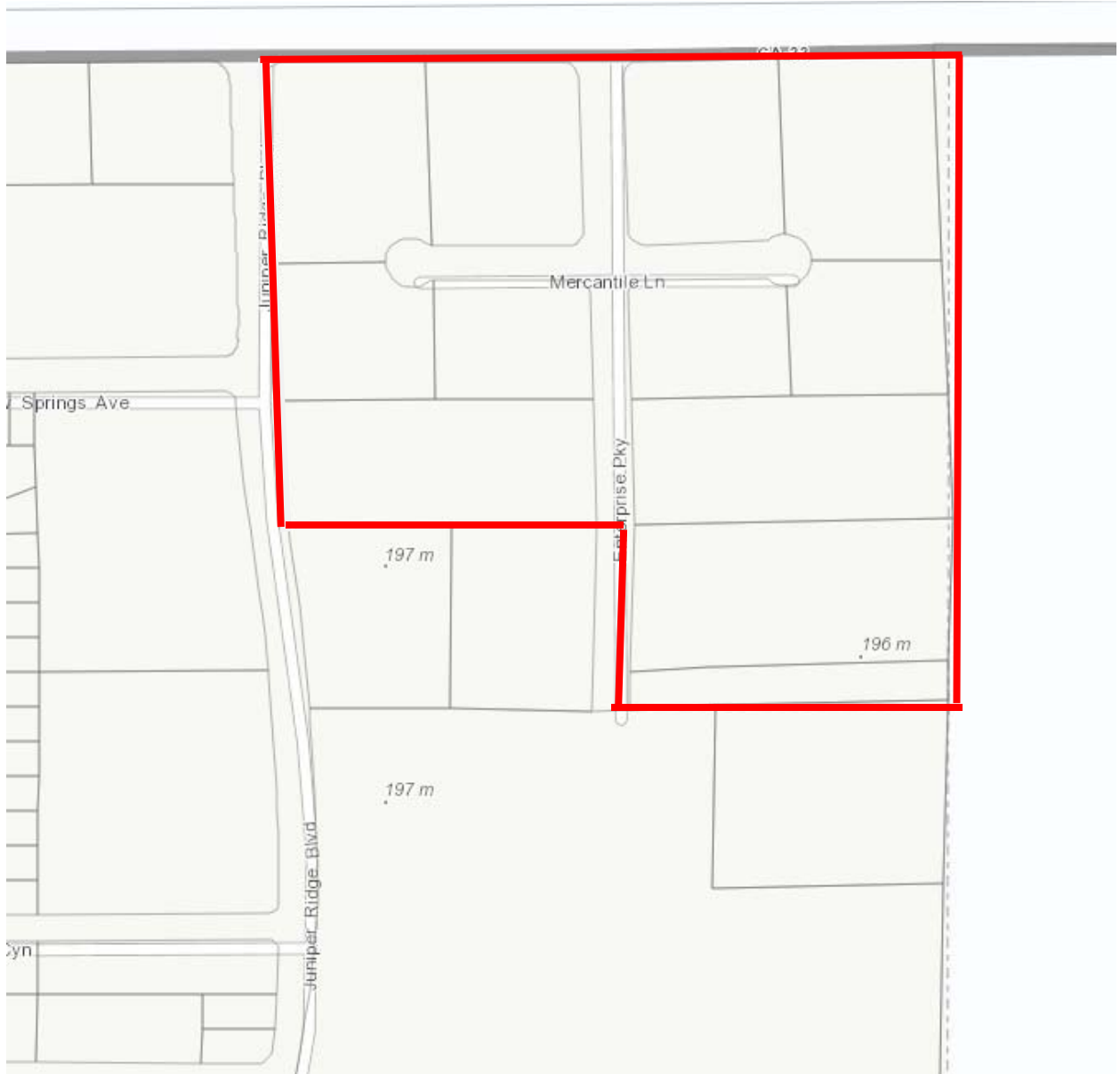
- The potential effects of the proposed ordinance have been evaluated and have been determined not to be detrimental to the public health, safety, or welfare of the City.
- The proposed ordinance is internally consistent and compatible with the goals, policies, and actions of the General Plan.
- The 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

- ▣ Cannabis Retail Overlay Exhibit
- ▣ Resolution No 017P-020
- ▣ Ordinance No. 797 Strikethrough Edits
- ▣ Draft Cannabis Retail Security Council Resolution
- ▣ Draft CANNABIS RETAIL ORDINANCE

RETAIL CANNABIS OVERLAY (JUNIPER RIDGE INDUSTRIAL PARK)



RETAIL CANNABIS OVERLAY (WEST ELM)



RESOLUTION NO. 017P-020

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; (2) THE ESTABLISHMENT OF A CANNABIS RETAIL OVERLAY ZONING DISTRICT; AND (3) 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 on August 22, 2017 to consider 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, 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 22nd Day of August 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

ORDINANCE 797 (SECTION 9-5-128)

STRIKE-THROUGH'S

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

(a) *Purpose.* The purpose of this section is to adopt local regulations applicable to commercial ~~marijuana-cannabis~~ operations as may be permitted under the California Medicinal and Adult-Use ~~Marijuana-Cannabis~~ Regulation and Safety Act (SB 94), ~~adopted~~ approved by the Governor on October 9, 2015 June 27, 2017, with legislative bills AB 243, AB 266, and SB 643, or subsequently enacted State law pertaining to the same. ~~or similar uses for recreational cannabis. The Medical Marijuana Regulation and Safety Act has been retitled as the Medical Cannabis Regulation and Safety Act, and is hereinafter referred to as the "Act".~~

(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 ~~Marijuana-Cannabis~~ Regulation and Safety Act ~~or a subsequent cannabis related law adopted by the State, now called the Medical Cannabis Regulation and Safety Act. Both names may be used interchangeably, but shall have the same meaning.~~

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

Cannabis ~~or marijuana-cannabis~~ shall have the meaning set forth in California Business and Professions Code section 19300.5(f). Cannabis and ~~marijuana-cannabis~~ may be used interchangeably, but shall have the same meaning.

City means the City of Coalinga.

Commercial ~~marijuana-cannabis~~ operation or marijuana-operation means any commercial ~~marijuana-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 ~~marijuana-cannabis~~ regulatory permit or regulatory permit means the permit required under this section to have a commercial ~~marijuana-cannabis~~

operation, and any prior permit granted by the City under Urgency Ordinance No. 791 pursuant to the registration process.

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

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

Operator means the business owner and any other person designated by the business owner as responsible for the day to day ~~marijuana-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 ~~Marijuana Cannabis~~ Ordinance".

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

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 ~~marijuana-cannabis~~ operations.

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

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

(c) *Permitted uses and zoning.* Business owners meeting the requirements of this section shall be allowed to conduct the following commercial ~~marijuana-cannabis~~ operations in the MBL - Light Manufacturing/Business zone district 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)
- ~~Cultivation~~
- ~~Processing~~

- ~~Extraction.~~
- ~~Manufacturing.~~
- ~~Testing.~~
- ~~Distribution.~~
- ~~Transportation.~~

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

~~Dispensaries are expressly prohibited unless approved by the voters of the City of Coalinga.~~

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

(1) *The Act and other state laws.* The ~~marijuana-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.

~~If recreational cannabis becomes lawful in California, and the operator uses the approved marijuana operations for commercial recreational cannabis, the operator shall meet or exceed the health and safety requirements of the Act in any operations relating to recreational marijuana.~~

(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 ~~marijuana-cannabis~~ operations are occurring on the property. Interior building signage is permissible provided the signage is not visible outside of the building.

(4) *Marijuana-Cannabis consumption.* No ~~marijuana-cannabis~~ shall be smoked, ingested or otherwise consumed on the premises. Adequate signage of this prohibition shall be displayed throughout the facility.

(5) *Alcoholic beverages.* ~~No marijuana operation shall hold or maintain a retail license from the State Department of Alcohol Beverage Control to sell~~

~~alcoholic beverages, or operate a business that sells alcoholic beverages. In addition, alcohol for personal consumption shall not be provided, stored, kept, located, sold, dispensed, or used on the premises.~~

~~(6) *Transportation.* Transportation shall only be conducted according to activity permitted by State law.~~

(7) *Distribution.* There shall be no deliveries from the premises of cannabis or cannabis containing products except to another State or local licensed or permitted cannabis business holding a distribution license.

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

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

(10) *Public access.* There shall be no public access to the premises.

(11) *Minors.* It shall be unlawful for any operator to employ any person who is not at least ~~eighteen~~ (18) twenty one (21) years of age, or any older age if set by the State.

(12) *Distance separation from schools.* ~~Marijuana-Cannabis~~ operations shall comply with the distance separation requirements from schools as required by State law. In addition, a commercial ~~marijuana-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 ~~marijuana-cannabis~~ operations shall be allowed to operate per the requirements of the underlying zone district and subject to the City's noise and nuisance ordinances.

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

a. The premises in which the ~~marijuana-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 ~~marijuana-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 ~~marijuana~~ cannabis operations.

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

(15) *Odor control.* ~~Marijuana-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 outside~~ the premises, outside the building housing the ~~marijuana-cannabis~~ operations, or anywhere on adjacent property or public rights-of-way. As such, ~~marijuana-cannabis~~ operations must install and maintain the following equipment or any other equipment which the City's Building Official 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.* ~~Marijuana-Cannabis~~ operations that manufacture products in the form of food or other comestibles shall obtain and maintain the appropriate approvals from the State Department of Public Health for the provision of food or other comestibles, unless otherwise governed by the Act and licensed by the State.

(17) *Secure building.* All ~~marijuana-cannabis~~ operations shall occur entirely inside of a building that shall be secure, locked, and fully enclosed, with a ceiling, roof or top. The building shall include a burglar alarm monitored by an alarm company or private security company. The 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. Notwithstanding the foregoing, the roof may be of solid translucent material provided other

security measures exist to ensure that the ~~marijuana-cannabis~~ operation cannot be seen, heard or smelled beyond the property line. 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 grow and processing 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 five (5) mega pixel in resolution.
- 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 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 on a quarterly basis.

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 ~~marijuana~~-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 ~~marijuana~~-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. ~~The following rules apply to the deliveries and transportation:~~

- ~~a. Deliveries to the premises of supplies shall only occur as provided for in the diagram and floor plan on file with the City as part of the application process. Delivery vehicles shall not have any markings indicating that deliveries are being made to a marijuana operation.~~

- ~~b. The transportation of marijuana samples and product to and from the Premises shall be in unmarked vehicles with no indication that the vehicles are transporting marijuana samples and products. The responsible party shall stagger transportation times, vary routes from the facility, and take other security measures as requested by the Police Chief.~~

(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 ~~marijuana~~ cannabis operation shall not be maintained in a manner that causes a public or private nuisance.

(21) *Location of uses.* The commercial ~~marijuana~~ 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 ~~marijuana~~ cannabis operation shall not operate at any place other than the address of the ~~marijuana~~ cannabis operation stated in the regulatory permit.

(e) *Commercial ~~marijuana-cannabis~~ regulatory permit.* No person or entity shall operate a commercial ~~marijuana-cannabis~~ operation within the City of Coalinga without first obtaining a commercial ~~marijuana-cannabis~~ regulatory permit from the City. The regulatory permit shall be site specific and shall specifically identify the commercial ~~marijuana-cannabis~~ activity that will be allowed at that site. No commercial ~~marijuana-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 ~~marijuana-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 ~~marijuana-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 ~~marijuana~~-cannabis operations will occur on its property.

k. A descriptive business plan for the ~~marijuana~~-cannabis operation, including a detailed list of all ~~marijuana~~-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 ~~marijuana~~-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 ~~marijuana~~-cannabis operation and the property line of any school as set forth in the operational requirements.

p. 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 ~~marijuana~~ cannabis operation ~~or involved in transportation/delivery related services for a marijuana 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 ~~to~~ employee permit; ~~or renewal~~ 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, and in no case later than ninety (90) days after receipt of a properly completed application, 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 ~~marijuana~~-cannabis operation.

(3) For employee permits, after the background checks and investigation are complete, and in no case later than thirty (30) days after receipt of a properly completed application, 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 ~~marijuana~~-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 owner or operator, or any responsible person, has been:

a. Convicted of a serious or violent offense as listed under California Penal Code sections 667.5 and 1192.7(c); or

b. Convicted of any of the offenses listed in Business and Professions Code section 19323; or

c. Convicted of a misdemeanor involving moral turpitude as defined under State law (generally crimes relating to theft and dishonesty) within the five (5) years preceding the date of the application; or

d. Convicted of a felony involving the illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, unless the individual has received a Certificate of Rehabilitation as defined in the Act; or

e. Has engaged in misconduct related to the qualifications, functions or duties of a permittee, such as lying on an application, falsifying legal documents, or anything that would otherwise ban the permittee from obtaining a State license under the Act.

A conviction within the meaning of this subsection means a plea or verdict of guilty or a conviction following a plea of nolo contendere.

(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 ~~eighteen~~ twenty-one (~~18~~21) years of age, or any older other age set by the State.

(7) The ~~marijuana~~ 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 ~~marijuana~~ 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) Consistent with the Act or other applicable State law, the applicant has been:

- a. Convicted of a serious or violent offense as listed under California Penal Code sections 667.5 and 1192.7(c); or
- b. Convicted of any of the offenses listed in Business and Professions Code section 19323; or
- c. Convicted of a misdemeanor involving moral turpitude as defined under State law (generally crimes relating to theft and dishonesty) within the five (5) years preceding the date of the application; or
- d. Convicted of a felony involving the illegal use, possession, transportation, distribution or similar activities related to controlled substances, as defined in the Federal Controlled Substances Act, unless the individual has received a Certificate of Rehabilitation as defined in the Act; or
- e. Has engaged in misconduct related to the qualifications, functions or duties of a permittee.

(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 ~~eighteen-twenty-one~~ (1821) 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 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 ~~marijuana-cannabis~~ operation when any of the following occur:

- a. The ~~marijuana-cannabis~~ operation is conducted in violation of any provision of this section, the Act, or any other applicable state law.
- b. The ~~marijuana-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 ~~marijuana-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 Chiefs 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 ~~marijuana-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 ~~marijuana-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 ~~marijuana-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 ~~marijuana-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 ~~marijuana-cannabis~~ operation, the City may be forced to curtail or commingle water supply to the Site. Under those circumstances, the ~~marijuana-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 ~~marijuana-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 ~~marijuana-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 ~~marijuana-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.* An annual revenue raising fee ("revenue fee") for the privilege of having the right to operate in the City.

Revenue Fee Finding

The City Council specifically finds that it is approving this section allowing commercial ~~marijuana-cannabis~~ operations to open in the City on the express understanding that the business will pay the revenue fee to the City as set forth herein, and that without the revenue fee, the City Council would not have adopted this section allowing commercial ~~marijuana-cannabis~~ operations to open in the City. By opening a commercial ~~marijuana-cannabis~~ operation in the City, the premise owner, business owner, operator, and all responsible parties agree that if the revenue fee is challenged by any one of them or a third party and set aside, the business must cease operations.

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 ~~marijuana-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 ~~marijuana-cannabis~~ operation (such as a janitorial closet).

In addition to the foregoing, for cultivation operations the total under canopy square footage shall be included in the square footage calculation.

If more than one commercial ~~marijuana-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.

b. *Alternative voter approved tax.* If the voters of the City approve a tax rate which is equivalent to the revenue fee, the business owner shall pay the tax in lieu of the revenue fee, or portion thereof, once the City begins to collect the tax revenue. In no event shall the business owner be required to pay more than the revenue fee.

(t) *Record keeping.* The responsible party shall make and maintain complete, accurate and legible records of the permitted ~~marijuana-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.* ~~Marijuana-Cannabis~~ operations shall be open for inspection by any City law enforcement officer or City code enforcement officer at any time the ~~marijuana cannabis~~ operation is operating, at any other time upon responding to a call for service related to the property where the ~~Marijuana-Cannabis~~ operations is occurring, or otherwise upon reasonable notice. Recordings made by security cameras at any ~~marijuana-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 ~~marijuana-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 ~~marijuana-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 ~~marijuana-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 ~~marijuana-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.

(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.

(zy) 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.

(aaz) 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.

DRAFT
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 _____ 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;

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. Camera Systems (360 degree perimeter and interior point of service) with a minimum 3 megapixel resolution.
2. Alarm systems (both perimeter and panic).
3. Lighting systems for perimeter after-hours security minimum 1.5 candlepower as shown by a photometric plan.
4. All security systems at the site are attached to an uninterruptable power supply that provide 24 hour of power.
5. Law enforcement shall have access to all Security Systems via IP.
6. Windows may not allow for view inside the Cannabis Retail Facility.
7. Double vestibule layout to control access to the retail space.
8. No cannabis products may be available to purchaser without staff assistance.
9. Building hardening measures to prevent vehicular building penetration. This shall be at the discretion of the Police Chief.
10. 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 to be in place to provide audit trails of cash, medical recommendations, and all products.
4. The City shall conduct financial and retail audits, at a minimum, on a quarterly basis.
5. Random spot checks of cash and product inventories are to be conducted by the licensing authority.
6. 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.

Passed and adopted on the _____ day of 20____ by the following vote.

AYES:

NOES:

ABSENT:

ABSTAINED:

Mayor

City Clerk / Deputy City Clerk

ORDINANCE NO. 804

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

c. 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;

c. 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 2 - 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.

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 cannabis activity means all uses not included within the definition of commercial cannabis operation, including the personal use, cultivation, or consumption of cannabis, whether medical or recreational.

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 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 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 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 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 deliveries from the premises of cannabis or cannabis containing products except to another State or local licensed or permitted cannabis business holding a distributor license.
- (6) *Non-commercial cannabis activity.* No non-commercial or recreational cannabis activity shall occur on the premises.
- (7) *Retail sales.* The retail sale of cannabis is permitted in accordance with Section 9-5.129.
- (8) *Public access.* There shall be no public access to the premises.
- (9) *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) *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) *Hours of operation.* Commercial cannabis operations shall be allowed to operate per the requirements of the underlying zone district and subject to the City's noise and nuisance ordinances.
- (12) *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) *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 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) *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) *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. The building shall include a burglar alarm monitored by an alarm company or private security company. The 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. Notwithstanding the foregoing, 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. 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.
- (16) *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 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) *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) *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) *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. 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, and in no case later than ninety (90) days after receipt of a properly completed application, 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 or allows for an election of up to 90 days. 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, and in no case later than thirty (30) days after receipt of a properly completed application, 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 Chiefs 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.* 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.

(4) *Revenue Fee Finding*

The City Council specifically finds that it is approving this section allowing commercial cannabis operations to open in the City on the express understanding that the business will pay the revenue fee to the City as set forth herein, and that without the revenue fee, the City Council would not have adopted this section allowing commercial cannabis operations to open in the City. By opening a commercial cannabis operation in the City, the premise owner, business owner, operator, and all responsible parties agree that if the revenue fee is challenged by any one of them or a third party and set aside, the business must cease operations.

- 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).

In addition to the foregoing, for cultivation operations the total under canopy square footage shall be included in the square footage 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.

- (5) 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 or City code enforcement officer 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.

(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 3. ADOPTION OF SECTION 9-2-402 Table 2.7

Coalinga Municipal Code Table 2.7 of Title 9, Chapter 2, Article 4 is hereby amends 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 4. 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 cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers, cannabis and cannabis products as part of retail sale.

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.

(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 District with a valid business license, approved conditional use permit and commercial cannabis regulatory permit pursuant to Section 9-5.128 of the code.
- 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 requirements for the 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 listed in 9-5.128(d), as well as the following:

- a. 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. No dispensing of cannabis to a customer shall be permitted more than twice a day.
- c. The hours of operation of cannabis Retail facilities shall be no earlier than 6 a.m. and no later than 9 p.m.
- d. 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. 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. 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. 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.
- h. 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.
- i. 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.
- j. 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.

(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



Staff Report- Chairman and Planning Commission

Subject: Review of Remaining 2017 Planning Commission Meeting Dates
Meeting Date August 22, 2017
Project Location:
Applicant:
Owner:
Prepared By: Sean Brewer, Community Development Director

I. RECOMMENDATION:

Staff has no recommendation as this of discussion purposes.

II. BACKGROUND:

At their August 8, 2017 meeting, the Planning Commission requested a future agenda item to discuss the remaining meeting dates in the 2017 calendar year to ensure that existing projects will have available dates to be considered as we enter the holiday months where historically the Planning Commission meets once each time November and December.

III. PROPOSAL AND ANALYSIS:

Staff is currently working on several projects that will require Commission recommendation and/or approval so the Planning Commission has requested a discussion item to review the remaining meeting dates scheduled for 2017. Staff has attached a schedule for the remaining meeting dates for September, October, November and December.

IV. FISCAL IMPACT:

None.

V. REASONS FOR RECOMMENDATION:

ATTACHMENTS:

Description

□ Planning Commission Calendar Sept - Dec 2017

Coalinga Planning Commission Hearing Schedule

September 2017						
◀ August						October ▶
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12 MEETING	13	14	15	16
17	18	19	20	21	22	23
24	25	26 MEETING	27	28	29	30

Coalinga Planning Commission Hearing Schedule

October 2017						
◀ September						November ▶
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10 MEETING	11	12	13	14
15	16	17	18	19	20	21
22	23	24 MEETING	25	26	27	28
29	30	31				

Coalinga Planning Commission Hearing Schedule

November 2017						
◀ October						December ▶
Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14 MEETING	15	16	17	18
19	20	21	22	23	24	25
26	27	28 NO MEETING	29	30		

Coalinga Planning Commission Hearing Schedule

December 2017						
◀ November						January ▶
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12 MEETING	13	14	15	16
17	18	19	20	21	22	23
24	25	26 NO MEETING	27	28	29	30
31						