CITY OF WILDOMAR PLANNING COMMISSION AGENDA

SPECIAL MEETING OF OCTOBER 8, 2019

@ 6:30 P.M.

City Council Chambers 23873 Clinton Keith Road, Suite #105/106



John Lloyd, Chairman Kim Strong, Vice-Chair Arrin Banks, Commissioner Brianna Bernard, Commissioner Eric Filar, Commissioner

CITY OF WILDOMAR PLANNING COMMISSION SPECIAL MEETING AGENDA OCTOBER 8, 2019

ORDER OF BUSINESS: The Public Session of this special meeting of the Planning Commission begins at 6:30 P.M.

REPORTS: All agenda items and reports are available for review at: Wildomar City Hall, 23873 Clinton Keith Road, Suite #201, and on the City's website at http://www.cityofwildomar.org/government/agendas__minutes/planning_commission_agendas_minutes/. Any writings or documents provided to a majority of the Planning Commission regarding any item on this agenda (other than writings legally exempt from public disclosure) will be made available for public inspection at City Hall during regular business hours.

PUBLIC COMMENTS: Prior to the business portion of the agenda, the Planning Commission will receive public comments regarding any items or matters within the jurisdiction of the Commission. The Chairman will separately call for testimony at the time of each public hearing. If you wish to speak, please complete a Public Comment Card available at the Chamber door. The completed form is to be submitted to the Secretary prior to an individual being heard. Lengthy testimony should be presented to the Commission in writing (15 copies) and only pertinent points presented orally. The time limit established for public comments is three minutes per speaker.

ADDITIONS/DELETIONS: Items of business may be added to the agenda upon a motion adopted by a minimum 2/3 vote finding that there is a need to take immediate action and that the need for action came to the attention of the City subsequent to the agenda being posted. Items may be deleted from the agenda upon request of staff or upon action of the Commission.

CONSENT CALENDAR: Consent Calendar items will be acted on by one roll call vote unless Commission members, staff, or the public request the item be discussed and/or removed from the Consent Calendar for separate action.

RIGHT TO APPEAL: Any decision of the Planning Commission may be appealed to the City Council provided the required appeal application and filing fee are submitted to the City Clerk within ten (10) calendar days after the Planning Commission's action.

NOTICE: Planning Commission meetings are live-streamed, photographed and/or videotaped. Attendance at the meeting constitutes consent by members of the public to the City's and any third party's use in any media, without compensation or further notice, of audio, video, and/or pictures of meeting attendees.

<u>PLEASE TURN ALL DEVICES TO VIBRATE/MUTE/OFF FOR THE DURATION OF</u> THE MEETING. YOUR COOPERATION IS APPRECIATED.

<u>CALL TO ORDER – SPECIAL MEETING - 6:30 P.M.</u>

ROLL CALL

FLAG SALUTE

PUBLIC COMMENTS

This is the time when the Commission receives general public comments regarding any items or matters within the jurisdiction that <u>do not</u> appear on the agenda. State law allows the Commission to only talk about items that are listed on the agenda. <u>Speakers are allowed to raise issues not listed on the agenda; however, the law does not allow the Commission to discuss those issues during the meeting.</u> After hearing the matter, the Chairman will turn the matter over to the Planning Director who will put you in contact with the proper Staff person. Each speaker is asked to fill out a Public Comments Card available at the Chamber door and submit the card to the Secretary. Lengthy testimony should be presented to the Commission in writing (15 copies) and only pertinent points presented orally. The time limit established for public comments is three minutes per speaker. Prior to taking action on any item that is on the agenda, the public will be permitted to comment at the time it is considered by the Commission.

1.0 GENERAL BUSINESS ITEM:

1.1 Wildomar Cannabis Code Amendment - PC Study Session:

The Planning Commission will hold a study session to discuss the "Draft Ordinances" for the Wildomar Cannabis Code Amendment (ZOA No. 19-04) that proposes to amend Title 5 (Business License and Regulations) and Title 17 (Zoning) of the Wildomar Municipal Code to establish licensing and zoning regulations for medicinal and adult-use cannabis businesses in the City of Wildomar as defined by the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

RECOMMENDATION:

The Council Ad-Hoc Subcommittee recommends the Planning Commission take the following actions:

- 1) Receive Staff presentation of the draft ordinances;
- 2) Open the agenda item for public comments, discussion and input; and
- 3) Discussion between the Commissioners with feedback to Staff to report back to the City Council Cannabis Ad-Hoc Committee.

PLANNING COMMISSION COMMUNICATIONS

PLANNING DIRECTOR REPORT

CITY ATTORNEY REPORT

FUTURE AGENDA ITEMS

<u>ADJOURNMENT</u>

If requested, the agenda and backup materials will be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans With Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Any person that requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting, may request such modification, accommodation, aid or service by contacting the City Clerk either in person or by phone at (951) 677-7751, no later than 10:00 a.m. on the day preceding the scheduled meeting.

- I, Matthew C. Bassi, Planning Director, do certify that on, or before, <u>October 1, 2019 by 5:00 p.m.</u>, a true and correct copy of this agenda was posted at the three designated posting locations as follows:
 - 1) Wildomar City Hall, 23873 Clinton Keith Road.
 - 2) U.S. Post Office, 21392 Palomar Street.
 - 3) Wildomar Library, 34303 Mission Trail.

Matthew C. Bassi Planning Director

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CITY OF WILDOMAR – PLANNING COMMISSION Agenda Item #1.1

GENERAL BUSINESS
Meeting Date: October 8, 2019

TO: Chairman and Members of the Planning Commission

FROM: Matthew Bassi, Planning Director

Erica Vega, Assistant City Attorney

SUBJECT: Wildomar Cannabis Code Amendment - PC Study Session:

The Planning Commission Study session to discuss the "Draft Ordinances" for the Wildomar Cannabis Code Amendment (ZOA No. 19-04) that proposes to amend Title 5 (Business License and Regulations) and Title 17 (Zoning) of the Wildomar Municipal Code to establish licensing and zoning regulations for medicinal and adult-use cannabis businesses in the City of Wildomar as defined by the Medicinal and Adult-Use Cannabis Regulation and Safety Act

(MAUCRSA).

STAFF REPORT

RECOMMENDATION:

The Council Ad-Hoc Subcommittee recommends the Planning Commission take the following actions:

- 1) Receive Staff presentation of the draft ordinances;
- 2) Open the agenda item for public comments, discussion and input; and
- 3) Discussion between the Commissioners with feedback to Staff to report back to the City Council Cannabis Ad-Hoc Committee.

BACKGROUND:

The City Council, upon recommendation from the Planning Commission, on October 24, 2018 approved the 1st reading of Ordinance No. 159 prohibiting commercial cannabis facilities and commercial cannabis activities in any zone in the city. Ordinance No. 159 had its 2nd reading on November 14, 2018 which became effective on December 14, 2018. The prohibition is applicable to all zones in the city, except for personal "cultivation" in accordance with the provisions of Proposition 64.

On June 26, 2019, the City Council approved \$50,000 (i.e., "decision package") for staff and the City Attorney to research and prepare a code amendment that would propose regulations for medicinal and adult-use cannabis businesses in the city. The City Council prior to this budget meeting (June 1, 2019), agreed to create an "ad-hoc" cannabis subcommittee to assist and provide direction to staff in this effort. Council members Moore and Nigg were appointed to the subcommittee.

The Council ad-hoc subcommittee and staff have met numerous times over the past months discussing research done by staff and ideas on how best to regulate cannabis businesses in the city of Wildomar. The committee reviewed several cannabis ordinances as part of this effort. Those agencies include Cathedral City, County of Riverside, Lake Elsinore and Perris. As one can expect, each agency has different needs and processes. From this effort, the subcommittee and staff have completed the initial draft ordinances for public review.

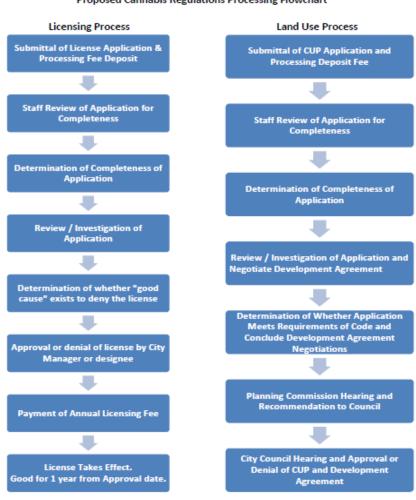
DISCUSSION:

There are 2 ordinances that make up the code amendment. The first ordinance will amend Title 5 (Licensing) to create a new section that establishes the licensing regulations and procedures. The second ordinance will amend Title 17 (Zoning) to establish land use and zoning regulations. The complete changes are provided in Attachments A and B, respectively. A summary of the changes proposed by the ad-hoc committee and staff are provided below:

- ❖ City License, CUP and Development Agreement required for <u>all</u> cannabis businesses regardless of zone location.
- License is for good for one (1) year and must be renewed annually. Initial approval and each renewal will require City to determine that there is not "good cause" to deny the license. Good cause to deny includes the following:
 - o Violation of City's regulations, State law and regulation, or conditions of approval.
 - Operation of business on the premises adversely affects the public health, safety or welfare or the safety of the immediate neighborhood.
 - False statements/misrepresentations/material omissions in documents submitted to City.
 - Operation of another cannabis business in violation of the Code.
 - Failure to allow inspections by City.
- City Regulations include numerous operational requirements and conditions, including but not limited to:
 - o Prohibit cannabis consumption on premises.
 - Prohibit alcohol and tobacco sales on premises.
 - Security requirements (video surveillance, secured storage of cannabis at all times, alarm system, illumination, controlled access to non-public areas by visitors).
 - o Mandatory notification of law enforcement of suspected theft/diversion.
 - o Can only do business with other legal cannabis businesses.
 - o Retailer hours of operation of 8:00 a.m. to 10:00 p.m. & age-restricted entry.
 - Cannabis products cannot be visible from the exterior of the business.
 - No delivery to public places / facilities.
 - Odor control systems required for all cannabis businesses.
 - Must allow unannounced inspections of premises and records (including video surveillance) by City.
- Retailers will be allowed in C-1/C-P and C-P-S commercial zones. Cultivation, manufacturing, distribution and testing laboratories will be allowed in M-SC & I-P industrial zones.

- ❖ Businesses will not allowed within 600 feet of public or private schools (K-12), commercial day care centers and youth centers. Refer to Attachment E for the preliminary radius map.
- Businesses required to indemnify the City from liability and provide appropriate insurance.
- ❖ Businesses will be required to pay an annual licensing fee (amount still needs to be determined) to recover the costs of regulating the cannabis industry and ensuring no negative impacts to the community.
- Development agreement will include requirement that the business provide public benefits in exchange for the rights they obtain under the Agreement. This will include payment of a public benefit fee that is in addition to the annual license fee.

The flow chart below shows how the licensing and CUP process will work. Staff will expand on this flowchart at the study session next week.



City of Wildomar
Proposed Cannabis Regulations Processing Flowchart

- Applications for a License and CUP may be submitted concurrently <u>OR</u> the applicant may submit a license application and apply for the CUP at a later time.
- A City License must be approved for the business <u>BEFORE</u> the Planning Commission Hearing is held on the CUP and Development Agreement.
- A State License is not required to receive a City License, CUP or Development Agreement. The State License must be obtained BEFORE a certificate of occupancy is issued.

A copy of the summary points and flow chart are also provided in Attachment C & D. Staff has also provided a preliminary 600-foot radius map showing buffer zones from the public/private schools, day care centers and youth centers (Attachment E). The map may be expanded to include other sensitive uses depending on feedback from the public and direction from the Commission.

Conclusion:

The purpose of the study session is to present the draft ordinances and obtain feedback from the public and Planning Commission. The next step in this process is take the public comments with the Commission's comments from tonight's meeting back to the ad-hoc subcommittee for review and discussion. The committee will then direct staff to finalize the draft ordinances and move forward with the CEQA/Negative Declaration preparation and review process with public hearings before the Commission and Council tentatively set for January/February 2020.

PUBLIC NOTICING:

The Planning Department at the September 18, 2019 Commission meeting, announced that a special meeting was scheduled with the Planning Commission for October 8, 2019 to discuss the proposed cannabis code amendment and to solicit public feedback/input on the proposed regulations. In addition, staff sent out a Press Release to our stay connected community on October 1, 2019 announcing the Planning Commission study session for scheduled October 8th. Lastly, the Planning Commission agenda packet (which included this staff report and exhibits) was uploaded to the Commission's webpage on October 1, 2019, and an email blast was sent to our stay connected community for PC agenda packets.

Respectfully Submitted, Matthew C. Bassi Planning Director Reviewed By, Erica L. Vega, Assistant City Attorney

ATTACHMENTS:

- A. Proposed Code Amendments to Title 5 (Licensing)
- B. Proposed Code Amendments to Title 17 (Zoning)
- C. Cannabis Summary Points Document
- D. Cannabis Flow-Chart Document
- E. Preliminary 600-foot Cannabis Radius Map

EXHIBIT A

DRAFT TITLE 5 (LICENSING REGULATIONS) TEXT CHANGES

CHAPTER 5.76 COMMERCIAL CANNABIS LICENSING (A NEW SECTION)

5.76.010 Purpose and Intent.

- A. This chapter shall provide for the regulation and licensing of medicinal and adult-use cannabis businesses throughout the city in conformance with applicable state and local laws and regulations pertaining to medicinal and adult-use cannabis.
- B. The city council finds that it is necessary for the city to adopt local licensing standards for medicinal and adult-use cannabis businesses for the purpose of controlling and regulating the cultivation, distribution, transport, storage, manufacturing, processing, testing and sale of medicinal cannabis and medicinal cannabis products to qualified patients, and adultuse cannabis and adult-use cannabis products to adults twenty-one years of age and over.
- C. The purpose of this chapter is to regulate all commercial cannabis activity in the city, as defined in the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), to the extent authorized by state law and in a manner designed to minimize negative impacts on the city and neighboring uses, and promote the health, safety, morals, and general welfare of residents and businesses within the city.

5.76.020 Relationship to other laws.

- A. Except as otherwise specifically provided herein, this chapter incorporates the requirements and procedures set forth in MAUCRSA. In the event of any conflict between the provisions of this chapter and the provisions of MAUCRSA or any other applicable state or local law or regulation, the more restrictive provision shall control.
- B. Except as expressly stated herein, cannabis businesses must comply with all other city codes and regulations. Nothing in this chapter shall be construed as permitting a cannabis business to operate at any time in a manner that is in violation of other applicable state and local laws.

5.76.030 Definitions.

Unless otherwise defined herein, the terms in this chapter shall have the same meaning as set forth in MAUCRSA and any rules promulgated pursuant thereto. In addition, the following terms shall be defined as follows:

"Cannabis business" means any person engaged in commercial cannabis activity.

"Certificate of accreditation" means a certificate issued by an accrediting body to a licensed testing laboratory, entity, or site to be registered in the state.

"City" means Wildomar, California.

"City manager" shall mean the city manager of the city or a duly authorized designee.

"Distribution site" means a facility where cannabis and cannabis products are stored or inspected by a distributor for the purposes of distribution.

"Distributor" means a cannabis business that engages in the distribution and transportation of cannabis and cannabis products to other cannabis businesses.

"Good cause" for purposes of denying an initial local license issuance, for suspending or revoking a local license, or for denying a local license renewal, means:

- The applicant or licensee has violated any of the terms, conditions, or provisions of this chapter, state law, regulations and rules promulgated pursuant to state law, applicable local rules and regulations, or special terms or conditions placed upon its conditional use permit, state license, or local license;
- 2. The premises has been or is proposed to be operated in a manner that adversely affects the public health, safety or welfare or the safety of the immediate neighborhood in which the establishment is or will be located;
- 3. The applicant or licensee has knowingly made false statements, misrepresentations or material omissions on an application form, renewal form, or any other document submitted to the city;
- 4. The applicant or licensee, or any owner of the applicant or licensee, operated a cannabis business in violation of this chapter or Chapter 17.315 of the code;
- 5. For renewals, suspensions and revocations, the licensee fails to allow inspection of the security recordings, activity logs, or business records of the licensed premises by city officials.

"Identification card" or "ID card" means a valid identification card issued pursuant to Section 11362.7 et seq., of the California Health and Safety Code.

"Identification card holder" or "ID card holder" means an individual who is a qualified patient who has applied for and received a valid ID card pursuant to Article 2.5 of Chapter 6 of Division 10 of the California Health and Safety Code.

"Licensed premises" means a premises for which a local license has been issued pursuant to this chapter.

"Licensee" means a person who has been issued a local license pursuant to this chapter.

"Limited access area" means a building, room or other area that is part of the licensed premises where cannabis is grown, cultivated, stored, weighed, displayed, packaged, or sold to other cannabis businesses with limited access to only authorized personnel.

"Local license" means a license granted by the local licensing authority, pursuant to this chapter.

"Local licensing authority" means the city manager.

"Manufacturing site" means a premises where a manufacturer engages in the manufacture of cannabis products.

"Medicinal and Adult-Use Cannabis Regulation and Safety Act" or "MAUCRSA" means Division 10 of the California Business and Professions Code.

"Medicinal cannabis patient" means both a qualified patient without an identification card and an ID card holder.

"Owner" means any of the following:

- 1 A person with an aggregate ownership interest of ten percent or more in the person applying for a license or a licensee, unless the interest is solely a security, lien, or encumbrance.
- 2 The chief executive officer of a nonprofit or other entity.
- 3 A member of the board of directors of a nonprofit.
- 4 An individual who will be participating in the direction, control, or management of the person applying for a license.

"Physician," as used in this chapter, shall mean an individual who possesses a license in good standing to practice medicine or osteopathy from the state of California.

"Primary caregiver" shall have the meaning set forth in Section 11362.7(d) of the California Health and Safety Code.

"Qualified patient" shall have the meaning set forth in Section 11362.7(f) of the California Health and Safety Code.

"State law(s)" shall mean and include California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996); California Health and Safety Code Sections 11362.7 to 11362.85 (Medicinal Marijuana Program Act); the MAUCRSA, and all other applicable laws and regulations of the state of California.

"State license" means a state license issued under MAUCRSA, and includes both an Alicense and an M-license, as well as a testing laboratory license.

"State licensing authority" shall mean the state agency responsible for the issuance, renewal, or reinstatement of a state license, or the state agency authorized to take disciplinary action against a state licensee.

5.76.040 Local license in addition to business license or other permit.

The local license required by this chapter shall be in addition and supplemental to any other business registration or any permit required by any ordinance of the city.

5.76.050 Local license required.

- A. It is unlawful to operate any cannabis business in the city without first having obtained a local license under this chapter.
- B. The city may grant a local license prior to the applicant having obtained a state license. A cannabis business must possess the requisite state and local licenses prior to receiving a certificate of occupancy from the city.

5.76.060 Local license application process.

A. All applications for local licenses required pursuant to this chapter shall be made upon current forms prescribed by the local licensing authority. All applications for local licenses must be accompanied by the application fee as established by resolution of the city council as amended from time to time.

- B. An applicant shall file with the local licensing authority the following at the time of application for a local license:
 - 1. An operating plan for the proposed cannabis business including the following information:
 - a. A general description of the types of products and services to be provided by the facility;
 - b. A floor plan designating all interior dimensions of the licensed premises and the layout of the cannabis business, including all limited access areas, areas of ingress and egress, and all security cameras. Such floor plan shall also show the principal uses of the floor area depicted therein. For cultivation sites, such floor plan shall distinguish all dimensions of areas in which plants are located:
 - c. For a retailer, a statement confirming whether delivery service of cannabis to any location outside the premises will be provided and the extent of such service, and in the event delivery is provided, a detailed delivery plan detailing how the retailer will comply with all requirements of this chapter, MAUCRSA, and any other applicable state or local laws.
 - 2. Authorization for the local licensing authority to seek verification of the information contained within the application.
 - 3. Proof of the nature of the cannabis business's organizational status, such as articles of incorporation, by-laws, organizational minutes, partnership agreements, or such other documentation acceptable to the city.
 - 4. Proof that the applicant is, or will be, entitled to possession of the premises for which application is made. Evidence of lawful possession consists of properly executed deeds of trust, leases, evidence of ownership of the licensed premises, or other written documents acceptable to the local licensing authority.
 - 5. The applicant shall provide any additional information that the local licensing authority may request to process and fully investigate the application. Failure to provide such additional information may result in denial of the application.
- C. If the application is incomplete, the applicant shall have an opportunity to cure the incompleteness within thirty calendar days of written notice of incompleteness by the local licensing authority.
- D. The local licensing authority shall issue a license to any applicant who has submitted a complete application and paid the application fee unless the local licensing authority finds that good cause exists to deny the license.
- E. Upon the approval of a local license, and as a condition of the license becoming effective, the applicant shall pay to the city the annual regulatory licensing fee, if any, established by resolution of the city council.
- F. A local license issued pursuant to this chapter shall specify the date of issuance, the period of licensure, the name of the licensee, the address of the licensed premises, and the nature of the cannabis business licensed. All local licenses are valid for one year.

5.76.070 Conditions of approval, administrative rules.

- A. The local licensing authority may place conditions upon the approval of any local license which are, in the opinion of the local licensing authority, reasonably related to the protection of the health, safety and welfare of the neighborhood in which the proposed licensed premises is to be located and of the general public.
- B. The local licensing authority is authorized to make rules, policies and procedures consistent with the intent and spirit of this chapter concerning the applications, the application process, the information required of applicants, the application procedures, and the administration and procedures to be used and followed in the application process.

5.76.080 Changes and modifications of local licenses.

In addition to any applicable requirements in Chapter 17.315 of this code, the following requirements apply for transfers of or changes to the ownership of a licensee, modifications to a licensed premises, and changes of location of a cannabis business.

- A. Change of Ownership. Subsequent to the issuance of a local license, the licensee shall report any transfer of ownership in the cannabis business to the local licensing authority on forms prescribed by the local licensing authority and pay the processing fee established by resolution of the city council. A change of ownership that solely involves a previously approved owner no longer being an owner of the cannabis business shall be reported to the local licensing authority within thirty calendar days of the change. A change in ownership that involves adding a new owner to the previously approved ownership must be approved by the local licensing authority in advance. The local licensing authority shall approve the change in ownership unless there is good cause to deny the change.
- B. Modification of Licensed Premises. A licensee shall not make physical changes, alterations, or modifications to the licensed premises that materially or substantially alters the licensed premises from the plans approved by the local licensing authority without the prior written approval of the local licensing authority. Material changes include, but are not limited to: an increase or decrease in the total square footage of the licensed premises or the addition, sealing off, or relocation of a wall, common entryway, doorway, or other means of public ingress and/or egress. Applications for modifications of licensed premises shall be made on forms prescribed by the local licensing authority and shall be accompanied by the processing fee established by resolution of the city council. The local licensing authority shall approve the proposed modification if it meets all requirements of this chapter and all other applicable state laws and city codes and ordinances, and will not present a threat to the public health, safety or welfare.

C. Change of Location.

1. A licensee may apply to the local licensing authority to change the location previously approved for such local license to any other place in the city, but it is unlawful to engage in any commercial cannabis activity at any such place or location until express permission to do so is granted by local licensing authority, the city has issued a conditional use permit to the licensee for the new location, and a certificate of occupancy has been issued for the new location. Applications for changes of location shall be made on forms prescribed by the local licensing authority and be accompanied by the processing fee established by resolution of the city council.

2. In permitting a change of location, the local licensing authority may change any existing conditions of approval on the license and/or add new conditions of approval as determined appropriate by the local licensing authority.

5.76.090 Renewal of local license.

- A. A cannabis business that desires to renew its license shall apply for the renewal no less than thirty calendar days prior to the local license's expiration date. If the cannabis business files a renewal application within thirty calendar days prior to expiration, the cannabis business must provide a written explanation detailing the circumstances surrounding the late filing. The local licensing authority may accept or reject such late filing in its discretion. The local licensing authority may elect to administratively continue a local license past its expiration date, provided that the licensee has submitted a renewal application that is pending final action.
- B. An application for renewal shall be submitted on forms provided by the local licensing authority, accompanied by the processing fee established by resolution of the city council. The following information shall be submitted as a part of the renewal application:
 - 1. Proof that no changes to the ownership of the licensee has occurred since last approved by the local licensing authority.
 - 2. Proof that the licensee is still entitled to the possession and use of the licensed premises.
 - 3. Any other information that the local licensing authority deems necessary to determine whether to renew the local license.
- C. The local licensing authority shall renew a local license if the licensee has submitted a complete application and paid the application processing fee, unless the local licensing authority finds that good cause exists to deny the license renewal. Notwithstanding the foregoing, the local licensing authority in its discretion may elect not to renew any local license if it determines that the licensed premises has not been used for a cannabis business, without reasonable cause as determined by the local licensing authority, during the term of the license.
- D. Unless administratively continued pursuant to subsection A, a local license is immediately invalid upon expiration and the cannabis business shall cease operations. If a local license expires, the local licensing authority may approve a renewal of the expired license at any time up to three months from the expiration date of the license. After the license has been expired for three months, the license may not be renewed by the local licensing authority, and the holder of the expired license must apply for and obtain a new cannabis license to resume operations.

5.76.100 Appeal of decision on local license.

Any applicant may appeal the local licensing authority's approval, conditional approval, or denial of an initial local license, renewal thereof, or a change to the license requested under Section 5.76.080. Such appeal shall be filed with the city clerk within ten calendar days of the date of the decision of the local licensing authority and must state the basis for the appeal. The city clerk will give the appealant written notice of the date, time and place of the appeal hearing. The city council shall hear the appeal de novo and shall not be limited by the rules of evidence. The council may affirm, amend or reverse the decision of the local licensing authority.

5.76.110 Cannabis business operational requirements.

All cannabis business must comply with the requirements set forth in this section.

- A. General Obligation to Operate in Compliance. A cannabis business shall operate in compliance with all applicable state and local laws and regulations governing cannabis businesses.
- B. General Obligation to Pay Taxes. A cannabis business must pay all applicable taxes pursuant to federal, state, and local law, including but not limited to state and local sales and use taxes and state excise taxes.
- C. General Obligation for Compliant Facilities. The licensed premises shall fully comply with all applicable rules, regulations, and laws including, but not limited to, building and safety codes, and the Americans with Disabilities Act.
- D. Age Requirement. A cannabis business shall not allow an individual less than twenty-one years of age to work within the licensed premises or handle cannabis and cannabis products.
- E. Age Restrictions. A cannabis business may not permit an individual less than twenty-one years of age to enter, or be within, its licensed premises, except that a cannabis business with an M-license from the state may allow persons eighteen years of age or older within the licensed premises if they are an ID card holder or qualified patient with physician's recommendation from a licensed physician.
- F. Secure Storage of Product. Cannabis and cannabis products possessed by a cannabis business shall be kept and stored in a secured manner at all times.
- G. Cannabis Consumption on Licensed Premises. Smoking, vaporizing, ingesting, or otherwise consuming cannabis and cannabis products at a licensed premises is prohibited. "Licensed premises" as used in this subsection includes the actual building, as well as any accessory structures, common areas and parking areas. A sign shall be posted at each entrance to a licensed premises that clearly and legibly states, "Smoking, vaporizing, ingesting, or otherwise consuming cannabis or cannabis products on these premises or in their vicinity is prohibited and a violation of the Wildomar Municipal Code."
- H. Prohibition on Alcohol and Tobacco Sales, Distribution, or Consumption on Licensed Premises. A cannabis business shall not sell, provide, store, or distribute any alcoholic beverages or tobacco products, or allow such products to be consumed on the licensed premises.
- I. On-Site Signage. On-site signage for a cannabis business that is viewable from the exterior of the cannabis business shall comply with all local signage laws applicable to the licensed premises, including Chapters 17.251 and 17.254 of this code. Signage may not be designed to appeal to children, or contain any false or misleading statements, or make any misrepresentations.
- J. Advertising. A cannabis business shall not advertise in a manner intended to encourage persons under twenty-one years of age to consume cannabis or cannabis products. It shall be unlawful for any cannabis business to make any claims that a product is safe because it is tested. All advertisements, including off-site advertising signs, shall comply with Chapter 15 of MAUCRSA.

- K. Display of License. A cannabis business shall display a copy of its local license issued pursuant to this chapter in a conspicuous place at or near the entrance to the licensed premises.
- L. No Physician Evaluations on Licensed Premises. A cannabis business shall not permit a physician to evaluate potential medicinal cannabis patients or to provide a physician's recommendation for medicinal cannabis within its licensed premises. Cannabis businesses shall not offer or provide any form of remuneration to a physician who provides physician's recommendations for medicinal cannabis.
- M. Community Relations Designee. A cannabis business must provide the city with the name, phone number, facsimile number, and email address of an on-site community relations representative or staff member or other representative whom the city can contact regarding operating concerns associated with the cannabis business. The cannabis business shall report any change in their community relations designee to the city within ten calendar days.
- N. Accurate Weights and Measures. Scales and weighing mechanisms used by a cannabis business to weigh non-waste products must be able to weigh to within 1/100th of a gram, shall be maintained in good working order and shall be subject to annual inspection by either a Riverside County agricultural commissioner's office weights and measures official or a licensed scale company.

O. Waste Disposal.

- 1. Chemical, Dangerous and Hazardous Waste. Disposal of chemical, dangerous or hazardous waste must be conducted in a manner consistent with federal, state and local laws, regulations, rules or other requirements. This may include, but is not limited to, the disposal of all pesticide or other chemicals used in the cultivation process, certain solvents or other chemicals used in the production of cannabis concentrate.
- Cannabis Waste. Cannabis waste shall be stored, managed, and disposed of in accordance with Section 5054 (Destruction of Cannabis Goods Prior to Disposal) of Title 16, Division 42 of the California Code of Regulations, as that section may be amended or renumbered from time to time.
- P. General Sanitary Requirements. A cannabis business must ensure that its licensed premises are maintained in a sanitary manner and activities on its licensed premises are conducted in a sanitary manner.
 - 1. All facilities of a cannabis business must have adequate and sufficient access to bathrooms and hand-washing facilities with running water at a suitable temperature.
 - 2. Hand-washing facilities shall be located where good sanitary practices require workers to wash or sanitize their hands, and provide effective hand-cleaning and sanitizing preparations and sanitary towel service or suitable drying devices.
 - 3. All workers that engage in the preparation or dispensing of edible cannabis products must comply with the provisions of all relevant state and local laws regarding the preparation, distribution, and sale of food.

- Q. Security Requirements. The licensed premises of a cannabis business must comply with all of the following security requirements:
 - 1. Video Surveillance. The licensed premises must be equipped with a video surveillance system that meets all of the requirements set forth in this subsection.
 - a. Security cameras and digital storage of recordings shall be maintained in good condition and used in an on-going manner, twenty-four hours per day, seven days per week.
 - b. The security system must maintain at least one hundred twenty concurrent hours of digitally recorded video for each security camera in the licensed premises. Security footage should be stored in an MPEG4, MJPEG, H.264, or another format approved by the local licensing authority in writing.
 - c. Security cameras must provide adequate and sufficient coverage for the facility, which must include, but need to be limited to, all limited access areas, all areas of ingress and egress, point of sale, the public areas, storage areas, and any other areas as required by this chapter and the MAUCRSA.
 - d. The video surveillance system must be equipped with a failure notification system that provides prompt notification to the manager of record of the licensed premises of the cannabis business of any surveillance interruption or complete failure of the surveillance system that lasts longer than fifteen minutes.
 - e. The video surveillance system shall have sufficient battery backup to support a minimum of fifteen minutes of recording in the event of a power outage.
 - 2. Alarm System. The licensed premises shall have an audible interior and exterior security alarm system installed on all perimeter entry points and perimeter windows, operated, and monitored by a security company licensed by the Department of Consumer Affairs, Bureau of Security and Investigative Services.
 - 3. Signage Requirement. The licensed premises must comply with the following signage requirements.
 - a. A sign shall be posted in a conspicuous place near each point of public access which shall be not less than twelve inches wide and twelve inches long, composed of letters not less than one inch in height, stating "All Activities Monitored by Video Camera."
 - b. Limited access areas shall be clearly identified by the posting of a sign which shall be not less than twelve inches wide and twelve inches long, composed of letters not less than one-half inch in height, which shall state, "Limited Access Area—Authorized Personnel Only."
 - 4. Lighting. The business entrance(s) and all window areas shall be illuminated during evening hours. The cannabis business shall comply with the city's lighting standards regarding fixture type, wattage, illumination levels, and shielding.
 - 5. Commercial-Grade Locks. All points of ingress and egress to a licensed premises shall ensure the use of commercial-grade, nonresidential door locks or window locks.

- 6. Notification of Local Licensing Authority and Law Enforcement. A cannabis business shall notify the local licensing authority and the appropriate law enforcement authorities within twenty-four hours after discovering any of the following:
 - a. Significant discrepancies identified during inventory;
 - b. Diversion, theft, loss, or any criminal activity involving the retailer or any employee or agent of the retailer;
 - c. The loss or unauthorized alteration of records related to cannabis, cannabis patients, primary caregivers, or retailer employees or agents; or
 - d. Any other breach of security.
- R. Subletting Prohibited. Licensees are not authorized to sublet any portion of a licensed premises for any purpose, unless all necessary applications to modify the existing licensed premises to accomplish any subletting have been approved by the local licensing authority.
- S. Recordkeeping. Cannabis businesses shall keep and maintain all records specified in Chapter 16 of the MAUCRSA and shall make the same available for inspection and examination of the local licensing authority or its duly authorized representatives during standard business hours of the licensed facility or at any other reasonable time.
- T. Cannabis businesses are required to exercise due diligence in preserving and maintaining all required records.
- U. Transactions. Licensees shall only do business with cannabis businesses that licensed or permitted to do business in their respective jurisdictions.

5.76.120 Retailer operational requirements.

In addition to the operation requirements in Section 5.76.110, a retailer must comply with the requirements set forth in this section.

- A. Limited Hours of Operation. A retailer may only be open to the public and engage in sales between the hours of 8:00 a.m. and 10:00 p.m.
- B. Product Not Visible To Public. The display of cannabis and cannabis products for sale shall not be visible from outside the licensed premises.
- C. Age Restricted Entry. A retailer may not permit an individual less than twenty-one years of age into the licensed premises, except a retailer with an M-license from the state may permit an individual aged eighteen years or older into the licensed premises if the retailer verifies the individual is an ID card holder or qualified patient with a physician's recommendation.
- D. Cannabis Paraphernalia Sales. Dispensaries may sell or otherwise provide equipment, supplies, and paraphernalia used to consume cannabis and cannabis products.
- E. Electronic Point-of-Sale System Required. Dispensaries must have an electronic point of sale system. The electronic point of sale system must be capable of producing an electronic or automatic paper record for all transactions associated with any product sold, rented, or otherwise provided to the customer.

- F. No Sales of Expired Product. A retailer may not sell any expired products, cannabis or cannabis products. A retailer shall not alter, edit, or adjust in any manner an expiration date on any item or product once affixed by its manufacturer.
- G. Handling of Edible Cannabis Products. A retailer that possesses edible cannabis products shall comply with the provisions of all relevant state and local laws regarding the storage, handling, and sale of food.
- H. Delivery of Cannabis and Cannabis Products. A retailer that provides delivery service shall comply with the following requirements:
 - 1. The retailer shall not delivery cannabis or cannabis products to any location outside of California or to any location within California where the delivery of cannabis or cannabis products has been prohibited by the city or county.
 - 2. The delivery service must be approved by the local licensing authority as a part of the licensing process. The deliveries must be conducted in accordance with any relevant state laws, this code, any applicable local laws in the delivery location, and any conditions imposed upon the license.
 - 3. The retailer must keep in place standard operating procedures that ensure the safety and security of those individuals engaging in delivery and the and security of all cannabis being delivered, including procedures to prevent diversion.
 - 4. A retailer may only deliver cannabis to a specific street address requested by the purchaser. Delivery to parks, schools or any other public facilities is prohibited.
 - 5. Upon arrival at the delivery address and prior to transferring any cannabis or cannabis products, the delivery person must verify and confirm that the identity of the recipient is the same as the person who requested the delivery and that the person is either twenty-one years of age or a qualified patient or primary caregiver.
 - A retailer shall report to the local licensing authority and local law enforcement any
 vehicle accidents, diversions, losses, or other reportable incidents such as thefts or
 suspicious activity, that occur during transportation and delivery, within twenty-four
 hours.
 - 7. The delivery shall keep a delivery manifest that includes the following information:
 - a. All cannabis that will be transported, accurately inventoried;
 - b. Departure date and approximate time of departure;
 - c. Arrival date and approximate time of arrival;
 - d. Name, address, local license number and CUP number of the originating cannabis business;
 - e. Name and address of the individual requesting the delivery;
 - f. Delivery vehicle make, model, and license plate number; and
 - g. Name and signature of the individual transporting the cannabis.

8. Sale of Live Plants. A retailer may sell and offer for sale seeds and immature cannabis plants, but shall not sell or offer for sale live mature cannabis plants. The retailer may provide light and water to immature cannabis plants being offered for sale but may not engage in any other cultivation activity unless the retailer is licensed and permitted by the State and the city to engage in cannabis cultivation. For the purposes of this provision, an immature cannabis plant is defined as a non-flowering cannabis plant that is shorter and narrower than 18 inches.

5.76.130 Manufacturing site operational requirements.

In addition to the operational requirements in Section 5.76.110, manufacturers must comply with the requirements set forth in this section.

- A. Edible Cannabis Products. Edible cannabis products shall be manufactured, packaged and labeled in compliance with MAUCRSA and any implementing regulations adopted by the state.
 - 1. Edible cannabis products must be individually packaged and ready for sale by the manufacturer prior to sale or transfer to another cannabis business.
 - 2. Any person that is involved in the manufacture of edible cannabis products must be a state certified food handler. The valid certificate number of such person must be on record at the manufacturing site where that individual produces edible cannabis products.
 - 3. Any facility used by a cannabis business to manufacture edible cannabis products shall be constructed, operated and inspected in accordance with the applicable building code and applicable food safety requirements.
 - 4. A cannabis business that manufactures edible cannabis products must comply with the provisions of all relevant state and local laws regarding the preparation, distribution, and sale of food; which shall include, but not be limited to, hand-washing requirements, use of gloves for packaging, and policies prohibiting individuals suffering from symptoms associated with communicable diseases or infections from engaging the production of edible cannabis products.
- B. Expiration Date. A cannabis business engaged in the manufacture of cannabis products, including an edible cannabis product, that is perishable shall assign an expiration-date or use-by date, whichever is appropriate, to all perishable cannabis products. Once an expiration date or use-by date is assigned to cannabis products, it shall be unlawful for a person to alter that date or affix a new label with a later use-by or expiration date.
- C. Extraction Requirements.
 - A manufacturer engaged in extraction may only engage in type of extraction approved by the local licensing authority in its application for a local license. The licensee shall not make any modifications to the method of extraction without first obtaining a modification of its local license.
 - 2. Within the limitations set forth by state law, a cannabis business that extracts cannabis or produces cannabis concentrate using a solvent must use a professional-grade, closed-loop extraction system capable of recovering the solvent used and must only use a solvent that is permissible under the MAUCRSA and the manufacturer's state license.

5.76.140 Cultivation operational requirements.

In addition to the operational requirements in Section 5.76.110, a cultivator must comply with the requirements set forth in this section.

- A. Cultivators must comply with the Federal Worker Protection Standard (40 CFR 170).
- B. The cultivation of cannabis must be conducted in accordance with all applicable federal, state, and local laws and regulations governing the use of pesticides.
- C. The use of pesticides must be recorded in a log in accordance with 16 CCR Section 1970.
- D. The cultivation of cannabis shall be conducted in a secure manner and shall not be visible from a public right-of-way. As used in this subsection D, the term "visible" means capable of being seen without visual aid by an individual of normal acuity.
- E. A licensee may not distribute, sell, dispense, or administer cannabis on the licensed premises of a cultivation site except for as authorized by the MAUCRSA and other applicable state law.

5.76.150 Distribution operational requirements.

In addition to the operational requirements in Section 5.76.110, distributors shall comply with the requirements of this section.

- A. Quality Assurance and Testing.
 - Prior to distribution, the distributor shall inspect cannabis for quality assurance as required by MAUCRSA and to ensure the labeling and packaging of the cannabis and cannabis products conforms to the requirements of this chapter and MAUCRSA.
 - 2. Distributors shall ensure that cannabis and cannabis products in its custody are tested by a licensed testing laboratory in accordance with MAUCRSA prior to distributing the cannabis and cannabis products to a retailer.

B. Transportation.

- 1. A distributor may not transport cannabis to or from another cannabis business outside the state of California.
- 2. An individual may only transport cannabis on behalf of a distributor if the individual:
 - a. Is an employee of the distributor and is listed on the distributor's employee list;
 - b. Possesses a copy of the distributor's local license; and
 - c. Possesses a copy of a transportation manifest that meets all the requirements of MAUCRSA and subsection (B)(3).
- 3. Transportation Manifest.
 - a. A cannabis business must create a transportation manifest in accordance with this chapter for every transport and delivery of cannabis. A cannabis business must ensure that a copy of the appropriate transportation manifest accompanies every transport and delivery of cannabis and is kept for retention by the originating cannabis business in compliance with Section 5037 (Record Retention) of Title 16, Division 42 of the California Code of Regulations.

- If a cannabis businesses makes multiple pick-ups or deliveries during a single trip, then a separate transportation manifest shall be required for each pick-up or delivery.
- c. A transportation manifest will be deemed sufficient if it accurately reflects:
 - All cannabis that will be transported to the address reflected on the manifest, accurately inventoried to include the weight of any raw cannabis or cannabis concentrate and the number of individual cannabis products;
 - ii. Departure date and approximate time of departure;
 - iii. Arrival date and approximate time of arrival;
 - iv. Name, address, local license number and CUP number (or, for cannabis businesses outside of Cathedral City, a similar number issued by the cannabis business's local jurisdiction) of the originating cannabis business:
 - v. Name, address, local license and CUP number (or, for cannabis businesses outside of Cathedral City, a similar number issued by the cannabis business's local jurisdiction) of the receiving cannabis business;
 - vi. Delivery vehicle make, model, and license plate number; and
 - vii. Name and signature of the individual transporting the cannabis.
- 4. A cannabis business with a local license may only transport cannabis between licensed premises by way of motor vehicle, unless the transport is between two licensed premises that are within the same building or at the same street address.
- 5. A cannabis business with a local license shall transport cannabis in a manner that is secure and not visible from outside the vehicle.
- 6. An employee transporting cannabis pursuant to this chapter must take a direct route from the distributor to the destination of the other cannabis business(es) and may not make any stops other than those necessary in the ordinary course of business.
- C. Bonding. Transporters shall comply with applicable state laws and regulations, if any, requiring that they be bonded and insured.
- D. Preparation of Cannabis and Cannabis Products for Transportation.
 - All cannabis and cannabis products must be appropriately and completely tracked in a cannabis business's inventory tracking system prior to transportation to another cannabis business. This must include verifying and documenting the weight of any raw cannabis or cannabis concentrate and the number of individual cannabis products being transported.
 - 2. Preparations for the transport of cannabis and cannabis products must be conducted in a limited access area on camera.
- E. Receiving Cannabis and Cannabis Products.
 - A distributor may not receive cannabis or cannabis products unless accompanied by a transportation manifest that meets all of the requirements set forth in subsection (B)(3). The distributor must retain copies of transportation manifests associated with all deliveries of cannabis.

- 2. Immediately upon receipt, all cannabis and cannabis products must be appropriately and completely tracked in the distributor's inventory tracking system. This must include verifying and documenting the weight of any raw cannabis or cannabis concentrate and the number of individual cannabis products being transported.
- F. Perishable Cannabis Products. A cannabis business must provide adequate refrigeration when engaged in the transportation of perishable cannabis products.

5.76.160 Testing laboratory operation requirements.

In addition to the operational requirements in Section 5.76.110, a testing laboratory shall comply with the requirements of this section.

- A. No Other Ownership. An owner of a testing laboratory shall not have an ownership or other direct financial interest in any other commercial cannabis business license type.
- B. Accreditation. A testing laboratory shall obtain and maintain ISO/IEC 17025 accreditation.
- C. Operating Procedures. A testing laboratory shall adopt and adhere to standard operating procedures to ensure the reporting of accurate test results, including, but not limited to, equipment, calibration, and methodology standards, that are consistent with its ISO/IEC 17025 accreditation.
 - A testing laboratory shall obtain samples of cannabis and cannabis products for testing in accordance with a statistically valid method designed to ensure that a sample is representative of the whole. Sampling methods should have at least a ninety-five percent confidence rate.
 - 2. A testing laboratory shall destroy and safely dispose of the remains of any samples of cannabis or cannabis products tested upon completion of the analysis and the expiration of any retention time pursuant its standard operating procedures.
 - 3. A testing laboratory shall maintain all testing results as a part of their respective business records and must keep such records in compliance with Section 5037 (Record Retention) of Title 16, Division 42 of the California Code of Regulations.

5.76.170 Packaging and labeling.

- A. Compliance with State Law. All packaging and labeling of cannabis and cannabis products by a cannabis business must, at a minimum meet the requirements of Chapter 12 of MAUCRSA and any implementing regulations, as the same may be amended from time to time or superseded or replaced by subsequent state legislation or by any state department or division.
- B. Tamper-Evident, Child-Resistant Packaging Required. Prior to delivery or sale at a retailer to a purchaser, cannabis and cannabis products shall be labeled and placed in a resealable, tamper-evident, child-resistant package and shall include a unique identifier for the purposes of identifying and tracking cannabis and cannabis products.
- C. Cannot Be Attractive to Children. Cannabis packaging and labeling shall not be designed to appeal to children, including, but not limited to, cartoon characters or similar images.
- D. State-Mandated Warnings and Information. All cannabis and cannabis product labels and inserts shall include the state-mandated warnings and information contained in Business and Professions Code Section 26120(c).

5.76.180 Visitor requirements.

- A. Visitors. Any individual permitted to enter a limited access area who is not an owner or employee of the cannabis business is a visitor for the purposes of this section. Notwithstanding the foregoing, state and local employees, or their official designees, shall not be considered a visitor provided the individual is on the licensed premises for purposes of official government business.
- B. Visitors Identification and Record Requirements. Prior to permitting a visitor into a limited access area, a cannabis business must check the individual's valid government issued identification. The visitor shall be required to sign the cannabis business's visitor log, which must include the individual's name, date of entry, and purpose for entry.
- C. Visitors Must Be at Least Twenty-One Years of Age. A cannabis business may not permit a visitor who is less than twenty-one years of age to enter a limited access area.
- D. Visitors Prohibited Conduct. A visitor shall not be permitted to engage in the cultivation, preparation, processing, manufacturing, packaging, labeling, transportation, or sale of cannabis.

5.76.190 Limitations on City's liability.

To the fullest extent permitted by law, the city shall not assume any liability whatsoever, with respect to approving any local license pursuant to this chapter or the operation of any cannabis business approved for such local license pursuant to this chapter. As a condition of approval a local license granted under this chapter, the applicant or its legal representative shall:

- A. lindemnify and hold the city harmless from any and all claims, damages, legal or enforcement actions, including, but not limited to, any actions or claims associated with violation of federal law associated with the operation of the cannabis business and delivery of cannabis as provided in this chapter; and
- B. Maintain insurance in the amounts and of the types that are acceptable to the city pursuant to guidelines and policies set forth by the local licensing authority; and
- C. Name the city as an additionally insured on all city-required insurance policies; and
- D. Defend, at its sole expense, any action against the city, its agents, officers, and employees related to the approval of a local license or the operation of the cannabis business; and
- E. 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 (or federal enforcement action) related to the city's approval of a local license or conditional use permit. 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 operator of its obligation hereunder.

5.76.200 Inspections.

A. Recordings made by security cameras at any cannabis business shall be made immediately available to the local licensing authority upon verbal request for law or regulatory enforcement and criminal investigation purposes. Such recordings shall be considered confidential and shall not be released to the public pursuant to Government Code Section 6254(f) without the consent of the licensee.

- B. The local licensing authority shall have the right to enter all cannabis businesses from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this chapter. Such inspections shall be limited to observing the licensed premises for purposes of determining whether the cannabis business is being operated or maintained in compliance with this code, state law, and other applicable laws and regulations. Any cannabis business licensed pursuant to this chapter may be required to demonstrate, upon demand by the local licensing authority that the source and quantity of any cannabis or cannabis products found upon the licensed premises is in full compliance with any applicable local or state law or regulation.
- C. The local licensing authority shall have the right to inspect records of medicinal cannabis patients and primary caregivers that have made purchases of medicinal cannabis or medicinal cannabis products from a retailer for the sole purpose of determining whether any and all such individuals are qualified to make such purchases. Such inspections of records shall not be used for any other purposes, nor shall the records be removed off-site by the city without a court order.
- D. The local licensing authority may delegate an act required to be performed pursuant to this section to any code enforcement officer or official of the city, including, without limitation, the chief of police, the fire chief, the building official, the finance director, the city attorney, or any designee of such officers or officials.
- E. Applicants and licensees must cooperate with the local licensing authority and his designees who are conducting inspections or investigations relevant to the enforcement of laws and regulations related to this chapter.

5.76.210 Enforcement.

The provisions of this chapter may be enforced by the local licensing authority by any means provided for in Chapter 1.16 of this code in addition to any and all other remedies, civil, equitable or criminal, afforded to the city under the law. The operation of a cannabis business in violation of this chapter or any conditions of approval placed on a licensee's local license is hereby deemed to be a public nuisance.

End

EXHIBIT B

DRAFT TITLE 17 (ZONING) TEXT CHANGES

17.12.040 (Uses Allowed in Zone Classification)

The terminology used in Section 17.12.010 of this chapter is general only and is not intended to be descriptive of all uses allowed in the zone classifications. The zone classifications are specifically set forth in subsequent articles of the ordinance codified in this chapter to which reference should be made to determine all the uses permitted therein. When a use is not specifically listed as permitted or conditionally permitted in a zone classification, the use is prohibited unless, in circumstances where this section empowers him or her to do so, the Planning Director may make a determination that the use is substantially the same in character and intensity as those uses permitted or conditionally permitted in the zone classification. In no event, however, shall a commercial cannabis facility or a commercial cannabis activity as defined in Section 17.12.050 of this code be considered a permitted or conditionally permitted use in any zone classification in the city. Commercial cannabis facilities and commercial cannabis activities are prohibited in all zone classifications and no permit of any type shall be issued therefor.

17.12.050 (Commercial Cannabis Activities and Commercial Cultivation)

- A. Commercial Cannabis Activities and Facilities. Commercial cannabis activity, as defined in Business and Professions Code section 26001(k), is permitted in the City in compliance with Chapters 5.76 and 17.315 of this code. It shall be a violation of this code to engage in any commercial cannabis activity that is not in full compliance with the requirements of Chapter 5.76 (Cannabis Licensing) and Chapter 17.315 (Cannabis businesses) of this code. It is a violation of this code for any building, facility, establishment, property, or location to be utilized by any person to establish, commence, engage in, conduct, or carry on, or permit another person to establish, commence, engage in, conduct, or carry on any commercial cannabis activity that is not in full compliance with the requirements of Chapter 5.76 (Cannabis Licensing) and Chapter 17.315 (Cannabis businesses) of this code.
- B. Noncommercial Cannabis Cultivation. A person may cultivate no more than six (6) living cannabis plants inside his or her private residence, or inside an accessory structure to his or her private residence located upon the grounds of that private residence that is fully enclosed and secured against unauthorized entry, provided that the owner of the property provides written consent expressly allowing the cannabis cultivation to occur, the person conducting the cannabis cultivation complies with all applicable Building Code requirements set forth in Title 15 (Buildings and Construction) of this code, there is no use of gas products (CO2, butane, propane, natural gas, etc.) on the property for purposes of cannabis cultivation, and the cannabis cultivation complies with Health and Safety Code section 11362.2(a)(3).
- C. Enforcement. Any violation of this section shall be enforced pursuant to Chapter 1.16 of the Wildomar Municipal Code."

Section 17.72.010.C.18 (C-1/C-P Zone)

"18. Cannabis retailers, subject to approval of a conditional use permit and the licensing requirements of Chapter 5.76 (Cannabis Licensing) and Chapter 17.315 (Cannabis businesses) of this code."

Section 17.76.010.B.24 (C-P-S zone)

"24. Cannabis retailers, subject to approval of a conditional use permit and the licensing requirements of Chapter 5.76 (Cannabis Licensing) and Chapter 17.315 (Cannabis businesses) of this code."

Section 17.88.010.C.4 (I-P zone)

"4. Cannabis cultivation, manufacturing, distribution, and testing laboratories, subject to approval of a conditional use permit and the licensing requirements of Chapter 5.76 (Cannabis Licensing) and Chapter 17.315 (Cannabis businesses) of this code."

Section 17.92.020.C.19 (M-SC zone)

"19. Cannabis cultivation, manufacturing, distribution, and testing laboratories, subject to approval of a conditional use permit and the licensing requirements of Chapter 5.76 (Cannabis Licensing) and Chapter 17.315 (Cannabis businesses) of this code."

CHAPTER 17.315 – Commercial Cannabis Zoning Regulations (New Chapter)

17.315.010 Purpose.

- A. The purpose of this chapter is to regulate cannabis business land uses, as permitted by the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Section 26200 of the California Business and Professions Code), in a manner designed to minimize negative impacts on the city and neighboring uses, and promote the health, safety, morals, and general welfare of residents and businesses within the city.
- B. This chapter is further adopted and established pursuant to the specific authority granted to Wildomar in Section 7 of Article XI of the California Constitution and Section 26200 of the California Business and Professions Code. This chapter shall govern all cannabis businesses within the jurisdiction of Wildomar.

17.315.020 Relationship to other laws.

- A. In the event of any conflict between the provisions of this chapter and the provisions of Medicinal and Adult-Use Cannabis Regulation and Safety Act or any other applicable state or local law, the more restrictive provision shall control.
- B. Except as expressly stated herein, cannabis businesses must comply with all other city codes and regulations. Nothing in this chapter shall be construed as permitting a cannabis business to operate at any time in a manner that is in violation of all other applicable state and local laws.

17.315.030 Definitions.

Unless otherwise defined herein, the terms in this chapter shall have the same meaning as set forth in Medicinal and Adult-Use Cannabis Regulation and Safety Act and any rules promulgated pursuant thereto. In addition, the following terms shall be defined as follows:

"Cannabis business" means any person engaged in commercial cannabis activity as defined in California Business and Professions Code Section 26001.

"Distribution site" means a facility where cannabis and cannabis products are stored or inspected by a licensed cannabis distributor for the purposes of distribution and transportation between licensed cannabis businesses.

"Enclosed locked structure," means a structure that: (1) does not allow for the visibility of the interior cultivation and manufacturing areas from the outside; (2) is secured with a lock; (3) is completely surrounded on all sides by a wall; and (4) is roofed. Enclosed locked structures may include greenhouses, provided that only the roof of the greenhouse is made of transparent glass.

"Limited access area" means a building, room or other area that is part of the premises where cannabis is grown, cultivated, stored, weighed, displayed, packaged, or sold to other cannabis businesses with limited access to only authorized personnel.

"Local license" means a license granted by the local licensing authority pursuant to Chapter 5.76 of this code.

"Local licensing authority" means the city manager or designee.

"Manufacturing site" means a premises where a licensed cannabis manufacturer engages in the manufacture of cannabis products.

"Medicinal and Adult-Use Cannabis Regulation and Safety Act" or "MAUCRSA" means Division 10 of the California Business and Professions Code.

"Outdoors" means any location within the city that is not within an enclosed locked structure.

"Residential zone" means a zone in which residential land uses are permitted in accordance with Title 17 of the Wildomar Municipal Code.

"State law(s)" shall mean and include California Health and Safety Code Section 11362.5 (Compassionate Use Act of 1996); California Health and Safety Code Sections 11362.7 to 11362.85 (Medical Marijuana Program Act); MAUCRSA, and all other applicable laws and regulations of the state of California.

17.315.040 Conditional use permit and Development Agreement required.

- A. No person may operate a cannabis business of any type in the city unless the following are complied with:
 - The business is located in a zoning district where a cannabis businesses of that type
 are conditionally permitted and a conditional use permit has been approved for the
 operation of a cannabis business of that type for the property; and
 - 2. The person has entered into a development agreement with the City for the operation of the cannabis business; and

- 3. The person has valid State and local licenses to operate a cannabis business within the City.
- B. Each cannabis business shall enter into a Development Agreement pursuant to Government Code Section 65864 et seq. with the city setting forth the terms and conditions under which the cannabis business will operate that are in addition to the requirements of this Chapter and Chapter 5.76, including, but not limited to, public outreach and education, community service, payment of fees and other charges, and such other terms and conditions that will protect and promote the public health, safety, and welfare. The execution and recordation of the development agreement shall be a condition of approval for the conditional use permit for the cannabis business. The planning commission shall make a recommendation to the city council on whether to approve a development agreement submitted to it by city staff. The city council shall make a final decision on whether to approve a development agreement recommended to the city council by the planning commission.
- C. The planning director is authorized to make policies and procedures consistent with the intent and spirit of this chapter concerning the applications, the application process, the information required of applicants, the application procedures and the administration and procedures to be used and followed in the application and hearing process for cannabis business conditional use permits and development agreements.
- D. Chapter 17.200 of this code shall govern and apply to conditional use permits for cannabis businesses applied for or, obtained, pursuant to this chapter unless this chapter expressly states otherwise. All requirements contained in this chapter shall be in addition to the applicable requirements of Chapter 17.200.

17.315.050 Conditional use permit application.

- A. All applications for a conditional use permit shall be filed with the planning director on the official form supplied by the city and shall be accompanied by the application fee established by resolution of the city council, as may be amended from time to time.
- B. An application for a conditional use permit shall include, but shall not be limited to, the following information:
 - 1. Proof that the applicant has received a local license for the proposed premises, and the local license is in good standing, or a statement that the applicant is applying for a local license for the proposed premises concurrently with the conditional use permit application.
 - 2. Confirmation that the proposed premises is not currently permitted by the state or county for the production of non-cannabis infused food products.
 - 3. The address of the proposed cannabis business.
 - 4. A site plan and floor plan of the cannabis business denoting all the use of areas of the cannabis business, including storage, employee areas, exterior lighting, restrooms, security cameras, areas of ingress and egress, signage, limited access areas, and restricted access areas, if included.
 - 5. Plans and specifications for the interior of the proposed premises if the building to be occupied is in existence at the time of the application. If the building is not in existence or alteration to the building is required at the time of the application, the

- applicant shall file a plot plan and a detailed sketch for the interior and shall further submit an architect's drawing of the building to be constructed.
- 6. The name and address of the person that owns the real property upon which the cannabis business is to be operated. In the event the applicant does not legally own the property, the application must be accompanied by a notarized acknowledgement from the person that owns the property that a cannabis business will be operated on his or her property.
- 7. A description of the design of the proposed premises evidencing that the design conforms to applicable city laws.
- 8. For a Cultivation Site or Manufacturing Site.
 - a. An environmental plan indicating how cultivation and/or manufacturing will be conducted in accordance with state and local laws related to hazardous material disposal, land conversion, grading, electricity usage, water usage, and agricultural discharges.
 - b. An emergency response plan which complies with Title 8 of this code and California Fire Code Section 401, and sets out standard operating procedures to be followed by all individuals in case of a fire, chemical release, chemical spill, or other emergency.
 - c. A description of the source of power (electric utility company, solar, diesel generators), the size of the electrical service or system, and the total demand to be placed on the system by all proposed uses on-site.
 - d. For a cultivation site, verification of all water sources used by the proposed premises and verification that the proposed premises does not utilize water that has been or is illegally diverted from any stream, creek, or river.
 - e. For a manufacturing site, a report from a professional engineer that details the type of equipment that will be used to extract cannabinoids from cannabis. If flammable gas, flammable liquefied gas, flammable and combustible liquids, or compressed carbon dioxide (CO2) are used for extraction, then the report must certify that only closed-loop extraction system(s), that are UL or ETL listed or have a sign off by a professional engineer, capable of recovering the solvent are utilized.
 - f. For a manufacturing site, a separate diagram of any room where extraction occurs that details the location of the extraction equipment, areas of ingress and egress, emergency eye-wash station, any other fire suppression or emergency equipment required by Title 8 of this code, city and California building codes, fire codes, electrical codes and all other applicable laws.
- 9. A statement in writing by the applicant that he or she certifies under penalty of perjury that all the information contained in the application is true and correct.
- 10. Authorization for the planning director to seek verification of the information contained within the application.
- 11. Any such additional and further information as is deemed necessary by the planning director to administer this section or this chapter.

C. The planning director and appropriate city staff shall review, verify and investigate all information on the application and prepare a report for the planning commission incorporating the findings of such investigation and verification, including, but not limited to, the suitability of the proposed location, and the applicant's compliance with the requirements of this chapter, Chapter 5.76 and Chapter 17.200.

17.315.060 Locational requirements.

A conditional use permit for a cannabis business shall not be approved unless the proposed cannabis business will be located in a zoning district in which cannabis businesses of the type proposed are conditionally permitted. In addition, a conditional use permit shall not be approved for a cannabis business unless all of the following locational requirements applicable to the type of cannabis business proposed are satisfied:

- A. A cannabis business shall comply with the following setback distance standards:
 - 1. No cannabis business shall be located within 600 feet of a public/private school (providing instruction in kindergarten or grades 1 through 12), a day care center (excluding small/large family day care centers), and youth centers.
- B. All distances specified in this section shall be measured in a straight line, without regard to intervening structures or topography, from the nearest point of the building or structure in which the cannabis business is, or will be located, to the following locations, or until the city limit is reached. If the cannabis business is, or will be located, in a multi-unit building, the distances shall be measured from the nearest point of the suite in which the cannabis business is or will be located.
- C. Setbacks from public/private school (providing instruction in kindergarten or grades 1 through 12), a day care center (excluding small/large family day care centers), and youth centers shall be measured to the nearest property line of the parcel where such use is located.
- D. For the purposes of this section, the term "day care center" is as defined in Business & Professions Code section 26001(o) and Health & Safety Code section 1596.76; and the term "youth center" is as defined in Business and Professions Code section 26001(av) and Health & Safety Code section 11353.1.

17.315.070 Findings for approval of conditional use permit.

- A. The planning commission shall not hold a public hearing on or approve any application for a conditional use permit to operate a cannabis business unless the applicant holds a local license in good standing.
- B. In addition to the findings set forth in Section 17.200.050 of this code, a conditional use permit for a cannabis business shall only be granted subject to the following additional findings:
 - The cannabis business as well as all operations as conducted therein, fully comply with all applicable building, electrical, zoning and fire codes, accessibility requirements of the Americans with Disability Act, and all relevant city and state law; and
 - 2. The cannabis business fully complies with and meets all operating criteria required pursuant to state laws, Chapter 5.88 of this code, any other provisions of this code,

- and any specific, additional operating procedures and measures as may be imposed as conditions of approval in the conditional use permit; and
- 3. The cannabis business will be located in a zoning district where cannabis businesses of the type proposed are conditionally permitted, and all of the applicable locational restrictions in Section 17.315.070 are satisfied.
- C. The planning commission may deny an application for a conditional use permit if it determines that one or more of the findings required by Section 17.200.050 or 17.315.070.B of this code cannot be made.
- D. Based on the information set forth in the application and city staff's report and testimony presented at the public hearing, the planning commission may impose reasonable terms and conditions on the proposed cannabis business in addition to those specified in and, required to be included, in every conditional use permit granted under this chapter.

17.315.080 Conditions of approval.

- A. Any Cannabis Businesses. Every conditional use permit for any cannabis business shall be subject to the following conditions of approval.
 - 1. The premises must be equipped with an odor absorbing ventilation and exhaust system so that odor generated inside spaces and rooms that produce, use, and or package cannabis within the cannabis business that is distinctive to its operation is not detected outside the cannabis business, anywhere on adjacent property or public rights-of-way, on or about any exterior or interior common area walkways, hallways, breeze-ways, foyers, lobby areas, or any other areas available for common use by tenants or the visiting public, or within any other unit located within the same building as the cannabis business. As such, cannabis businesses must install and maintain the following equipment or any other equipment which local licensing authority determines has the same or better effectiveness:
 - a. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally; or
 - b. An air system that creates negative air pressure between the cannabis businesses' interior and exterior so that the odors generated inside the cannabis business are not detectable outside the cannabis business.
 - c. Seals spaces and rooms that produce, use, and or package cannabis in order that the odors generated inside these spaces and rooms to insure the cannabis products are not detectable outside the cannabis business.
 - 2. The applicant or its legal representative shall:
 - a. Indemnify and hold the city harmless from any and all claims, damages, legal or enforcement actions, including, but not limited to, any actions or claims associated with violation of federal law associated with the operation of the cannabis business; defend, at its sole expense, any action against the city, its agents, officers, and employees related to the approval of a conditional use permit or the operation of the cannabis business; 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 (or federal enforcement action) related to the city's approval of a conditional use.

- b. Maintain insurance in the amounts and of the types that are acceptable to the city pursuant to guidelines and policies set forth by the local licensing authority and name the city as an additionally insured on all city-required insurance policies.
- 3. All windows on the premises of the cannabis business shall be appropriately secured and cannabis securely stored.
- 4. All cannabis businesses shall comply with the city's lighting standards including, without limitation, fixture type, wattage, illumination levels, shielding, and secure the necessary approvals and permits as needed.
- 5. All cannabis businesses and all equipment used in the conduct of the business, must be operated in compliance with all applicable state and local laws and regulations, including all building, electrical, and fire codes, and in compliance with the businesses' state and local licenses.
- 6. From a public right-of-way, there should be no exterior evidence of the cannabis business except for any permitted on-site signage.
- 7. A development agreement for the cannabis business must be executed and recorded against the property.
- B. Manufacturing Sites. Every conditional use permit for a manufacturing site shall include the following conditions of approval:
 - 1. All manufacturing of cannabis products shall occur in an enclosed locked structure.
 - 2. Manufacturing activities shall only occur in the areas depicted on the floor plan submitted by the applicant and shall not exceed the square footage authorized pursuant to the conditional use permit.
 - 3. If hazardous materials, flammable gas, flammable liquefied gas, flammable and combustible liquids, or other flammable material, as those terms are defined in CFC Section 202, are to be used in the processing of cannabis, then the provisions of CFC Section 407 shall be applicable where hazardous materials subject to permits under CFC Section 50 (Hazardous Materials) are located on the premises or where required by the fire department official.
 - 4. Storage, use and handling of compressed gases in compressed gas containers, cylinders, tanks and systems shall comply with CFC Chapter 53, including those gases regulated elsewhere in the Wildomar Municipal Code. Partially full compressed gas containers, cylinders or tanks containing residual gases shall be considered as full for the purposes of the controls required. Compressed gases classified as hazardous materials shall also comply with CFC Chapter 50 for general requirements and CFC Chapter 53 addressing specific hazards, including CFC Chapter 58 (Flammable Gases), CFC Chapter 60 (Highly Toxic and Toxic Materials), CFC Chapter 63 (Oxidizers, Oxidizing Gases and Oxidizing Cryogenic Fluids) and CFC Chapter 64 (Pyrophoric Materials). Prevention, control and mitigation of dangerous conditions related to storage, use, dispensing, mixing and handling of flammable and combustible liquids shall be in accordance with CFC Chapters 50 and 57.

- 5. Manufacturing sites are a Group F-1 (Factory Industrial Moderate-Hazard) Occupancy under the Fire Code. All new construction is required to be fire sprinkled per the Fire Code. For manufacturing sites that will be sited in an existing structure, an automatic sprinkler system shall be provided throughout all buildings containing a Group F-1 occupancy where one of the following conditions exists:
 - a. A Group F-1 fire area exceeds twelve thousand square feet.
 - b. A Group F-1 fire area is located more than three stories above grade plane.
 - c. The combined area of all Group F-1 fire areas on all floors, including any mezzanines, exceeds twenty-four thousand square feet.
- C. Cultivation Sites. Every conditional use permit for a cultivation site shall include the following conditions of approval:
 - All cultivation of cannabis shall occur in an enclosed locked structure. Outdoor cultivation is prohibited.
 - 2. Cultivation activities shall only occur in the areas shown on the floor plan submitted by the applicant, and shall not exceed the square footage authorized pursuant to the conditional use permit.
 - 3. Areas where cannabis is cultivated are wet locations, and the electrical system in such areas must comply with Article 300.6(D) of the National Electric Code, city and California building codes, fire codes, electrical codes and all other applicable laws.
 - 4. Cultivation sites are a Group F-1 (Factory Industrial Moderate-Hazard) Occupancy under the Fire Code. All new construction is required to be fire sprinkled per the Fire Code. For cultivation sites that will be sited in an existing structure, an automatic sprinkler system shall be provided throughout all buildings containing a Group F-1 occupancy where one of the following conditions exists:
 - a. A Group F-1 fire area exceeds twelve thousand square feet.
 - b. A Group F-1 fire area is located more than three stories above grade plane.
 - c. The combined area of all Group F-1 fire areas on all floors, including any mezzanines, exceeds twenty-four thousand square feet.
- D. Distribution Sites. Every conditional use permit for a distribution site shall include the following conditions of approval
 - 1. Distribution sites shall store all cannabis and cannabis products in a locked safe room, safe, or vault and in a manner to prevent diversion, theft, and loss.
 - 2. The storage of cannabis and cannabis products shall only occur in the areas shown on the floor plan submitted by the applicant, and shall not exceed the square footage authorized pursuant to the conditional use permit.

17.315.090 Limitations on City's liability.

To the fullest extent permitted by law, the city shall not assume any liability whatsoever, with respect to approving any conditional use permit pursuant to this chapter or the operation of any cannabis business approved for such permit pursuant to this chapter.

17.315.100 Inspections.

- A. Recordings made by security cameras at any cannabis business shall be made immediately available to the planning director upon verbal request for the purposes of determining compliance with this chapter and the cannabis business' conditional use permit.
- B. The planning director shall have the right to enter all cannabis businesses from time to time unannounced for the purpose of making reasonable inspections to observe and enforce compliance with this chapter and the cannabis business' conditional use permit. Such inspections shall be limited to observing the premises for purposes of determining whether the cannabis business is being operated or maintained in compliance with this code, state law, and other applicable laws and regulations.
- C. Applicants and permittees must cooperate with employees and investigators of the city who are conducting inspections or investigations relevant to the enforcement of this chapter. No applicant or permittee shall by any means interfere with, obstruct or impede the any city official from exercising their duties under the provisions of this chapter and all rules promulgated pursuant to it.

17.315.130 Enforcement.

The operation of a cannabis business in violation of any conditions of approval or the provisions of this chapter or Chapter 17.200 is a violation of this code, and a public nuisance. The city may seek to remedy such violations by any means provided for in law or equity, including but not limited to the enforcement mechanisms and remedies provided for in Title 1.16 of this code, or take action to revoke the conditional use permit pursuant to Section 17.200.070 of this code.



ATTACHMENT C Cannabis Summary Points Doc

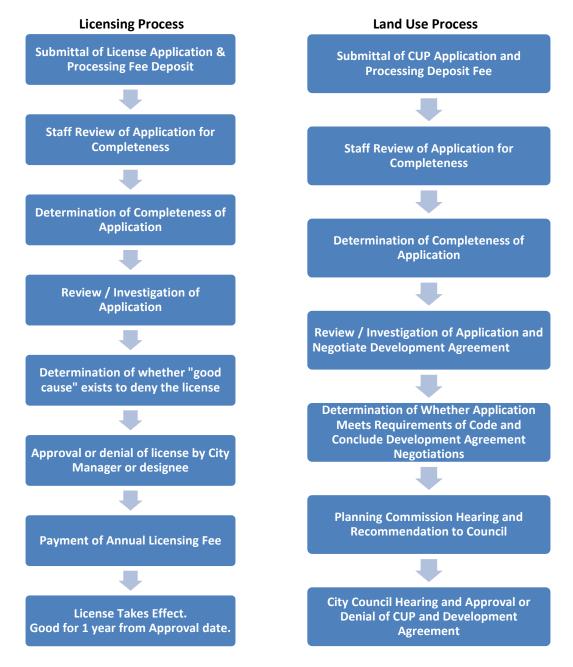
City of Wildomar Proposed Cannabis Regulations Summary

- City License, CUP and Development Agreement required for all cannabis businesses.
- License is for 1 year and must be renewed. Initial approval and each renewal require City to determine that there is not "good cause" to deny the license. Good cause to deny includes:
 - o Violation of City's regulations, State law and regulation, or conditions of approval
 - Operation of business on the premises adversely affects the public health, safety or welfare or the safety of the immediate neighborhood
 - False statements/misrepresentations/material omissions in documents submitted to City.
 - o Operation of another cannabis business in violation of the Code
 - Failure to allow inspections by City
- City Regulations include numerous operational requirements and conditions, including but not limited to:
 - Prohibit cannabis consumption on premises.
 - Prohibit alcohol and tobacco sales on premises
 - Security requirements (video surveillance, secured storage of cannabis at all times, alarm system, illumination, controlled access to non-public areas by visitors)
 - Mandatory notification of law enforcement of suspected theft/diversion
 - o Can only do business with other legal cannabis businesses
 - o Retailer hours of operation of 8:00 a.m. to 10:00 p.m. & age-restricted entry
 - o Cannabis products cannot be visible from the exterior of the business
 - No delivery to public places / facilities.
 - Odor control systems required for all cannabis businesses
 - Must allow unannounced inspections of premises and records (including video surveillance) by City
- Retailers will be allowed in the C-1/C-P & C-P-S commercial zones. Cultivation, manufacturing, distribution and testing laboratories will be allowed in the M-SC and I-P industrial and manufacturing zones.
- Businesses not allowed within 600 feet of public or private schools (K-12), commercial day care centers and youth centers.
- Businesses required to indemnify the City from liability and provide appropriate insurance
- Businesses will be required to pay an annual licensing fee (amount tbd) to recover the costs of regulating the cannabis industry and ensuring no negative impacts to the community.
- Development agreement will include requirement that the business provide public benefits in exchange for the rights they obtain under the Agreement. This will include payment of a public benefit fee that is in addition to the annual license fee.

ATTACHMENT D

Cannabis Flow-Chart Doc

City of Wildomar Proposed Cannabis Regulations Processing Flowchart



- Applications for a License and CUP may be submitted concurrently <u>OR</u> the applicant may submit a license application and apply for the CUP at a later time.
- ❖ A City License must be approved for the business <u>BEFORE</u> the Planning Commission Hearing is held on the CUP and Development Agreement.
- ❖ A State License is not required to receive a City License, CUP or Development Agreement. The State License must be obtained <u>BEFORE</u> a certificate of occupancy is issued.

ATTACHMENT E

Preliminary 600-foot Cannabis Radius Map

